

[First Reprint]

ASSEMBLY, No. 21

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED NOVEMBER 5, 2020

Sponsored by:

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Co-Sponsored by:

Assemblywoman Jasey and Assemblyman Calabrese

SYNOPSIS

“New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act”; legalizes personal use cannabis for certain adults, subject to regulation by Cannabis Regulatory Commission; removes marijuana as Schedule I drug.

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on November 19, 2020, with amendments.

(Sponsorship Updated As Of: 12/14/2020)

1 AN ACT concerning the regulation and use of cannabis, and
2 amending and supplementing various parts of the statutory law.

3

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

6

7 1. (New section) This act shall be known and may be cited as
8 the “New Jersey Cannabis Regulatory, Enforcement Assistance, and
9 Marketplace Modernization Act.”

10

11 2. (New section) The Legislature finds and declares that:

12 a. It is the intent of the people of New Jersey to adopt a new
13 approach to our marijuana policies by controlling and legalizing a
14 marijuana product, to be referred to as cannabis, in a similar fashion
15 to the regulation of alcohol for adults;

16 b. It is the intent of the people of New Jersey that the
17 provisions of this act will prevent the sale or distribution of
18 cannabis to persons under 21 years of age;

19 c. This act is designed to eliminate the problems caused by the
20 unregulated manufacture, distribution, and use of illegal marijuana
21 within New Jersey;

22 d. This act will divert funds from marijuana sales from going to
23 illegal enterprises, gangs, and cartels;

24 e. Black New Jerseyans are nearly three times more likely to be
25 arrested for marijuana possession than white New Jerseyans, despite
26 similar usage rates;

27 f. New Jersey spends approximately \$127 million per year on
28 marijuana possession enforcement costs;

29 g. Controlling and legalizing cannabis for adults like alcohol
30 will free up precious resources to allow our criminal justice system
31 to focus on serious crime and public safety issues;

32 h. Controlling and legalizing cannabis for adults like alcohol
33 will strike a blow at the illegal enterprises that profit from New
34 Jersey’s current, unregulated illegal marijuana market;

35 i. New Jersey must strengthen our support for evidence-based,
36 drug prevention programs that work to educate New Jerseyans,
37 particularly young New Jerseyans, about the harms of drug abuse;

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

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

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AAP committee amendments adopted November 19, 2020.

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

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

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

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

14
15 3. (New section) Definitions.

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

19 "Alternative treatment center" means an organization issued a
20 permit pursuant to the "Jake Honig Compassionate Use Medical
21 Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) to operate as a
22 medical cannabis cultivator, medical cannabis manufacturer,
23 medical cannabis dispensary, or clinical registrant, as well as any
24 alternative treatment center deemed pursuant to section 7 of that act
25 (C.24:6I-7) to concurrently hold a medical cannabis cultivator
26 permit, a medical cannabis manufacturer permit, and a medical
27 cannabis dispensary permit.

28 "Cannabis" means all parts of the plant *Cannabis sativa* L.,
29 whether growing or not, the seeds thereof, and every compound,
30 manufacture, salt, derivative, mixture, or preparation of the plant or
31 its seeds, except those containing resin extracted from the plant,
32 which are cultivated and, when applicable, ¹**[processed]**
33 manufactured¹ in accordance with P.L. , c. (C.) (pending
34 before the Legislature as this bill) for use in cannabis ¹**[items]**
35 products¹ as set forth in this act, but shall not include the weight of
36 any other ingredient combined with cannabis to prepare topical or
37 oral administrations, food, drink, or other product. "Cannabis" does
38 not include: medical cannabis dispensed to registered qualifying
39 patients pursuant to the "Jake Honig Compassionate Use Medical
40 Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015,
41 c.158 (C.18A:40-12.22 et al.); marijuana as defined in N.J.S.2C:35-
42 2 and applied to any offense ¹**[or civil violation]**¹ set forth in
43 chapters 35, 35A, and 36 of Title 2C of the New Jersey Statutes, or
44 P.L.2001, c.114 (C.2C:35B-1 et seq.), or marihuana as defined in
45 section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense
46 set forth in the "New Jersey Controlled Dangerous Substances Act,"
47 P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product

1 cultivated, handled, processed, transported, or sold pursuant to the
2 “New Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.).

3 “Cannabis consumption area” means, as further described in
4 section 28 of P.L.2019, c.153 (C.24:6I-21), a designated location
5 operated by a licensed cannabis retailer or permit holder for
6 dispensing medical cannabis, for which both a State and local
7 endorsement has been obtained, that is either: (1) an indoor,
8 structurally enclosed area of the cannabis retailer or permit holder
9 that is separate from the area in which retail sales of cannabis items
10 or the dispensing of medical cannabis occurs; or (2) an exterior
11 structure on the same premises as the cannabis retailer or permit
12 holder, either separate from or connected to the cannabis retailer or
13 permit holder, at which cannabis items or medical cannabis either
14 obtained from the retailer or permit holder, or brought by a person
15 to the consumption area, may be consumed.

16 “Cannabis cultivator” means any licensed person or entity that
17 grows, cultivates, or produces cannabis in this State, and sells, and
18 may transport, this cannabis to other cannabis cultivators, or usable
19 cannabis to cannabis manufacturers, cannabis wholesalers, or
20 cannabis retailers, but not to consumers. This person or entity shall
21 hold a Class 1 Cannabis Cultivator license.¹

22 “Cannabis delivery service” means any licensed person or entity
23 that provides courier services for consumer purchases of cannabis
24 items and related supplies fulfilled by¹ a cannabis retailer in order
25 to make deliveries of the¹ cannabis items and related supplies to
26 [a] that¹ consumer ¹, and which services include the ability of a
27 consumer to purchase the cannabis items directly through the
28 cannabis delivery service, which after presenting the purchase order
29 to the cannabis retailer for fulfillment, is delivered to that
30 consumer¹ . This person or entity shall hold a Class 6 Cannabis
31 Delivery license.

32 “Cannabis distributor” means any licensed person or entity that
33 transports cannabis in bulk intrastate from one licensed cannabis
34 cultivator to another licensed cannabis cultivator, or transports¹
35 cannabis items in bulk intrastate [,]¹ from any¹ one class of¹
36 licensed cannabis establishment to another class of¹ licensed
37 cannabis establishment, and may engage in the temporary storage of
38 cannabis or¹ cannabis items as necessary to carry out
39 transportation activities. This person or entity shall hold a Class 4
40 Cannabis Distributor license.

41 “Cannabis establishment” means a cannabis [grower]
42 cultivator¹, [also referred to as a cannabis cultivation facility]¹, a
43 cannabis [processor] manufacturer¹, [also referred to as a
44 cannabis product manufacturing facility]¹, a cannabis wholesaler,
45 or a cannabis retailer.

1 “Cannabis extract” means a substance obtained by separating
2 resins from cannabis by: (1) a chemical extraction process using a
3 hydrocarbon-based solvent, such as butane, hexane, or propane; (2)
4 a chemical extraction process using the hydrocarbon-based solvent
5 carbon dioxide, if the process uses high heat or pressure; or (3) any
6 other process identified by the Cannabis Regulatory Commission by
7 rule.

8 “Cannabis flower” means the flower of the plant *Cannabis sativa*
9 L. within the plant family Cannabaceae.

10 ¹“Cannabis grower” means any licensed person or entity that
11 grows, cultivates, or produces cannabis in this State, and sells, and
12 may transport, this cannabis to other cannabis growers, cannabis
13 processors, cannabis wholesalers, or cannabis retailers, but not to
14 consumers. This person or entity shall hold a Class 1 Cannabis
15 Grower license. A cannabis grower may also be referred to as a
16 "cannabis cultivation facility." ¹

17 “Cannabis item” means any ¹usable¹ cannabis, ¹[cannabis
18 resin]¹, cannabis product, ¹[and]¹ cannabis extract ¹, and any other
19 cannabis resin¹. “Cannabis item” does not include: any form of
20 medical cannabis dispensed to registered qualifying patients
21 pursuant to the “Jake Honig Compassionate Use Medical Cannabis
22 Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158
23 (C.18A:40-12.22 et al.); or hemp or a hemp product cultivated,
24 handled, processed, transported, or sold pursuant to the “New
25 Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.).

26 “Cannabis leaf” means the leaf of the plant *Cannabis sativa* L.
27 within the plant family Cannabaceae.

28 ¹“Cannabis manufacturer” means any licensed person or entity
29 that processes cannabis items in this State by purchasing or
30 otherwise obtaining usable cannabis, manufacturing, preparing, and
31 packaging cannabis items, and selling, and optionally transporting,
32 these items to other cannabis manufacturers, cannabis wholesalers,
33 or cannabis retailers, but not to consumers. This person or entity
34 shall hold a Class 2 Cannabis Manufacturer license.”¹

35 “Cannabis paraphernalia” means any equipment, products, or
36 materials of any kind which are used, intended for use, or designed
37 for use in planting, propagating, cultivating, growing, harvesting,
38 composting, manufacturing, compounding, converting, producing,
39 processing, preparing, testing, analyzing, packaging, repackaging,
40 storing, vaporizing, or containing cannabis, or for ingesting,
41 inhaling, or otherwise introducing a cannabis item into the human
42 body. “Cannabis paraphernalia” does not include drug
43 paraphernalia as defined in N.J.S.2C:36-1 and which is used or
44 intended for use to commit a violation of chapter 35 of Title 2C of
45 the New Jersey Statutes.

46 ¹“Cannabis processor” means any licensed person or entity that
47 processes cannabis items in this State by purchasing or otherwise

1 obtaining cannabis, manufacturing, preparing, and packaging
2 cannabis items, and selling, and optionally transporting, these items
3 to other cannabis processors, cannabis wholesalers, or cannabis
4 retailers, but not to consumers. This person or entity shall hold a
5 Class 2 Cannabis Processor license. A cannabis processor may also
6 be referred to as a “cannabis product manufacturing facility.”¹

7 “Cannabis product” means a product containing usable¹
8 cannabis ¹~~or~~ ¹cannabis ~~extracts~~ extract, or any other
9 cannabis resin¹ and other ingredients intended for human
10 consumption or use, including a product intended to be applied to
11 the skin or hair, edible cannabis¹ products, ointments, and
12 tinctures. ¹~~“Cannabis products do~~ product” does¹ not include:
13 (1) usable¹ cannabis by itself; or (2) cannabis extract by itself ¹; or
14 (3) any other cannabis resin by itself¹ .

15 “Cannabis resin” means the resin extracted from any part of the
16 plant *Cannabis sativa* L. ¹~~and any compound, manufacture, salt,~~
17 ~~derivative, mixture, or preparation of such resin~~ , including
18 cannabis extract and resin extracted using non-chemical processes¹,
19 processed and used in accordance with P.L. ¹, c. (C. ¹)
20 (pending before the Legislature as this bill). “Cannabis resin” does
21 not include: any form of medical cannabis dispensed to registered
22 qualifying patients pursuant to the “Jake Honig Compassionate Use
23 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and
24 P.L.2015, c.158 (C.18A:40-12.22 et al.); hashish as defined in
25 N.J.S.2C:35-2 and applied to any offense or civil violation set forth
26 in chapters 35, 35A, and 36 of Title 2C of the New Jersey Statutes,
27 or P.L.2001, c.114 (C.2C:35B-1 et seq.), or as defined in section 2
28 of P.L.1970, c.226 (C.24:21-2) and applied to any offense of the
29 “New Jersey Controlled Dangerous Substances Act,” P.L.1970,
30 c.226 (C.24:21-1 et al.); or hemp or a hemp product cultivated,
31 handled, processed, transported, or sold pursuant to the “New
32 Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.).

33 “Cannabis retailer” means any licensed person or entity that
34 purchases or otherwise obtains usable¹ cannabis from cannabis
35 ~~growers~~ cultivators¹ and cannabis items from cannabis
36 ~~processors~~ manufacturers¹ or cannabis wholesalers, and sells
37 these to consumers from a retail store, and may use a cannabis
38 delivery service or a certified cannabis handler for the off-premises
39 delivery of cannabis items and related supplies to consumers. ¹A
40 cannabis retailer shall also accept consumer purchases to be
41 fulfilled from its retail store that are presented by a cannabis
42 delivery service which will be delivered by the cannabis delivery
43 service to that consumer.¹ This person or entity shall hold a Class 5
44 Cannabis Retailer license.

45 “Cannabis testing facility” means an independent, third-party
46 entity meeting accreditation requirements established by the

1 Cannabis Regulatory Commission that is licensed to analyze and
2 certify cannabis items and medical cannabis for compliance with
3 applicable health, safety, and potency standards.

4 “Cannabis wholesaler” means any licensed person or entity that
5 purchases or otherwise obtains, stores, sells or otherwise transfers,
6 and may transport, cannabis items for the purpose of resale or other
7 transfer to either ¹**to**¹ another cannabis wholesaler or to a
8 cannabis retailer, but not to consumers. This person or entity shall
9 hold a Class 3 Cannabis Wholesaler license.

10 “Commission” means the Cannabis Regulatory Commission
11 established pursuant to section 31 of P.L.2019, c.153 (C.24:6I-24).

12 “Conditional license” means a temporary license designated as
13 either a Class 1 Cannabis ¹**Grower** Cultivator¹ license, a Class 2
14 Cannabis ¹**Processor** Manufacturer¹ license, a Class 3 Cannabis
15 Wholesaler license, a Class 4 Cannabis Distributor license, a Class
16 5 Cannabis Retailer license, or a Class 6 Cannabis Delivery license
17 that allows the holder to lawfully act as a cannabis ¹**grower**
18 cultivator¹, cannabis ¹**processor** manufacturer¹, cannabis
19 wholesaler, cannabis distributor, cannabis retailer, or cannabis
20 delivery service as the case may be, which is issued pursuant to an
21 abbreviated application process, after which the conditional license
22 holder shall have a limited period of time in which to become fully
23 licensed by satisfying all of the remaining conditions for licensure
24 which were not required for the issuance of the conditional license.

25 “Consumer” means a person 21 years of age or older who
26 purchases, ¹directly or through a cannabis delivery service,¹
27 acquires, owns, holds, or uses cannabis items for personal use by a
28 person 21 years of age or older, but not for resale to others.

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

31 “Delivery” means the transportation of cannabis items and
32 related supplies to a consumer. “Delivery” also includes the use by
33 a licensed cannabis retailer of any third party technology platform
34 to receive, process, and fulfill orders by consumers, provided that
35 any physical acts in connection with filling the order and delivery
36 shall be accomplished by a certified cannabis handler performing
37 work for or on behalf of the licensed cannabis retailer ¹, which
38 includes a certified cannabis handler employed or otherwise
39 working on behalf of a cannabis delivery service making off-
40 premises deliveries of consumer purchases fulfilled by that cannabis
41 retailer¹ .

42 “Department” means the Department of Health.

43 “Director” means the Director of the Office of Minority,
44 Disabled Veterans, and Women Cannabis Business Development in
45 the Cannabis Regulatory Commission.

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

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

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

6 “Impact zone” means any municipality, based on past criminal
7 marijuana enterprises contributing to higher concentrations of law
8 enforcement activity, unemployment, and poverty within parts of or
9 throughout the municipality, that:

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

14 (2) ¹based upon data for calendar year 2019,¹ ranks in the top 40
15 percent of municipalities in the State for marijuana- or hashish-
16 related arrests for violation of paragraph (4) of subsection a. of
17 N.J.S.2C:35-10 ¹**in the calendar year next preceding the effective**
18 **date of P.L. , c. (C.) (pending before the Legislature as this**
19 **bill)]¹**; has a crime index total of 825 or higher based upon the
20 indexes listed in the ¹**most recently issued]**¹ annual Uniform
21 Crime Report by the Division of State Police ¹**as of that effective**
22 **date]**¹; and has a local average annual unemployment rate that
23 ranks in the top 15 percent of all municipalities ¹**for the calendar**
24 **year next preceding that effective date]**¹, based upon average
25 annual unemployment rates estimated for the relevant calendar year
26 by the Office of Research and Information in the Department of
27 Labor and Workforce Development.

28 “License” means a license issued under P.L. , c. (C.)
29 (pending before the Legislature as this bill), including a license that
30 is designated as either a Class 1 Cannabis ¹**Grower]** Cultivator¹
31 license, a Class 2 Cannabis ¹**Processor]** Manufacturer¹ license, a
32 Class 3 Cannabis Wholesaler license, a Class 4 Cannabis
33 Distributor license, a Class 5 Cannabis Retailer license, or a Class 6
34 Cannabis Delivery license. The term includes a conditional license
35 for a designated class, except when the context of the provisions of
36 P.L. , c. (C.) (pending before the Legislature as this bill)
37 otherwise intend to only apply to a license and not a conditional
38 license.

39 “Licensee” means a person or entity that holds a license issued
40 under P.L. , c. (C.) (pending before the Legislature as this
41 bill), including a license that is designated as either a Class 1
42 Cannabis ¹**Grower]** Cultivator¹ license, a Class 2 Cannabis
43 ¹**Processor]** Manufacturer¹ license, a Class 3 Cannabis Wholesaler
44 license, a Class 4 Cannabis Distributor license, a Class 5 Cannabis
45 Retailer license, or a Class 6 Cannabis Delivery license, and
46 includes a person or entity that holds a conditional license for a
47 designated class, except when the context of the provisions of

1 P.L. , c. (C.) (pending before the Legislature as this bill)
2 otherwise intend to only apply to a person or entity that holds a
3 license and not a conditional license.

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

7 ¹“Manufacture” means the drying, processing, compounding, or
8 conversion of usable cannabis into cannabis products or cannabis
9 resins. “Manufacture” does not include packaging or labeling.¹

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

12 “Medical cannabis” means cannabis dispensed to registered
13 qualifying patients pursuant to the “Jake Honig Compassionate Use
14 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and
15 P.L.2015, c.158 (C.18A:40-12.22 et al.). “Medical cannabis” does
16 not include any cannabis item which is cultivated, produced,
17 processed, and consumed in accordance with P.L. , c. (C.)
18 (pending before the Legislature as this bill).

19 “Microbusiness” means a person or entity licensed by the
20 Cannabis Regulatory Commission as a cannabis ¹**grower**
21 cultivator¹, cannabis ¹**processor** manufacturer¹, cannabis
22 wholesaler, cannabis distributor, cannabis retailer, or cannabis
23 delivery service that may only, with respect to its business
24 operations, and capacity and quantity of product: (1) employ no
25 more than 10 employees; (2) operate a cannabis establishment
26 occupying an area of no more than 2,500 square feet, and in the
27 case of a cannabis ¹**grower** cultivator¹, grow cannabis on an area
28 no more than 2,500 square feet measured on a horizontal plane and
29 grow above that plane not higher than 24 feet; (3) possess no more
30 than 1,000 cannabis plants each month, except that a cannabis
31 distributor’s possession of cannabis plants for transportation shall
32 not be subject to this limit; (4) acquire and process each month, in
33 the case of a cannabis ¹**processor** manufacturer¹, no more than
34 1,000 pounds of ¹usable¹ cannabis ¹**in dried form**¹; (5) acquire
35 for resale each month, in the case of a cannabis wholesaler, no more
36 than 1,000 pounds of ¹usable¹ cannabis ¹**in dried form**¹, or the
37 equivalent amount in any ¹**other**¹ form ¹of manufactured cannabis
38 product or cannabis resin¹, or any combination thereof; and (6)
39 acquire for retail sale each month, in the case of a cannabis retailer,
40 no more than 1,000 pounds of ¹usable¹ cannabis ¹**in dried form**¹,
41 or the equivalent amount in any ¹**other**¹ form ¹of manufactured
42 cannabis product or cannabis resin¹, or any combination thereof.

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

45 “Premises” or “licensed premises” includes the following areas
46 of a location licensed under P.L. , c. (C.) (pending before
47 the Legislature as this bill): all public and private enclosed areas at

1 the location that are used in the business operated at the location,
2 including offices, kitchens, rest rooms, and storerooms; all areas
3 outside a building that the Cannabis Regulatory Commission has
4 specifically licensed for the production, ¹**[processing]**
5 manufacturing¹, wholesaling, distributing, retail sale, or delivery of
6 cannabis items; and, for a location that the commission has
7 specifically licensed for the production of cannabis outside a
8 building, the entire lot or parcel that the licensee owns, leases, or
9 has a right to occupy.

10 ¹**[“Process” means the processing, compounding, or conversion**
11 **of cannabis into cannabis products or cannabis extracts. “Process”**
12 **does not include packaging or labeling.]¹**

13 “Produce” means the ¹**[manufacture,]**¹ planting, cultivation,
14 growing or harvesting of cannabis. “Produce” does not include the
15 drying of cannabis by a cannabis ¹**[processor]** manufacturer¹, if the
16 cannabis ¹**[processor]** manufacturer¹ is not otherwise ¹**[producing]**
17 manufacturing¹ cannabis ¹**[**; or the cultivation and growing of an
18 immature cannabis plant by a cannabis processor, cannabis
19 wholesaler, or cannabis retailer if the cannabis processor, cannabis
20 wholesaler, or cannabis retailer purchased or otherwise received the
21 plant from a licensed cannabis grower]¹.

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

30 “Radio” means a system for transmitting sound without visual
31 images, and includes broadcast, cable, on-demand, satellite, or
32 Internet programming. “Radio” includes any audio programming
33 downloaded or streamed via the Internet.

34 “Significantly involved person” means a person or entity who
35 holds at least a five percent investment interest in a proposed or
36 licensed cannabis ¹**[grower]** cultivator¹, cannabis ¹**[processor]**
37 manufacturer¹, cannabis wholesaler, cannabis distributor, ¹**[or]**¹
38 cannabis retailer, ¹or cannabis delivery service,¹ or who is a
39 decision making member of a group that holds at least a 20 percent
40 investment interest in a proposed or licensed cannabis ¹**[grower]**
41 cultivator¹, cannabis ¹**[processor]** manufacturer¹, cannabis
42 wholesaler, cannabis distributor, ¹**[or]**¹ cannabis retailer ¹, or
43 cannabis delivery service,¹ in which no member of that group holds
44 more than a five percent interest in the total group investment
45 interest, and the person or entity makes controlling decisions
46 regarding the proposed or licensed cannabis ¹**[grower]** cultivator¹,

1 cannabis ¹**processor** manufacturer¹, cannabis wholesaler,
2 cannabis distributor, ¹**or**¹ cannabis retailer ¹, or cannabis delivery
3 service¹ operations.

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

9 “THC” means delta-9-tetrahydrocannabinol ¹and its precursor,
10 tetrahydrocannabinolic acid¹ , the main psychoactive ¹**chemical**
11 chemicals¹ contained in the cannabis plant.

12 ¹“Usable cannabis” means the dried leaves and flowers of the
13 female plant Cannabis sativa L. , and does not include the seedlings,
14 seeds, stems, stalks, or roots of the plant.¹

15

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

18 3. As used in P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015,
19 c.158 (C.18A:40-12.22 et al.):

20 "Academic medical center" means (1) an entity located in New
21 Jersey that, on the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
22 al.), has an addiction medicine faculty practice or is in the same
23 health care system as another facility located in New Jersey that
24 offers outpatient medical detoxification services or inpatient
25 treatment services for substance use disorder; has a pain
26 management faculty practice or a facility-based pain management
27 service located in New Jersey; has graduate medical training
28 programs accredited, or pending accreditation, by the Accreditation
29 Council for Graduate Medical Education or the American
30 Osteopathic Association in primary care and medical specialties; is
31 the principal teaching affiliate of a medical school based in the
32 State; and has the ability to conduct research related to medical
33 cannabis **[. If]** ¹**[, and if]** . If¹ the entity is part of a system of
34 health care facilities, the entity shall not qualify as an academic
35 medical center unless the health care system is principally located
36 within the State; or

37 (2) an accredited school of ¹**medicine or**¹ osteopathic
38 medicine that ¹ is located in a state that shares a common border
39 with this State; has an articulation agreement or similar
40 memorandum of understanding ¹, plus an agreement to establish
41 and maintain an apprenticeship program in this State to train
42 workers in the cannabis industry, which training would earn college
43 credit, ¹ with any State college or university ¹located in a county of
44 the first class¹ with a college of nursing or nursing degree program
45 accredited by the Commission on Collegiate Nursing Education ¹on
46 the effective date of P.L. , c. (C.) (pending before the

1 Legislature as this bill)¹ ; and has an institutional review board that
2 has, on the effective date of P.L. , c. (C.) (pending before
3 the Legislature as this bill), previously approved a clinical research
4 study ¹in this State¹ involving medical cannabis; and has the ability
5 and will conduct all research and development in ¹[this State] the
6 county in which the partner State college or university is located¹.

7 "Adverse employment action" means refusing to hire or employ
8 an individual, barring or discharging an individual from
9 employment, requiring an individual to retire from employment, or
10 discriminating against an individual in compensation or in any
11 terms, conditions, or privileges of employment.

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

15 "Clinical registrant" means an entity that has a written
16 contractual relationship with an academic medical center in the
17 region in which it has its principal place of business, which includes
18 provisions whereby the parties will engage in clinical research
19 related to the use of medical cannabis and the academic medical
20 center or its affiliate will provide advice to the entity regarding
21 patient health and safety, medical applications, and dispensing and
22 managing controlled dangerous substances, among other areas.

23 "Commission" means the Cannabis Regulatory Commission
24 established pursuant to section 31 of P.L.2019, c.153 (C.24:6I-24).

25 "Commissioner" means the Commissioner of Health.

26 "Common ownership or control" means:

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

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

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

36 "Department" means the Department of Health.

37 "Designated caregiver" means a resident of the State who:

38 (1) is at least 18 years old;

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

43 (3) subject to the provisions of paragraph (2) of subsection c. of
44 section 4 of P.L.2009, c.307 (C.24:6I-4), has never been convicted
45 of possession or sale of a controlled dangerous substance, unless
46 such conviction occurred after the effective date of P.L.2009, c.307
47 (C.24:6I-1 et al.) and was for a violation of federal law related to

1 possession or sale of cannabis that is authorized under P.L.2009,
2 c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.);

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

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

11 "Dispense" means the furnishing of medical cannabis to a
12 registered qualifying patient, designated caregiver, or institutional
13 caregiver by a medical cannabis dispensary or clinical registrant
14 pursuant to written instructions issued by a health care practitioner
15 pursuant to the requirements of P.L.2009, c.307 (C.24:6I-1 et al.).
16 The term shall include the act of furnishing medical cannabis to a
17 medical cannabis handler for delivery to a registered qualifying
18 patient, designated caregiver, or institutional caregiver, consistent
19 with the requirements of subsection i. of section 27 of P.L.2019,
20 c.153 (C.24:6I-20).

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

25 "Health care practitioner" means a physician, advanced practice
26 nurse, or physician assistant licensed or certified pursuant to Title
27 45 of the Revised Statutes who:

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

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

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

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

45 "Institutional caregiver" means a resident of the State who:

46 (1) is at least 18 years old;

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

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

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

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

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

21 "Integrated curriculum" means an academic, clinical, or research
22 program at an institution of higher education that is coordinated
23 with a medical cannabis cultivator, medical cannabis manufacturer,
24 or medical cannabis dispensary to apply theoretical principles,
25 practical experience, or both involving the cultivation,
26 manufacturing, dispensing, delivery, or medical use of cannabis to a
27 specific area of study, including, but not limited to, agriculture,
28 biology, business, chemistry, culinary studies, ecology,
29 environmental studies, health care, horticulture, technology, or any
30 other appropriate area of study or combined areas of study.
31 Integrated curricula shall be subject to approval by the commission
32 and the Office of the Secretary of Higher Education.

33 "Integrated curriculum permit" or "IC permit" means a permit
34 issued to a medical cannabis cultivator, medical cannabis
35 manufacturer, or medical cannabis dispensary that includes an
36 integrated curriculum approved by the commission and the Office
37 of the Secretary of Higher Education.

38 "Medical cannabis alternative treatment center" or "alternative
39 treatment center" means an organization issued a permit, including
40 a conditional permit, by the commission to operate as a medical
41 cannabis cultivator, medical cannabis manufacturer, medical
42 cannabis dispensary, or clinical registrant. This term shall include
43 the organization's officers, directors, board members, and
44 employees.

45 "Medical cannabis cultivator" means an organization holding a
46 permit issued by the commission that authorizes the organization to:
47 possess and cultivate cannabis and deliver, transfer, transport,
48 distribute, supply, and sell medical cannabis and related supplies to

1 other medical cannabis cultivators and to medical cannabis
2 manufacturers, clinical registrants, and medical cannabis
3 dispensaries, as well as to plant, cultivate, grow, and harvest
4 medical cannabis for research purposes. A medical cannabis
5 cultivator permit shall not authorize the permit holder to
6 manufacture, produce, or otherwise create medical cannabis
7 products, or to deliver, transfer, transport, distribute, supply, sell, or
8 dispense medical cannabis, medical cannabis products,
9 paraphernalia, or related supplies to qualifying patients, designated
10 caregivers, or institutional caregivers.

11 "Medical cannabis dispensary" means an organization issued a
12 permit by the commission that authorizes the organization to:
13 purchase or obtain medical cannabis and related supplies from
14 medical cannabis cultivators; purchase or obtain medical cannabis
15 products and related supplies from medical cannabis manufacturers;
16 purchase or obtain medical cannabis, medical cannabis products,
17 and related supplies and paraphernalia from other medical cannabis
18 dispensaries and from clinical registrants; deliver, transfer,
19 transport, distribute, supply, and sell medical cannabis and medical
20 cannabis products to other medical cannabis dispensaries; furnish
21 medical cannabis, including medical cannabis products, to a
22 medical cannabis handler for delivery to a registered qualifying
23 patient, designated caregiver, or institutional caregiver consistent
24 with the requirements of subsection i. of section 27 of P.L.2019,
25 c.153 (C.24:6I-20); and possess, display, deliver, transfer, transport,
26 distribute, supply, sell, and dispense medical cannabis, medical
27 cannabis products, paraphernalia, and related supplies to qualifying
28 patients, designated caregivers, and institutional caregivers. A
29 medical cannabis dispensary permit shall not authorize the permit
30 holder to cultivate medical cannabis, to produce, manufacture, or
31 otherwise create medical cannabis products.

32 "Medical cannabis manufacturer" means an organization issued a
33 permit by the commission that authorizes the organization to:
34 purchase or obtain medical cannabis and related supplies from a
35 medical cannabis cultivator or a clinical registrant; purchase or
36 obtain medical cannabis products from another medical cannabis
37 manufacturer or a clinical registrant; produce, manufacture, or
38 otherwise create medical cannabis products; and possess, deliver,
39 transfer, transport, distribute, supply, and sell medical cannabis
40 products and related supplies to other medical cannabis
41 manufacturers and to medical cannabis dispensaries and clinical
42 registrants. A medical cannabis manufacturer permit shall not
43 authorize the permit holder to cultivate medical cannabis or to
44 deliver, transfer, transport, distribute, supply, sell, or dispense
45 medical cannabis, medical cannabis products, paraphernalia, or
46 related supplies to registered qualifying patients, designated
47 caregivers, or institutional caregivers.

1 "Medical use of cannabis" means the acquisition, possession,
2 transport, or use of cannabis or paraphernalia by a registered
3 qualifying patient as authorized by P.L.2009, c.307 (C.24:6I-1 et
4 al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.).

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

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

9 "Pediatric specialist" means a physician who is a board-certified
10 pediatrician or pediatric specialist, or an advanced practice nurse or
11 physician assistant who is certified as a pediatric specialist by an
12 appropriate professional certification or licensing entity.

13 "Primary care" means the practice of family medicine, general
14 internal medicine, general pediatrics, general obstetrics, or
15 gynecology.

16 "Qualifying medical condition" means seizure disorder,
17 including epilepsy; intractable skeletal muscular spasticity; post-
18 traumatic stress disorder; glaucoma; positive status for human
19 immunodeficiency virus; acquired immune deficiency syndrome;
20 cancer; amyotrophic lateral sclerosis; multiple sclerosis; muscular
21 dystrophy; inflammatory bowel disease, including Crohn's disease;
22 terminal illness, if the patient has a prognosis of less than 12
23 months of life; anxiety; migraine; Tourette's syndrome;
24 dysmenorrhea; chronic pain; opioid use disorder; or any other
25 medical condition or its treatment that is approved by the
26 commission.

27 "Qualifying patient" or "patient" means a resident of the State
28 who has been authorized for the medical use of cannabis by a health
29 care practitioner.

30 "Registration with the commission" means a person has met the
31 qualification requirements for, and has been registered by the
32 commission as, a registered qualifying patient, designated
33 caregiver, or institutional caregiver. The commission shall establish
34 appropriate means for health care practitioners, health care
35 facilities, medical cannabis dispensaries, law enforcement, schools,
36 facilities providing behavioral health services or services for
37 persons with developmental disabilities, and other appropriate
38 entities to verify an individual's status as a registrant with the
39 commission.

40 "Significantly involved person" means a person or entity who
41 holds at least a five percent investment interest in an entity issued,
42 or applying for a permit to operate as, a medical cannabis cultivator,
43 medical cannabis manufacturer, medical cannabis dispensary, or
44 clinical registrant, or who is a decision making member of a group
45 that holds at least a 20 percent investment interest in an entity
46 issued, or applying for a permit to operate as, a medical cannabis
47 cultivator, medical cannabis manufacturer, medical cannabis
48 dispensary, or clinical registrant, in which no member of that group

1 holds more than a five percent interest in the total group investment
2 interest, and the person or entity makes controlling decisions
3 regarding the operations of the entity issued, or applying for a
4 permit to operate as, a medical cannabis cultivator, medical
5 cannabis manufacturer, medical cannabis dispensary, or clinical
6 registrant.

7 "Terminally ill" means having an illness or condition with a
8 prognosis of less than 12 months of life.

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

12 (cf: P.L.2019, c.153, s.3)

13

14 5. Section 31 of P.L.2019, c.153 (C.24:6I-24) is amended to
15 read as follows:

16 31. a. The Cannabis Regulatory Commission is hereby created in,
17 but not of, the Department of the Treasury, to :

18 (1) assume all powers, duties, and responsibilities with regard to
19 the regulation and oversight of activities authorized pursuant to
20 P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health for
21 the further development, expansion, regulation, and enforcement of
22 activities associated with the medical use of cannabis pursuant to
23 P.L.2009, c.307 (C.24:6I-1 et al.). All powers, duties, and
24 responsibilities with regard to the regulation and oversight of activities
25 authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) shall be
26 transferred from the Department of Health to the Cannabis Regulatory
27 Commission at such time as the members of the commission are
28 appointed as provided in subsection b. of this section and the
29 commission first organizes. Thereafter, any reference to the
30 Department of Health or the Commissioner of Health in any statute or
31 regulation pertaining to the provisions of P.L.2009, c.307 (C.24:6I-1 et
32 al.) shall be deemed to refer to the Cannabis Regulatory Commission.
33 The provisions of this **subsection** paragraph shall be carried out in
34 accordance with the "State Agency Transfer Act," P.L.1971, c.375
35 (C.52:14D-1 et seq.); and

36 (2) oversee the development, regulation, and enforcement of
37 activities associated with the personal use of cannabis pursuant to
38 P.L. , c. (C.) (pending before the Legislature as this bill).

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

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

45 (a) One member shall be appointed upon recommendation of the
46 Senate President;

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

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

3 (3) Initial appointments of commission members pursuant to
4 paragraph (2) of this subsection shall not require the advice and
5 consent of the Senate. Subsequent appointments made pursuant to
6 subparagraph (c) of paragraph (2) of this subsection, including
7 reappointments of members initially appointed, shall be made with the
8 advice and consent of the Senate. Subsequent appointments made
9 pursuant to subparagraphs (a) and (b) of paragraph (2) of this
10 subsection shall be made in the same manner as the original
11 appointment.

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

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

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

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

1 member's successor is duly appointed and qualified. The vice-chair
2 shall be empowered to carry out all of the responsibilities of the chair
3 during the chair's absence, disqualification, or inability to serve.

4 (8) A majority of the total authorized membership of the
5 commission shall be required to establish a quorum, and a majority of
6 the total authorized membership of the commission shall be required to
7 exercise its powers at any meeting thereof. However, only if all five
8 commissioners have been duly appointed in accordance with the
9 appointment process set forth in paragraph (2) of this subsection, and
10 five appointed commissioners are present at a meeting, may a majority
11 of the total authorized membership act to assume the powers, duties,
12 and responsibilities with regard to the regulation and oversight of
13 activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
14 from the Department of Health; and similarly, only if all five
15 appointed commissioners are present at a meeting, may a majority of
16 the total authorized membership act to adopt the commission's initial
17 rules and regulations concerning personal use cannabis pursuant to
18 subparagraph (a) of paragraph (1) of subsection d. of section 6 of
19 P.L. , c. (C.) (pending before the Legislature as this bill), by
20 which the licensing of cannabis establishments, and the lawfully
21 permitted licensing activities of those establishments, may begin.

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

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

28 c. (1) The commission **【may】** shall establish, and from time to
29 time alter, a plan of organization, and employ personnel as it deems
30 necessary under the direct supervision of a full-time executive director
31 for the commission. The plan of organization shall include the Office
32 of Minority, Disabled Veterans, and Women **【Medical】** Cannabis
33 Business Development established by section 32 of P.L.2019, c.153
34 (C.24:6I-25).

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

47 (b) (i) All employees of the commission under the direct
48 supervision of the executive director, except for secretarial and clerical

1 personnel, shall be in the State's unclassified service. All employees
2 shall be deemed confidential employees for the purposes of the "New
3 Jersey Employer-Employee Relations Act," P.L.1941, c.100
4 (C.34:13A-1 et seq.).

5 (ii) If, as a result of transferring powers, duties, and responsibilities
6 with regard to the regulation and oversight of activities authorized
7 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of
8 Health to the commission pursuant to subsection a. of this section, the
9 commission needs to employ an individual to fill a position,
10 employees of the department who performed the duties of the position
11 to be filled shall be given a one-time right of first refusal offer of
12 employment with the commission, and such employees may be
13 removed by the commission for cause or if deemed unqualified to hold
14 the position, notwithstanding any other provision of law to the
15 contrary. A department employee who becomes employed by the
16 commission shall retain as an employee of the commission the
17 seniority, and all rights related to seniority, that the employee had with
18 the department as of the last day of employment with the department;
19 provided, however, that such seniority and seniority rights shall be
20 retained only by an employee who was transferred from employment
21 with the department to employment with the commission, and shall not
22 be retained by an employee who was removed from employment with
23 the department due to layoff procedures or who resigned from a
24 position with the department prior to being hired by the commission.

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

31 (3) The commission may incur additional expenses within the
32 limits of funds available to it in order to carry out its duties, functions,
33 and powers under P.L.2009, c.307 (C.24:6I-1 et al.) and P.L. _____,
34 c. (C. _____) (pending before the Legislature as this bill).

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

1 e. The commission may designate its powers and authority as it
2 deems necessary and appropriate to carry out its duties and implement
3 the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) and P.L. _____,
4 c. (C. _____) (pending before the Legislature as this bill).

5 f. The commission shall, no later than three years after the date it
6 first organizes, contract with a public research university, as defined in
7 section 3 of P.L.1994, c.48 (C.18A:3B-3), to conduct an independent
8 study to review:

9 (1) the commission's organization;

10 (2) the commission's regulation and enforcement activities;

11 (3) the overall effectiveness of the commission as a full time
12 entity; and

13 (4) whether the regulation and oversight of medical cannabis or
14 personal use cannabis could be more effectively and efficiently
15 managed through a reorganization of the commission, consolidation of
16 the commission within the Department of Health or another Executive
17 Branch department, conversion to a part-time commission, or the
18 transfer of some or all of the commission's operations elsewhere
19 within the Executive Branch.

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

25 (cf: P.L.2019, c.153, s.31)

26
27 6. (New section) Commission Activities Associated with the
28 Personal Use of Cannabis:

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

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

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

42 (2) To grant, refuse, suspend, revoke, cancel, or take actions
43 otherwise limiting licenses or conditional licenses for the sale,
44 processing, or production of cannabis items, or other licenses in
45 regard to cannabis items, and to permit, in the commission's
46 discretion, the transfer of a license between persons;

47 (3) To investigate and aid in the prosecution of every violation
48 of the statutory laws of this State relating to cannabis items and to

1 cooperate in the prosecution of offenders before any State court of
2 competent jurisdiction;

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

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

12 (a) Issuing subpoenas;

13 (b) Compelling attendance of witnesses;

14 (c) Administering oaths;

15 (d) Certifying official acts;

16 (e) Taking depositions as provided by law;

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

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

23 (6) To adopt rules regulating and prohibiting the advertising of
24 cannabis items in a manner that is appealing to minors; that
25 promotes excessive use; that promotes illegal activity; or that
26 otherwise presents a significant risk to public health and safety; and

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

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

47 d. (1) (a) Within 180 days after the effective date of this
48 section, which takes effect immediately upon enactment of P.L. ,

1 c. (C.) (pending before the Legislature as this bill), or within
2 45 days of all five members of the commission being duly
3 appointed in accordance with the appointment process set forth in
4 paragraph (2) of subsection b. of section 31 of P.L.2019, c.153
5 (C.24:6I-24), whichever date is later, and notwithstanding the
6 provisions of the “Administrative Procedure Act,” P.L.1968, c.410
7 (C.52:14B-1 et seq.), to the contrary, the commission, after
8 consultation with the Attorney General, State Treasurer,
9 Commissioner of Health, and Commissioner of Banking and
10 Insurance, shall, immediately upon filing proper notice with the
11 Office of Administrative Law, adopt rules and regulations prepared
12 by the commission necessary or proper to enable it to carry out the
13 commission’s duties, functions, and powers with respect to
14 overseeing the development, regulation, and enforcement of
15 activities associated with the personal use of cannabis pursuant to
16 P.L. , c. (C.).

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

26 (2) On the date of adoption of the initial rules and regulations
27 pursuant to subparagraph (a) of paragraph (1) of this subsection, the
28 provisions of P.L. , c. (C.) (pending before the Legislature
29 as this bill) shall become operative, other than those provisions
30 which were operative immediately upon enactment. Subsequent to
31 the date of adoption of the initial rules and regulations, the
32 commission shall determine the first date thereafter on which
33 cannabis retailers issued licenses and conditional licenses may
34 begin retail sales of personal use cannabis items, which latter date
35 shall not be more than 180 days after the commission’s adoption of
36 its initial rules and regulations. The commission shall provide
37 every person or entity issued licenses or conditional licenses by the
38 commission with at least 30 days’ notice of this date, and shall also
39 provide the 30-day notice to every alternative treatment center
40 deemed to be licensed for personal use cannabis activities pursuant
41 to section 7 of P.L.2009, c.307 (C.24:6I-7), as amended by P.L. ,
42 c. (C.) (pending before the Legislature as this bill), whether or
43 not already engaged in retail sales of personal use cannabis items as
44 permitted prior to the retail sales date established pursuant to this
45 paragraph, as set forth in paragraph (3) of subsection a. of section
46 33 of P.L. , c. (C.) (pending before the Legislature as this
47 bill).

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

3 14. a. The commissioner, or after the effective **[date]** dates of
4 P.L.2019, c.153 (C.24:6I-5.1 et al.) and P.L. _____, c. _____
5 (pending before the Legislature as this bill), the commission, shall
6 report to the Governor, and to the Legislature pursuant to section 2
7 of P.L.1991, c.164 (C.52:14-19.1):

8 (1) no later than one year after the effective date of P.L.2009,
9 c.307 (C.24:6I-1 et al.), on the actions taken to implement the
10 provisions of P.L.2009, c.307 (C.24:6I-1 et al.); and

11 (2) annually thereafter on the number of applications for
12 registration with the commission, the number of qualifying patients
13 registered, the number of designated and institutional caregivers
14 registered, the nature of the qualifying medical conditions of the
15 patients, the number of registrations revoked, the number of
16 medical cannabis cultivator, medical cannabis manufacturer, and
17 medical cannabis dispensary permits issued and revoked, the
18 number and type of integrated curricula approved, established, and
19 maintained in connection with an IC permit, the number of testing
20 laboratories licensed, the number of clinical registrant permits
21 issued and the nature of the clinical research conducted by each
22 clinical registrant, any incidents of diversion of medical cannabis,
23 information concerning racial, ethnic, disabled veteran, and gender
24 diversity in the individuals issued and currently holding permits
25 issued by the commission, the number of permit applications
26 received from businesses owned by minorities, disabled veterans,
27 and women and the number of such applications that were
28 approved, the business development initiatives undertaken by the
29 Office of Minority, Disabled Veterans, and Women **[Medical]**
30 Cannabis Business Development pursuant to section 32 of
31 P.L.2019, c.153 (C.24:6I-25) and the outcomes or effects of those
32 initiatives, statistics concerning arrests for drug offenses throughout
33 the State and in areas where medical cannabis dispensaries are
34 located, including information concerning racial disparities in arrest
35 rates for drug offenses generally and cannabis offenses in particular,
36 the number of motor vehicle stops by law enforcement involving
37 violations of R.S.39:4-50, or section 5 of P.L.1990, c.103 (C.39:3-
38 10.13) concerning operators of commercial motor vehicles, for
39 driving under the influence of medical cannabis, or suspicion
40 thereof, cataloged by the jurisdictions in which the stop occurred,
41 and the race, ethnicity, gender, and age of the vehicle driver and
42 any other vehicle occupants, the number of deliveries of medical
43 cannabis performed and the percentage of total medical cannabis
44 dispensations that were completed by delivery, and the number of
45 health care practitioners authorizing patients for the medical use of

1 cannabis, including the types of license or certification held by
2 those practitioners; and

3 (3) beginning no later than one year after the effective date of
4 P.L. , c. (C.) (pending before the Legislature as this bill),
5 and annually thereafter in the same report concerning information
6 on medical cannabis activities or a separate report, information on:

7 (a) the number of civil penalty citations or arrests or charges for
8 manufacturing, distributing, or possessing or having under control
9 with the intent to distribute marijuana or hashish in violation of
10 paragraph (12) of subsection b. of N.J.S.2C:35-5, or for obtaining
11 or possessing marijuana or hashish in violation of paragraph (4) of
12 subsection a. of N.J.S.2C:35-10, cataloged by the jurisdictions in
13 which the acts resulting in the citations, arrests, or charges
14 occurred, and the race, ethnicity, gender, and age of the persons
15 cited, arrested, or charged;

16 (b) the number of motor vehicle stops by law enforcement
17 involving violations of R.S.39:4-50, or section 5 of P.L.1990, c.103
18 (C.39:3-10.13) concerning operators of commercial motor vehicles,
19 for driving under the influence of personal use cannabis or
20 marijuana, or suspicion thereof, cataloged by the jurisdictions in
21 which the stop occurred, and the race, ethnicity, gender, and age of
22 the vehicle driver and any other vehicle occupants;

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

29 (d) the data compiled by the Office of Minority, Disabled
30 Veterans, and Women Cannabis Business Development pursuant to
31 section 32 of P.L.2019, c.153 (C.24:6I-25) about participation in the
32 lawful operation of cannabis establishments by persons from
33 socially and economically disadvantaged communities, including
34 minority, disabled veterans', and women's business licensing and
35 business development in the personal use cannabis marketplace, and
36 the data shall include the office's analysis of the total number of
37 licenses applied for and issued since the distribution of the previous
38 report to the Governor and Legislature compared with the total
39 number of minority businesses and women's businesses, as these
40 terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-21.18),
41 and disabled veterans' businesses, as defined in section 2 of
42 P.L.2015, c.116 (C.52:32-31.2), that submitted applications for
43 licenses and whether they were approved, reapproved, or denied.

44 b. The reports shall not contain any identifying information of
45 patients, caregivers, or health care practitioners.

46 c. (1) Within two years after the effective date of P.L.2009,
47 c.307 (C.24:6I-1 et al.) and every two years thereafter, the
48 commissioner or, after the effective date of P.L.2019, c.153

1 (C.24:6I-5.1 et al.), the commission, shall: evaluate whether there
2 are sufficient numbers of medical cannabis cultivators, medical
3 cannabis manufacturers, medical cannabis dispensaries, and clinical
4 registrants to meet the needs of registered qualifying patients
5 throughout the State; evaluate whether the maximum amount of
6 medical cannabis allowed pursuant to P.L.2009, c.307 (C.24:6I-1 et
7 al.) is sufficient to meet the medical needs of qualifying patients;
8 and determine whether any medical cannabis cultivator, medical
9 cannabis manufacturer, medical cannabis dispensary, or clinical
10 registrant has charged excessive prices in connection with medical
11 cannabis.

12 The commissioner or, after the effective date of P.L.2019, c.153
13 (C.24:6I-5.1 et al.), the commission, shall report all such findings
14 no later than two years after the effective date of P.L.2009, c.307
15 (C.24:6I-1 et al.), and every two years thereafter, to the Governor,
16 and to the Legislature pursuant to section 2 of P.L.1991, c.164
17 (C.52:14-19.1).

18 (2) The commission, beginning no later than one year after the
19 effective date of P.L. , c. (C.) (pending before the
20 Legislature as this bill), may also include in its reports information
21 concerning its periodic evaluation of whether the existing numbers
22 of cannabis ¹growers¹ cultivators¹ , cannabis ¹processors¹
23 manufacturers¹ , cannabis wholesalers, cannabis distributors,
24 cannabis retailers, and cannabis delivery services are sufficient to
25 meet the personal use cannabis market demands of the State, and
26 actions the commission may take to issue additional cannabis
27 licenses as authorized by paragraph (1) of subsection a. of section
28 18 of P.L. , c. (C.) (pending before the Legislature as this
29 bill), or if there is an oversupply of licenses, as well as information
30 about any increase in the rates of use of marijuana and cannabis by
31 persons under 21 years of age.

32 (cf: P.L.2019, c.153, s.20)

33

34 8. Section 33 of P.L.2019, c.153 (C.24:6I-26) is amended to
35 read as follows:

36 33. a. No person shall be appointed to or employed by the
37 commission if, during the period commencing three years prior to
38 appointment or employment, the person held any direct or indirect
39 interest in, or any employment by, any holder of, or applicant for, a
40 medical cannabis cultivator, medical cannabis manufacturer,
41 medical cannabis dispensary, or clinical registrant permit pursuant
42 to P.L.2009, c.307 (C.24:6I-1 et al.) or otherwise employs any
43 certified medical cannabis handler to perform transfers or deliveries
44 of medical cannabis , or a cannabis ¹grower¹ cultivator¹ , cannabis
45 ¹processor¹ manufacturer¹ , cannabis wholesaler, cannabis
46 distributor, cannabis retailer, or cannabis delivery service, or an

1 entity that employs or uses a certified personal use cannabis handler
2 to perform work for or on behalf of a licensed cannabis
3 establishment, distributor, or delivery service; provided, however,
4 that notwithstanding any other provision of law to the contrary, any
5 such person may be appointed to or employed by the commission if
6 the person's prior interest in any such permit holder, license holder,
7 entity, or applicant would not, in the opinion of the commission,
8 interfere with the objective discharge of the person's obligations of
9 appointment or employment, but in no instance shall any person be
10 appointed to or employed by the commission if the person's prior
11 interest in such permit holder, license holder, entity, or applicant
12 constituted a controlling interest in that permit holder, license
13 holder, entity, or applicant; and provided further, however, that
14 notwithstanding any other provision of law to the contrary, any such
15 person may be employed by the commission in a secretarial or
16 clerical position if, in the opinion of the commission, the person's
17 previous employment by, or interest in, any permit holder, license
18 holder, entity, or applicant would not interfere with the objective
19 discharge of the person's employment obligations.

20 b. Prior to appointment or employment, each member of the
21 commission and each employee of the commission shall swear or
22 affirm that the member or employee, as applicable, possesses no
23 interest in any business or organization issued a medical cannabis
24 cultivator, medical cannabis manufacturer, medical cannabis
25 dispensary, or clinical registrant permit, or cannabis ¹【grower】
26 cultivator¹ , cannabis ¹【processor】 manufacturer¹ , cannabis
27 wholesaler, cannabis distributor, cannabis retailer, or cannabis
28 delivery service license by the commission, or in any entity that
29 employs or uses a certified personal use cannabis handler to
30 perform work for or on behalf of a licensed cannabis establishment,
31 distributor, or delivery service.

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

45 (2) Each employee of the commission, except for secretarial and
46 clerical personnel, shall file with the State Ethics Commission a

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

11 (cf: P.L.2019, c.153, s.33)

12

13 9. Section 34 of P.L.2019, c.153 (C.24:6I-27) is amended to
14 read as follows:

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

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

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

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

32 (1) No commission member or employee shall be permitted to
33 enter and engage in any activities, nor have any interest, directly or
34 indirectly, in any medical cannabis cultivator, medical cannabis
35 manufacturer, medical cannabis dispensary, or clinical registrant
36 issued a permit by the commission in accordance with P.L.2009,
37 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
38 medical cannabis handler to perform transfers or deliveries of
39 medical cannabis, or any cannabis ¹【grower】 cultivator¹, cannabis
40 ¹【processor】 manufacturer¹, cannabis wholesaler, cannabis
41 distributor, cannabis retailer, or cannabis delivery service issued a
42 license by the commission in accordance with P.L. , c. (C.)
43 (pending before the Legislature as this bill) or any entity that
44 employs or uses a certified personal use cannabis handler to
45 perform work for or on behalf of a licensed cannabis establishment,
46 distributor, or delivery service, except in the course of the

1 member's or employee's duties; provided that nothing in this
2 paragraph shall be construed to prohibit a member or employee who
3 is a registered qualifying patient, or who is serving as a designated
4 caregiver or institutional caregiver for a registered qualifying
5 patient, from being dispensed medical cannabis consistent with the
6 requirements of P.L.2009, c.307 (C.24:6I-1 et al.)¹; and further
7 provided that nothing in this paragraph shall be construed to
8 prohibit a member or employee from being sold cannabis items by a
9 cannabis retailer as a consumer as authorized by P.L. _____,
10 c. (C. _____) (pending before the Legislature as this bill)¹.

11 (2) No commission member or employee shall solicit or accept
12 employment from any holder of, or applicant for, a medical
13 cannabis cultivator, medical cannabis manufacturer, medical
14 cannabis dispensary, or clinical registrant permit or any entity that
15 employs any certified medical cannabis handler to perform transfers
16 or deliveries of medical cannabis, or any cannabis¹ [grower]
17 cultivator¹, cannabis¹ [processor] manufacturer¹, cannabis
18 wholesaler, cannabis distributor, cannabis retailer, or cannabis
19 delivery service issued a license by the commission in accordance
20 with P.L. _____, c. (C. _____) (pending before the Legislature as this
21 bill) or any entity that employs or uses a certified personal use
22 cannabis handler to perform work for or on behalf of a licensed
23 cannabis establishment, distributor, or delivery service, for a period
24 of two years after termination of service with the commission,
25 except as otherwise provided in section 35 of P.L.2019, c.153
26 (C.24:6I-28).

27 (3) No commission member or employee shall act in the
28 member's or employee's official capacity in any matter wherein the
29 member, employee, or the member's or employee's spouse,
30 domestic partner, or partner in a civil union couple, or child, parent,
31 or sibling has a direct or indirect personal financial interest that
32 might reasonably be expected to impair the member's or
33 employee's objectivity or independence of judgment.

34 (4) No commission member or employee shall act in the
35 member's or employee's official capacity in a matter concerning
36 any holder of, or applicant for, a medical cannabis cultivator,
37 medical cannabis manufacturer, medical cannabis dispensary, or
38 clinical registrant permit or any entity that employs any certified
39 medical cannabis handler to perform transfers or deliveries of
40 medical cannabis, or a cannabis¹ [grower] cultivator¹, cannabis
41 [processor] manufacturer¹, cannabis wholesaler, cannabis
42 distributor, cannabis retailer license, or cannabis delivery service or
43 any entity that employs or uses a certified personal use cannabis
44 handler to perform work for or on behalf of a licensed cannabis
45 establishment, distributor, or delivery service, who is the employer

1 of a spouse, domestic partner, or partner in a civil union couple, or
2 child, parent, or sibling of the commission member or employee
3 when the fact of the employment of the spouse, domestic partner, or
4 partner in a civil union couple, or child, parent, or sibling might
5 reasonably be expected to impair the objectivity and independence
6 of judgment of the commission member or employee.

7 (5) No spouse, domestic partner, or partner in a civil union
8 couple, or child, parent, or sibling of a commission member shall be
9 employed in any capacity by any holder of, or applicant for, a
10 medical cannabis cultivator, medical cannabis manufacturer,
11 medical cannabis dispensary, or clinical registrant permit, or any
12 entity that employs any certified medical cannabis handler to
13 perform transfers or deliveries of medical cannabis, or a cannabis
14 '[grower] cultivator' , cannabis '[processor] manufacturer' ,
15 cannabis wholesaler, cannabis distributor, cannabis retailer, or
16 cannabis delivery service license or any entity that employs or uses
17 a certified personal use cannabis handler to perform work for or on
18 behalf of a licensed cannabis establishment, distributor, or delivery
19 service, nor by any holding, intermediary, or subsidiary company
20 thereof.

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

34 d. No commission member or employee shall have any interest,
35 direct or indirect, in any holder of, or applicant for, a medical
36 cannabis cultivator, medical cannabis manufacturer, medical
37 cannabis dispensary, or clinical registrant permit or **[in]** any entity
38 that employs any certified medical cannabis handler to perform
39 transfers or deliveries of medical cannabis, or a cannabis **'[grower]**
40 cultivator' , cannabis **'[processor] manufacturer'** , cannabis
41 wholesaler, cannabis distributor, cannabis retailer, or cannabis
42 delivery service license or any entity that employs or uses a
43 certified personal use cannabis handler to perform work for or on
44 behalf of a licensed cannabis establishment, distributor, or delivery
45 service, during the member's term of office or employee's term of
46 employment.

1 e. Each commission member and employee shall devote the
2 member's or employee's entire time and attention to the member's
3 or employee's duties, as applicable, and shall not pursue any other
4 business or occupation or other gainful employment; provided,
5 however, that secretarial and clerical personnel may engage in such
6 other gainful employment as shall not interfere with their duties to
7 the commission, unless otherwise directed; and provided further,
8 however, that other employees of the commission may engage in
9 such other gainful employment as shall not interfere or be in
10 conflict with their duties to the commission **[or division,]** upon
11 approval by the commission **[, as the case may be]**.

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

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

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

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

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

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

39 (cf: P.L.2019, c.153, s.34)

40

41 10. Section 35 of P.L.2019, c.153 (C.24:6I-28) is amended to
42 read as follows:

43 35. a. No member of the commission shall hold any direct or
44 indirect interest in, or be employed by, any holder of, or applicant
45 for, a medical cannabis cultivator, medical cannabis manufacturer,
46 medical cannabis dispensary, or clinical registrant permit issued

1 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or **[in]** any entity that
2 employs any certified medical cannabis handler to perform transfers
3 or deliveries of medical cannabis, or a cannabis **1**[grower]
4 cultivator¹ , cannabis **1**[processor] manufacturer¹ , cannabis
5 wholesaler, cannabis distributor, cannabis retailer, or cannabis
6 delivery service license issued pursuant to P.L. , c. (C.)
7 (pending before the Legislature as this bill) or any entity that
8 employs or uses a certified personal use cannabis handler to
9 perform work for or on behalf of a licensed cannabis establishment,
10 distributor, or delivery service, for a period of two years
11 commencing on the date that membership on the commission
12 terminates.

13 b. (1) No employee of the commission may acquire any direct
14 or indirect interest in, or accept employment with, any holder of, or
15 applicant for, a medical cannabis cultivator, medical cannabis
16 manufacturer, medical cannabis dispensary, or clinical registrant
17 permit or **[in]** any entity that employs any certified medical
18 cannabis handler to perform transfers or deliveries of medical
19 cannabis, or a cannabis **1**[grower] manufacturer¹ , cannabis
20 **1**[processor] manufacturer¹ , cannabis wholesaler, cannabis
21 distributor, cannabis retailer, or cannabis delivery service license or
22 any entity that employs or uses a certified personal use cannabis
23 handler to perform work for or on behalf of a licensed cannabis
24 establishment, distributor, or delivery service, for a period of two
25 years commencing at the termination of employment with the
26 commission, except that a secretarial or clerical employee of the
27 commission may accept such employment at any time after the
28 termination of employment with the commission. At the end of two
29 years and for a period of two years thereafter, a former employee
30 who held a policy-making management position at any time during
31 the five years prior to termination of employment may acquire an
32 interest in, or accept employment with, any holder of, or applicant
33 for, a medical cannabis cultivator, medical cannabis manufacturer,
34 medical cannabis dispensary, or clinical registrant permit or **[in]**
35 any entity that employs any certified medical cannabis handler to
36 perform transfers or deliveries of medical cannabis, or a cannabis
37 **1**[grower] cultivator¹ , cannabis **1**[processor] manufacturer¹ ,
38 cannabis wholesaler, cannabis distributor, cannabis retailer, or
39 cannabis delivery service license or any entity that employs or uses
40 a certified personal use cannabis handler to perform work for or on
41 behalf of a licensed cannabis establishment, distributor, or delivery
42 service, upon application to, and the approval of, the commission,
43 upon a finding that the interest to be acquired or the employment
44 will not create the appearance of a conflict of interest and does not
45 evidence a conflict of interest in fact.

1 (2) Notwithstanding the provisions of this subsection, if the
2 employment of a commission employee, other than an employee
3 who held a policy-making management position at any time during
4 the five years prior to termination of employment, is terminated as a
5 result of a reduction in the workforce at the commission, the
6 employee may, at any time prior to the end of the two-year period,
7 accept employment with any holder of, or applicant for, a medical
8 cannabis cultivator, medical cannabis manufacturer, medical
9 cannabis dispensary, or clinical registrant permit or any entity that
10 employs any certified medical cannabis handler to perform transfers
11 or deliveries of medical cannabis, or a cannabis ¹grower
12 cultivator¹ , cannabis ¹processor manufacturer¹ , cannabis
13 wholesaler, ¹or cannabis distributor,¹ cannabis retailer ¹, or
14 cannabis delivery service¹ license or any entity that employs or uses
15 a certified personal use cannabis handler to perform work for or on
16 behalf of a licensed cannabis establishment, ¹distributor, or delivery
17 service.¹ upon application to, and the approval of, the commission,
18 upon a finding that the employment will not create the appearance
19 of a conflict of interest and does not evidence a conflict of interest
20 in fact. The commission shall take action on an application within
21 30 days of receipt and an application may be submitted to the
22 commission prior to or after the commencement of the employment.

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

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

32 (cf: P.L.2019, c.153, s.35)

33
34 11. Section 36 of P.L.2019, c.153 (C.24:6I-29) is amended to
35 read as follows:

36 36. a. (1) No holder of, or applicant for, a medical cannabis
37 cultivator, medical cannabis manufacturer, medical cannabis
38 dispensary, or clinical registrant permit issued pursuant to P.L.2009,
39 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
40 medical cannabis handler to perform transfers or deliveries of
41 medical cannabis, or a cannabis ¹grower
42 cultivator¹, cannabis ¹processor
43 manufacturer¹ , cannabis wholesaler, cannabis
44 distributor, cannabis retailer, or cannabis delivery service license
45 issued pursuant to P.L. _____, c. (C. _____) (pending before the
Legislature as this bill) or any entity that employs or uses a certified

1 personal use cannabis handler to perform work for or on behalf of a
2 licensed cannabis establishment, distributor, or delivery service,
3 shall employ or offer to employ, or provide, transfer, or sell, or
4 offer to provide, transfer, or sell any interest, direct or indirect, in
5 any medical cannabis cultivator, medical cannabis manufacturer,
6 medical cannabis dispensary, or clinical registrant permit holder, or
7 any cannabis ¹grower ¹cultivator ¹, cannabis ¹processor
8 ¹manufacturer ¹, cannabis wholesaler, cannabis distributor, cannabis
9 retailer, or cannabis delivery service license holder, to any person
10 restricted from such transactions by the provisions of sections 33
11 through 35 of P.L.2019, c.153 (C.24:6I-26 through C.24:6I-28).

12 (2) In addition to any civil penalty imposed pursuant to
13 subsection c. of this section, the commission may deny an
14 application, or revoke or suspend a permit holder's permit or
15 license holder's license, for committing a violation of this
16 subsection.

17 b. (1) A member or employee of the commission who makes or
18 causes to be made a political contribution prohibited under
19 subsection f. of section 34 of P.L.2019, c.153 (C.24:6I-27) is guilty
20 of a crime of the fourth degree, but notwithstanding the provisions
21 of subsection b. of N.J.S.2C:43-3, a fine not to exceed \$200,000
22 may be imposed.

23 (2) A member or employee of the commission who willfully
24 violates any other provisions in sections 33 through 35 of P.L.2019,
25 c.153 (C.24:6I-26 through C.24:6I-28) is guilty of a disorderly
26 persons offense.

27 c. The State Ethics Commission, established pursuant to the
28 "New Jersey Conflicts of Interest Law," P.L.1971, c.182
29 (C.52:13D-12 et seq.), shall enforce the provisions of sections 33
30 through 36 of P.L.2019, c.153 (C.24:6I-26 through C.24:6I-29), and
31 upon a finding of a violation, impose a civil penalty of not less than
32 \$500 nor more than \$10,000, which penalty may be collected in a
33 summary proceeding pursuant to the "Penalty Enforcement Law of
34 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). If a violation also
35 represents a crime or disorderly persons offense as set forth in
36 subsection b. of this section, the State Ethics Commission shall also
37 refer the matter to the Attorney General or appropriate county
38 prosecutor for further investigation and prosecution.

39 (cf: P.L.2019, c.153, s.36)

40

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

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

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

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

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

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

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

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

36 g. "Interest" means: (1) the ownership or control of more than
37 10 percent of the profits or assets of a firm, association, or
38 partnership, or more than 10 percent of the stock in a corporation
39 for profit other than a professional service corporation organized
40 under the "Professional Service Corporation Act," P.L.1969, c.232
41 (C.14A:17-1 et seq.); or (2) the ownership or control of more than
42 one percent of the profits of a firm, association, or partnership, or
43 more than one percent of the stock in any corporation, (a) which is
44 the holder of, or an applicant for, a casino license or in any holding
45 or intermediary company with respect thereto, as defined by the
46 "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.), **[or]** (b)

1 which is the holder of, or an applicant for, a medical cannabis
2 cultivator, medical cannabis manufacturer, medical cannabis
3 dispensary, or clinical registrant permit issued pursuant to P.L.2009,
4 c.307 (C.24:6I-1 et al.), or any holding or intermediary company
5 with respect thereto, or (c) which is the holder of, or an applicant
6 for, a cannabis 'grower' cultivator', cannabis 'processor'
7 manufacturer', cannabis wholesaler, cannabis distributor, cannabis
8 retailer, or cannabis delivery service license issued pursuant to
9 P.L. , c. (C.) (pending before the Legislature as this bill), or
10 which is an entity that employs or uses a certified personal use
11 cannabis handler to perform work for or on behalf of a licensed
12 cannabis establishment, distributor, or delivery service, or any
13 holding or intermediary company with respect to thereto. The
14 provisions of this act governing the conduct of individuals are
15 applicable to shareholders, associates or professional employees of
16 a professional service corporation regardless of the extent or
17 amount of their shareholder interest in such a corporation.

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

23 i. "Member of the immediate family" of any person means the
24 person's spouse, domestic partner, civil union partner, child, parent,
25 or sibling residing in the same household.
26 (cf: P.L.2019, c.153, s.37)

27
28 13. The title of P.L.1981, c.142 is amended to read as follows:
29 **AN ACT concerning casino activity, and personal use and medical**
30 **cannabis activities,** and the conduct of certain elected and appointed
31 public officers and employees as it relates thereto, amending and
32 supplementing P.L.1971, c.182, amending P.L.1977, c.110,
33 P.L.1980, c.28 and P.L.1980, c.69 ₂ and repealing section 2 of
34 P.L.1980, c.79.

35 (cf: P.L.1981, c.142, title)

36
37 14. Section 4 of P.L.1981, c.142 (C.52:13D-17.2) is amended to
38 read as follows:

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

40 (1) (a) with respect to casino activity **[and]** ₂ activity related to
41 medical cannabis authorized pursuant to P.L.2009, c.307 (C.24:6I-1
42 et al.), and activity related to personal use cannabis authorized
43 pursuant to P.L. , c. (C.) (pending before the Legislature as
44 this bill): the Governor; the President of the Senate; the Speaker of
45 the General Assembly; any full-time member of the Judiciary; any
46 full-time professional employee of the Office of the Governor; the

1 head of a principal department; the assistant or deputy heads of a
2 principal department, including all assistant and deputy
3 commissioners; the head of any division of a principal department;

4 (b) with respect to casino activity **[,]** : any State officer or
5 employee subject to financial disclosure by law or executive order
6 and any other State officer or employee with responsibility for
7 matters affecting casino activity; any special State officer or
8 employee with responsibility for matters affecting casino activity;
9 any member of the Legislature; any full-time professional employee
10 of the Legislature; members of the Casino Reinvestment
11 Development Authority; or

12 (c) with respect to activity related to medical cannabis
13 authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) **[,]** and
14 activity related to personal use cannabis authorized pursuant to
15 P.L. , c. (C.) (pending before the Legislature as this bill):
16 any State officer or employee subject to financial disclosure by law
17 or executive order and any other State officer or employee with
18 responsibility for matters affecting medical cannabis activity or
19 personal use cannabis activity; any special State officer or
20 employee with responsibility for matters affecting medical cannabis
21 activity or personal use cannabis activity; members of the Cannabis
22 Regulatory Commission; or

23 (2) (a) any member of the governing body, or the municipal
24 judge or the municipal attorney of a municipality wherein a casino
25 is located; any member of or attorney for the planning board or
26 zoning board of adjustment of a municipality wherein a casino is
27 located, or any professional planner, or consultant regularly
28 employed or retained by such planning board or zoning board of
29 adjustment; or

30 (b) any member of the governing body or the municipal judge of
31 a municipality, any member of the planning board or zoning board
32 of adjustment, or any professional planner, or consultant regularly
33 employed or retained by such planning board or zoning board of
34 adjustment, of a municipality wherein a medical cannabis
35 cultivator, medical cannabis manufacturer, medical cannabis
36 dispensary, or clinical registrant issued a permit pursuant to
37 P.L.2009, c.307 (C.24:6I-1 et al.), or wherein a cannabis ¹**[grower]**
38 cultivator¹ , cannabis ¹**[processor]** manufacturer¹ , cannabis
39 wholesaler, cannabis distributor, cannabis retailer, cannabis
40 delivery service issued a license pursuant to P.L. , c. (C.)
41 (pending before the Legislature as this bill), is located.

42 b. (1) No State officer or employee, nor any person, nor any
43 member of the immediate family of any State officer or employee,
44 or person, nor any partnership, firm, or corporation with which any
45 such State officer or employee or person is associated or in which
46 he has an interest, nor any partner, officer, director, or employee

1 while he is associated with such partnership, firm, or corporation,
2 shall hold, directly or indirectly, an interest in, or hold employment
3 with, or represent, appear for, or negotiate on behalf of, any holder
4 of, or applicant for, a casino license, or any holding or intermediary
5 company with respect thereto, in connection with any cause,
6 application, or matter, except as provided in section 3 of P.L.2009,
7 c.26 (C.52:13D-17.3), and except that (a) a State officer or
8 employee other than a State officer or employee included in the
9 definition of person, and (b) a member of the immediate family of
10 a State officer or employee, or of a person, may hold employment
11 with the holder of, or applicant for, a casino license if, in the
12 judgment of the State Ethics Commission, the Joint Legislative
13 Committee on Ethical Standards, or the Supreme Court, as
14 appropriate, such employment will not interfere with the
15 responsibilities of the State officer or employee, or person, and will
16 not create a conflict of interest, or reasonable risk of the public
17 perception of a conflict of interest, on the part of the State officer or
18 employee, or person. No special State officer or employee without
19 responsibility for matters affecting casino activity, excluding those
20 serving in the Departments of Education, Health, and Human
21 Services and the Office of the Secretary of Higher Education, shall
22 hold, directly or indirectly, an interest in, or represent, appear for,
23 or negotiate on behalf of, any holder of, or applicant for, a casino
24 license, or any holding or intermediary company with respect
25 thereto, in connection with any cause, application, or matter.
26 However, a special State officer or employee without responsibility
27 for matters affecting casino activity may hold employment directly
28 with any holder of or applicant for a casino license or any holding
29 or intermediary company thereof and if so employed may hold,
30 directly or indirectly, an interest in, or represent, appear for, or
31 negotiate on behalf of, that employer, except as otherwise
32 prohibited by law.

33 (2) No State officer or employee, nor any person, nor any
34 member of the immediate family of any State officer or employee,
35 or person, nor any partnership, firm, or corporation with which any
36 such State officer or employee or person is associated or in which
37 he has an interest, nor any partner, officer, director, or employee
38 while he is associated with such partnership, firm, or corporation,
39 shall hold, directly or indirectly, an interest in, or hold employment
40 with, or represent, appear for, or negotiate on behalf of, or derive
41 any remuneration, payment, benefit, or any other thing of value for
42 any services, including but not limited to consulting or similar
43 services, from any holder of, or applicant for, a license, permit, or
44 other approval to conduct Internet gaming, or any holding or
45 intermediary company with respect thereto, or any Internet gaming
46 affiliate of any holder of, or applicant for, a casino license, or any

1 holding or intermediary company with respect thereto, or any
2 business, association, enterprise, or other entity that is organized, in
3 whole or in part, for the purpose of promoting, advocating for, or
4 advancing the interests of the Internet gaming industry generally or
5 any Internet gaming-related business or businesses in connection
6 with any cause, application, or matter, except as provided in section
7 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State
8 officer or employee other than a State officer or employee included
9 in the definition of person, and (b) a member of the immediate
10 family of a State officer or employee, or of a person, may hold
11 employment with the holder of, or applicant for, a license, permit,
12 or other approval to conduct Internet gaming, or any holding or
13 intermediary company with respect thereto, or any Internet gaming
14 affiliate of any holder of, or applicant for, a casino license, or any
15 holding or intermediary company with respect thereto if, in the
16 judgment of the State Ethics Commission, the Joint Legislative
17 Committee on Ethical Standards, or the Supreme Court, as
18 appropriate, such employment will not interfere with the
19 responsibilities of the State officer or employee, or person, and will
20 not create a conflict of interest, or reasonable risk of the public
21 perception of a conflict of interest, on the part of the State officer or
22 employee, or person.

23 (3) No State officer or employee, nor any person, nor any
24 member of the immediate family of any State officer or employee,
25 or person, nor any partnership, firm, or corporation with which any
26 such State officer or employee or person is associated or in which
27 he has an interest, nor any partner, officer, director, or employee
28 while he is associated with such partnership, firm, or corporation,
29 shall hold, directly or indirectly, an interest in, or hold employment
30 with, or represent, appear for, or negotiate on behalf of, any holder
31 of, or applicant for, a medical cannabis cultivator, medical cannabis
32 manufacturer, medical cannabis dispensary, or clinical registrant
33 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or **[in]**
34 any entity that employs any certified medical cannabis handler to
35 perform transfers or deliveries of medical cannabis, or any holding
36 or intermediary company with respect thereto, or a cannabis
37 '**[grower]** cultivator¹ , cannabis '**[processor]** manufacturer¹ ,
38 cannabis wholesaler, cannabis distributor, cannabis retailer, or
39 cannabis delivery service license issued pursuant to P.L. _____,
40 c. (C. _____) (pending before the Legislature as this bill), or which
41 is an entity that employs or uses a certified personal use cannabis
42 handler to perform work for or on behalf of a licensed cannabis
43 establishment, distributor, or delivery service or any holding or
44 intermediary company with respect thereto, in connection with any
45 cause, application, or matter, except as provided in section 3 of
46 P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State officer

1 or employee other than a State officer or employee included in the
2 definition of person, and (b) a member of the immediate family of a
3 State officer or employee, or of a person, may hold employment
4 with the holder of, or applicant for, a medical cannabis cultivator,
5 medical cannabis manufacturer, medical cannabis dispensary, or
6 clinical registrant permit or any entity that employs any certified
7 medical cannabis handler to perform transfers or deliveries of
8 medical cannabis, or a cannabis 'grower' cultivator¹ , cannabis
9 'processor' manufacturer¹ , cannabis wholesaler, cannabis
10 distributor, cannabis retailer, cannabis delivery service license or
11 any entity that employs or uses a certified personal use cannabis
12 handler to perform work for or on behalf of a licensed cannabis
13 establishment, distributor, or delivery service, if, in the judgment of
14 the State Ethics Commission, the Joint Legislative Committee on
15 Ethical Standards, or the Supreme Court, as appropriate, such
16 employment will not interfere with the responsibilities of the State
17 officer or employee, or person, and will not create a conflict of
18 interest, or reasonable risk of the public perception of a conflict of
19 interest, on the part of the State officer or employee, or person. No
20 special State officer or employee without responsibility for matters
21 affecting medical cannabis activity or personal use cannabis
22 activity, excluding those serving in the Departments of Education,
23 Health, and Human Services and the Office of the Secretary of
24 Higher Education, shall hold, directly or indirectly, an interest in, or
25 represent, appear for, or negotiate on behalf of, any holder of, or
26 applicant for, a medical cannabis cultivator, medical cannabis
27 manufacturer, medical cannabis dispensary, or clinical registrant
28 permit or any entity that employs any certified medical cannabis
29 handler to perform transfers or deliveries of medical cannabis, or
30 any holding or intermediary company with respect thereto, or a
31 cannabis 'grower' cultivator¹ , cannabis 'processor'
32 manufacturer¹ , cannabis wholesaler, cannabis distributor, cannabis
33 retailer, or cannabis delivery service license or any entity that
34 employs or uses a certified personal use cannabis handler to
35 perform work for or on behalf of a licensed cannabis establishment,
36 distributor, or delivery service or any holding or intermediary
37 company with respect thereto, in connection with any cause,
38 application, or matter. However, a special State officer or employee
39 without responsibility for matters affecting medical cannabis
40 activity or personal use cannabis activity may hold employment
41 directly with any holder of or applicant for a medical cannabis
42 cultivator, medical cannabis manufacturer, medical cannabis
43 dispensary, or clinical registrant permit, or any entity that employs
44 any certified medical cannabis handler to perform transfers or
45 deliveries of medical cannabis, or any holding or intermediary
46 company thereof, or a cannabis 'grower' cultivator¹ , cannabis

1 '[processor] manufacture¹ , cannabis wholesaler, cannabis
2 distributor, cannabis retailer, or cannabis delivery service license or
3 any entity that employs or uses a certified personal use cannabis
4 handler to perform work for or on behalf of a licensed cannabis
5 establishment, distributor, or delivery service or any holding or
6 intermediary company with respect to thereto, and if so employed
7 may hold, directly or indirectly, an interest in, or represent, appear
8 for, or negotiate on behalf of, that employer, except as otherwise
9 prohibited by law.

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

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

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

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

1 the Casino Control Commission and employees and agents of the
2 Division of Gaming Enforcement pursuant to paragraph (2) of
3 subsection e. of section 59 and to section 60 of P.L.1977, c.110
4 (C.5:12-59 and C.5:12-60); and

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

30 (2) No person or any member of the person's immediate family,
31 nor any partnership, firm, or corporation with which such person is
32 associated or in which the person has an interest, nor any partner,
33 officer, director, or employee while the person is associated with
34 such partnership, firm, or corporation, shall, within two years next
35 subsequent to the termination of the office or employment of such
36 person, hold, directly or indirectly, an interest in, or hold
37 employment with, or represent, appear for, or negotiate on behalf
38 of, any holder of, or applicant for, a medical cannabis cultivator,
39 medical cannabis manufacturer, medical cannabis dispensary, or
40 clinical registrant permit issued pursuant to P.L.2009, c.307
41 (C.24:6I-1 et al.) or **[in]** any entity that employs any certified
42 medical cannabis handler to perform transfers or deliveries of
43 medical cannabis **[**, or any holding or intermediary company with
44 respect thereto**]** , or a cannabis ¹**[grower]** cultivator¹ , cannabis
45 ¹**[processor]** manufacturer¹ , cannabis wholesaler, cannabis
46 distributor, cannabis retailer, or cannabis delivery service license

1 issued pursuant to P.L. _____, c. (C. _____) (pending before the
2 Legislature as this bill) or any entity that employs or uses a certified
3 personal use cannabis handler to perform work for or on behalf of a
4 licensed cannabis establishment, distributor, or delivery service in
5 connection with any cause, application, or matter, or any holding or
6 intermediary company with respect to such holder of, or applicant
7 for, a medical cannabis cultivator, medical cannabis manufacturer,
8 medical cannabis dispensary, or clinical registrant permit or entity
9 that employs any certified medical cannabis handler to perform
10 transfers or deliveries of medical cannabis, or a cannabis ¹grower
11 cultivator¹, cannabis ¹processor manufacturer¹, cannabis
12 wholesaler, cannabis distributor, cannabis retailer, or cannabis
13 delivery service license or any entity that employs or uses a
14 certified personal use cannabis handler to perform work for or on
15 behalf of a licensed cannabis establishment, distributor, or delivery
16 service in connection with any phase of development, permitting,
17 licensure, or any other matter whatsoever related to medical
18 cannabis activity or personal use cannabis activity, except as
19 provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except
20 that:

21 (a) a member of the immediate family of a person may hold
22 employment with the holder of, or applicant for, a medical cannabis
23 cultivator, medical cannabis manufacturer, medical cannabis
24 dispensary, or clinical registrant permit issued pursuant to P.L.2009,
25 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
26 medical cannabis handler to perform transfers or deliveries of
27 medical cannabis, or a cannabis ¹grower cultivator¹, cannabis
28 ¹processor manufacturer¹, cannabis wholesaler, cannabis
29 distributor, cannabis retailer, or cannabis delivery service license
30 issued pursuant to P.L. _____, c. (C. _____) (pending before the
31 Legislature as this bill) or any entity that employs or uses a certified
32 personal use cannabis handler to perform work for or on behalf of a
33 licensed cannabis establishment, distributor, or delivery service if,
34 in the judgment of the State Ethics Commission, the Joint
35 Legislative Committee on Ethical Standards, or the Supreme Court,
36 as appropriate, such employment will not interfere with the
37 responsibilities of the person and will not create a conflict of
38 interest, or reasonable risk of the public perception of a conflict of
39 interest, on the part of the person;

40 (b) an employee who is terminated as a result of a reduction in
41 the workforce at the agency where employed, other than an
42 employee who held a policy-making management position at any
43 time during the five years prior to termination of employment, may,
44 at any time prior to the end of the two-year period, accept
45 employment with the holder of, or applicant for, a medical cannabis
46 cultivator, medical cannabis manufacturer, medical cannabis

1 dispensary, or clinical registrant permit or any entity that employs
2 any certified medical cannabis handler to perform transfers or
3 deliveries of medical cannabis, or a cannabis ¹grower
4 cultivator¹, cannabis ¹processor manufacturer¹, cannabis
5 wholesaler, cannabis distributor, cannabis retailer, or cannabis
6 delivery service license or any entity that employs or uses a
7 certified personal use cannabis handler to perform work for or on
8 behalf of a licensed cannabis establishment, distributor, or delivery
9 service if, in the judgment of the State Ethics Commission, the Joint
10 Legislative Committee on Ethical Standards, or the Supreme Court,
11 as appropriate, such employment will not create a conflict of
12 interest, or reasonable risk of the public perception of a conflict of
13 interest, on the part of the employee. In no case shall the
14 restrictions of this subsection apply to a secretarial or clerical
15 employee. Nothing herein contained shall alter or amend the post-
16 service or post-employment restrictions applicable to members and
17 employees of the Cannabis Regulatory Commission pursuant to
18 paragraph (2) of subsection c. of section 34 and section 35 of
19 P.L.2019, c.153 (C.24:6I-27 and C.24:6I-28); and

20 (c) any partnership, firm, or corporation engaged in the practice
21 of law or in providing any other professional services with which
22 any person included in subparagraphs (a) and (c) of paragraph (1) of
23 subsection a. of this section, or a member of the immediate family
24 of that person, is associated, and any partner, officer, director, or
25 employee thereof, other than that person, or immediate family
26 member, may represent, appear for, or negotiate on behalf of any
27 holder of, or applicant for, a medical cannabis cultivator, medical
28 cannabis manufacturer, medical cannabis dispensary, or clinical
29 registrant permit or any entity that employs any certified medical
30 cannabis handler to perform transfers or deliveries of medical
31 cannabis, or a cannabis ¹grower cultivator¹, cannabis
32 ¹processor manufacturer¹, cannabis wholesaler, cannabis
33 distributor, cannabis retailer, or cannabis delivery service license or
34 any entity that employs or uses a certified personal use cannabis
35 handler to perform work for or on behalf of a licensed cannabis
36 establishment, distributor, or delivery service in connection with
37 any cause, application, or matter or any holding company or
38 intermediary company with respect to such holder of, or applicant
39 for, a medical cannabis cultivator, medical cannabis manufacturer,
40 medical cannabis dispensary, or clinical registrant permit or entity
41 that employs any certified medical cannabis handler to perform
42 transfers or deliveries of medical cannabis, or a cannabis ¹grower
43 cultivator¹, cannabis ¹processor manufacturer¹, cannabis
44 wholesaler, cannabis distributor, cannabis retailer, or cannabis
45 delivery service license or entity that employs or uses a certified

1 personal use cannabis handler to perform work for or on behalf of a
2 licensed cannabis establishment, distributor, or delivery service in
3 connection with any phase of development, permitting, licensing, or
4 any other matter whatsoever related to medical cannabis activity or
5 personal use activity, and that person or immediate family member
6 shall not be barred from association with such partnership, firm, or
7 corporation, if for a period of two years next subsequent to the
8 termination of the person's office or employment, the person or
9 immediate family member (i) is screened from personal
10 participation in any such representation, appearance or negotiation;
11 and (ii) is associated with the partnership, firm, or corporation in a
12 position which does not entail any equity interest in the partnership,
13 firm, or corporation. The exception provided in this **[paragraph]**
14 subparagraph shall not apply to a former Governor, Lieutenant
15 Governor, Attorney General, the President of the Senate, the
16 Speaker of the General Assembly, to a person included in
17 subparagraph (b) of paragraph (2) of subsection a. of this section, or
18 to the members of their immediate families.

19 d. This section shall not apply to the spouse of a State officer
20 or employee, which State officer or employee is without
21 responsibility for matters affecting casino **[or]** , medical cannabis,
22 or personal use cannabis activity, who becomes the spouse
23 subsequent to the State officer's or employee's appointment or
24 employment as a State officer or employee and who is not
25 individually or directly employed by a holder of, or applicant for, a
26 casino license **[or]** , medical cannabis permit, personal use
27 cannabis license, or any entity that employs or uses a certified
28 personal use cannabis handler to perform work for or on behalf of a
29 licensed cannabis establishment, distributor, or delivery service or
30 any holding or intermediary company thereof.

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

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

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

1 employs any certified medical cannabis handler to perform transfers
2 or deliveries of medical cannabis, or a cannabis ¹grower
3 cultivator¹ , cannabis ¹processor manufacturer¹ , cannabis
4 wholesaler, cannabis distributor, cannabis retailer, or cannabis
5 delivery service license issued pursuant to P.L. _____,
6 c. (C. _____) (pending before the Legislature as this bill) or any
7 entity that employs or uses a certified personal use cannabis handler
8 to perform work for or on behalf of a licensed cannabis
9 establishment, distributor, or delivery service which the person
10 knows or has reason to know is other than a service or discount that
11 is offered to members of the general public in like circumstance.

12 g. (1) No person shall influence, or attempt to influence, by use
13 of his official authority, the decision of the Casino Control
14 Commission or the investigation of the Division of Gaming
15 Enforcement in any application for casino licensure or in any
16 proceeding to enforce the provisions of this act or the regulations of
17 the commission. Any such attempt shall be promptly reported to the
18 Attorney General; provided, however, that nothing in this section
19 shall be deemed to proscribe a request for information by any
20 person concerning the status of any application for licensure or any
21 proceeding to enforce the provisions of this act or the regulations of
22 the commission.

23 (2) No person shall influence, or attempt to influence, by use of
24 the person's official authority, the decision of the Cannabis
25 Regulatory Commission in any application for a medical cannabis
26 cultivator, medical cannabis manufacturer, medical cannabis
27 dispensary, or clinical registrant permit, or a cannabis ¹grower
28 cultivator¹ , cannabis ¹processor manufacturer¹ , cannabis
29 wholesaler, cannabis distributor, cannabis retailer, or cannabis
30 delivery service license, or in any proceeding to enforce the
31 provisions of P.L.1981, c.142 (C.52:13D-17.2 et al.), P.L.2009,
32 c.307 (C.24:6I-1 et al.), or the regulations of the Cannabis
33 Regulatory Commission. Any such attempt shall be promptly
34 reported to the Attorney General; provided, however, that nothing
35 in this section shall be deemed to proscribe a request for
36 information by any person concerning the status of any permit or
37 license application, or any proceeding to enforce the provisions of
38 P.L.1981, c.142 (C.52:13D-17.2 et al.), P.L.2009, c.307 (C.24:6I-1
39 et al.), P.L. _____, c. (C. _____) (pending before the Legislature as this
40 bill), or the regulations of the Cannabis Regulatory Commission.

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

44 In addition, for violations of subsection c. of this section
45 occurring after the effective date of P.L.2005, c.382, a civil penalty
46 of not less than \$500 nor more than \$10,000 shall be imposed upon

1 a former State officer or employee or former special State officer or
2 employee of a State agency in the Executive Branch upon a finding
3 of a violation by the State Ethics Commission, which penalty may
4 be collected in a summary proceeding pursuant to the "Penalty
5 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
6

7 15. Section 32 of P.L.2019, c.153 (C.24:6I-25) is amended to
8 read as follows:

9 32. a. There is hereby established in the commission an Office
10 of Minority, Disabled Veterans, and Women **【Medical】** Cannabis
11 Business Development. The office shall be under the immediate
12 supervision of a director. The director of the office shall be
13 appointed by the Governor, and shall serve at the pleasure of the
14 appointing Governor during the Governor's term of office and until
15 a successor has been duly appointed and qualified. Any vacancy in
16 the directorship occurring for any reason other than the expiration
17 of the director's term of office shall be filled for the unexpired term
18 only in the same manner as the original appointment. The director
19 shall receive an annual salary as provided by law which shall be at
20 an amount not to exceed the annual salary of the executive director
21 of the commission.

22 b. (1) The office shall establish and administer, under the
23 direction of the commission, unified practices and procedures for
24 promoting participation in the medical cannabis **【industry】** and
25 personal use cannabis industries by persons from socially and
26 economically disadvantaged communities, including by prospective
27 and existing ownership of minority businesses and women's
28 businesses, as these terms are defined in section 2 of P.L.1986,
29 c.195 (C.52:27H-21.18), and disabled veterans' businesses as
30 defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), to be issued
31 medical cannabis cultivator, medical cannabis manufacturer,
32 medical cannabis dispensary, and clinical registrant permits , or
33 cannabis ¹**【grower】** cultivator¹ , cannabis ¹**【processor】**
34 manufacturer¹ , cannabis wholesaler, cannabis distributor, cannabis
35 retailer, and cannabis delivery service licenses. These unified
36 practices and procedures shall include the certification and
37 subsequent recertification at regular intervals of a business as a
38 minority or women's business, or a disabled veterans' business, in
39 accordance with eligibility criteria and a certification application
40 process established by the commission through regulation in
41 consultation with the office.

42 (2) The office shall conduct advertising and promotional
43 campaigns, and shall disseminate information to the public, to
44 increase awareness for participation in the medical cannabis
45 **【industry】** and personal use cannabis industries by persons from
46 socially and economically disadvantaged communities. To this end,

1 the office shall sponsor seminars and informational programs, and
2 shall provide information on its Internet website, providing
3 practical information concerning the medical cannabis **[industry]**
4 and personal use cannabis industries, including information on
5 business management, marketing, and other related matters.

6 c. (1) The office shall develop, recommend, and implement
7 policies, practices, protocols, standards, and criteria designed to
8 promote the formulation of medical cannabis business entities and
9 personal use cannabis establishments, distributors, and delivery
10 services and participation in the medical cannabis **[industry]** and
11 personal use cannabis industries by persons from socially and
12 economically disadvantaged communities, including by promoting
13 applications for, and the issuance of, medical cannabis cultivator,
14 medical cannabis manufacturer, medical cannabis dispensary, and
15 clinical registrant permits , and cannabis 'grower' cultivator' ,
16 cannabis 'processor' manufacturer' , cannabis wholesaler,
17 cannabis distributor, cannabis retailer, and cannabis delivery
18 services licenses, to certified minority, women's, and disabled
19 veterans' businesses.

20 (a) The office shall evaluate the effectiveness of **[these]** the
21 measures designed to promote participation in the medical cannabis
22 industry by considering whether the measures have resulted in new
23 medical cannabis cultivator, medical cannabis manufacturer, and
24 medical cannabis dispensary permits being issued in accordance
25 with the provisions of subsection g. of section 12 of P.L.2019, c.153
26 (C.24:6I-7.2).

27 (b) The effectiveness of the office's 'measures' measures'
28 designed to promote participation in the personal use cannabis
29 industry shall be assessed by considering whether the measures
30 have resulted in not less than 30 percent of the total number of
31 licenses issued by the commission for personal use cannabis
32 establishments and distributors under P.L. , c. (C.) (pending
33 before the Legislature as this bill) being issued to minority,
34 women's, and disabled veterans' businesses certified in accordance
35 with the certification process established by the office pursuant to
36 paragraph (1) of subsection b. of this section. Of the resulting total
37 number of licenses issued for personal use cannabis establishments,
38 distributors, and delivery services, the effectiveness of the office's
39 measures shall be further assessed by considering whether those
40 measures have resulted in not less than 15 percent of the licenses
41 being issued to certified minority businesses, and not less than 15
42 percent of the licenses being issued to certified women's and
43 disabled veterans' businesses.

44 (2) The office shall periodically analyze the total number of
45 permits and licenses issued by the commission as compared with
46 the number of certified minority, women's, and disabled veterans'

1 businesses that submitted applications for, and that were awarded,
2 such permits and licenses. The office shall make good faith efforts
3 to establish, maintain, and enhance the measures designed to
4 promote the formulation and participation in the operation of
5 medical cannabis businesses and personal use cannabis
6 establishments, distributors, and delivery services by persons from
7 socially and economically disadvantaged communities consistent
8 with the standards set forth in paragraph (1) of this subsection, and
9 to coordinate and assist the commission with respect to its
10 incorporation of these permitting and licensing measures into the
11 application and review process for issuing permits and licenses
12 under P.L.2009, c.307 (C.24:6I-1 et al.) and P.L. , c. (C.)
13 (pending before the Legislature as this bill).

14 d. The office may review the commission's measures regarding
15 participation in the medical cannabis **【industry】** and personal use
16 cannabis industries by persons from socially and economically
17 disadvantaged communities, and minority, women's, and disabled
18 veterans' businesses, and make recommendations on relevant policy
19 and implementation matters for the improvement thereof. The
20 office may consult with experts or other knowledgeable individuals
21 in the public or private sector on any aspect of its mission.

22 e. The office shall prepare information regarding its activities
23 pursuant to this section concerning participation in the medical
24 cannabis **【industry】** and personal use cannabis industries by persons
25 from socially and economically disadvantaged communities,
26 including medical cannabis and personal use cannabis business
27 development initiatives for minority, women's, and disabled
28 veterans' businesses participating in the medical cannabis
29 marketplace, to be incorporated by the commission into its annual
30 report submitted to the Governor and to the Legislature pursuant to
31 section 14 of P.L.2009, c.307 (C.24:6I-12).

32 (cf: P.L.2019, c.153, s.32)

33

34 16. Section 12 of P.L.2019, c.153 (C.24:6I-7.2) is amended to
35 read as follows:

36 12. a. Each application for a medical cannabis cultivator permit,
37 medical cannabis manufacturer permit, and medical cannabis
38 dispensary permit, and each application for annual renewal of such
39 permit, including permit and renewal applications for
40 microbusinesses that meet the requirements of subsection e. of
41 section 11 of P.L.2019, c.153 (C.24:6I-7.1), shall be submitted to
42 the commission. A full, separate application shall be required for
43 each initial permit requested by the applicant and for each location
44 at which an applicant seeks to operate, regardless of whether the
45 applicant was previously issued a medical cannabis cultivator,
46 medical cannabis manufacturer, medical cannabis dispensary, or

1 clinical registrant permit, and regardless of whether the applicant
2 currently holds a medical cannabis cultivator, medical cannabis
3 manufacturer, or medical cannabis dispensary permit. Renewal
4 applications shall be submitted to the commission on a form and in
5 a manner as shall be specified by the commission no later than 90
6 days before the date the current permit will expire.

7 b. An initial permit application shall be evaluated according to
8 criteria to be developed by the commission. The commission shall
9 determine the point values to be assigned to each criterion, which
10 shall include bonus points for applicants who are residents of New
11 Jersey.

12 c. The criteria to be developed by the commission pursuant to
13 subsection b. of this section shall include, in addition to the criteria
14 set forth in subsections d. and e. of this section and any other
15 criteria developed by the commission, an analysis of the applicant's
16 operating plan, excluding safety and security criteria, which shall
17 include the following:

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

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

23 (b) conventional horticulture or agriculture, familiarity with
24 good agricultural practices, and any relevant certifications or
25 degrees;

26 (c) quality control and quality assurance;

27 (d) recall plans;

28 (e) packaging and labeling;

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

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

32 (h) water management practices;

33 (i) odor mitigation practices;

34 (j) onsite and offsite recordkeeping;

35 (k) strain variety and plant genetics;

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

38 (m) waste disposal plans; and

39 (n) compliance with applicable laws and regulations.

40 (2) In the case of an applicant for a medical cannabis
41 manufacturer permit, the operating plan summary shall include a
42 written description concerning the applicant's qualifications for,
43 experience in, and knowledge of each of the following topics:

44 (a) State-authorized manufacture, production, and creation of
45 cannabis products using appropriate extraction methods, including
46 intended use and sourcing of extraction equipment and associated

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

- 1 d. The criteria to be developed by the commission pursuant to
2 subsection b. of this section shall include, in addition to the criteria
3 set forth in subsections c. and e. of this section and any other
4 criteria developed by the commission, an analysis of the following
5 factors, if applicable:
- 6 (1) The applicant's environmental impact plan.
 - 7 (2) A summary of the applicant's safety and security plans and
8 procedures, which shall include descriptions of the following:
 - 9 (a) plans for the use of security personnel, including
10 contractors;
 - 11 (b) the experience or qualifications of security personnel and
12 proposed contractors;
 - 13 (c) security and surveillance features, including descriptions of
14 any alarm systems, video surveillance systems, and access and
15 visitor management systems, along with drawings identifying the
16 proposed locations for surveillance cameras and other security
17 features;
 - 18 (d) plans for the storage of medical cannabis and medical
19 cannabis products, including any safes, vaults, and climate control
20 systems that will be utilized for this purpose;
 - 21 (e) a diversion prevention plan;
 - 22 (f) an emergency management plan;
 - 23 (g) procedures for screening, monitoring, and performing
24 criminal history record background checks of employees;
 - 25 (h) cybersecurity procedures, including, in the case of an
26 applicant for a medical cannabis dispensary permit, procedures for
27 collecting, processing, and storing patient data, and the applicant's
28 familiarity with State and federal privacy laws;
 - 29 (i) workplace safety plans and the applicant's familiarity with
30 federal Occupational Safety and Health Administration regulations;
 - 31 (j) the applicant's history of workers' compensation claims and
32 safety assessments;
 - 33 (k) procedures for reporting adverse events; and
 - 34 (l) a sanitation practices plan.
 - 35 (3) A summary of the applicant's business experience, including
36 the following, if applicable:
 - 37 (a) the applicant's experience operating businesses in highly-
38 regulated industries;
 - 39 (b) the applicant's experience in operating alternative treatment
40 centers and related medical cannabis production and dispensation
41 entities under the laws of New Jersey or any other state or
42 jurisdiction within the United States; and
 - 43 (c) the applicant's plan to comply with and mitigate the effects
44 of 26 U.S.C. s.280E on cannabis businesses, and for evidence that
45 the applicant is not in arrears with respect to any tax obligation to
46 the State.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

41 (10) The proposed composition of the applicant's medical
42 advisory board established pursuant to section 15 of P.L.2019,
43 c.153 (C.24:6I-7.5), if any.

44 (11) Whether the applicant intends to or has entered into a
45 partnership with a prisoner re-entry program for the purpose of
46 identifying and promoting employment opportunities at the

1 applicant's organization for former inmates and current inmates
2 leaving the corrections system. If so, the applicant shall provide
3 details concerning the name of the re-entry program, the
4 employment opportunities at the applicant's organization that will
5 be made available to the re-entry population, and any other
6 initiatives the applicant's organization will undertake to provide
7 support and assistance to the re-entry population.

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

10 e. In addition to the information to be submitted pursuant to
11 subsections c. and d. of this section, the commission shall require
12 all permit applicants, other than applicants issued a conditional
13 permit, to submit an attestation signed by a bona fide labor
14 organization stating that the applicant has entered into a labor peace
15 agreement with such bona fide labor organization. Except in the
16 case of an entity holding an unconverted conditional permit, the
17 maintenance of a labor peace agreement with a bona fide labor
18 organization shall be an ongoing material condition of maintaining
19 a medical cannabis cultivator, medical cannabis manufacturer, or
20 medical cannabis dispensary permit. The submission of an
21 attestation and maintenance of a labor peace agreement with a bona
22 fide labor organization by an applicant issued a conditional permit
23 pursuant to subsection d. of section 11 of P.L.2019, c.153 (C.24:6I-
24 7.1) shall be a requirement for conversion of a conditional permit
25 into a full permit. The failure to enter into a collective bargaining
26 agreement within 200 days after the date that a medical cannabis
27 cultivator, medical cannabis manufacturer, or medical cannabis
28 dispensary first opens shall result in the suspension or revocation of
29 such permit or conditional permit. In reviewing initial permit
30 applications, the commission shall give priority to the following:

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

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

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

41 (4) Applicants that submit '[an attestation affirming that they
42 will use best efforts to utilize]' ['union]' 'a signed project labor
43 agreement with a bona fide' building trades labor' ['organizations
44 in] organization, which is a form of pre-hire collective bargaining
45 agreement covering terms and conditions of a specific project,

1 including labor issues and worker grievances associated with that
2 project, for¹ the construction or retrofit of the facilities associated
3 with the permitted entity.

4 (5) Applicants that submit ¹["an attestation affirming that they
5 have a project labor agreement, or will utilize]¹ a ¹signed¹ project
6 labor agreement ¹[" which is a form of pre-hire collective
7 bargaining agreement covering terms and conditions of a specific
8 project, including labor issues and worker grievances associated
9 with any construction or retrofit of facilities, or]¹ with a bona fide
10 labor organization for any¹ other applicable project ¹["¹ associated
11 with the ¹["licensed"] permitted¹ entity.

12 The requirements of this subsection shall not apply to a
13 microbusiness applying for a conditional or annual permit of any
14 type.

15 f. In reviewing an initial permit application, unless the
16 information is otherwise solicited by the commission in a specific
17 application question, the commission's evaluation of the application
18 shall be limited to the experience and qualifications of the
19 applicant's organization, including any entities with common
20 ownership or control of the applicant's organization, controlling
21 owners or interest holders in the applicant's organization, the
22 officers, directors, and current or prospective employees of the
23 applicant's organization who have a bona fide relationship with the
24 applicant's organization as of the date of the application, and
25 consultants and independent contractors who have a bona fide
26 relationship with the applicant as of the date of the application.
27 Responses pertaining to applicants who are exempt from the
28 criminal history record background check requirements of section 7
29 of P.L.2009, c.307 (C.24:6I-7) shall not be considered. Each
30 applicant shall certify as to the status of the individuals and entities
31 included in the application.

32 g. The commission shall conduct a disparity study to determine
33 whether race-based measures should be considered when issuing
34 permits pursuant to this section, and shall incorporate the policies,
35 practices, protocols, standards, and criteria developed by the Office
36 of Minority, Disabled Veterans, and Women **["Medical"]** Cannabis
37 Business Development pursuant to section 32 of P.L.2019, c.153
38 (C.24:6I-25) to promote participation in the medical cannabis
39 industry by persons from socially and economically disadvantaged
40 communities, including promoting applications for, and the
41 issuance of, medical cannabis cultivator, medical cannabis
42 manufacturer, and medical cannabis dispensary permits to certified
43 minority, women's, and disabled veterans' businesses. To this end,
44 the commission shall seek to issue at least 30 percent of the total
45 number of new medical cannabis cultivator permits, medical

1 cannabis manufacturer permits, and medical cannabis dispensary
2 permits issued on or after the effective date of P.L.2019, c.153
3 (C.24:6I-5.1 et al.) as follows:

4 (1) at least 15 percent of the total number of new medical
5 cannabis cultivator permits, medical cannabis manufacturer
6 permits, and medical cannabis dispensary permits issued on or after
7 the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) are issued
8 to a qualified applicant that has been certified as a minority
9 business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.); and

10 (2) at least 15 percent of the total number of new medical
11 cannabis cultivator permits, medical cannabis manufacturer
12 permits, and medical cannabis dispensary permits issued on or after
13 the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) are issued
14 to a qualified applicant that has been certified as a women's
15 business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.) or
16 that is a disabled-veterans' business, as defined in section 2 of
17 P.L.2015, c.116 (C.52:32-31.2).

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

21 h. The commission shall give special consideration to any
22 applicant that has entered into an agreement with an institution of
23 higher education to create an integrated curriculum involving the
24 cultivation, manufacturing, dispensing or delivery of medical
25 cannabis, provided that the curriculum is approved by both the
26 commission and the Office of the Secretary of Higher Education
27 and the applicant agrees to maintain the integrated curriculum in
28 perpetuity. An integrated curriculum permit shall be subject to
29 revocation if the IC permit holder fails to maintain or continue the
30 integrated curriculum. In the event that, because of circumstances
31 outside an IC permit holder's control, the IC permit holder will no
32 longer be able to continue an integrated curriculum, the IC permit
33 holder shall notify the commission and shall make reasonable
34 efforts to establish a new integrated curriculum with an institution
35 of higher education, subject to approval by the commission and the
36 Office of the Secretary of Higher Education. If the IC permit
37 holder is unable to establish a new integrated curriculum within six
38 months after the date the current integrated curriculum arrangement
39 ends, the commission shall revoke the entity's IC permit, unless the
40 commission finds there are extraordinary circumstances that justify
41 allowing the permit holder to retain the permit without an integrated
42 curriculum and the commission finds that allowing the permit
43 holder to retain the permit would be consistent with the purposes of
44 P.L.2009, c.307 (C.24:6I-1 et al.), in which case the IC permit shall
45 convert to a regular permit of the same type. The commission may
46 revise the application and permit fees or other conditions for an IC

1 permit as may be necessary to encourage applications for IC
2 permits.

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

7 j. If the commission notifies an applicant that it has performed
8 sufficiently well on multiple applications to be awarded more than
9 one medical cannabis cultivator permit, more than one medical
10 cannabis manufacturer permit, or more than one medical cannabis
11 dispensary permit by the commission, the applicant shall notify the
12 commission, within seven business days after receiving such notice,
13 as to which permit it will accept. For any permit award declined by
14 an applicant pursuant to this subsection, the commission shall, upon
15 receiving notice from the applicant of the declination, award the
16 permit to the applicant for that permit type who, in the
17 determination of the commission, best satisfies the commission's
18 criteria while meeting the commission's determination of Statewide
19 need. If an applicant fails to notify the commission as to which
20 permit it will accept, the commission shall have the discretion to
21 determine which permit it will award to the applicant, based on the
22 commission's determination of Statewide need and other
23 applications submitted for facilities to be located in the affected
24 regions.

25 k. The provisions of this section shall not apply to any permit
26 applications submitted pursuant to a request for applications
27 published in the New Jersey Register prior to the effective date of
28 P.L.2019, c.153 (C.24:6I-5.1 et al.).
29 (cf: P.L.2019, c.153, s.12)

30

31 17. Section 13 of P.L.2019, c.153 (C.24:6I-7.3) is amended to
32 read as follows:

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

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

41 (2) submit to the commission any required application and
42 permit fees;

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

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

3 b. The commission shall, no later than 90 days after the
4 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) or upon
5 adoption of rules and regulations as provided in subsection c. of
6 section 18 of P.L.2009, c.307 (C.24:6I-16), whichever occurs first,
7 begin accepting and processing applications for four clinical
8 registrant permits. Thereafter, the commission shall accept
9 applications for and issue such additional clinical registrant permits
10 as it determines to be necessary and consistent with the provisions
11 of P.L.2009, c.307 (C.24:6I-1 et al.). The commission shall make a
12 determination as to a clinical registrant permit application no later
13 than 90 days after receiving the application, which may include a
14 determination that the commission reasonably requires more time to
15 adequately review the application. In reviewing and approving
16 applications for clinical registrant permits, the commission shall
17 seek to incorporate the policies, practices, protocols, standards, and
18 criteria developed by the Office of Minority, Disabled Veterans,
19 and Women **【Medical】** Cannabis Business Development pursuant
20 to section 32 of P.L.2019, c.153 (C.24:6I-25) to promote
21 participation in the medical cannabis industry by persons from
22 socially and economically disadvantaged communities. In no case
23 shall the commission accept, process, or approve an application
24 submitted by an applicant that has contracted with an academic
25 medical center that is part of a health care system that includes
26 another academic medical center that has contracted with an
27 applicant for, or a holder of, a clinical registrant permit.

28 c. A contract between a clinical registrant and an academic
29 medical center shall include a commitment by the academic medical
30 center, or its affiliate, to engage in or oversee clinical research
31 related to the use or adverse effects of **【medical】** cannabis in order
32 to advise the clinical registrant concerning patient health and safety,
33 medical applications, **【and】** dispensing and management of
34 controlled substances, and ways to mitigate adverse health or
35 societal effects of adult, personal use legalization, among other
36 areas. A clinical registrant issued a permit pursuant to this section
37 shall have a written contractual relationship with no more than one
38 academic medical center.

39 d. A clinical registrant issued a permit pursuant to this section
40 shall be authorized to engage in all conduct involving the
41 cultivation, manufacturing, and dispensing of medical cannabis as is
42 authorized for an entity holding medical cannabis cultivator,
43 medical cannabis manufacturer, and medical cannabis dispensary
44 permits pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), including
45 dispensing medical cannabis and medical cannabis products to
46 qualifying patients and designated and institutional caregivers. The

1 clinical registrant shall additionally be authorized to engage in
2 clinical research involving medical cannabis using qualifying
3 patients who consent to being part of such research, subject to any
4 restrictions established by the commission.

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

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

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

26 (4) In no case shall a clinical registrant operate or be located on
27 land that is valued, assessed or taxed as an agricultural or
28 horticultural use pursuant to the "Farmland Assessment Act of
29 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

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

32 g. Clinical registrant permits shall be valid for the term of the
33 contractual relationship between the academic medical center and
34 the clinical registrant. The commission may renew a clinical
35 registrant permit to correspond to any renewal of the contractual
36 relationship between the academic medical center and the clinical
37 registrant.

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

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

5 (cf: P.L.2019, c.153, s.13)

6

7 18. (New section) Regulation of Cannabis.

8 a. The commission shall adopt rules and regulations, pursuant
9 to subsection d. of section 6 of P.L. , c. (C.) (pending before
10 the Legislature as this bill), which shall be consistent with the intent
11 of P.L. , c. (C.) (pending before the Legislature as this bill).
12 The commission may create an expert task force to make
13 recommendations to the commission about the content of such
14 regulations. Such regulations shall include:

15 (1) Procedures for the application, issuance, denial, renewal,
16 suspension, and revocation of a license or conditional license to
17 operate as a cannabis establishment, distributor, or delivery service.
18 Such procedures shall include a periodic evaluation of whether the
19 number of each class of cannabis establishment, or cannabis
20 distributors or cannabis delivery services, is sufficient to meet the
21 market demands of the State, a result of which is the commission's
22 authority to ¹["make requests for"] accept¹ new applications and
23 issue additional licenses as it deems necessary to meet those
24 demands, except as otherwise provided in section 33 of P.L. , c.
25 (C.) (pending before the Legislature as this bill) regarding an
26 initial period during which the number of Class 1 Cannabis
27 ¹["Grower"] Cultivator¹ licenses is capped ¹, which limit shall not
28 apply to cannabis cultivator licenses issued to microbusinesses as
29 set forth in that section¹;

30 (2) Application, licensure, and renewal of licensure fees;

31 (3) Incorporation of the licensing goals for applicants for
32 licensure who are New Jersey residents established in P.L. ,
33 c. (C.) (pending before the Legislature as this bill). The
34 commission shall make good faith efforts to meet these goals.
35 Qualifications for licensure shall be directly and demonstrably
36 related to the operation of a cannabis establishment, distributor, or
37 delivery service, provided that the commission shall make licenses
38 available to as diverse a group as reasonably practicable, however
39 no license of any kind shall be issued to a person under the legal
40 age to purchase cannabis items;

41 (4) (a) Incorporation of the licensing measures established by
42 the Office of Minority, Disabled Veterans, and Women Cannabis
43 Business Development pursuant to subparagraph (b) of paragraph
44 (1) of subsection c. of section 32 of P.L.2019, c.153 (C.24:6I-25) to
45 promote the licensing of persons from socially and economically
46 disadvantaged communities, and minority businesses and women's
47 businesses, as these terms are defined in section 2 of P.L.1986,
48 c.195 (C.52:27H-21.18), and disabled veterans' businesses as

- 1 defined in section 2 of P.L.2015, c.116 (C.52:32-31.2). The
2 commission shall coordinate with the office with respect to the
3 incorporation of these licensing measures;
- 4 (b) Procedures, to monitor the incorporated licensing measures
5 established by the Office of Minority, Disabled Veterans, and
6 Women Cannabis Business Development, which shall include a
7 verification, as part of the application process for licensure or
8 license renewal, of a minority, women's, or disabled veterans'
9 business certification provided to that business by the office
10 pursuant to paragraph (1) of subsection b. of section 32 of
11 P.L.2019, c.153 (C.24:6I-25), or verification of an application for
12 certification under review by the office pursuant to that paragraph,
13 which review is occurring simultaneous to the application for
14 licensure or license renewal;
- 15 (5) Security requirements for cannabis establishments and
16 transportation of cannabis;
- 17 (6) Requirements to prevent the sale or diversion of cannabis
18 items to persons under the legal age to purchase cannabis items,
19 including, but not limited to, requirements that:
- 20 (a) All licensees and licensee representatives, before permitting
21 entrance to a cannabis establishment and selling or serving cannabis
22 items to any person, shall require such person to produce one of the
23 following pieces of identification:
- 24 (i) The person's United States passport ¹, or other country's
25 passport or proper government-issued documentation for
26 international travel if a citizen or other lawfully recognized resident
27 of that county, who is lawfully permitted to possess and use that
28 country's passport or government-issued documentation for
29 purposes of identification in the United States¹ ;
- 30 (ii) The person's motor vehicle driver's license, whether issued
31 by New Jersey or by any other state, ¹territory, or possession of the
32 United States, or the District of Columbia,¹ provided the license
33 displays a picture of the person;
- 34 (iii) A New Jersey identification card issued by the New Jersey
35 Motor Vehicle Commission; or
- 36 (iv) Any other identification card issued by a state ¹, territory, or
37 possession of the United States, the District of Columbia,¹ or the
38 United States that bears a picture of the person, the name of the
39 person, the person's date of birth, and a physical description of the
40 person;
- 41 (b) No cannabis establishment, distributor, or delivery service
42 shall employ persons under 18 years of age nor shall any cannabis
43 retailer allow persons under the legal age to purchase cannabis
44 items, other than a person employed by the retailer, to enter or
45 remain on the premises of a cannabis retailer unless accompanied
46 by a parent or legal guardian;

- 1 (c) Packaging and branding regulations to prevent the marketing
2 of cannabis items and cannabis paraphernalia to people under the
3 legal age to purchase cannabis items;
- 4 (d) No edible cannabis **1[items] products¹** shall be **1[produced]**
5 manufactured¹, marketed, or sold that are in the shape of, or a shape
6 bearing the likeness or containing characteristics of, a realistic or
7 fictional human, animal, or fruit, or part thereof, including artistic,
8 caricature, or cartoon renderings;
- 9 (7) Labeling and packaging requirements for cannabis items
10 sold or distributed by a cannabis establishment, including, but not
11 limited to, the affixing of a tracking stamp to containers or
12 packaging as set forth in section 29 of P.L.2019, c.153 (C.24:6I-22)
13 and requirements that:
- 14 (a) Cannabis items and cannabis paraphernalia are not
15 packaged, branded, or marketed using any statement, illustration, or
16 image that:
- 17 (i) Includes false, deceptive, or misleading statements;
18 (ii) Promotes over-consumption;
19 (iii) Depicts a child or other person under legal age consuming
20 cannabis items; or
- 21 (iv) Includes objects, such as toys, characters, or cartoon
22 characters suggesting the presence of a person under the legal age to
23 purchase cannabis items, or any other depiction designed in any
24 manner to be especially appealing to persons under the legal age to
25 purchase cannabis items;
- 26 (b) Ensure cannabis items are packaged in opaque, child-
27 resistant special packaging, or if applicable to a particular cannabis
28 item, child resistant special packaging for liquid nicotine
29 containers, in accordance with the “Poison Prevention Packaging
30 Act of 1970,” 15 U.S.C. s.1471 et seq., and the associated
31 regulations promulgated thereunder, except that these child-
32 resistant packaging requirements shall not apply to any cannabis
33 item obtained from a cannabis retailer or alternative treatment
34 center for immediate, on-premises consumption at that retailer’s or
35 center’s cannabis consumption area as permitted pursuant to section
36 28 of P.L.2019, c.153 (C.24:6I-21);
- 37 (c) Cannabis items warning labels adequately inform consumers
38 about safe cannabis use and warn of the consequences of misuse or
39 overuse;
- 40 (d) Labeling rules that mandate clear identification of health
41 and safety information, including, but not limited to:
- 42 (i) Net weight;
43 (ii) Production date and expiration date;
- 44 (iii) **1[An]** For a cannabis product, cannabis extract, or other
45 cannabis resin, an¹ ingredient list that includes, but is not limited to,
46 all ingredients used to manufacture the cannabis product ¹, any

- 1 other inactive or excipient ingredients besides cannabis,¹ and a list
2 of all potential allergens contained within the product;
- 3 (iv) Strain or type of cannabis, listed by scientific terms, if
4 available, and generic or “slang” names;
- 5 (v) Whether the product requires refrigeration;
- 6 (vi) Growth method (whether dirt grown, hydroponic, or
7 otherwise) and an indication whether the cannabis was grown using
8 all-organic materials, and a complete list of any nonorganic
9 pesticides, fungicides and herbicides used during the cultivation of
10 the cannabis;
- 11 (vii) ¹**【Serving】** For a cannabis product, serving¹ size, the total
12 number of servings, and a statement regarding the percentage of
13 THC contained in the cannabis product and in each serving. For
14 example: “The serving size of active THC in this product is X mg.
15 This product contains X servings of cannabis, and the total amount
16 of active THC in this product is X mg.”;
- 17 (viii) Warning labels that include the nationwide toll-free
18 telephone number used to access poison control centers that is
19 maintained in accordance with 42 U.S.C. s.300d-71, as well as
20 include, but are not limited to, one or more of the following ¹, if
21 applicable to a particular cannabis item¹:
- 22 -- “This product contains cannabis”;
- 23 -- “This product is infused with cannabis”;
- 24 -- “This product is intended for use by adults 21 years of age or
25 older. Keep out of the reach of children”;
- 26 -- “The intoxicating effects of this product may be delayed by
27 two or more hours”;
- 28 -- “There may be health risks associated with the consumption of
29 this product, including for women who are pregnant, breastfeeding,
30 or planning on becoming pregnant”;
- 31 -- “Do not drive a motor vehicle or operate heavy machinery
32 while using cannabis”;
- 33 (e) Labeling rules that mandate the source of the cannabis items,
34 including, but not limited to, the license number of the cannabis
35 ¹**【cultivation facility】** cultivator¹ where the ¹usable¹ cannabis used
36 to produce the cannabis item was grown, the license number of the
37 cannabis ¹**【product manufacturing facility】** manufacturer¹ that
38 ¹**【produced】** manufactured¹ the cannabis item, and the license
39 number of the cannabis retailer that sold the cannabis item and the
40 production batch and lot numbers of the cannabis items;
- 41 (8) Health and safety regulations and standards for the
42 manufacture and sale of cannabis ¹**【products】** items¹ and the
43 cultivation of cannabis, including, but not limited to, requirements
44 that:
- 45 (a) Establish accreditation and licensure criteria for cannabis
46 testing facilities, which shall include, as a condition for licensure,
47 the maintenance of a labor peace agreement and entrance into, or

1 good faith effort to enter into, a collective bargaining agreement in
2 accordance with subsection c. of section 18 of P.L. , c. (C.)
3 (pending before the Legislature as this bill). The commission shall
4 also incorporate the licensing measures established by the Office of
5 Minority, Disabled Veterans, and Women Cannabis Business
6 Development, and the assessment of their effectiveness, pursuant to
7 subparagraph (b) of paragraph (1) of subsection c. of section 32 of
8 P.L.2019, c.153 (C.24:6I-25), and apply them to the licensing of
9 cannabis testing facilities in order to promote the licensing of
10 persons from socially and economically disadvantaged
11 communities, and minority businesses and women’s businesses, as
12 these terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-
13 21.18), and disabled veterans’ businesses as defined in section 2 of
14 P.L.2015, c.116 (C.52:32-31.2). The license shall permit a cannabis
15 testing facility to test ¹‘[cannabis and]’ cannabis items in
16 accordance with the provisions set forth in P.L. , c. (C.)
17 (pending before the Legislature as this bill), as well as test medical
18 cannabis and medical cannabis products in accordance with the
19 provisions of the “Jake Honig Compassionate Use Medical
20 Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.);

21 (b) (i) The commission issue licenses for a sufficient number of
22 cannabis testing facilities, if those facilities meet the requirements
23 for licensure, in order to ensure that the testing of representative
24 samples of cannabis items in accordance with the procedures set
25 forth in paragraph (13) of this subsection can be completed in not
26 more than 14 days following their submission to any facility. Other
27 factors that may be considered by the commission in determining
28 whether a sufficient number of cannabis testing facilities are
29 currently licensed include the current licensees’ experience or
30 expertise in testing highly regulated products, demonstrated testing
31 efficiency and effectiveness, existing research partnerships or
32 capability to form and maintain research partnerships focusing on
33 cannabis items, and any other factors established in regulation by
34 the commission; and

35 (ii) Permits the commission to inspect any licensed cannabis
36 testing facility to determine the condition and calibration of any
37 equipment used for testing, and to ensure that a facility’s testing
38 procedures are performed in accordance with the commission’s
39 accreditation requirements for licensure;

40 (c) Every licensed cannabis ¹‘[cultivation facility] cultivator¹
41 and cannabis ¹‘[product manufacturing facility] manufacturer¹ shall
42 permit representatives of cannabis testing facilities to make
43 scheduled and unscheduled visits to facilities in order to obtain
44 random samples of cannabis items, in a quantity established by the
45 commission, to be transported to cannabis testing facilities for
46 inspection and testing to certify compliance with health, safety, and
47 potency standards adopted by the commission;

- 1 (d) Prescribe methods of producing 'cannabis' , **'[processing,]**
2 and manufacturing' and packaging cannabis items; conditions of
3 sanitation; safe handling requirements; approved pesticides and
4 pesticide testing requirements, to the extent not inconsistent with
5 approved pesticides and requirements otherwise established under
6 federal and State law; and standards of ingredients, quality, and
7 identity of cannabis items produced, **'[processed]** , 'manufactured',
8 packaged, or sold by cannabis establishments;
- 9 (e) Establish accreditation and licensing criteria for responsible
10 cannabis server and seller training and certification programs for
11 cannabis retailer employees;
- 12 (f) Provide that no licensed cannabis establishment, distributor,
13 or delivery service, or employee of a cannabis establishment
14 **'[or]** , 'distributor, or delivery service.' shall consume, or allow to
15 be consumed, any cannabis items on the establishment's,
16 distributor's, or delivery service's premises, except as permitted in
17 a cannabis consumption area or 'premises' private area 'for
18 employees' as set forth in section 28 of P.L.2019, c.153 (C.24:6I-
19 21);
- 20 (g) (i) Set appropriate dosage, potency, and serving size limits
21 for **'[cannabis and other]'** cannabis items, provided that a
22 standardized serving of 'a' cannabis 'product' shall be no more
23 than 10 milligrams of active THC and no individual edible **'[retail]**
24 cannabis' product **'[unit]'** for sale shall contain more than 100
25 milligrams of active THC;
- 26 (ii) Require that each single standardized serving of 'a' cannabis
27 'product' in a multiple-serving edible **'[cannabis]'** product is
28 physically demarked in a way that enables a reasonable person to
29 determine how much of the product constitutes a single serving of
30 active THC, and that each standardized serving of 'the' cannabis
31 'product' shall be easily separable to allow an average person 21
32 years of age or older to physically separate, with minimal effort,
33 individual servings of the product;
- 34 (iii) Require that, if it is impracticable to clearly demark every
35 standardized serving of cannabis 'product' or to make each
36 standardized serving easily separable in an edible cannabis product,
37 the product shall contain no more than 10 milligrams of active THC
38 per unit of sale;
- 39 (h) Establish a universal symbol to indicate that a cannabis item
40 contains cannabis, which shall be marked, stamped, or imprinted
41 directly on an edible retail cannabis **'[item] product'** , or on each
42 single standardized serving in a multiple-serving edible cannabis
43 **'[item] product'** , unless the item is a loose bulk good such as
44 granola or cereal, a powder, a liquid-infused item, or another form
45 too impractical to be marked, stamped, or imprinted;

1 (i) Prohibit the use of a commercially manufactured or
2 trademarked food product as an edible retail cannabis ¹[**item**
3 product¹ , provided that a commercially manufactured or
4 trademarked food product may be used as a component of an edible
5 retail cannabis ¹[**item**] product¹ or part of ¹[**an item's**] a product's¹
6 recipe so long as the commercially manufactured or trademarked
7 food product is used in a way that renders it unrecognizable in the
8 final edible ¹[**retail**] cannabis ¹[**item**] product¹ and the ¹[**item**]
9 product¹ is not advertised as containing the commercially
10 manufactured or trademarked food product;

11 (j) Establish screening, hiring, training, and supervising
12 requirements for ¹[**retail store**] cannabis retailer¹ employees and
13 others who manufacture or handle cannabis items;

14 (k) Promote general sanitary requirements for the handling,
15 storage, and disposal of cannabis items, and the maintenance of
16 cannabis establishments ¹, and cannabis distribution and cannabis
17 delivery service premises¹ ;

18 (l) Provide for rigorous auditing, inspection, and monitoring of
19 cannabis establishments, distributors, and delivery services for
20 compliance with health and safety rules and regulations;

21 (m) Require the implementation of security requirements for
22 ¹[**retail outlets**] cannabis retailers¹ and premises where cannabis
23 items are produced or ¹[**processed**] manufactured¹, and safety
24 protocols for cannabis establishments, distributors, and delivery
25 services, and their employees;

26 (n) Prescribe reasonable restrictions on the manner, methods,
27 and means by which ¹cannabis cultivators shall transport cannabis
28 within the State, and all¹ licensees shall transport cannabis items
29 within the State; and

30 (o) Establish procedures for identification, seizure, confiscation,
31 destruction, or donation to law enforcement for training purposes of
32 all cannabis or cannabis ¹[**products**] items¹ produced, processed,
33 sold, or offered for sale within this State which do not conform in
34 all respects to the standards prescribed by P.L. , c. (C.)
35 (pending before the Legislature as this bill);

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

39 (a) Restrict advertising of cannabis items and cannabis
40 paraphernalia in ways that target or are designed to appeal to
41 individuals under the legal age to purchase cannabis items,
42 including, but not limited to depictions of a person under 21 years
43 of age consuming cannabis ¹items¹, or, includes objects, such as
44 toys, characters, or cartoon characters suggesting the presence of a
45 person under 21 years of age, or any other depiction designed in any
46 manner to be especially appealing to a person under 21 years of
47 age;

1 (b) Prohibit advertising of any cannabis items or cannabis
2 paraphernalia on television, or on radio between the hours of
3 6:00am and 10:00pm;

4 (c) Prohibit engaging in advertising unless the advertiser has
5 reliable evidence that at least 71.6 percent of the audience for the
6 advertisement is reasonably expected to be 21 years of age or older;

7 (d) Prohibit engaging in advertising or marketing directed
8 towards location-based devices, including but not limited to cellular
9 phones, unless the marketing is a mobile device application
10 installed on the device by the owner of the device who is 21 years
11 of age or older and includes a permanent and easy opt-out feature
12 and warnings that the use of cannabis items is restricted to persons
13 21 years of age or older;

14 (e) Prohibit the sponsoring of a charitable, sports, musical,
15 artistic, cultural, social, or other similar event or advertising at or in
16 connection with such an event unless the sponsor or advertiser has
17 reliable evidence that no more than 20 percent of the audience at the
18 event is reasonably expected to be under the legal age to purchase
19 cannabis items;

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

23 (g) Prohibit the advertising of cannabis items or cannabis
24 paraphernalia in any form or through any medium whatsoever
25 within 200 feet of an elementary or secondary school grounds.

26 For the purposes of this section, a noncommercial message shall
27 not be considered an advertisement. This section also shall not
28 apply to advertisements within the premises of a cannabis retailer.

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

31 (11) Procedures for the commission to conduct announced and
32 unannounced visits to cannabis establishments, distributors, and
33 delivery services, to make, or cause to be made, such investigations
34 as it shall deem proper in the administration of P.L. ,

35 c. (C.) (pending before the Legislature as this bill) and any
36 other laws which may hereafter be enacted concerning cannabis, or
37 the production,¹ manufacture, distribution, sale, or delivery
38 thereof, including the inspection and search of premises for which
39 the license is sought or has been issued, of any building containing
40 the same, of licensed buildings, examination of the books, records,
41 accounts, documents and papers of the licensees or on the licensed
42 premises;

43 (a) The commission shall be authorized, after adequate notice to
44 the owner or the agent of the owner, to make an examination of the
45 books and may at any time make an examination of the premises of
46 any person licensed under P.L. , c. (C.) (pending before the
47 Legislature as this bill) for the purpose of determining compliance
48 with P.L. , c. (C.) (pending before the Legislature as this

1 bill) and the rules of the commission. The commission shall not
2 require the books of any licensee to be maintained on the premises
3 of the licensee;

4 (b) The commission may, at any time, examine the books and
5 records of any cannabis licensee, require compliance with P.L. , c.
6 (C.) (pending before the Legislature as this bill), and may
7 appoint auditors, investigators and other employees that the
8 commission considers necessary to enforce its powers and perform
9 its duties;

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

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

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

21 (a) The obligation of every cannabis **grower** cultivator¹ to
22 keep a complete and accurate record of all sales of cannabis
23 flowers, cannabis leaves, and immature cannabis plants, and a
24 complete and accurate record of the number of cannabis flowers
25 produced, the number of ounces of cannabis leaves produced, the
26 number of immature cannabis plants produced, and the dates of
27 production; the obligation of every cannabis establishment to keep a
28 complete and accurate record of all sales of cannabis items¹ , and a
29 complete and accurate record of the number of ounces of usable¹
30 cannabis **items**¹ sold; the obligation of every cannabis
31 distributor to keep a complete and accurate record of all cannabis
32 and¹ cannabis items transported in bulk, and the sending and
33 receiving cannabis establishments involved in each transportation of
34 the cannabis or¹ cannabis items; and the obligation of every
35 cannabis delivery service to keep a complete and accurate record of
36 all cannabis item deliveries made on behalf of a cannabis retailer;

37 (b) Such records shall be kept and maintained for four years and
38 the records shall be in such form and contain such other information
39 as the commission may require; and

40 (c) The commission may, at any time, with adequate notice,
41 examine the books and records of any cannabis establishment,
42 distributor, or delivery service, and may appoint auditors,
43 investigators, and other employees that the commission considers
44 necessary to enforce its powers and duties as described in P.L. ,
45 c. (C.) (pending before the Legislature as this bill);

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

1 (a) On a schedule determined by the commission, every licensed
2 cannabis ¹~~grower~~ cultivator¹ and ¹~~processor~~ manufacturer¹
3 shall submit representative samples of cannabis ¹~~useable~~
4 cannabis, items¹ produced or ¹~~processed~~ manufactured¹ by
5 the licensee to an independent, third-party licensed testing facility
6 meeting the accreditation requirements established by the
7 commission, for inspection and testing to certify compliance with
8 standards adopted by the commission. Any sample remaining after
9 testing shall be destroyed by the facility or returned to the licensee,
10 unless that sample does not meet the applicable standards adopted
11 by the commission, in which case it may be retained for purposes of
12 retesting upon request of a licensee in accordance with
13 subparagraph (c) of this paragraph;

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

17 (c) If a representative sample inspected and tested under this
18 section does not meet the applicable standards adopted by the
19 commission, the representative sample may, upon notice to the
20 commission, be retested at the request of a licensee in a manner
21 prescribed by the commission, and in addition to a retest, or as an
22 alternative thereto, the licensee may also be permitted an
23 opportunity to remediate, upon notice to the commission, the ¹batch
24 or¹ lot from which the failed representative sample was taken,
25 which ¹batch or¹ lot shall be subject to a subsequent test of a new
26 representative sample in a manner prescribed by the commission.
27 Any request for a retest of a representative sample, and any retest
28 and reporting of results, as well as any ¹batch or¹ lot remediation
29 process undertaken and subsequent testing of that ¹batch or¹ lot,
30 shall be completed within a time period established by the
31 commission. The commission shall also provide a process by which
32 representative samples ¹, batches,¹ and lots that failed retesting or
33 remediation, as applicable, shall be destroyed;

34 (14) Establishing the number of cannabis retailers:

35 (a) Assuming there are sufficient qualified applicants for
36 licensure, the commission shall, subject to annual review, issue a
37 sufficient number of Class 5 Retailer licenses to meet the market
38 demands of the State, giving regard to geographical and population
39 distribution throughout the State; and

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

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

45 b. In order to ensure that individual privacy is protected, the
46 commission shall not require a consumer to provide a cannabis
47 retailer with personal information other than government-issued

1 identification ¹as set forth in subparagraph (a) of paragraph (6) of
2 subsection a. of this section in order¹ to determine the consumer's
3 'identity and' age, and a cannabis retailer shall not collect and
4 retain any personal information about consumers other than
5 information typically acquired in a financial transaction conducted
6 by the holder of a Class C retail license concerning alcoholic
7 beverages as set forth in R.S.33:1-12.

8 c. Once regulations are adopted by the commission pursuant to
9 subsection a. of this section, but prior to the commencement of the
10 application process, the commission shall conduct a series of
11 information sessions in every county in New Jersey to educate
12 residents of New Jersey about the responsibilities, opportunities,
13 requirements, obligations, and processes for application for a
14 license to operate a cannabis establishment, distributor, or delivery
15 service. The commission shall conduct an appropriate number of
16 information sessions in each county considering the population of
17 each county, but no fewer than one information session in each
18 county. The commission shall publicize the day, time, location, and
19 agenda of each information session broadly through television,
20 radio, Internet, print, and local agencies.

21 d. The commission shall:

22 (1) Examine available research, and may conduct or commission
23 new research or convene an expert task force, to investigate the
24 influence of cannabis and marijuana on the ability of a person to
25 drive a vehicle, on methods for determining whether a person is
26 under the influence of cannabis or marijuana, and on the
27 concentration of ¹active¹ delta-9 tetrahydrocannabinol in a person's
28 blood, in each case taking into account all relevant factors; and

29 (2) Report, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
30 19.1), the results of the research to the Legislature and make
31 recommendations to the Legislature regarding legislation or other
32 legislative action as the commission deems necessary.

33
34 19. (New section) Application For License or Conditional
35 License.

36 a. Each application for an annual license to operate a cannabis
37 establishment, distributor, or delivery service, or conditional license
38 for a proposed cannabis establishment, distributor, or delivery
39 service, shall be submitted to the commission. A separate license or
40 conditional license shall be required for each location at which a
41 cannabis establishment seeks to operate, or for the location of each
42 premises from which a cannabis distributor or delivery service
43 seeks to operate. Renewal applications for another annual license
44 may be filed ¹[up to] no later than¹ 90 days prior to the expiration
45 of the establishment's, distributor's, or delivery service's license. A
46 conditional license shall not be renewed, but replaced with an
47 annual license upon the commission's determination of

1 qualification for the annual license, or otherwise expire, as set forth
2 in paragraph (2) of subsection b. of this section.

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

5 (a) begin accepting and processing applications within 30 days
6 after the commission's initial rules and regulations have been
7 adopted pursuant to subparagraph (a) of paragraph (1) of subsection
8 d. of section 6 of P.L. , c. (C.) (pending before the Legislature
9 as this bill);

10 (b) forward, within ¹~~seven~~ ¹⁴ days of receipt, a copy of each
11 application to the municipality in which the applicant desires to
12 operate the cannabis establishment, distributor, or delivery service;
13 and

14 (c) verify the information contained in the application and
15 review the qualifications for the applicable license class, set forth in
16 section 20, 22, 23, 24, 25, or 26 of P.L. , c. (C.) (pending
17 before the Legislature as this bill), and regulations concerning
18 qualifications for licensure promulgated by the commission for
19 which the applicant seeks licensure, and not more than 90 days after
20 the receipt of an application, make a determination as to whether
21 the application is approved or denied, or that the commission
22 requires more time to adequately review the application.

23 The commission shall deny a license application to any applicant
24 who fails to provide information, documentation and assurances as
25 required by P.L. , c. (C.) (pending before the Legislature as
26 this bill) or as requested by the commission, or who fails to reveal
27 any fact material to qualification, or who supplies information
28 which is untrue or misleading as to a material fact pertaining to the
29 qualification criteria for licensure. The commission shall approve a
30 license application that meets the requirements of this section
31 unless the commission finds by clear and convincing evidence that
32 the applicant would be manifestly unsuitable to perform the
33 activities for the applicable license class for which licensure is
34 sought.

35 (i) If the application is approved, upon collection of the license
36 fee, the commission shall issue an annual license to the applicant no
37 later than 30 days after giving notice of approval of the application
38 unless the commission finds the applicant is not in compliance with
39 regulations for annual licenses enacted pursuant to the provisions of
40 paragraph (1) of subsection d. of section 6 of P.L. , c. (C.)
41 (pending before the Legislature as this bill) or the commission is
42 notified by the relevant municipality that the applicant is not in
43 compliance with ordinances and regulations made pursuant to the
44 provisions of section 31 of P.L. of P.L. , c. (C.) (pending
45 before the Legislature as this bill) and in effect at the time of
46 application, provided, if a municipality has enacted a numerical
47 limit on the number of cannabis establishments, distributors, or
48 delivery services and a greater number of applicants seek licenses,

1 the commission shall solicit and consider input from the
2 municipality as to the municipality's preference or preferences for
3 licensure.

4 (ii) If the application is denied, the commission shall notify the
5 applicant in writing of the specific reason for its denial, and provide
6 the applicant with the opportunity for a hearing in accordance with
7 the "Administrative Procedure Act, P.L.1968, c.410 (C.52:14B-1 et
8 seq.).

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

11 (a) begin accepting and processing applications from applicants
12 within 30 days after the commission's initial rules and regulations
13 have been adopted pursuant to subparagraph (a) of paragraph (1) of
14 subsection d. of section 6 of P.L. , c. (C.) (pending before the
15 Legislature as this bill), and ensure that at least 35 percent of the
16 total licenses issued for each class of cannabis establishment, and
17 for cannabis distributors and delivery services, are conditional
18 licenses, which 35 percent figure shall also include any conditional
19 license issued to an applicant which is subsequently replaced by the
20 commission with an annual license due to that applicant's
21 compliance for the annual license pursuant to subparagraph (i)
22 of subparagraph (d) of this paragraph;

23 (b) forward, within ¹~~seven~~ ¹⁴ days of receipt, a copy of each
24 application to the municipality in which the applicant desires to
25 operate a proposed cannabis establishment, or to the municipality in
26 which the premises is located from which the applicant desires to
27 operate a proposed cannabis distributor or delivery service; and

28 (c) verify the information contained in the application and
29 review the following qualifications for a conditional license:

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

33 (ii) a listing included with the application, showing all persons
34 with a financial interest who also ¹~~has~~ ^{have} decision making
35 authority for the proposed cannabis establishment, distributor, or
36 delivery service detailed in the application;

37 (iii) proof that the significantly involved person and any other
38 person with a financial interest who also has decision making
39 authority for the proposed cannabis establishment, distributor, or
40 delivery service is 21 years of age or older;

41 (iv) the name, address, date of birth, and resumes of each
42 executive officer ¹~~and~~ ¹ all significantly involved persons ¹, and
43 persons ¹ with a financial interest who also ¹~~has~~ ^{have} decision
44 making authority for the proposed cannabis establishment,
45 distributor, or delivery service, as well as a photocopy of their
46 driver's licenses or other government-issued form of identification,
47 plus background check information in a form and manner
48 determined by the commission in consultation with the

1 Superintendent of State Police; concerning the background check,
2 an application shall be denied if any person has any disqualifying
3 conviction pursuant to
4 subparagraph (c) of paragraph (4) of subsection a. of section **1[19]**
5 20¹, **1[21,]**¹ 22, 23, **1[or]**¹ 24 ¹, 25 or 26¹ of P.L. , c. (C.)
6 (pending before the Legislature as this bill), based upon the
7 applicable class of cannabis establishment for which the application
8 was submitted, or based upon the application being for a cannabis
9 distributor or delivery service, unless the commission determines
10 pursuant to subsubparagraph (ii) of those subparagraphs that the
11 conviction should not disqualify the application;

12 (v) proof that each person with a financial interest who also has
13 decision making authority for the proposed cannabis establishment,
14 distributor, or delivery service has, for the immediately preceding
15 taxable year, an adjusted gross income of no more than \$200,000 or
16 no more than \$400,000 if filing jointly with another;

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

23 (vii) the federal and State tax identification numbers for the
24 proposed cannabis establishment, distributor, or delivery service,
25 and proof of business registration with the Division of Revenue in
26 the Department of the Treasury;

27 (viii) information about the proposed cannabis establishment,
28 distributor, or delivery service including its legal name, any
29 registered alternate name under which it may conduct business, and
30 a copy of its articles of organization and bylaws;

31 (ix) the business plan and management operation profile for the
32 proposed cannabis establishment, distributor, or delivery service;

33 (x) the plan by which the applicant intends to obtain appropriate
34 liability insurance coverage for the proposed cannabis
35 establishment, distributor, or delivery service; and

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

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

42 The commission shall deny a license application to any applicant
43 who fails to provide information, documentation and assurances as
44 required by P.L. , c. (C.) (pending before the Legislature as
45 this bill) or as requested by the commission, or who fails to reveal
46 any fact material to qualification, or who supplies information
47 which is untrue or misleading as to a material fact pertaining to the
48 qualification criteria for licensure. The commission shall approve a

1 license application that meets the requirements of this section
2 unless the commission finds by clear and convincing evidence that
3 the applicant would be manifestly unsuitable to perform the
4 activities for the applicable license class for which licensure is
5 sought.

6 (i) If the application is approved, upon collection of the
7 conditional license fee, the commission shall issue a conditional
8 license to the applicant, which is non-transferable for its duration,
9 no later than 30 days after giving notice of approval of the
10 application, unless the commission finds the applicant is not in
11 compliance with regulations for conditional licenses enacted
12 pursuant to the provisions of paragraph (1) of subsection d. of
13 section 6 of P.L. , c. (C.) (pending before the legislature as
14 this bill) or the commission is notified by the relevant municipality
15 that the applicant is not in compliance with ordinances and
16 regulations made pursuant to the provisions of section 31 of P.L. of
17 P.L. , c. (C.) (pending before the Legislature as this bill)
18 and in effect at the time of application, provided, if a municipality
19 has enacted a numerical limit on the number of marijuana cannabis
20 establishments, distributors, or delivery services and a greater
21 number of applicants seek licenses, the commission shall solicit and
22 consider input from the municipality as to the municipality's
23 preference or preferences for licensure. For each license issued, the
24 commission shall also provide the approved licensee with
25 documentation setting forth the remaining conditions to be satisfied
26 under section 20, 22, 23, 24, 25, or 26 of P.L. , c. (C.)
27 (pending before the Legislature as this bill), or relevant regulations,
28 based upon the applicable class of cannabis establishment for which
29 the conditional license was issued, or based upon the conditional
30 license issued for a cannabis distributor or delivery service, and
31 which were not already required for the issuance of that license, to
32 be completed within 120 days of issuance of the conditional license,
33 which period may be extended upon request to the commission for
34 an additional period of up to 45 days at the discretion of the
35 commission. If the commission subsequently determines during
36 that 120-day period, or during any additional period granted, that
37 the conditional licensee is in compliance with all applicable
38 conditions and is implementing the plans, procedures, protocols,
39 actions, or other measures set forth in its application, the
40 commission shall replace the conditional license by issuing an
41 annual license, which will expire one year from its date of issuance;
42 if the conditional licensee is not in compliance with all applicable
43 conditions or not implementing the plans, procedures, protocols,
44 actions, or other measures set forth in its application, the
45 conditional license shall automatically expire at the end of the 120-
46 day period, or at the end of any additional period granted by the
47 commission;

1 (ii) If the application is denied, the commission shall notify the
2 applicant in writing of the specific reason for its denial, provide
3 with this written notice a refund of 80 percent of the application fee
4 submitted with the application, and provide the applicant with the
5 opportunity for a hearing in accordance with the “Administrative
6 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.);

7 c. The commission shall require all applicants for cannabis
8 licenses, other than applicants issued a conditional license for any
9 form of cannabis establishment, distributor, or delivery service, or
10 issued either a conditional or annual license for an establishment,
11 distributor, or delivery service that is a microbusiness pursuant to
12 subsection f. of this section, to submit an attestation signed by a
13 bona fide labor organization stating that the applicant has entered
14 into a labor peace agreement with such bona fide labor
15 organization. The maintenance of a labor peace agreement with a
16 bona fide labor organization by a licensed cannabis establishment,
17 distributor, or delivery service, other than an establishment that is a
18 microbusiness, shall be an ongoing material condition of the
19 establishment’s, distributor’s, or delivery service’s license. The
20 submission of an attestation and maintenance of a labor peace
21 agreement with a bona fide labor organization by an applicant
22 issued a conditional license for a cannabis establishment,
23 distributor, or delivery service, other than an establishment that is a
24 microbusiness, shall be a requirement for final approval for an
25 annual license. Failure to enter, or to make a good faith effort to
26 enter, into a collective bargaining agreement within 200 days of the
27 opening of a licensed cannabis establishment, distributor, or
28 delivery service, other than an establishment that is a
29 microbusiness, shall result in the suspension or revocation of the
30 establishment’s or distributor’s license.

31 d. (1) Each license application shall be scored and reviewed
32 based upon a point scale with the commission determining the
33 amount of points, the point categories, and the system of point
34 distribution by regulation. The commission shall assign points
35 and¹ rank **‘[all]’** applicants **‘[**, from the most to the least points,**]’**¹
36 according to the point system. The commission may, pursuant to a
37 process set forth in regulation and consistent with this subsection,
38 adjust the point system or utilize a separate point system and
39 rankings with respect to the review of an application for which a
40 conditional license is sought ¹, or for which a microbusiness license
41 is sought¹. If two or more eligible applicants have the same number
42 of points, those applicants shall be grouped together and, if there
43 are more eligible applicants in this group than the remaining
44 number of licenses available, the commission shall utilize a public
45 lottery to determine which applicants receive a license or
46 conditional license, as the case may be.

1 (a) An initial application for licensure shall be evaluated
2 according to criteria to be developed by the commission. ¹For the
3 point values assigned to each criterion, there ~~There~~¹ shall be
4 included bonus points for applicants who are residents of New
5 Jersey.

6 (b) The criteria to be developed by the commission pursuant to
7 subparagraph (a) this paragraph shall include, in addition to the
8 criteria set forth in subparagraphs (c) and (d) of this paragraph and
9 any other criteria developed by the commission, an analysis of the
10 applicant's operating plan, excluding safety and security criteria,
11 which shall include the following:

12 (i) In the case of an applicant for a cannabis ¹grower
13 ~~cultivator~~¹ license, the operating plan summary shall include a
14 written description concerning the applicant's qualifications for,
15 experience in, and knowledge of each of the following topics:

- 16 - ¹State-authorized¹ cultivation of ¹personal use¹ cannabis;
- 17 - conventional horticulture or agriculture, familiarity with good
18 agricultural practices, and any relevant certifications or degrees;
- 19 - quality control and quality assurance;
- 20 - recall plans;
- 21 - packaging and labeling;
- 22 - inventory control and tracking software or systems for the
23 production of personal use cannabis;
- 24 - analytical chemistry and testing of personal use cannabis;
- 25 - water management practices;
- 26 - odor mitigation practices;
- 27 - onsite and offsite recordkeeping;
- 28 - strain variety and plant genetics;
- 29 - pest control and disease management practices, including plans
30 for the use of pesticides, nutrients, and additives;
- 31 - waste disposal plans; and
- 32 - compliance with applicable laws and regulations.

33 (ii) In the case of an applicant for a cannabis ¹processor
34 ~~manufacturer~~¹ license, or, as applicable, a cannabis wholesaler
35 license, cannabis distributor license, or cannabis delivery service
36 license, the operating plan summary shall include a written
37 description concerning the applicant's qualifications for, experience
38 in, and knowledge of each of the following topics:

- 39 - ¹State-authorize¹ manufacture ¹production,¹ and creation
40 of cannabis products using appropriate extraction methods,
41 including intended use and sourcing of extraction equipment and
42 associated solvents or intended methods and equipment for non-
43 solvent extraction;
- 44 - quality control and quality assurance;
- 45 - recall plans;
- 46 - packaging and labeling;

- 1 - inventory control and tracking software or systems for the
2 production of personal use cannabis and cannabis items;
- 3 - analytical chemistry and testing of personal use cannabis and
4 cannabis items;
- 5 - water management practices;
- 6 - odor mitigation practices;
- 7 - onsite and offsite recordkeeping;
- 8 - a list of product formulations or products proposed to be
9 manufactured with estimated cannabinoid profiles, if known,
10 including varieties with high cannabidiol content;
- 11 - intended use and sourcing of all non-cannabis ingredients used
12 in the manufacture, production, and creation of cannabis products,
13 including methods to verify or ensure the safety and integrity of
14 those ingredients and their potential to be or contain allergens;
- 15 - waste disposal plans; and
- 16 - compliance with applicable laws and regulations.
- 17 (iii) In the case of an applicant for a cannabis retailer license, the
18 operating plan summary shall include a written description
19 concerning the applicant's qualifications for, experience in, and
20 knowledge of each of the following topics:
- 21 - ¹【State-authorized】¹ sales of cannabis items to consumers;
- 22 - ¹【personal use】¹ cannabis product evaluation procedures;
- 23 - recall plans;
- 24 - packaging and labeling;
- 25 - inventory control and point-of-sale software or systems for the
26 sale of cannabis items;
- 27 - the routes of administration, strains, varieties, and cannabinoid
28 profiles of personal use cannabis and cannabis items;
- 29 - odor mitigation practices;
- 30 - onsite and offsite recordkeeping;
- 31 - waste disposal plans; and
- 32 - compliance with applicable laws and regulations.
- 33 (c) The criteria to be developed by the commission pursuant to
34 subparagraph (a) of this paragraph shall include, in addition to the
35 criteria set forth in subparagraph (b) and (d) of this paragraph and
36 any other criteria developed by the commission, an analysis of the
37 following factors, if applicable:
- 38 (i) The applicant's environmental impact plan.
- 39 (ii) A summary of the applicant's safety and security plans and
40 procedures, which shall include descriptions of the following:
- 41 - plans for the use of security personnel, including contractors;
- 42 - the experience or qualifications of security personnel and
43 proposed contractors;
- 44 - security and surveillance features, including descriptions of any
45 alarm systems, video surveillance systems, and access and visitor
46 management systems, along with drawings identifying the proposed
47 locations for surveillance cameras and other security features;

- 1 - plans for the storage of ¹**["cannabis and"]** cannabis items,
2 including any safes, vaults, and climate control systems that will be
3 utilized for this purpose;
- 4 - a diversion prevention plan;
 - 5 - an emergency management plan;
 - 6 - procedures for screening, monitoring, and performing criminal
7 history record background checks of employees;
 - 8 - cybersecurity procedures;
 - 9 - workplace safety plans and the applicant's familiarity with
10 federal Occupational Safety and Health Administration regulations;
 - 11 - the applicant's history of workers' compensation claims and
12 safety assessments;
 - 13 - procedures for reporting adverse events; and
 - 14 - a sanitation practices plan.
- 15 (iii) A summary of the applicant's business experience, including
16 the following, if applicable:
- 17 - the applicant's experience operating businesses in highly-
18 regulated industries;
 - 19 - the applicant's experience in operating cannabis establishments
20 or alternative treatment centers and related ¹**["personal use or
21 medical"]** cannabis production and dispensation entities, or
22 experience in operating cannabis distributors or delivery services,
23 under the laws of New Jersey or any other state or jurisdiction
24 within the United States; and
 - 25 - the applicant's plan to comply with and mitigate the effects of
26 26 U.S.C. s.280E on cannabis businesses, and for evidence that the
27 applicant is not in arrears with respect to any tax obligation to the
28 State.
- 29 In evaluating the experience described under this
30 subparagraph, the commission shall afford the greatest weight to
31 the experience of the applicant itself, controlling owners, and
32 entities with common ownership or control with the applicant;
33 followed by the experience of those with a 15 percent or greater
34 ownership interest in the applicant's organization; followed by
35 interest holders in the applicant's organization; followed by other
36 officers, directors, and bona fide full-time employees of the
37 applicant as of the submission date of the application.
- 38 (iv) A description of the proposed location for the applicant's
39 site, including the following, if applicable:
- 40 - the proposed location, the surrounding area, and the suitability
41 or advantages of the proposed location, along with a floor plan and
42 optional renderings or architectural or engineering plans;
 - 43 - the submission of zoning approvals for the proposed location,
44 which shall consist of a letter or affidavit from appropriate officials
45 of the municipality that the location will conform to local zoning
46 requirements allowing for activities related to the operations of the
47 proposed cannabis ¹**["grower"]** cultivator¹ , cannabis ¹**["processor"]**

1 mandufacturer¹ , cannabis wholesaler, cannabis distributor,
2 cannabis retailer, or cannabis delivery service and related supplies
3 as will be conducted at the proposed facility; and

4 - the submission of proof of local support for the suitability of
5 the location, which may be demonstrated by a resolution adopted by
6 the municipality's governing body indicating that the intended
7 location is appropriately located or otherwise suitable for activities
8 related to the operations of the proposed cannabis ¹**[grower]**
9 cultivator¹ , cannabis ¹**[processor]** mandufacturer¹ , cannabis
10 wholesaler, cannabis distributor, cannabis retailer, or cannabis
11 delivery service.

12 Notwithstanding any other provision of this subsubparagraph, an
13 application shall be disqualified from consideration unless it
14 includes documentation demonstrating that the applicant will have
15 final control of the premises upon approval of the application,
16 including, but not limited to, a lease agreement, contract for sale,
17 title, deed, or similar documentation. In addition, if the applicant
18 will lease the premises, the application will be disqualified from
19 consideration unless it includes certification from the landlord that
20 the landlord is aware that the tenant's use of the premises will
21 involve operations as a cannabis ¹**[grower]** cultivator¹ , cannabis
22 ¹**[processor]** mandufacturer¹ , cannabis wholesaler, cannabis
23 distributor, cannabis retailer, or cannabis delivery service. ¹**[An**
24 application shall not be disqualified from consideration if the
25 application does not include the materials described in this
26 subsubparagraph. **]**¹

27 (v) A community impact, social responsibility, and research
28 statement, which may include, but shall not be limited to, the
29 following:

30 - a community impact plan summarizing how the applicant
31 intends to have a positive impact on the community in which the
32 proposed cannabis establishment, distributor, or delivery service is
33 to be located, which shall include an economic impact plan and a
34 description of outreach activities;

35 - a written description of the applicant's record of social
36 responsibility, philanthropy, and ties to the proposed host
37 community;

38 - a written description of any research the applicant has
39 conducted on the adverse effects of the use of cannabis items,
40 substance abuse or addiction, and the applicant's participation in or
41 support of cannabis-related research and educational activities; and

42 - a written plan describing any research and development
43 regarding the medical efficacy or adverse effects of cannabis, and
44 any cannabis-related educational and outreach activities, which the
45 applicant intends to conduct if issued a license by the commission.

46 In evaluating the information submitted pursuant to this
47 subsubparagraph, the commission shall afford the greatest weight to

1 the experience of the applicant itself, controlling owners, and
2 entities with common ownership or control with the applicant;
3 followed by the experience of those with a 15 percent or greater
4 ownership interest in the applicant's organization; followed by
5 interest holders in the applicant's organization; followed by other
6 officers, directors, and bona fide full-time employees of the
7 applicant as of the submission date of the application.

8 (vi) A workforce development and job creation plan, which may
9 include ¹["], but shall not be limited to a description of the
10 applicant's workforce development and job creation plan, which
11 may include¹] information on the applicant's history of job creation
12 and planned job creation at the proposed cannabis establishment,
13 distributor, or delivery service; education, training, and resources to
14 be made available for employees; any relevant certifications; and an
15 optional diversity plan.

16 (vii) A business and financial plan, which may include, but shall
17 not be limited to, the following:

18 - an executive summary of the applicant's business plan;
19 - a demonstration of the applicant's financial ability to
20 implement its business plan, which may include, but shall not be
21 limited to, bank statements, business and individual financial
22 statements, net worth statements, and debt and equity financing
23 statements; and

24 - a description of the applicant's ¹["experience complying] plan
25 to comply¹ with guidance pertaining to cannabis issued by the
26 Financial Crimes Enforcement Network under 31 U.S.C. s.5311 et
27 seq., the federal "Bank Secrecy Act," which may be demonstrated
28 by submitting letters regarding the applicant's banking history from
29 banks or credit unions that certify they are aware of the business
30 activities of the applicant, or entities with common ownership or
31 control of the applicant's organization, in any state where the
32 applicant has operated a business related to personal use or medical
33 cannabis. For the purposes of this subparagraph, the commission
34 shall consider only bank references involving accounts in the name
35 of the applicant or of an entity with common ownership or control
36 of the applicant's organization. An applicant who does not submit
37 the information described in this subparagraph shall not be
38 disqualified from consideration.

39 (viii) Whether any of the applicant's majority or controlling
40 owners were previously approved by the commission to serve as an
41 officer, director, principal, or key employee of an alternative
42 treatment center or personal use cannabis establishment, distributor,
43 or delivery service, provided any such individual served in that
44 capacity for six or more months;

45 (ix) ¹["Whether the applicant can demonstrate that its governance
46 structure includes the involvement of a school of medicine or
47 osteopathic medicine licensed and accredited in the United States,

1 or a general acute care hospital, ambulatory care facility, adult day
2 care services program, or pharmacy licensed in New Jersey,
3 provided that:

4 - the school, hospital, facility, or pharmacy has conducted or
5 participated in research approved by an institutional review board
6 related to cannabis involving the use of human subjects, except in
7 the case of an accredited school of medicine or osteopathic
8 medicine that is located and licensed in New Jersey;

9 - the school, hospital, facility, or pharmacy holds a profit share
10 or ownership interest in the applicant's organization of 10 percent
11 or more, except in the case of an accredited school of medicine or
12 osteopathic medicine that is located and licensed in New Jersey;
13 and

14 - the school, hospital, facility, or pharmacy participates in major
15 decision-making activities within the applicant's organization,
16 which may be demonstrated by representation on the board of
17 directors of the applicant's organization.

18 (x)]¹ Any other information the commission deems relevant in
19 determining whether to grant a license to the applicant.

20 (2) In ranking applications, in addition to the awarding of points
21 as set forth in paragraph (1) of this subsection, the commission shall
22 give priority to the following, regardless of ¹[regardless of]¹
23 whether there is any competition among applications for a particular
24 class of license:

25 (a) Applicants that include a significantly involved person or
26 persons lawfully residing in New Jersey for at least five years as of
27 the date of the application.

28 (b) Applicants that are party to a collective bargaining
29 agreement with a ¹bona fide¹ labor organization that currently
30 represents, or is actively seeking to represent cannabis workers in
31 New Jersey.

32 (c) Applicants that are party to a collective bargaining
33 agreement with a ¹bona fide¹ labor organization that currently
34 represents cannabis workers in another state.

35 (d) Applicants that submit ¹[an attestation affirming that they
36 will use best efforts to utilize] a signed project labor agreement
37 with a bona fide¹ building trades labor ¹[organizations in]
38 organization, which is a form of pre-hire collective bargaining
39 agreement covering terms and conditions of a specific project,
40 including labor issues and worker grievances associated with that
41 project, for¹ the construction or retrofit of the facilities associated
42 with the licensed entity.

43 (e) Applicants that submit ¹[an attestation affirming that they
44 have]¹ a ¹signed¹ project labor agreement ¹[, or will utilize a
45 project labor agreement, which is a form of pre-hire collective
46 bargaining agreement covering terms and conditions of a specific
47 project, including labor issues and worker grievances associated

1 with any construction or retrofit of facilities, or **]** with a bona fide
2 labor organization for any¹ other applicable project **'[,]'** associated
3 with the licensed entity.

4 (3) In reviewing an initial application, unless the information is
5 otherwise solicited by the commission in a specific application
6 question, the commission's evaluation of the application shall be
7 limited to the experience and qualifications of the applicant's
8 organization, including any entities with common ownership or
9 control of the applicant's organization, controlling owners or
10 interest holders in the applicant's organization, and the officers,
11 directors, and current full-time existing employees of the
12 applicant's organization. Responses pertaining to consultants,
13 independent contractors, applicants who are exempt from the
14 criminal history record background check requirements of P.L. ,
15 c. (C.) (pending before the Legislature as this bill), and
16 prospective or part-time employees of the entity shall not be
17 considered. Each applicant shall certify as to the status of the
18 individuals and entities included in the application.

19 (4) The commission shall give special consideration to any
20 applicant that has entered into an agreement with an institution of
21 higher education to create an integrated curriculum involving the
22 growing, processing, wholesaling, distributing, and retail sales of
23 personal use cannabis and cannabis items, provided that the
24 curriculum is approved by both the commission and the Department
25 of Education and the applicant agrees to maintain the integrated
26 curriculum in perpetuity. An integrated curriculum permit shall be
27 subject to revocation if the license holder fails to maintain or
28 continue the integrated curriculum. In the event that, because of
29 circumstances outside a license holder's control, the license holder
30 will no longer be able to continue an integrated curriculum, the
31 license holder shall notify the commission and shall make
32 reasonable efforts to establish a new integrated curriculum with an
33 institution of higher education, subject to approval by the
34 commission and the Department of Education. If the license holder
35 is unable to establish a new integrated curriculum within six months
36 after the date the current integrated curriculum arrangement ends,
37 the commission shall revoke the entity's license, unless the
38 commission finds there are extraordinary circumstances that justify
39 allowing the license holder to retain the license without an
40 integrated curriculum and the commission finds that allowing the
41 license holder to retain the license would be consistent with the
42 purposes of P.L. , c. (C.) (pending before the Legislature as
43 this bill). The commission may revise the application and license
44 fees or other conditions for a license pursuant to this paragraph as
45 may be necessary to encourage applications for license.

46 (5) Application materials submitted to the commission pursuant
47 to this section shall not be considered a public record pursuant to

1 P.L.1963, c.73 (C.47:1A-1 et seq.)¹, P.L.2001, c.404 (C.47:1A-5 et
2 al.), or the common law concerning access to government records¹.

3 (6) If the commission notifies an applicant that it has performed
4 sufficiently well on multiple applications to be awarded more than
5 one cannabis ¹**grower** cultivator¹ license, cannabis ¹**processor**
6 manufacturer¹ license, cannabis wholesaler license, cannabis
7 distributor license, cannabis retailer license, or cannabis delivery
8 service license, the applicant shall notify the commission, within
9 seven business days after receiving such notice, as to which license
10 it will accept. For any license award that is declined by an
11 applicant pursuant to this paragraph, the commission shall, upon
12 receiving notice from the applicant of the declination, award the
13 license to the applicant for that license class who, in the
14 determination of the commission, best satisfies the commission's
15 criteria while meeting the commission's determination of Statewide
16 marketplace need. If an applicant fails to notify the commission as
17 to which license it will accept, the commission shall have the
18 discretion to determine which license it will award to the applicant,
19 based on the commission's determination of Statewide marketplace
20 need and other applications submitted for cannabis establishments,
21 distributors, or delivery services to be located in the affected
22 regions.

23 e. (1) The commission shall also prioritize applications on the
24 basis of impact zones, for which past criminal marijuana enterprises
25 contributed to higher concentrations of law enforcement activity,
26 unemployment, and poverty within parts of or throughout these
27 zones, regardless of whether there is any competition among
28 applications for a particular class of license. An "impact zone"
29 means any municipality that:

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

34 (b) ¹based upon data for calendar year 2019:¹

35 (i) ranks in the top 40 percent of municipalities in the State for
36 marijuana- or hashish-related arrests for violation of paragraph (4)
37 of subsection a. of N.J.S.2C:35-10 ¹**in the calendar year next**
38 **preceding the effective date of P.L. , c. (C.) (pending before**
39 **the Legislature as this bill)]¹;**

40 (ii) has a crime index total of 825 or higher based upon the
41 indexes listed in the ¹**most recently issued]**¹ annual Uniform
42 Crime Report by the Division of State Police ¹**as of that effective**
43 **date]**¹; and

44 (iii) has a local average annual unemployment rate that ranks in
45 the top 15 percent of all municipalities in the State ¹**for the**
46 **calendar year next preceding that effective date]**¹, based upon
47 average annual unemployment rates estimated for the relevant

1 calendar year by the Office of Research and Information in the
2 Department of Labor and Workforce Development.

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

5 (a) An application for a cannabis establishment, distributor, or
6 delivery service that is located, or is intended to be located, within
7 an impact zone, and that impact zone has less than two licensees, so
8 that there will be a prioritized distribution of licenses to at least two
9 licensees within each impact zone.

10 (b) An applicant who is a current resident of an impact zone and
11 has resided therein for three or more consecutive years at the time
12 of making the application. To the extent reasonably practicable, at
13 least 25 percent of the total licenses issued to applicants for a
14 cannabis establishment, distributor, or delivery service license shall
15 be awarded to applicants who have resided in an impact zone for
16 three or more consecutive years at the time of making the
17 application, regardless of where the cannabis establishment,
18 distributor, or delivery service is, or is intended to be, located.

19 (c) An applicant who presents a plan, attested to, to employ ¹at
20 least¹ 25 percent of employees who reside in an impact zone, of
21 whom at least 25 percent shall reside in the impact zone nearest to
22 the location, or intended location, of the cannabis establishment,
23 distributor, or delivery service; failure to meet the requisite
24 percentages of employees from an impact zone within 90 days of
25 the opening of a licensed cannabis establishment, distributor, or
26 delivery service shall result in the suspension or revocation of a
27 license or conditional license, as applicable, issued based on an
28 application with an impact zone employment plan.

29 f. (1) The commission shall ensure that at least 10 percent of
30 the total licenses issued for each class of cannabis establishment, or
31 for cannabis distributors and cannabis delivery services, are
32 designated for and only issued to microbusinesses, and that at least
33 25 percent of the total licenses issued be issued to microbusinesses.
34 The determination of the percentage for each class of license issued
35 to microbusinesses shall include the number of conditional licenses
36 issued to microbusinesses for each class, as the percentage of
37 conditional licenses issued for each class pursuant to subparagraph
38 (a) of paragraph (2) of subsection b. of this section shall not be
39 mutually exclusive of the percentage of licenses issued to
40 microbusinesses pursuant to this paragraph. The maximum fee
41 assessed by the commission for issuance or renewal of a license
42 designated and issued to a microbusiness shall be no more than half
43 the fee applicable to a license of the same class issued to a person
44 or entity that is not a microbusiness. A license designated and
45 issued to a microbusiness shall be valid for one year and may be
46 renewed annually.

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

- 1 (a) 100 percent of the ownership interest in the microbusiness
2 shall be held by current New Jersey residents who have resided in
3 the State for at least the past two consecutive years;
- 4 (b) at least 51 percent of the owners, directors, officers, or
5 employees of the microbusiness shall be residents of the
6 municipality in which the microbusiness is located, or to be located,
7 or a municipality bordering the municipality in which the
8 microbusiness is located, or to be located;
- 9 (c) concerning business operations, and capacity and quantity
10 restrictions:
- 11 (i) employ no more than 10 employees;
- 12 (ii) operate a cannabis establishment occupying an area of no
13 more than 2,500 square feet, and in the case of a cannabis
14 **‘[grower] cultivator’**¹, grow cannabis on an area no more than 2,500
15 square feet measured on a horizontal plane and grow above that
16 plane not higher than 24 feet; provided, that a cannabis grower’s
17 grow space may, if approved by the commission, be part of a larger
18 premises that is owned or operated by a cannabis **‘[grower]**
19 **cultivator’**¹ that is not a licensed microbusiness, allowing for the
20 sharing of physical facilities and certain business operations, but
21 only the microbusiness cannabis **‘[grower] cultivator’**¹ shall grow
22 cannabis on and above the **‘[grower’s] cultivator’s’**¹ grow space.
- 23 (iii) possess no more than 1,000 cannabis plants each month,
24 except that a cannabis distributor’s possession of cannabis plants
25 for transportation shall not be subject to this limit;
- 26 (iv) in the case of a cannabis **‘[processor] manufacturer’**¹,
27 acquire and process no more than 1,000 pounds of **‘usable’**¹
28 cannabis **‘[in dried form]’**¹ each month;
- 29 (v) in the case of a cannabis wholesaler, acquire for resale no
30 more than 1,000 pounds of **‘usable’**¹ cannabis **‘[in dried form]’**¹, or
31 the equivalent amount in any **‘[other]’**¹ form **‘of manufactured**
32 **cannabis product or cannabis resin’**¹, or any combination thereof,
33 each month; and
- 34 (vi) in the case of a cannabis retailer, acquire for retail sale no
35 more than 1,000 pounds of **‘usable’**¹ cannabis **‘[in dried form]’**¹, or
36 the equivalent amount in any **‘[other]’**¹ form **‘of manufactured**
37 **cannabis product or cannabis resin’**¹, or any combination thereof,
38 each month.
- 39 (d) no owner, director, officer, or other person with a financial
40 interest who also has decision making authority for the
41 microbusiness shall hold any financial interest in any other licensed
42 cannabis establishment, distributor, or delivery service, whether or
43 not a microbusiness;
- 44 (e) no owner, director, officer, or other person with a financial
45 interest who also has decision making authority for a licensed
46 cannabis establishment, distributor, or delivery service, whether or

1 not a microbusiness, shall hold any financial interest in a
2 microbusiness;

3 (f) the microbusiness shall not sell or transfer the license issued
4 to it; and

5 (g) the microbusiness shall comply with such other requirements
6 as may be established by the commission by regulation.

7

8 20. (New section) Class 1 Cannabis ¹**Grower** Cultivator¹
9 license.

10 A cannabis ¹**grower** cultivator¹ shall have a Class 1 Cannabis
11 ¹**Grower** Cultivator¹ license issued by the commission for the
12 premises at which the cannabis is grown or cultivated. Except for
13 an initial period during which the number of licenses is capped
14 pursuant to section 33 of P.L. , c. (C.) (pending before the
15 Legislature as this bill), except as otherwise provided therein
16 concerning cannabis cultivator licenses issued to microbusinesses,¹
17 the commission shall determine the maximum number of licenses,
18 of which at least 35 percent shall be conditional licenses issued
19 pursuant to subparagraph (a) of paragraph (2) of subsection b. of
20 section ¹**[18] 19**¹ of P.L. , c. (C.) (pending before the
21 Legislature as this bill), and at least 25 percent of the total number
22 of licenses and conditional licenses shall be designated for and only
23 issued to microbusinesses pursuant subsection f. of that section.
24 After the initial period during which the number of licenses is
25 capped pursuant to section 33 of P.L. , c. (C.) (pending
26 before the Legislature as this bill), except as otherwise provided
27 therein concerning cannabis cultivator licenses issued to
28 microbusinesses,¹ the commission shall review the current number
29 of licenses issued and, providing there exist qualified applicants,
30 may, as authorized by paragraph (1) of subsection a. of section 18
31 of P.L. , c. (C.) (pending before the Legislature as this bill),
32 ¹**make requests for** accept¹ new applications for additional
33 licenses as it deems necessary to meet the market demands of the
34 State.

35 a. To hold a Class 1 Cannabis ¹**Grower** Cultivator¹ license
36 under this section, an applicant:

37 (1) Shall apply for a license in the manner described in section
38 18 of P.L. , c. (C.) (pending before the Legislature as
39 this bill);

40 (2) Shall have at least one significantly involved person who has
41 resided in this State for at least two years as of the date of the
42 application, and provide proof that this person and any other person
43 with ¹**an investment** financial¹ interest who also has decision
44 making authority for the cannabis ¹**grower** cultivator¹ listed on an
45 application submitted under section 18 of P.L. , c. (C.)
46 (pending before the Legislature as this bill) is 21 years of age or
47 older;

- 1 (3) Shall meet the requirements of any rule or regulation
2 adopted by the commission under subsection b. of this section; and
- 3 (4) Shall provide for each of the following persons to undergo a
4 criminal history record background check: any owner, other than an
5 owner who holds less than a five percent investment interest in the
6 cannabis ¹**[grower] cultivator**¹ or who is a member of a group that
7 holds less than a 20 percent investment interest in the cannabis
8 ¹**[grower] cultivator**¹ and no member of that group holds more than
9 a five percent interest in the total group investment, and who lacks
10 the authority to make controlling decisions regarding the cannabis
11 ¹**[grower's] cultivator's**¹ operations; any director; any officer; and
12 any employee.
- 13 (a) Pursuant to this provision, the commission is authorized to
14 exchange fingerprint data with and receive criminal history record
15 background information from the Division of State Police and the
16 Federal Bureau of Investigation consistent with the provisions of
17 applicable federal and State laws, rules, and regulations. The
18 Division of State Police shall forward criminal history record
19 background information to the commission in a timely manner
20 when requested pursuant to the provisions of this section;
- 21 (b) Each person shall submit to being fingerprinted in
22 accordance with applicable State and federal laws, rules, and
23 regulations. No check of criminal history record background
24 information shall be performed pursuant to this section unless a
25 person has furnished his written consent to that check. A person
26 who refuses to consent to, or cooperate in, the securing of a check
27 of criminal history record background information shall not be
28 considered for licensure as a ¹**[grower] cultivator**¹. Each person
29 shall bear the cost for the criminal history record background check,
30 including all costs of administering and processing the check;
- 31 (c) (i) With respect to determining whether any conviction of a
32 person contained in the criminal history record background check
33 should disqualify an applicant for a Class 1 Cannabis ¹**[Grower]**
34 **Cultivator**¹ license, the commission shall not take into consideration
35 any conviction for a crime or offense that occurred prior to the
36 effective date of P.L. , c. (C.) (pending before the
37 Legislature as this bill) involving a controlled dangerous substance
38 or controlled substance analog as set forth in paragraph (11) or (12)
39 of subsection b., or subparagraph (b) of paragraph (10) of
40 subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of
41 subsection a. of N.J.S.2C:35-10, or any similar indictable offense
42 under federal law, this State's law, or any other state's law, or for
43 any conviction under federal law for conduct involving cannabis or
44 ¹**a**¹ cannabis ¹**[resin] item**¹ that is authorized by P.L. ,
45 c. (C.) (pending before the Legislature as this bill).
46 Additionally, the commission shall not take into consideration any
47 other prior conviction, unless that conviction is for an indictable

1 offense under federal law, other than a conviction for conduct
2 involving cannabis or ¹a¹ cannabis ¹**resin** ¹item¹ that is authorized
3 by P.L. , c. (C.) (pending before the Legislature as this bill),
4 or under this State's law, or any other state's law that is
5 substantially related to the qualifications, functions, or duties for
6 which the license is required, and not more than five years have
7 passed since the date of that conviction, satisfactory completion of
8 probation or parole, or release from incarceration, ¹**which**
9 whichever¹ is later. In determining which indictable offenses are
10 substantially related to the qualifications, functions, or duties for
11 which the license is required, the commission shall at least consider
12 any conviction involving fraud, deceit, or embezzlement, and any
13 conviction for N.J.S.2C:35-6, employing a minor in a drug
14 distribution scheme, or similar indictable offense in this or another
15 jurisdiction involving the use of a minor to dispense or distribute a
16 controlled dangerous substance or controlled substance analog;

17 (ii) The commission may approve an applicant for a Class 1
18 Cannabis ¹**Grower** ¹Cultivation¹ license after conducting a
19 thorough review of any previous conviction of a person that
20 substantially related to the qualifications, functions, or duties for
21 which the license is required that is contained in the criminal
22 history record background information, and this review shall
23 include examining the nature of the indictable offense, the
24 circumstances at the time of committing the offense, and evidence
25 of rehabilitation since conviction. If the commission determines
26 that the reviewed conviction should not disqualify the applicant, the
27 applicant may be approved so long as the applicant is otherwise
28 qualified to be issued the license; and

29 (d) Upon receipt and review of the criminal history record
30 background information from the Division of State Police and the
31 Federal Bureau of Investigation, the commission shall provide
32 written notification to the applicant of the qualification for or
33 disqualification for a Class 1 Cannabis ¹**Grower** ¹Cultivator¹
34 license.

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

40 (e) The Division of State Police shall promptly notify the
41 commission in the event that a person who was the subject of a
42 criminal history record background check conducted pursuant to
43 this section is convicted of a crime or offense in this State after the
44 date the background check was performed. Upon receipt of that
45 notification, the commission shall make a determination regarding
46 the continued eligibility for the applicant, or following application,

- 1 for the licensee, to hold a Class 1 Cannabis ¹**Grower** Cultivator¹
2 license.
- 3 b. The commission shall adopt rules and regulations that:
- 4 (1) Provide for the annual renewal of the Class 1 Cannabis
5 ¹**Grower** Cultivator¹ license;
- 6 (2) Establish application, licensure, and renewal of licensure
7 fees for cannabis ¹**growers** cultivators¹ in accordance with
8 paragraph (2) of subsection a. of section 18 of P.L. , c. (C.)
9 (pending before the Legislature as this bill);
- 10 (3) Require ¹usable¹ cannabis produced by cannabis ¹**growers**
11 cultivators¹ to be tested in accordance with P.L. , c. (C.)
12 (pending before the Legislature as this bill);
- 13 (4) Require cannabis ¹**growers** cultivators¹ to submit, at the
14 time of applying for or renewing a license under P.L. ,
15 c. (C.) (pending before the Legislature as this bill), a report
16 describing the applicant’s or licensee’s electrical and water usage;
17 and
- 18 (5) Require a cannabis ¹**grower** cultivator¹ to meet any public
19 health and safety standards, industry best practices, and all
20 applicable regulations established by the commission by rule or
21 regulation related to the production of cannabis or the propagation
22 of immature cannabis plants and the seeds of the plant *Cannabis*
23 *sativa* L. within the plant family Cannabaceae. The commission
24 may regulate the number of immature cannabis plants that may be
25 possessed by a cannabis ¹**grower** cultivator¹ licensed under this
26 section; the size of the grow canopy a cannabis ¹**grower**
27 cultivator¹ licensed under this section uses to grow immature
28 cannabis plants; and the weight or size of shipments of immature
29 cannabis plants made by a cannabis ¹**grower** cultivator¹ licensed
30 under this section.
- 31 c. Fees adopted under subsection b. of this section:
- 32 (1) Shall be in the form of a schedule that imposes a greater fee
33 for premises with more square footage or on which more mature
34 cannabis plants are grown; and
- 35 (2) Shall be deposited in the “Cannabis Regulatory,
36 Enforcement Assistance, and Marketplace Modernization Fund”
37 established under section ¹**40** 41¹ of P.L. , c. (C.)
38 (pending before the Legislature as this bill).
- 39 d. (1) The commission shall issue or deny issuance of a Class
40 1 Cannabis ¹**Grower** Cultivator¹ license or conditional license in
41 accordance with the procedures set forth in section 18 of P.L. ,
42 c. (C.) (pending before the Legislature as this bill).
- 43 (2) The commission may suspend or revoke a Class 1 Cannabis
44 ¹**Grower** Cultivator¹ license or conditional license to operate as a
45 cannabis ¹**cultivation facility** cultivator¹ for cause, which shall be
46 considered a final agency action for the purposes of the

1 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
2 seq.) and shall be subject only to judicial review as provided in the
3 Rules of Court.

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

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

11

12 21. (New section) Grow Canopies for Licensed Cannabis
13 **Growers** **Cultivators**¹.

14 a. Subject to subsection b. of this section, the commission shall
15 adopt rules or regulations restricting the size of mature cannabis
16 plant grow canopies at premises for which a license has been issued
17 to a cannabis **grower** **cultivator**¹ pursuant to P.L. ,

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

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

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

27 (2) Adopt a tiered system under which the permitted size of a
28 cannabis **growers'** **cultivators'**¹ mature cannabis plant grow
29 canopy **increases** **may increase or decrease**¹ at the time of
30 licensure renewal, **in accordance with that tiered system,**¹ except
31 that the permitted size of a cannabis **grower's** **cultivator's**¹
32 mature cannabis plant grow canopy may not increase following any
33 year during which the commission disciplined the cannabis
34 **grower** **cultivator**¹ for violating a provision of or a rule adopted
35 under a provision of P.L. , c. (C.) (pending before the
36 Legislature as this bill); provided, that at the time of adoption, any
37 growing or cultivation square footage previously approved or
38 authorized for an alternative treatment center that was issued a
39 permit prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1
40 et al.), or that was issued a permit on or after that effective date
41 pursuant to an application submitted prior to that effective date,
42 shall not be reduced, but the commission's adopted **tier** **tiered**¹
43 system shall apply to the growing or cultivation square footage of
44 that alternative treatment center thereafter;

45 (3) Take into consideration the market demand for cannabis
46 items in this State, the number of persons applying for a license
47 pursuant to sections 20, 22, 23, 24, 25, and 26 of P.L. ,

1 c. (C.) (pending before the Legislature as this bill), and to
 2 whom a license has been issued pursuant to those sections, and
 3 whether the availability of cannabis items in this State is
 4 commensurate with the market demand.

5 c. This section shall not apply to premises for which a license
 6 has been issued to a cannabis **1**[grower] cultivator**1** pursuant to
 7 section 20 of P.L. , c. (C.) (pending before the
 8 Legislature as this bill), if the premises is used only to propagate
 9 immature cannabis plants.

10

11 22. (New section) Class 2 Cannabis **1**[Processor]
 12 Manufacturer**1** license.

13 A cannabis **1**[processor] manufacturer**1** shall have a Class 2
 14 Cannabis **1**[Processor] Manufacturer**1** license issued by the
 15 commission for the premises at which the cannabis **1**[product is
 16 produced] items are manufactured**1**. The commission shall
 17 determine the maximum number of licenses, of which at least 35
 18 percent shall be conditional licenses issued pursuant to
 19 subparagraph (a) of paragraph (2) of subsection b. of section 18 of
 20 P.L. , c. (C.) (pending before the Legislature as this bill),
 21 and at least 25 percent of the total number of licenses and
 22 conditional licenses shall be designated for and only issued to
 23 microbusinesses pursuant to subsection f. of that section. Providing
 24 there exist qualified applicants, the commission shall issue a
 25 sufficient number of licenses to meet the market demands of the
 26 State, and may, as authorized by paragraph (1) of subsection a. of
 27 section 18 of P.L. , c. (C.) (pending before the Legislature
 28 as this bill), **1**[make requests for] accept**1** new applications for
 29 additional licenses as it deems necessary to meet those demands.

30 a. To hold a Class 2 Cannabis **1**[Processor] Manufacturer**1**
 31 license under this section, an applicant:

32 (1) Shall apply for a license in the manner described in section
 33 18 of P.L. , c. (C.) (pending before the Legislature as
 34 this bill);

35 (2) Shall have at least one significantly involved person who has
 36 resided in this State for at least two years as of the date of the
 37 application, and provide proof that this person and any other person
 38 with **1**[an investment] a financial**1** interest who also has decision
 39 making authority for the cannabis **1**[processor] manufacturer**1** listed
 40 on an application submitted under section 18 of P.L. ,
 41 c. (C.) (pending before the Legislature as this bill) is 21
 42 years of age or older;

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

45 (4) Shall provide for each of the following persons to undergo a
 46 criminal history record background check: any owner, other than an
 47 owner who holds less than a five percent investment interest in the

1 cannabis ¹**【processor】** manufacturer¹ or who is a member of a
2 group that holds less than a 20 percent investment interest in the
3 cannabis ¹**【processor】** manufacturer¹ and no member of that group
4 holds more than a five percent interest in the total group investment,
5 and who lacks the authority to make controlling decisions regarding
6 the cannabis ¹**【processor's】** manufacturer's¹ operations; any
7 director; any officer; and any employee.

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

16 (b) Each person shall submit to being fingerprinted in
17 accordance with applicable State and federal laws, rules, and
18 regulations. No check of criminal history record background
19 information shall be performed pursuant to this section unless a
20 person has furnished his written consent to that check. A person
21 who refuses to consent to, or cooperate in, the securing of a check
22 of criminal history record background information shall not be
23 considered for licensure as a ¹**【processor】** manufacturer¹. Each
24 person shall bear the cost for the criminal history record
25 background check, including all costs of administering and
26 processing the check;

27 (c) (i) With respect to determining whether any conviction of a
28 person contained in the criminal history record background check
29 should disqualify an applicant for a Class 2 Cannabis ¹**【Processor】**
30 Manufacturer¹ license, the commission shall not take into
31 consideration any conviction for a crime or offense that occurred
32 prior to the effective date of P.L. , c. (C.) (pending before
33 the Legislature as this bill) involving a controlled dangerous
34 substance or controlled substance analog as set forth in paragraph
35 (11) or (12) of subsection b., or subparagraph (b) of paragraph (10)
36 of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of
37 subsection a. of N.J.S.2C:35-10, or any similar indictable offense
38 under federal law, this State's law, or any other state's law, or for
39 any conviction under federal law for conduct involving cannabis or
40 ¹a¹ cannabis ¹**【resin】** item¹ that is authorized by P.L. ,
41 c. (C.) (pending before the Legislature as this bill).
42 Additionally, the commission shall not take into consideration any
43 other prior conviction, unless that conviction is for an indictable
44 offense under federal law, other than a conviction for conduct
45 involving cannabis or ¹a¹ cannabis ¹**【resin】** item¹ that is authorized
46 by P.L. , c. (C.) (pending before the Legislature as this bill),
47 or under this State's law, or any other state's law that is

1 substantially related to the qualifications, functions, or duties for
2 which the license is required, and not more than five years have
3 passed since the date of that conviction, satisfactory completion of
4 probation or parole, or release from incarceration, whichever is
5 later. In determining which indictable offenses are substantially
6 related to the qualifications, functions, or duties for which the
7 license is required, the commission shall at least consider any
8 conviction involving fraud, deceit, or embezzlement, and any
9 conviction for N.J.S.2C:35-6, employing a minor in a drug
10 distribution scheme, or similar indictable offense in this or another
11 jurisdiction involving the use of a minor to dispense or distribute a
12 controlled dangerous substance or controlled substance analog;

13 (ii) The commission may approve an applicant for a Class 2
14 Cannabis ¹**[Processor]** Manufacturer¹ license after conducting a
15 thorough review of any previous conviction of a person that
16 substantially related to the qualifications, functions, or duties for
17 which the license is required that is contained in the criminal
18 history record background information, and this review shall
19 include examining the nature of the indictable offense, the
20 circumstances at the time of committing the offense, and evidence
21 of rehabilitation since conviction. If the commission determines
22 that the reviewed conviction should not disqualify the applicant, the
23 applicant may be approved so long as the applicant is otherwise
24 qualified to be issued the license; and

25 (d) Upon receipt and review of the criminal history record
26 background information from the Division of State Police and the
27 Federal Bureau of Investigation, the commission shall provide
28 written notification to the applicant of the qualification for or
29 disqualification for a Class 2 Cannabis ¹**[Processor]** Manufacturer¹
30 license.

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

36 (e) The Division of State Police shall promptly notify the
37 commission in the event that an individual who was the subject of a
38 criminal history record background check conducted pursuant to
39 this section is convicted of a crime or offense in this State after the
40 date the background check was performed. Upon receipt of that
41 notification, the commission shall make a determination regarding
42 the continued eligibility for the applicant, or following application,
43 for the licensee, to hold a Class 2 Cannabis ¹**[Processor]**
44 Manufacturer¹ license.

45 b. The commission shall adopt rules that:

46 (1) Provide for the annual renewal of the Class 2 Cannabis
47 ¹**[Processor]** Manufacturer¹ license;

1 (2) Establish application, licensure, and renewal of licensure
2 fees for cannabis ¹~~processors~~ manufacturers¹ in accordance with
3 paragraph (2) of subsection a. of section 18 of P.L. , c. (C.)
4 (pending before the Legislature as this bill);

5 (3) Require cannabis ¹~~produced~~ manufactured¹ by cannabis
6 ¹~~processors~~ manufactures¹ to be tested in accordance with
7 P.L. , c. (C.) (pending before the Legislature as this
8 bill); and

9 (4) Require a cannabis ¹~~processor~~ manufacturer¹ to meet any
10 public health and safety standards, industry best practices, and all
11 applicable regulations established by the commission by rule or
12 regulation related to the ¹~~processing~~ manufacturing¹ of cannabis
13 items¹.

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

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

17 (2) Shall be deposited in the “Cannabis Regulatory,
18 Enforcement Assistance, and Marketplace Modernization Fund”
19 established under section ¹~~40~~ 41¹ of P.L. , c. (C.)
20 (pending before the Legislature as this bill).

21 d. (1) The commission shall issue or deny issuance of a Class
22 2 Cannabis ¹~~Processor~~ Manufacturer¹ license or conditional
23 license in accordance with the procedures set forth in section 18 of
24 P.L. , c. (C.) (pending before the Legislature as this bill).

25 (2) The commission may suspend or revoke a Class 2 Cannabis
26 ¹~~Processor~~ Manufacturer¹ license or conditional license to
27 operate as a cannabis ¹~~production facility~~ manufacturer¹ for
28 cause, which shall be considered a final agency action for the
29 purposes of the "Administrative Procedure Act," P.L.1968, c.410
30 (C.52:14B-1 et seq.) and shall be subject only to judicial review as
31 provided in the Rules of Court.

32 e. A person who has been issued a license or conditional
33 license shall display the license or conditional license at the
34 premises at all times when cannabis ¹~~is~~ products or cannabis
35 extracts are¹ being ¹~~processed~~ manufactured¹.

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

40

41 23. (New section) Class 3 Cannabis Wholesaler license.

42 A cannabis wholesaler shall have a Class 3 Cannabis Wholesaler
43 license issued by the commission for the premises at which ¹~~the~~¹
44 cannabis ¹~~is~~ items are¹ warehoused. The commission shall
45 determine the maximum number of licenses, of which at least 35
46 percent shall be conditional licenses issued pursuant to
47 subparagraph (a) of paragraph (2) of subsection b. of section 18 of

1 P.L. , c. (C.) (pending before the Legislature as this bill),
2 and at least 25 percent of the total number of licenses and
3 conditional licenses shall be designated for and only issued to
4 microbusinesses pursuant subsection f. of that section. Providing
5 there exist qualified applicants, the commission shall issue a
6 sufficient number of licenses to meet the market demands of the
7 State, and may, as authorized by paragraph (1) of subsection a. of
8 section 18 of P.L. , c. (C.) (pending before the Legislature
9 as this bill), ¹【make requests for】 accept¹ new applications for
10 additional licenses as it deems necessary to meet those demands.

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

13 (1) Shall apply for a license in the manner described in section
14 18 of P.L. , c. (C.) (pending before the Legislature as
15 this bill);

16 (2) Shall have at least one significantly involved person who has
17 resided in this State for at least two years as of the date of the
18 application, and provide proof that this person and any other person
19 with ¹【an investment】 a financial¹ interest who also has decision
20 making authority for the cannabis wholesaler listed on an
21 application submitted under section 18 of P.L. , c. (C.)
22 (pending before the Legislature as this bill) is 21 years of age or
23 older;

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

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

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

43 (b) Each person shall submit to being fingerprinted in
44 accordance with applicable State and federal laws, rules, and
45 regulations. No check of criminal history record background
46 information shall be performed pursuant to this section unless a
47 person has furnished his written consent to that check. A person
48 who refuses to consent to, or cooperate in, the securing of a check

1 of criminal history record background information shall not be
2 considered for licensure as a wholesaler. Each person shall bear the
3 cost for the criminal history record background check, including all
4 costs of administering and processing the check;

5 (c) (i) With respect to determining whether any conviction of a
6 person contained in the criminal history record background check
7 should disqualify an applicant for a Class 3 Cannabis Wholesaler
8 license, the commission shall not take into consideration any
9 conviction for a crime or offense that occurred prior to the effective
10 date of P.L. , c. (C.) (pending before the Legislature as this
11 bill) involving a controlled dangerous substance or controlled
12 substance analog as set forth in paragraph (11) or (12) of subsection
13 b., or subparagraph (b) of paragraph (10) of subsection b. of
14 N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of
15 N.J.S.2C:35-10, or any similar indictable offense under federal law,
16 this State's law, or any other state's law, or for any conviction
17 under federal law for conduct involving cannabis or ¹a¹ cannabis
18 ¹[resin] item¹ that is authorized by P.L. , c. (C.) (pending
19 before the Legislature as this bill). Additionally, the commission
20 shall not take into consideration any other prior conviction, unless
21 that conviction is for an indictable offense under federal law, other
22 than a conviction for conduct involving cannabis or ¹a¹ cannabis
23 ¹[resin] item¹ that is authorized by P.L. , c. (C.) (pending
24 before the Legislature as this bill), or under this State's law, or any
25 other state's law that is substantially related to the qualifications,
26 functions, or duties for which the license is required, and not more
27 than five years have passed since the date of that conviction,
28 satisfactory completion of probation or parole, or release from
29 incarceration, whichever is later. In determining which indictable
30 offenses are substantially related to the qualifications, functions, or
31 duties for which the license is required, the commission shall at
32 least consider any conviction involving fraud, deceit, or
33 embezzlement, and any conviction for N.J.S.2C:35-6, employing a
34 minor in a drug distribution scheme, or similar indictable offense in
35 this or another jurisdiction involving the use of a minor to dispense
36 or distribute a controlled dangerous substance or controlled
37 substance analog;

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

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

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

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

19 b. The commission shall adopt rules that:

20 (1) Provide for the annual renewal of the Class 3 Cannabis
21 Wholesaler license;

22 (2) Establish application, licensure, and renewal of licensure
23 fees for cannabis wholesalers in accordance with paragraph (2) of
24 subsection a. of section 18 of P.L. , c. (C.) (pending before
25 the Legislature as this bill); and

26 (3) Require a cannabis wholesaler to meet any public health and
27 safety standards, industry best practices, and all applicable
28 regulations established by the commission by rule or regulation
29 related to the warehousing of cannabis ¹items¹.

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

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

33 (2) Shall be deposited in the "Cannabis Regulatory,
34 Enforcement Assistance, and Marketplace Modernization Fund"
35 established under section ¹[40] 41¹ of P.L. , c. (C.)
36 (pending before the Legislature as this bill).

37 d. (1) The commission shall issue or deny issuance of a Class
38 3 Cannabis Wholesaler license or conditional license in accordance
39 with the procedures set forth in section 18 of P.L. , c. (C.)
40 (pending before the Legislature as this bill).

41 (2) The commission may suspend or revoke a Class 3 Cannabis
42 Wholesaler license or conditional license to operate as a cannabis
43 wholesaler for cause, which shall be considered a final agency
44 action for the purposes of the "Administrative Procedure Act,"
45 P.L.1968, c.410 (C.52:14B-1 et seq.) and shall be subject only to
46 judicial review as provided in the Rules of Court.

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

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

8
9 24. (New section) Class 4 Cannabis Distributor license.

10 A cannabis distributor shall have a Class 4 Cannabis Distributor
11 license issued by the commission for the premises from which the
12 cannabis distributor will conduct operations to transport cannabis
13 items in bulk. The commission shall determine the maximum
14 number of licenses, of which at least 35 percent shall be conditional
15 licenses issued pursuant to subparagraph (a) of paragraph (2) of
16 subsection b. of section 18 of P.L. , c. (C.) (pending before
17 the Legislature as this bill), and at least 25 percent of the total
18 number of licenses and conditional licenses shall be designated for
19 and only issued to microbusinesses pursuant subsection f. of that
20 section. Providing there exist qualified applicants, the commission
21 shall issue a sufficient number of licenses to meet the market
22 demands of the State, and may, as authorized by paragraph (1) of
23 subsection a. of section 18 of P.L. , c. (C.) (pending before
24 the Legislature as this bill), ¹【make requests for】 accept¹ new
25 applications for additional licenses as it deems necessary to meet
26 those demands.

27 a. To hold a Class 4 Cannabis Distributor license under this
28 section, an applicant:

29 (1) Shall apply for a license in the manner described in section
30 18 of P.L. , c. (C.) (pending before the Legislature as
31 this bill);

32 (2) Shall have at least one significantly involved person who has
33 resided in this State for at least two years as of the date of the
34 application, and provide proof that this person and any other person
35 with ¹【an investment】 a financial¹ interest who also has decision
36 making authority for the cannabis distributor listed on an
37 application submitted under section 18 of P.L. , c. (C.)
38 (pending before the Legislature as this bill) is 21 years of age or
39 older;

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

42 (4) Shall provide for each of the following persons to undergo a
43 criminal history record background check: any owner, other than an
44 owner who holds less than a five percent investment interest in the
45 cannabis distributor or who is a member of a group that holds less
46 than a 20 percent investment interest in the cannabis distributor and
47 no member of that group holds more than a five percent interest in
48 the total group investment, and who lacks the authority to make

1 controlling decisions regarding the cannabis distributor's
2 operations; any director; any officer; and any employee.

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

11 (b) Each person shall submit to being fingerprinted in
12 accordance with applicable State and federal laws, rules, and
13 regulations. No check of criminal history record background
14 information shall be performed pursuant to this section unless a
15 person has furnished his written consent to that check. A person
16 who refuses to consent to, or cooperate in, the securing of a check
17 of criminal history record background information shall not be
18 considered for licensure as a distributor. Each person shall bear the
19 cost for the criminal history record background check, including all
20 costs of administering and processing the check;

21 (c) (i) With respect to determining whether any conviction of a
22 person contained in the criminal history record background check
23 should disqualify an applicant for a Class 4 Cannabis Distributor
24 license, the commission shall not take into consideration any
25 conviction for a crime or offense that occurred prior to the effective
26 date of P.L. , c. (C.) (pending before the Legislature as this
27 bill) involving a controlled dangerous substance or controlled
28 substance analog as set forth in paragraph (11) or (12) of subsection
29 b., or subparagraph (b) of paragraph (10) of subsection b. of
30 N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of
31 N.J.S.2C:35-10, or any similar indictable offense under federal law,
32 this State's law, or any other state's law, or for any conviction
33 under federal law for conduct involving cannabis or ¹a¹ cannabis
34 ¹[resin] item¹ that is authorized by P.L. , c. (C.) (pending
35 before the Legislature as this bill). Additionally, the commission
36 shall not take into consideration any other prior conviction, unless
37 that conviction is for an indictable offense under federal law, other
38 than a conviction for conduct involving cannabis or ¹a¹ cannabis
39 ¹[resin] item¹ that is authorized by P.L. , c. (C.) (pending
40 before the Legislature as this bill), or under this State's law, or any
41 other state's law that is substantially related to the qualifications,
42 functions, or duties for which the license is required, and not more
43 than five years have passed since the date of that conviction,
44 satisfactory completion of probation or parole, or release from
45 incarceration, whichever is later. In determining which indictable
46 offenses are substantially related to the qualifications, functions, or
47 duties for which the license is required, the commission shall at
48 least consider any conviction involving fraud, deceit, or

1 embezzlement, and any conviction for N.J.S.2C:35-6, employing a
2 minor in a drug distribution scheme, or similar indictable offense in
3 this or another jurisdiction involving the use of a minor to dispense
4 or distribute a controlled dangerous substance or controlled
5 substance analog;

6 (ii) The commission may approve an applicant for a Class 4
7 Cannabis ~~1~~ **Disrtibutor** Distributor¹ license after conducting a
8 thorough review of any previous conviction of a person that
9 substantially related to the qualifications, functions, or duties for
10 which the license is required that is contained in the criminal
11 history record background information, and this review shall
12 include examining the nature of the indictable offense, the
13 circumstances at the time of committing the offense, and evidence
14 of rehabilitation since conviction. If the commission determines
15 that the reviewed conviction should not disqualify the applicant, the
16 applicant may be approved so long as the applicant is otherwise
17 qualified to be issued the license; and

18 (d) Upon receipt and review of the criminal history record
19 background information from the Division of State Police and the
20 Federal Bureau of Investigation, the commission shall provide
21 written notification to the applicant of the qualification for or
22 disqualification for a Class 4 Cannabis Distributor license.

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

28 (e) The Division of State Police shall promptly notify the
29 commission in the event that an individual who was the subject of a
30 criminal history record background check conducted pursuant to
31 this section is convicted of a crime or offense in this State after the
32 date the background check was performed. Upon receipt of that
33 notification, the commission shall make a determination regarding
34 the continued eligibility for the applicant, or following application,
35 for the licensee to hold a Class 4 Cannabis Distributor license.

36 b. The commission shall adopt rules that:

37 (1) Provide for the annual renewal of the Class 4 Cannabis
38 Distributor license;

39 (2) Establish application, licensure, and renewal of licensure
40 fees for cannabis distributors in accordance with paragraph (2) of
41 subsection a. of section 18 of P.L. , c. (C.) (pending before
42 the Legislature as this bill); and

43 (3) Require a cannabis distributor to meet any public health and
44 safety standards, industry best practices, and all applicable
45 regulations established by the commission by rule or regulation
46 related to the bulk transportation of cannabis items.

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

- 1 (1) Shall be in the form of a schedule that imposes a greater fee
2 for larger transportation operations; and
- 3 (2) Shall be deposited in the “Cannabis Regulatory,
4 Enforcement Assistance, and Marketplace Modernization Fund”
5 established under section ¹~~40~~ 41¹ of P.L. , c. (C.)
6 (pending before the Legislature as this bill).
- 7 d. (1) The commission shall issue or deny issuance of a Class
8 4 Cannabis Distributor license or conditional license in accordance
9 with the procedures set forth in section 18 of P.L. , c. (C.)
10 (pending before the Legislature as this bill).
- 11 (2) The commission may suspend or revoke a Class 4 Cannabis
12 Distributor license or conditional license to operate as a cannabis
13 distributor for cause, which shall be considered a final agency
14 action for the purposes of the "Administrative Procedure Act,"
15 P.L.1968, c.410 (C.52:14B-1 et seq.) and shall be subject only to
16 judicial review as provided in the Rules of Court.
- 17 e. A person who has been issued a license or conditional
18 license shall display the license or conditional license at the
19 distributor’s premises at all times when cannabis is being
20 transported.
- 21 f. As required by the commission in regulation, a licensee or
22 conditional licensee shall report required changes in information
23 about the licensee to the commission within the time specified by
24 the commission.
25
- 26 25. (New section) Class 5 Cannabis Retailer license.
- 27 A cannabis retailer shall have a Class 5 Cannabis Retailer license
28 issued by the commission for the premises at which ¹~~the~~ ¹
29 cannabis ¹~~is~~ items are¹ retailed¹, which may include purchase
30 orders for off-premises delivery by a certified cannabis handler
31 working for or on behalf of the cannabis retailer, or consumer
32 purchases to be fulfilled from the retail premises that are presented
33 by a cannabis delivery service with a Class 6 Cannabis Delivery
34 Service license and which will be delivered by the cannabis
35 delivery service to that consumer¹. The commission shall
36 determine the maximum number of licenses, of which at least 35
37 percent shall be conditional licenses issued pursuant to
38 subparagraph (a) of paragraph (2) of subsection b. of section 18 of
39 P.L. , c. (C.) (pending before the Legislature as this bill),
40 and at least 25 percent of the total number of licenses and
41 conditional licenses shall be designated for and only issued to
42 microbusinesses pursuant subsection f. of that section. Providing
43 there exist qualified applicants, the commission shall issue a
44 sufficient number of licenses to meet the market demands of the
45 State, and may, as authorized by paragraph (1) of subsection a. of
46 section 18 of P.L. , c. (C.) (pending before the Legislature

1 as this bill), ¹【make requests for】 accept¹ new applications for
2 additional licenses as it deems necessary to meet those demands.

3 a. To hold a Class 5 Cannabis Retailer license under this
4 section, a cannabis retailer:

5 (1) Shall apply for a license in the manner described in section
6 18 of P.L. , c. (C.) (pending before the Legislature as
7 this bill);

8 (2) Shall have at least one significantly involved person who has
9 resided in this State for at least two years as of the date of the
10 application, and provide proof that this person and any other person
11 with ¹【an investment】 a financial¹ interest who also has decision
12 making authority for the cannabis retailer listed on an application
13 submitted under section 18 of P.L. , c. (C.) (pending
14 before the Legislature as this bill) is 21 years of age or older;

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

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

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

34 (b) Each person shall submit to being fingerprinted in
35 accordance with applicable State and federal laws, rules, and
36 regulations. No check of criminal history record background
37 information shall be performed pursuant to this section unless a
38 person has furnished his written consent to that check. A person
39 who refuses to consent to, or cooperate in, the securing of a check
40 of criminal history record background information shall not be
41 considered for licensure as a retailer. Each person shall bear the
42 cost for the criminal history record background check, including all
43 costs of administering and processing the check;

44 (c) (i) With respect to determining whether any conviction of a
45 person contained in the criminal history record background check
46 should disqualify an applicant for a Class 5 Cannabis Retailer
47 license, the commission shall not take into consideration any
48 conviction for a crime or offense that occurred prior to the effective

1 date of P.L. , c. (C.) (pending before the Legislature as this
2 bill) involving a controlled dangerous substance or controlled
3 substance analog as set forth in paragraph (11) or (12) of subsection
4 b., or subparagraph (b) of paragraph (10) of subsection b. of
5 N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of
6 N.J.S.2C:35-10, or any similar indictable offense under federal law,
7 this State's law, or any other state's law, or for any conviction
8 under federal law for conduct involving cannabis or ¹a¹ cannabis
9 ¹[resin] item¹ that is authorized by P.L. , c. (C.) (pending
10 before the Legislature as this bill). Additionally, the commission
11 shall not take into consideration any other prior conviction, unless
12 that conviction is for an indictable offense under federal law, other
13 than a conviction for conduct involving cannabis or ¹a¹ cannabis
14 ¹[resin] item¹ that is authorized by P.L. , c. (C.) (pending
15 before the Legislature as this bill), or under this State's law, or any
16 other state's law that is substantially related to the qualifications,
17 functions, or duties for which the license is required, and not more
18 than five years have passed since the date of that conviction,
19 satisfactory completion of probation or parole, or release from
20 incarceration, whichever is later. In determining which indictable
21 offenses are substantially related to the qualifications, functions, or
22 duties for which the license is required, the commission shall at
23 least consider any conviction involving fraud, deceit, or
24 embezzlement, and any conviction for N.J.S.2C:35-6, employing a
25 minor in a drug distribution scheme, or similar indictable offense in
26 this or another jurisdiction involving the use of a minor to dispense
27 or distribute a controlled dangerous substance or controlled
28 substance analog;

29 (ii) The commission may approve an applicant for a Class 5
30 Cannabis Retailer license after conducting a thorough review of any
31 previous conviction of a person that substantially related to the
32 qualifications, functions, or duties for which the license is required
33 that is contained in the criminal history record background
34 information, and this review shall include examining the nature of
35 the indictable offense, the circumstances at the time of committing
36 the offense, and evidence of rehabilitation since conviction. If the
37 commission determines that the reviewed conviction should not
38 disqualify the applicant, the applicant may be approved so long as
39 the applicant is otherwise qualified to be issued the license; and

40 (d) Upon receipt and review of the criminal history record
41 background information from the Division of State Police and the
42 Federal Bureau of Investigation, the commission shall provide
43 written notification to the applicant of the qualification for or
44 disqualification for a Class 5 Cannabis Retailer license.

45 If the applicant is disqualified because the commission
46 determined that a person has a disqualifying conviction pursuant to
47 the provisions of this section, the conviction that constitutes the

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

3 (e) The Division of State Police shall promptly notify the
4 commission in the event that an individual who was the subject of a
5 criminal history record background check conducted pursuant to
6 this section is convicted of a crime or offense in this State after the
7 date the background check was performed. Upon receipt of that
8 notification, the commission shall make a determination regarding
9 the continued eligibility for the applicant, or following application,
10 for the licensee, to hold a Class 5 Cannabis Retailer license.

11 b. The commission shall adopt rules that:

12 (1) Provide for the annual renewal of the Class 5 Cannabis
13 Retailer license;

14 (2) Establish application, licensure, and renewal of licensure
15 fees for a cannabis retailer in accordance with paragraph (2) of
16 subsection a. of section 18 of P.L. , c. (C.) (pending before
17 the Legislature as this bill); and

18 (3) Require a cannabis retailer to meet any public health and
19 safety standards, industry best practices, and all applicable
20 regulations established by the commission by rule related to the sale
21 of cannabis items¹.

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

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

25 (2) Shall be deposited in the "Cannabis Regulatory,
26 Enforcement Assistance, and Marketplace Modernization Fund"
27 established under section **1[40] 41**¹ of P.L. , c. (C.)
28 (pending before the Legislature as this bill).

29 d. (1) The commission shall issue or deny issuance of a Class
30 5 Cannabis Retailer license or conditional license in accordance
31 with the procedures set forth in section 18 of P.L. , c. (C.)
32 (pending before the Legislature as this bill).

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

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

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

46 g. Subject to receiving an endorsement pursuant to section 28
47 of P.L.2019, c.153 (C.24:6I-21):

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

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

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

12 (4) A Class 5 Cannabis Retailer licensee that has been approved
13 for a cannabis consumption area endorsement may transfer cannabis
14 items purchased by a person in its retail establishment to the person
15 in its cannabis consumption area. The Class 4 Cannabis Retailer
16 licensee shall not transfer to the consumption area an amount of
17 cannabis items that exceed the limits established by the
18 commission.

19
20 26. (New section) Class 6 Cannabis Delivery license.

21 A cannabis delivery service shall have a Class 6 Cannabis
22 Delivery license issued by the commission for the premises from
23 which the cannabis delivery service will conduct operations to
24 provide courier services for 'consumer purchases of cannabis items
25 and related supplies fulfilled by' a cannabis retailer in order to
26 make deliveries of 'the' cannabis items and related supplies to '[a]
27 that' consumer ' , and which services include the ability of a
28 consumer to purchase the cannabis items directly through the
29 cannabis delivery service, which after presenting the purchase order
30 to the cannabis retailer for fulfillment, is delivered to that
31 consumer'. The commission shall determine the maximum number
32 of licenses, of which at least 35 percent shall be conditional licenses
33 issued pursuant to subparagraph (a) of paragraph (2) of subsection
34 b. of section 18 of P.L. , c. (C.) (pending before the
35 Legislature as this bill), and at least 25 percent of the total number
36 of licenses and conditional licenses shall be designated for and only
37 issued to microbusinesses pursuant subsection f. of that section.
38 Providing there exist qualified applicants, the commission shall
39 issue a sufficient number of licenses to meet the market demands of
40 the State, and may, as authorized by paragraph (1) of subsection a.
41 of section 18 of P.L. , c. (C.) (pending before the
42 Legislature as this bill), '[make requests for] accept'
43 applications for additional licenses as it deems necessary to meet
44 those demands.

45 a. To hold a Class 6 Cannabis Delivery license under this
46 section, an applicant:

1 (1) Shall apply for a license in the manner described in section
2 18 of P.L. , c. (C.) (pending before the Legislature as
3 this bill);

4 (2) Shall have at least one significantly involved person who has
5 resided in this State for at least two years as of the date of the
6 application, and provide proof that this person and any other person
7 with an investment interest who also has decision making authority
8 for the cannabis delivery service listed on an application submitted
9 under section 18 of P.L. , c. (C.) (pending before the
10 Legislature as this bill) is 21 years of age or older;

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

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

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

30 (b) Each person shall submit to being fingerprinted in
31 accordance with applicable State and federal laws, rules, and
32 regulations. No check of criminal history record background
33 information shall be performed pursuant to this section unless a
34 person has furnished his written consent to that check. A person
35 who refuses to consent to, or cooperate in, the securing of a check
36 of criminal history record background information shall not be
37 considered for licensure as a delivery service. Each person shall
38 bear the cost for the criminal history record background check,
39 including all costs of administering and processing the check;

40 (c) (i) With respect to determining whether any conviction of a
41 person contained in the criminal history record background check
42 should disqualify an applicant for a Class 6 Cannabis Delivery
43 license, the commission shall not take into consideration any
44 conviction for a crime or offense that occurred prior to the effective
45 date of P.L. , c. (C.) (pending before the Legislature as this
46 bill) involving a controlled dangerous substance or controlled
47 substance analog as set forth in paragraph (11) or (12) of subsection
48 b., or subparagraph (b) of paragraph (10) of subsection b. of

1 N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of
2 N.J.S.2C:35-10, or any similar indictable offense under federal law,
3 this State's law, or any other state's law, or for any conviction
4 under federal law for conduct involving cannabis or ¹a¹ cannabis
5 ¹[resin] item¹ that is authorized by P.L. , c. (C.) (pending
6 before the Legislature as this bill). Additionally, the commission
7 shall not take into consideration any other prior conviction, unless
8 that conviction is for an indictable offense under federal law, other
9 than a conviction for conduct involving cannabis or ¹a¹ cannabis
10 ¹[resin] item¹ that is authorized by P.L. , c. (C.) (pending
11 before the Legislature as this bill), or under this State's law, or any
12 other state's law that is substantially related to the qualifications,
13 functions, or duties for which the license is required, and not more
14 than five years have passed since the date of that conviction,
15 satisfactory completion of probation or parole, or release from
16 incarceration, whichever is later. In determining which indictable
17 offenses are substantially related to the qualifications, functions, or
18 duties for which the license is required, the commission shall at
19 least consider any conviction involving fraud, deceit, or
20 embezzlement, and any conviction for N.J.S.2C:35-6, employing a
21 minor in a drug distribution scheme, or similar indictable offense in
22 this or another jurisdiction involving the use of a minor to dispense
23 or distribute a controlled dangerous substance or controlled
24 substance analog;

25 (ii) The commission may approve an applicant for a Class ¹[4]
26 6¹ Cannabis ¹[Disrtibutor] Delivery¹ license after conducting a
27 thorough review of any previous conviction of a person that
28 substantially related to the qualifications, functions, or duties for
29 which the license is required that is contained in the criminal
30 history record background information, and this review shall
31 include examining the nature of the indictable offense, the
32 circumstances at the time of committing the offense, and evidence
33 of rehabilitation since conviction. If the commission determines
34 that the reviewed conviction should not disqualify the applicant, the
35 applicant may be approved so long as the applicant is otherwise
36 qualified to be issued the license; and

37 (d) Upon receipt and review of the criminal history record
38 background information from the Division of State Police and the
39 Federal Bureau of Investigation, the commission shall provide
40 written notification to the applicant of the qualification for or
41 disqualification for a Class 6 Cannabis Delivery license.

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

1 (e) The Division of State Police shall promptly notify the
2 commission in the event that an individual who was the subject of a
3 criminal history record background check conducted pursuant to
4 this section is convicted of a crime or offense in this State after the
5 date the background check was performed. Upon receipt of that
6 notification, the commission shall make a determination regarding
7 the continued eligibility for the applicant, or following application,
8 for the licensee to hold a Class 6 Cannabis Delivery license.

9 b. The commission shall adopt rules that:

10 (1) Provide for the annual renewal of the Class 6 Cannabis
11 Delivery license;

12 (2) Establish application, licensure, and renewal of licensure
13 fees for cannabis delivery services in accordance with paragraph (2)
14 of subsection a. of section 18 of P.L. , c. (C.) (pending
15 before the Legislature as this bill); and

16 (3) Require a cannabis delivery service to meet any public
17 health and safety standards, industry best practices, and all
18 applicable regulations established by the commission by rule or
19 regulation related to the delivery of cannabis items and related
20 supplies to a consumer.

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

22 (1) Shall be in the form of a schedule that imposes a greater fee
23 for larger transportation operations; and

24 (2) Shall be deposited in the "Cannabis Regulatory,
25 Enforcement Assistance, and Marketplace Modernization Fund"
26 established under section ¹[40] 41¹ of P.L. , c. (C.)
27 (pending before the Legislature as this bill).

28 d. (1) The commission shall issue or deny issuance of a Class
29 6 Cannabis Delivery license or conditional license in accordance
30 with the procedures set forth in section 18 of P.L. , c. (C.)
31 (pending before the Legislature as this bill).

32 (2) The commission may suspend or revoke a Class 6 Cannabis
33 Delivery license or conditional license to operate as a cannabis
34 distributor for cause, which shall be considered a final agency
35 action for the purposes of the "Administrative Procedure Act,"
36 P.L.1968, c.410 (C.52:14B-1 et seq.) and shall be subject only to
37 judicial review as provided in the Rules of Court.

38 e. A person who has been issued a license or conditional
39 license shall display the license or conditional license at the
40 delivery service's premises at all times when cannabis is being
41 transported.

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

46
47 27. (New section) Personal Use Cannabis Handlers.

- 1 a. ¹(1)¹ An individual who performs work for or on behalf of a
2 person who holds a license classified pursuant to section 20, 22, 23,
3 24, 25, or 26 of P.L. , c. (C.) (pending before the
4 Legislature as this bill) shall have a valid certification issued by the
5 commission under this section if the individual participates in:
- 6 ¹[(1)] (a)¹ the possession, securing, or selling of cannabis items
7 at the premises for which the license has been issued; or
- 8 ¹[(2)] (b)¹ the recording of the possession, securing, or selling
9 of cannabis items at the premises for which the license has been
10 issued; or
- 11 ¹[(3)] (c)¹ the transportation or delivery of cannabis items.
- 12 ¹(2) An individual who has a valid certification as a personal use
13 cannabis handler issued under this section may also simultaneously
14 have a valid certification as a medical cannabis handler issued
15 under section 27 of P.L.2019, c.153 (C.24:6I-20) to perform work
16 for or on behalf of entities issued medical cannabis permits or
17 licenses as described in subsection a. of that section.¹
- 18 b. A person who holds a license classified pursuant to section
19 20, 22, 23, 24, 25, or 26 of P.L. , c. (C.) (pending before
20 the Legislature as this bill) shall verify that an individual has a valid
21 certification issued under this section before allowing the individual
22 to perform any work described in subsection a. of this section at the
23 premises for which the license has been issued.
- 24 c. The commission shall issue certifications to qualified
25 applicants to perform work described in this section. The
26 commission shall adopt rules and regulations establishing: the
27 qualifications for performing work described in this section; the
28 terms of a certification issued under this section; procedures for
29 applying for and renewing a certification issued under this section;
30 and reasonable application, issuance, and renewal fees for a
31 certification issued under this section.
- 32 d. The commission may require an individual applying for a
33 certification under this section to successfully complete a course,
34 made available by or through the commission, in which the
35 individual receives training on: checking identification; detecting
36 intoxication; handling cannabis items; statutory and regulatory
37 provisions relating to cannabis; and any matter deemed necessary
38 by the commission to protect the public health and safety. The
39 commission or other provider may charge a reasonable fee for the
40 course.
- 41 The commission shall not require an individual to successfully
42 complete the course more than once, except that the commission
43 may adopt regulations directing continuing education training on a
44 prescribed schedule.
- 45 As part of a final order suspending a certification issued under
46 this section, the commission may require a holder of a certification
47 to successfully complete the course as a condition of lifting the

1 suspension and as part of a final order revoking a certification
2 issued under this section, the commission shall require an individual
3 to successfully complete the course prior to applying for a new
4 certification.

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

15 (2) Each individual shall submit to being fingerprinted in
16 accordance with applicable State and federal laws, rules, and
17 regulations. No check of criminal history record background
18 information shall be performed pursuant to this subsection unless
19 the individual has furnished written consent to that check. Any
20 individual who refuses to consent to, or cooperate in, the securing
21 of a check of criminal history record background information shall
22 not be considered for a certification. Each individual shall bear the
23 cost for the criminal history record background check, including all
24 costs of administering and processing the check.

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

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

40 f. (1) (a) With respect to determining whether any conviction
41 of an individual contained in the criminal history record background
42 check should disqualify an applicant for a certification, the
43 commission shall not take into consideration any conviction for a
44 crime or offense that occurred prior to the effective date of P.L. ,
45 c. (C.) (pending before the Legislature as this bill) involving
46 a controlled dangerous substance or controlled substance analog as
47 set forth in paragraph (11) or (12) of subsection b., or subparagraph
48 (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5, or

1 paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any
2 similar indictable offense under federal law, this State's law, or any
3 other state's law, or for any conviction under federal law for
4 conduct involving cannabis or 'a' cannabis 'resin' item¹ that is
5 authorized by P.L. , c. (C.) (pending before the Legislature
6 as this bill). Additionally, the commission shall not take into
7 consideration any other prior conviction, unless that conviction is
8 for an indictable offense under federal law, other than a conviction
9 for conduct involving cannabis or 'a' cannabis 'resin' item¹ that
10 is authorized by P.L. , c. (C.) (pending before the
11 Legislature as this bill), or under this State's law, or any other
12 state's law that is substantially related to the qualifications,
13 functions, or duties for which certification is required, and not more
14 than five years have passed since the date of that conviction,
15 satisfactory completion of probation or parole, or release from
16 incarceration, whichever is later. In determining which indictable
17 offenses are substantially related to the qualifications, functions, or
18 duties for which certification is required, the commission shall at
19 least consider any conviction involving fraud, deceit, or
20 embezzlement, and any conviction for N.J.S.2C:35-6, employing a
21 minor in a drug distribution scheme, or similar indictable offense in
22 this or another jurisdiction involving the use of a minor to dispense
23 or distribute a controlled dangerous substance or controlled
24 substance analog;

25 (b) The commission may approve an applicant for a certification
26 after conducting a thorough review of any previous conviction of a
27 person that substantially related to the qualifications, functions, or
28 duties for which certification is required that is contained in the
29 criminal history record background information, and this review
30 shall include examining the nature of the indictable offense, the
31 circumstances at the time of committing the offense, and evidence
32 of rehabilitation since conviction. If the commission determines
33 that the reviewed conviction should not disqualify the applicant, the
34 applicant may be approved so long as the applicant is otherwise
35 qualified to be issued the certification.

36 g. The commission shall deny an application to any applicant
37 who fails to provide information, documentation and assurances as
38 required by P.L. , c. (C.) (pending before the Legislature as
39 this bill) or as requested by the commission, or who fails to reveal
40 any fact material to qualification, or who supplies information
41 which is untrue or misleading as to a material fact pertaining to the
42 qualification criteria for licensure.

43 h. The commission may suspend, revoke, or refuse to renew a
44 certification if the individual who is applying for or who holds the
45 certification: violates any provision of P.L. , c. (C.)
46 (pending before the Legislature as this bill) or any rule or regulation
47 adopted under P.L. , c. (C.) (pending before the

1 Legislature as this bill); makes a false statement to the commission;
2 or refuses to cooperate in any investigation by the commission.

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

6 j. In addition to the requirements for regulations set forth in
7 paragraph (1) of subsection d. of section 6 of P.L. ,

8 c. (C.) (pending before the Legislature as this bill) the
9 commission shall enact regulations to allow for a cannabis
10 retailer to engage in delivery retailer's customer orders¹ of
11 cannabis items and related supplies to be delivered off-premises¹
12 by a certified cannabis handler performing work for or on behalf of
13 a cannabis retailer, including as well as¹ a certified cannabis
14 handler employed by a cannabis delivery service providing courier
15 service services¹ for consumer purchases of cannabis items and
16 related supplies fulfilled by¹ the cannabis retailer, and which
17 regulations shall include, but not be limited to, the following
18 requirements:

19 (1) A cannabis retailer may only deliver cannabis items
20 Deliveries shall be made only¹ to a residence, including a temporary
21 residence, in this State.

22 (2) Deliveries shall be made only to a legal consumer by a
23 certified cannabis handler who is an employee of a cannabis
24 retailer, cannabis delivery service, or an approved contractor vender
25 for a cannabis retailer.

26 (3) A cannabis retailer shall not deliver Deliveries shall not
27 be made¹ to a residence located on land owned by the federal
28 government or any residence on land or in a building leased by the
29 federal government.

30 (4) A cannabis retailer shall staff each Each¹ delivery
31 vehicle with shall be staffed by¹ a certified cannabis handler
32 who is an employee of the cannabis retailer or cannabis delivery
33 service¹ who shall be at least 18 years of age, or use a cannabis
34 delivery service or¹ an approved contract vendor whose certified
35 cannabis handler¹ delivery employees shall be at least 18 years of
36 age.

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

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

45 (7) Each certified cannabis handler shall have access to a secure
46 form of communication with the cannabis retailer or cannabis

1 delivery service making a customer delivery of a purchase order
2 fulfilled by the cannabis retailer¹, such as a cellular telephone, at
3 all times that a delivery vehicle contains cannabis items.

4 (8) During delivery, the certified cannabis handler shall
5 maintain a physical or electronic copy of the customer's¹ delivery
6 request and shall make it available upon request to State and local
7 law enforcement, and State and local regulatory authorities and
8 agencies.

9 (9) Delivery vehicles shall be equipped with a secure lockbox in
10 a secured cargo area, which shall be used for the sanitary and secure
11 transport of cannabis items.

12 (10) A certified cannabis handler shall not leave cannabis items
13 in an unattended delivery vehicle unless the vehicle is locked and
14 equipped with an active vehicle alarm system.

15 (11) A delivery vehicle shall contain a Global Positioning
16 System (GPS) device for identifying the geographic location of the
17 delivery vehicle. The device shall be either permanently or
18 temporarily affixed to the delivery vehicle while the delivery
19 vehicle is in operation, and the device shall remain active and in the
20 possession of the certified cannabis handler at all times during
21 delivery. At all times, the cannabis retailer or cannabis delivery
22 service¹ shall be able to identify the geographic location of all
23 delivery vehicles that are making deliveries for the cannabis retailer
24 , or for the cannabis delivery service making deliveries of
25 customer purchase orders fulfilled by the cannabis retailer, as the
26 case may be,¹ and shall provide that information to the commission
27 upon request.

28 (12) Upon request, a cannabis retailer or cannabis delivery
29 service¹ shall provide the commission with information regarding
30 any vehicles used for delivery, including the vehicle's make, model,
31 color, Vehicle Identification Number, license plate number, and
32 vehicle registration.

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

38 (14) Each cannabis retailer and cannabis delivery service¹ shall
39 ensure that vehicles used to deliver cannabis items¹ bear no
40 markings that would either identify or indicate that the vehicle is
41 used to deliver cannabis items.

42 (15) Each cannabis retailer and cannabis delivery service¹ shall
43 ensure that deliveries are completed in a timely and efficient
44 manner.

45 (16) While making residential deliveries, a certified cannabis
46 handler shall only travel from the cannabis retailer's licensed
47 premises, or as part of a cannabis delivery service or contract

1 vendor deliveries, between multiple cannabis retailers, then to a
2 residence for delivery; from one residential delivery to another
3 residence for residential delivery; or from a residential delivery
4 back to the cannabis retailer's 'or cannabis delivery services'¹
5 licensed premises. A cannabis handler shall not deviate from the
6 delivery path described in this paragraph, except in the event of
7 emergency or as necessary for rest, fuel, or vehicle repair stops, or
8 because road conditions make continued use of the route or
9 operation of the vehicle unsafe, impossible, or impracticable.

10 (17) The process of delivery begins when the certified cannabis
11 handler leaves the cannabis retailer licensed premises with the
12 'customer's purchase order of' cannabis items for delivery. The
13 process of delivering ends when the cannabis handler returns to the
14 cannabis retailer's licensed premises, or delivery service's or
15 contract vendor's premises, after delivering the cannabis item to the
16 consumer.

17 (18) Each cannabis retailer 'and cannabis delivery servicer'¹ shall
18 maintain a record of each delivery of cannabis items in a delivery
19 log, which may be written or electronic. For each delivery, the log
20 shall record:

- 21 (a) The date and time that the delivery began and ended;
- 22 (b) The name of the certified cannabis handler;
- 23 (c) The cannabis items delivered;
- 24 (d) The 'batch or' lot number of the cannabis 'item'¹; and
- 25 (e) The signature of the consumer who accepted delivery.

26 (19) A cannabis retailer 'or cannabis delivery service'¹ shall
27 report any vehicle accidents, diversions, losses, or other reportable
28 events that occur during delivery to the appropriate State and local
29 authorities, including the commission.

30
31 28. Section 24 of P.L.2019, c.153 (C.24:6I-17) is amended to
32 read as follows:

33 24. a. (1) Each batch of medical cannabis cultivated by a
34 medical cannabis cultivator or a clinical registrant and each batch of
35 a medical cannabis product produced by a medical cannabis
36 manufacturer or a clinical registrant shall be tested in accordance
37 with the requirements of section 26 of P.L.2019, c.153 (C.24:6I-19)
38 by a laboratory licensed pursuant to section 25 of P.L.2019, c.153
39 (C.24:6I-18). The laboratory performing the testing shall produce a
40 written report detailing the results of the testing, a summary of
41 which shall be included in any packaging materials for medical
42 cannabis and medical cannabis products dispensed to qualifying
43 patients and their designated and institutional caregivers. The
44 laboratory may charge a reasonable fee for any test performed
45 pursuant to this section.

46 (2) Each representative sample of '[personal use]' cannabis
47 'items' from a '[cannabis cultivation facility and each

1 representative sample of a personal use cannabis item from a
2 cannabis product manufacturing facility] cultivator or cannabis
3 manufacturer¹ shall be tested in accordance with the provisions of
4 section 18 of P.L. , c. (C.) (pending before the Legislature
5 as this bill) by a laboratory licensed pursuant to section 25 of
6 P.L.2019, c.153 (C.24:6I-18).

7 b. The requirements of subsection a. of this section shall take
8 effect at such time as the commission certifies that a sufficient
9 number of laboratories have been licensed pursuant to section 25 of
10 P.L.2019, c.153 (C.24:6I-18), or pursuant to section 18 of P.L. ,
11 c. (C.), to ensure that all medical cannabis and medical
12 cannabis products can be promptly tested consistent with the
13 requirements of this section without disrupting patient access to
14 medical cannabis.

15 (cf: P.L.2019, c.153, s.24)

16

17 29. Section 25 of P.L.2019, c.153 (C.24:6I-18) is amended to
18 read as follows:

19 25. a. (1) A laboratory that performs testing services pursuant
20 to section 24 of P.L.2019, c.153 (C.24:6I-17) shall be licensed by
21 the commission and may be subject to inspection by the
22 commission to determine the condition and calibration of any
23 equipment used for testing purposes and to ensure that testing of
24 medical cannabis and medical cannabis products is being performed
25 in accordance with the requirements of section 26 of P.L.2019,
26 c.153 (C.24:6I-19), and the testing of ¹["personal use] usable¹
27 cannabis ¹["and personal use] , ¹ cannabis ¹["items] product,
28 cannabis extract, or any other cannabis resin¹ is being performed in
29 accordance with the requirements of section 18 of P.L. ,
30 c. (C.) (pending before the Legislature as this bill). Each
31 applicant for licensure pursuant to this section shall submit an
32 attestation signed by a bona fide labor organization stating that the
33 applicant has entered into a labor peace agreement with such bona
34 fide labor organization. The maintenance of a labor peace
35 agreement with a bona fide labor organization shall be an ongoing
36 material condition of maintaining a license to test medical cannabis.

37 (2) Any laboratory licensed pursuant to this section prior to the
38 effective date of P.L. , c. (C.) to only test medical cannabis
39 and medical cannabis products shall be authorized to test ¹["personal
40 use] usable¹ cannabis ¹["and personal use] , ¹ cannabis ¹["items]
41 product, cannabis extract, or any other cannabis resin¹ under an
42 existing license in good standing, if the laboratory certifies to the
43 commission that its facility, and the condition and calibration of any
44 equipment used for testing meet the commission's accreditation
45 requirements for licensure as a cannabis testing facility, and its
46 testing procedures will be performed in accordance with the
47 requirements of section 18 of P.L. , c. (C.) (pending before

1 the Legislature as this bill). The commission shall acknowledge
2 receipt of the laboratory's certification in writing to that laboratory,
3 which shall serve as notice and recognition that the laboratory may
4 test ~~'personal use' usable~~ cannabis ~~'and personal use' .~~
5 cannabis ~~'items'~~ product, cannabis extract, or any other cannabis
6 resin¹ under the existing license.

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

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

20 d. (1) The commission shall require each applicant for
21 licensure as a medical cannabis testing laboratory to undergo a
22 criminal history record background check, except that no criminal
23 history record background check shall be required for an applicant
24 who completed a criminal history record background check as a
25 condition of professional licensure or certification.

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

36 An applicant who is required to undergo a criminal history
37 record background check pursuant to this section shall submit to
38 being fingerprinted in accordance with applicable State and federal
39 laws, rules, and regulations. No check of criminal history record
40 background information shall be performed pursuant to this section
41 unless the applicant has furnished the applicant's written consent to
42 that check. An applicant who is required to undergo a criminal
43 history record background check pursuant to this section who
44 refuses to consent to, or cooperate in, the securing of a check of
45 criminal history record background information shall not be
46 considered for a license to operate, or authorization to be employed
47 at, a medical cannabis testing laboratory. An applicant shall bear

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

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

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

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

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

26 (5) Notwithstanding the provisions of subsection c. of this
27 section to the contrary, the commission may offer provisional
28 authority for an applicant to be an owner, director, officer, or
29 employee of a medical cannabis testing laboratory for a period not
30 to exceed three months if the applicant submits to the commission a
31 sworn statement attesting that the person has not been convicted of
32 any disqualifying conviction pursuant to this section.

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

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

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

45 (c) the circumstances under which the crime or offense
46 occurred;

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

1 (e) the age of the individual when the crime or offense was
2 committed;

3 (f) whether the crime or offense was an isolated or repeated
4 incident;

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

7 (h) any evidence of rehabilitation, including good conduct in
8 prison or in the community, counseling or psychiatric treatment
9 received, acquisition of additional academic or vocational
10 schooling, successful participation in correctional work-release
11 programs, or the recommendation of those who have had the
12 individual under their supervision.

13 (cf: P.L.2019, c.153, s.25)

14

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

17 15. a. The Cannabis Regulatory Commission is authorized to
18 exchange fingerprint data with, and receive information from, the
19 Division of State Police in the Department of Law and Public
20 Safety and the Federal Bureau of Investigation for use in reviewing
21 applications for individuals who are required to complete a criminal
22 history record background check in connection with applications;

23 (1) to serve as designated caregivers or institutional caregivers
24 pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4), for licenses to
25 operate as, or to be a director, officer, or employee of, medical
26 cannabis testing laboratories pursuant to section 25 of P.L.2019,
27 c.153 (C.24:6I-18), for permits to operate as, or to be a director,
28 officer, or employee of, or a significantly involved person in,
29 clinical registrants pursuant to section 13 of P.L.2019, c.153
30 (C.24:6I-7.3), and for permits to operate as, or to be a director,
31 officer, or employee of, or a significantly involved person in,
32 medical cannabis cultivators, medical cannabis manufacturers, and
33 medical cannabis dispensaries pursuant to section 7 of P.L.2009,
34 c.307 (C.24:6I-7); or

35 (2) for licenses to operate as, or to be ¹[a] owner,¹director,
36 officer, or employee of, or a significantly involved person in,
37 cannabis ¹[growers] cultivators¹ , cannabis ¹[processors]
38 manufacturers¹ , cannabis wholesalers, cannabis distributors,
39 cannabis retailers, cannabis delivery services, and personal use
40 cannabis testing facilities pursuant to sections 18, 20, ¹[21,]¹ 22,
41 23, 24, 25, and 26 of P.L. , c. (C.) (pending before the
42 Legislature as this bill).

43 b. The Division of State Police shall promptly notify the
44 Cannabis Regulatory Commission in the event an applicant
45 **【seeking to serve as a designated or institutional caregiver, an**
46 **applicant for a license to operate as, or to be a director, officer, or**

1 employee of, a medical cannabis testing laboratory, an applicant for
2 a permit to operate as, or to be a director, officer, or employee of, or
3 a significantly involved person in, a clinical registrant, or an
4 applicant for a permit to operate as, or to be a director, officer, or
5 employee of, or a significantly involved person in, a medical
6 cannabis cultivator, medical cannabis manufacturer, or medical
7 cannabis dispensary], who was the subject of a criminal history
8 record background check conducted pursuant to subsection a. of this
9 section, is convicted of a crime involving possession or sale of a
10 controlled dangerous substance.

11 (cf: P.L.2019, c.153, s.21)

12

13 31. (New section) Municipal Regulations or Ordinances.

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

17 (1) governing the times of operation, location, manner, and
18 number of cannabis establishments, distributors, or delivery
19 services; and

20 (2) establishing civil penalties for violation of an ordinance or
21 regulation governing the times of operation, location, manner, and
22 number of cannabis establishments, distributors, or delivery
23 services that may operate in such municipality.

24 b. A municipality may prohibit the operation of any one or
25 more classes of cannabis establishment or cannabis distributors, but
26 not cannabis delivery services, within the jurisdiction of the
27 municipality through the enactment of an ordinance, and this
28 prohibiting ordinance shall apply throughout the municipality, even
29 if that municipality or parts thereof fall within any district, area, or
30 other geographical jurisdiction for which land use planning, site
31 planning, zoning requirements or other development authority is
32 exercised by an independent State authority, commission,
33 instrumentality, or agency pursuant to the enabling legislation that
34 governs its duties, functions, and powers, even if this development
35 authority is expressly stated or interpreted to be exclusive
36 thereunder; the local prohibiting ordinance applies, notwithstanding
37 the provisions of any independent State authority law to the
38 contrary. Only an ordinance to prohibit one or more classes of
39 cannabis establishment or cannabis distributors enacted pursuant to
40 the specific authority to do so by this section shall be valid and
41 enforceable; any ordinance enacted by a municipality prior to the
42 effective date of this section addressing the issue of prohibiting one
43 or more types of cannabis-related activities within the jurisdiction
44 of the municipality is null and void, and that entity may only
45 prohibit the operation of one or more classes of cannabis
46 establishment or cannabis distributors by enactment of a new
47 ordinance based upon the specific authority to do so by this section.

1 The failure of a municipality to enact an ordinance prohibiting the
2 operation of one or more classes of cannabis establishment or
3 cannabis distributors within 180 days after the effective date of
4 P.L. , c. (C.) (pending before the Legislature as this bill),
5 shall result in any class of cannabis establishment or a cannabis
6 distributor that is not prohibited from operating within the
7 municipality as being permitted to operate therein as follows: the
8 growing, cultivating, ¹**processing** manufacturing¹ , and selling
9 and reselling of ¹**cannabis and**¹ cannabis items, and operations to
10 transport in bulk cannabis items by a cannabis ¹**grower**
11 cultivator¹, cannabis ¹**processor** manufacturer¹, cannabis
12 wholesaler, or cannabis distributor shall be permitted uses in all
13 industrial zones of the municipality; and the selling of cannabis
14 items to consumers from a retail store by a cannabis retailer shall be
15 a conditional use in all commercial zones or retail zones, subject to
16 meeting the conditions set forth in any applicable zoning ordinance
17 or receiving a variance from one or more of those conditions in
18 accordance with the “Municipal Land Use Law,” P.L.1975, c.291
19 (C.40:55D-1 et seq.). At the end of a five-year period following the
20 initial failure of a municipality to enact an ordinance prohibiting the
21 operation of one or more classes of cannabis establishment or
22 cannabis distributors, and every five-year period thereafter
23 following a failure to enact a prohibiting ordinance, the
24 municipality shall again be permitted to prohibit the future
25 operation of any one or more classes of cannabis establishment or
26 cannabis distributors through the enactment of an ordinance, but
27 this ordinance shall be prospective only and not apply to any
28 cannabis establishment or distributor operating in the municipality
29 prior to the enactment of the ordinance.

30 c. (1) When the commission receives an application for initial
31 licensing or renewal of an existing license for any cannabis
32 establishment, distributor, or delivery service pursuant to section 19
33 of P.L. , c. (C.) (pending before the Legislature as this bill),
34 or endorsement for a cannabis consumption area pursuant to section
35 28 of P.L.2019, c.153 (C.24:6I-21), the commission shall provide,
36 within ¹**seven** 14¹ days, a copy of the application to the
37 municipality in which the establishment, distributor, delivery
38 service, or consumption area is to be located, unless the
39 municipality has prohibited the operation of the particular class of
40 business for which licensure is sought pursuant to subsection b. of
41 this section, or in the case of an application seeking a consumption
42 area endorsement, prohibited the operation of cannabis retailers.
43 The local jurisdiction shall determine whether the application
44 complies with local restrictions on times of operation, location,
45 manner, and the number of cannabis businesses. The local
46 jurisdiction shall inform the commission whether the application

1 complies with local restrictions on times of operation, location,
2 manner, and the number of cannabis businesses.

3 (2) A municipality may impose a separate local licensing or
4 endorsement requirement as a part of its restrictions on times of
5 operation, location, manner, and the number of cannabis businesses.
6 A municipality may decline to impose any local licensing or
7 endorsement requirements, but a local jurisdiction shall notify the
8 commission that it either approves or denies each application
9 forwarded to it.

10

11 32. Section 28 of P.L.2019, c.153 (C.24:6I-21) is amended to
12 read as follows:

13 28. a. A municipality may authorize, through the enactment of
14 an ordinance, the operation of locally endorsed **【medical】** cannabis
15 consumption areas:

16 (1) operated by medical cannabis dispensaries , including any
17 alternative treatment centers deemed to hold a medical cannabis
18 dispensary permit pursuant to section 7 of P.L.2009, c.307 (C.24:6I-
19 7), and clinical registrants within its jurisdiction, at which areas the
20 on-premises consumption of medical cannabis may occur;

21 (2) operated by cannabis retailers within its jurisdiction, at which
22 areas the on-premises consumption of personal use cannabis may
23 occur; and

24 (3) operated by medical cannabis dispensaries, including any
25 alternative treatment centers deemed to hold a medical cannabis
26 dispensary permit pursuant to section 7 of P.L.2009, c.307 (C.24:6I-
27 7), within its jurisdiction that are also deemed to have, pursuant to
28 that section, one or more Class 5 Cannabis Retailer licenses and for
29 which the commission has correspondingly issued one or more
30 licenses following receipt of the municipality's approval to operate
31 as a cannabis retailer pursuant to subparagraph (a) of paragraph (3)
32 of subsection a. of section 33 of P.L. , c. (C.) (pending
33 before the Legislature as this bill), or medical cannabis dispensaries
34 and alternative treatment centers otherwise issued a license by the
35 commission pursuant to P.L. , c. (C.) (pending before the
36 Legislature as this bill), to simultaneously operate as a cannabis
37 retailer, at which areas the on-premises consumption of both
38 medical cannabis and personal use cannabis may occur.

39 b. Applications for an endorsement pursuant to this section
40 shall be made to the commission in a form and manner as shall be
41 prescribed by the commission and shall set forth such information
42 as the commission may require. Each application shall be verified
43 by the oath or affirmation of such persons as the commission may
44 prescribe. The endorsement shall be conditioned upon approval by
45 a municipality. An applicant is prohibited from operating a
46 cannabis consumption area without State and local approval. If the

1 applicant does not receive approval from the municipality within
2 one year after the date of State approval, the State endorsement
3 shall expire and may not be renewed. If an application is denied by
4 the municipality or the approval of the municipality is revoked, the
5 commission shall revoke the State endorsement. Any person
6 aggrieved by the local denial of an endorsement application may
7 request a hearing in the Superior Court of the county in which the
8 application was filed. The request for a hearing shall be filed
9 within 30 days after the date the application was denied. The
10 person shall serve a copy of the person's request for a hearing upon
11 the appropriate officer for the municipality that denied the
12 application. The hearing shall be held and a record made thereof
13 within 30 days after the receipt of the application for a hearing. No
14 formal pleading and no filing fee shall be required for the hearing.

15 c. (1) The commission shall deny a State endorsement if the
16 premises on which the applicant proposes to conduct its business
17 does not meet the requirements of P.L.2009, c.307 (C.24:6I-1 et
18 al.) , P.L. , c. (C.) (pending before the Legislature as this bill),
19 or for reasons set forth in this section. The commission may revoke
20 or deny an endorsement renewal, or reinstatement, or an initial
21 endorsement for good cause.

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

23 (a) the endorsed permit holder , license holder, or applicant has
24 violated, does not meet, or has failed to comply with, any of the
25 terms, conditions, or provisions of this section, any rules
26 promulgated pursuant to this section, or any supplemental local
27 laws, rules, or regulations;

28 (b) the endorsed permit holder , license holder, or applicant has
29 failed to comply with any special terms or conditions that were
30 placed on its endorsement by the commission or municipality; or

31 (c) the premises have been operated in a manner that adversely
32 affects the public health or the safety of the immediate
33 neighborhood in which the **【medical cannabis】** consumption area is
34 located.

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

40 d. A **【medical】** cannabis consumption area endorsement shall
41 be valid for one year and may be renewed annually, subject to the
42 approval of the commission and the municipality as set forth in this
43 section. The commission shall establish by rule the amount of the
44 application fee and renewal fee for the endorsement, which shall not
45 exceed the administrative cost for processing and reviewing the
46 application.

1 e. The commission shall maintain a list of all **【medical】**
2 cannabis consumption areas in the State and shall make the list
3 available on its Internet website.

4 f. A **【medical】** cannabis consumption area shall be located on
5 the premises of a medical cannabis dispensary **【or】** , clinical
6 registrant, or cannabis retailer, may be indoors or outdoors, and shall
7 be designated by conspicuous signage. The signage shall also
8 indicate whether the cannabis consumption area may be used for the
9 on-premises consumption of medical cannabis, personal use cannabis,
10 or both.

11 (1) (a) An indoor **【medical】** cannabis consumption area in
12 which medical cannabis may be consumed, or both medical cannabis
13 and personal use cannabis may be consumed, shall be a structurally
14 enclosed area within a medical cannabis dispensary or clinical
15 registrant facility that is separated by solid walls or windows from
16 the area in which medical cannabis is dispensed **【and】** , or in which
17 retail sales of cannabis items occur if the dispensary or facility is also
18 licensed as a cannabis retailer, shall only be accessible through an
19 interior door after first entering the facility , and for a dispensary or
20 facility that is also licensed as a cannabis retailer, with respect to
21 any smoking, vaping, or aerosolizing of personal use cannabis, the
22 consumption area shall comply with all ventilation requirements
23 applicable to cigar lounges, as that term is defined in section 3 of
24 P.L.2005, c.383 (C.26:3D-57), in order to permit indoor smoking,
25 vaping, or aerosolizing that is the equivalent of smoking tobacco
26 not in violation of the “New Jersey Smoke-Free Air Act,” P.L.2005,
27 c.383 (C.26:3D-55 et seq.). Nothing in this subparagraph shall be
28 construed to authorize the consumption of medical cannabis by
29 smoking, vaping, or aerosolizing in this or any other indoor public
30 place or workplace, as those terms are defined in section 3 of
31 P.L.2005, c.383 (C.26:3D-57).

32 (b) An indoor cannabis consumption area in which only personal
33 use cannabis may be consumed shall be a structurally enclosed area
34 within a cannabis retailer that is separated by solid walls or
35 windows from the area in which retail sales of cannabis items
36 occur, shall only be accessible through an interior door after first
37 entering the retailer, and shall comply with all ventilation
38 requirements applicable to cigar lounges, as that term is defined in
39 section 3 of P.L.2005, c.383 (C.26:3D-57), in order to permit indoor
40 smoking, vaping, or aerosolizing that is the equivalent of smoking
41 tobacco not in violation of the “New Jersey Smoke-Free Air Act,”
42 P.L.2005, c.383 (C.26:3D-55 et seq.).

43 (2) An outdoor **【medical】** cannabis consumption area shall be
44 an exterior structure on the same premises as the medical cannabis
45 dispensary **【or】** , clinical registrant facility, or cannabis retailer, that
46 is either separate from or connected to the dispensary, facility, or

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

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

21 g. (1) A medical cannabis dispensary **[or]** , clinical registrant ,
22 or cannabis retailer holding a **[medical]** cannabis consumption area
23 endorsement, and the employees **[of the dispensary or clinical**
24 **registrant]** thereof, subject to any regulations for **[medical]**
25 cannabis consumption areas promulgated by the commission, may
26 permit a person to bring medical cannabis or personal use cannabis
27 into a **[medical]** cannabis consumption area , so long as the on-
28 premises consumption of that cannabis is authorized by the
29 endorsement .

30 (2) A medical cannabis dispensary **[or]**, clinical registrant , or
31 cannabis retailer holding a **[medical]** cannabis consumption area
32 endorsement shall not sell alcohol, including fermented malt
33 beverages or malt, vinous, or spirituous liquor, sell tobacco or
34 nicotine products, or allow the consumption of alcohol, tobacco, or
35 nicotine products on premises, or operate as a retail food
36 establishment.

37 (3) A medical cannabis dispensary **[or]** , clinical registrant , or
38 cannabis retailer holding a **[medical]** cannabis consumption area
39 endorsement shall not allow on-duty employees of the
40 establishment to consume any medical cannabis or personal use
41 cannabis items in the consumption area, other than an on-duty
42 employee who is a registered qualifying patient with a valid
43 authorization for the use of medical cannabis, if the medical
44 cannabis dispensary, clinical registrant, or cannabis retailer does not
45 otherwise provide a private area, that is separate from the area in

1 which medical cannabis is dispensed or in which retail sales of
2 cannabis items occur, for that employee to use medical cannabis.

3 (4) (a) A cannabis retailer, or medical cannabis dispensary or
4 clinical registrant that is also licensed to simultaneously operate as
5 a cannabis retailer, shall limit the amount of personal use cannabis
6 sold to a person to be consumed in its consumption area, or brought
7 into its consumption area if permitted pursuant to paragraph (1) of
8 this subsection, to no more than the sales limit set by the
9 commission. The cannabis retailer, medical cannabis dispensary, or
10 clinical registrant shall not engage in multiple sales transactions of
11 personal use cannabis to the same person during the same business
12 day when an establishment's employee knows or reasonably should
13 have known that the sales transaction would result in the person
14 possessing more than the sales limit established by the commission.
15 The cannabis retailer, medical cannabis dispensary, or clinical
16 registrant shall provide, if required by the commission, information
17 regarding the safe consumption of personal use cannabis at the
18 point of sale to all persons who make a purchase

19 (b) All employees of a cannabis retailer, or medical cannabis
20 dispensary or clinical registrant that is also licensed to
21 simultaneously operate as a cannabis retailer, shall complete any
22 responsible vendor training program established in regulation by the
23 commission concerning consumption areas in which personal use
24 cannabis may be consumed.

25 h. (1) Access to a **【medical】** cannabis consumption area in
26 which medical cannabis may be consumed shall be restricted to
27 employees of the medical cannabis dispensary or clinical registrant
28 and to registered **【qualified】** qualifying patients and their
29 designated caregivers.

30 (2) Access to a cannabis consumption area in which personal
31 use cannabis may be consumed, or both medical cannabis and
32 personal use cannabis may be consumed, shall be restricted to
33 employees of the cannabis retailer, or medical cannabis dispensary
34 or clinical registrant that is also licensed to simultaneously operate
35 as a cannabis retailer, and to registered qualifying patients, their
36 designated caregivers, and other persons who are at least 21 years
37 of age. Each person shall be required to produce a form of
38 government-issued identification that may be accepted, pursuant to
39 subparagraph (a) of paragraph (6) of subsection a. of section 18 of
40 P.L. , c. (C.) (pending before the Legislature as this bill), in
41 order to enter the consumption area for purposes of consuming any
42 cannabis.

43 i. When a patient or other person leaves a **【medical】** cannabis
44 consumption area, the establishment shall ensure any remaining
45 unconsumed medical cannabis or personal use cannabis item that is

1 not taken by the patient **[or]** , the patient's designated caregiver ,or
2 other person is destroyed.

3 j. A medical cannabis dispensary, clinical registrant, or cannabis
4 retailer operating a cannabis consumption area and its employees:

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

7 (2) may remove an individual from the establishment for any
8 reason;

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

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

15 k. If an emergency requires law enforcement, firefighters,
16 emergency medical services providers, or other public safety
17 personnel to enter a medical cannabis consumption area, employees
18 of the establishment shall prohibit on-site consumption of medical
19 cannabis until such personnel have completed their investigation or
20 services and have left the premises.

21 (cf: P.L.2019, c.153, s.28)

22

23 33. (New section) Marketplace Regulation.

24 a. (1) (a) For a period of ¹**[18]** ¹24 months after the date
25 determined by the commission pursuant to paragraph (2) of
26 subsection d. of section 6 of P.L. , c. (C.) (pending before
27 the Legislature as this bill), to be the first date on which cannabis
28 retailers issued licenses and conditional licenses begin retail sales of
29 ¹**[personal use]** cannabis items, it shall be unlawful for any owner,
30 part owner, stockholder, officer, or director of any corporation, or
31 any other person interested in any cannabis¹**[cultivation facility]**
32 cultivator¹, cannabis testing facility, cannabis ¹**[product**
33 **manufacturing facility]** manufacturer¹, cannabis wholesaler,
34 cannabis distributor, or cannabis delivery service to engage in the
35 retailing of any cannabis items in this State, or to own, either in
36 whole or in part, or be directly or indirectly interested in a cannabis
37 retailer, and such interest shall include any payments or delivery of
38 money or property by way of loan or otherwise accompanied by an
39 agreement to sell the product of said cannabis ¹**[cultivation facility]**
40 cultivator¹ , cannabis testing facility, cannabis ¹**[product**
41 **manufacturing facility]** manufacturer¹ , cannabis wholesaler, or
42 cannabis distributor, but does not include any arrangement between
43 a cannabis delivery service and a cannabis retailer for making
44 deliveries of cannabis items to consumers. During this ¹**[18-**
45 **month]** ¹24-month period, the holder of a Class 1 Cannabis
46 ¹**[Grower]** Cultivator¹ license to operate ¹as a cannabis

1 ~~1~~ **[cultivation facility]** cultivator¹ or a Class 2 Cannabis
2 ~~1~~ **[Processor]** Manufacturer¹ license to operate ¹as¹ a cannabis
3 ~~1~~ **[product manufacturing facility]** manufacturer¹ may hold one
4 other license to operate another cannabis establishment, other than a
5 Class 3 Cannabis Wholesaler license to operate a cannabis
6 wholesaler or a Class 5 Cannabis Retailer license to operate a
7 cannabis retailer; and the holder of a Class 3 Cannabis Wholesaler
8 license to operate a cannabis wholesaler shall be limited to just that
9 one license.

10 (b) Throughout the ~~1~~ **[18-month]** 24-month¹ period set forth in
11 subparagraph (a) of this paragraph, the commission, except as
12 authorized by paragraph (2) of subsection b. of this section, shall
13 not allow, providing there exist qualified applicants, more than
14 ~~1~~ **[28]** 37¹ cannabis ~~1~~ **[growers]** cultivators¹ to be simultaneously
15 licensed and engaging in ~~1~~ **[personal use]**¹ cannabis ~~1~~ **[activities]**
16 production¹, which number shall include any alternative treatment
17 centers deemed to be licensed as cannabis ~~1~~ **[growers]** cultivators¹
18 who are issued licenses by the commission pursuant to paragraph
19 (3) of this subsection ¹; provided that cannabis cultivator licenses
20 issued to microbusinesses pursuant to subsection f. of section 19 of
21 P.L. , c. (C.) (pending before the Legislature as this bill)
22 shall not count towards this limit¹.

23 (2) For a period of ~~1~~ **[18 months]** 24 months¹ after the date
24 determined by the commission pursuant to paragraph (2) of
25 subsection d. of section 6 of P.L. , c. (C.) (pending before
26 the Legislature as this bill), to be the first date on which cannabis
27 retailers issued licenses and conditional licenses begin retail sales of
28 ~~1~~ **[personal use]**¹ cannabis items, it shall be unlawful for any owner,
29 part owner, stockholder, officer, or director of any corporation, or
30 any other person engaged in any retailing of any cannabis items to
31 engage in the growing of, testing of, ~~1~~ **[processing]** manufacturing¹
32 of, wholesaling of, or transporting in bulk any cannabis items, or to
33 own either whole or in part, or to be a shareholder, officer or
34 director of a corporation or association, directly or indirectly,
35 interested in any cannabis ~~1~~ **[cultivation]** cultivatory¹ facility,
36 cannabis testing facility, cannabis ~~1~~ **[product manufacturing facility]**
37 manufacturer¹, cannabis wholesaler, cannabis distributor, or
38 cannabis delivery service.

39 (3) (a) (i) Except with respect to the cap on the number of
40 cannabis ~~1~~ **[grower]** cultivator¹ licenses set forth in subparagraph
41 (b) of paragraph (1) of this subsection, the provisions of paragraphs
42 (1) and (2) of this subsection shall not apply

43 to any alternative treatment center that was issued a permit prior
44 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or to
45 any alternative treatment center that was issued a permit subsequent

1 to that effective date pursuant to an application submitted prior to
2 that effective date,

3 to the one alternative treatment center, out of four, issued a
4 permit pursuant to an application submitted after the effective date
5 of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to a request for
6 applications published in the New Jersey Register prior to that
7 effective date, that is expressly exempt, pursuant to subsection a. of
8 section 11 of P.L.2019, c.153 (C.24:6I-7.1), from the provisions of
9 subparagraph (i) of subparagraph (a) of paragraph (2) of
10 subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7), which
11 exemption permits the alternative treatment center to concurrently
12 hold more than one medical cannabis permit, and that one
13 alternative treatment center is deemed pursuant to that section 7
14 (C.24:6I-7) to concurrently hold more than one permit, and

15 to the one alternative treatment center, out of three, issued a
16 permit pursuant to an application submitted on or after the effective
17 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that is expressly
18 exempt, pursuant to subsection a. of section 11 of P.L.2019,
19 c.153 (C.24:6I-7.1), from the provisions of subparagraph (i) of
20 subparagraph (a) of paragraph (2) of subsection a. of section 7 of
21 P.L.2009, c.307 (C.24:6I-7), which exemption permits the
22 alternative treatment center to concurrently hold more than one
23 medical cannabis permit, and that one alternative treatment center is
24 deemed pursuant to that section 7 (C.24:6I-7) to concurrently hold
25 more than one permit,

26 and which alternative treatment center is also deemed, pursuant
27 to subparagraph (ii) of subparagraph (c) of paragraph (2) of
28 section 7 of P.L.2009, c.307 (C.24:6I-7), to either concurrently hold
29 a Class 1 Cannabis ¹**Grower** Cultivator¹ license, a Class 2
30 Cannabis ¹**Processor** Manufacturer¹ license, ¹**and**¹ a Class 5
31 Cannabis Retailer license, plus an additional Class 5 Cannabis
32 Retailer license for each satellite dispensary authorized and
33 established by an alternative treatment center pursuant to
34 subparagraph (d) of paragraph (2) of subsection a. of section 7 of
35 P.L.2009, c.307 (C.24:6I-7), ¹and a Class 6 Cannabis Delivery
36 license,¹ or alternatively to hold a Class 3 Cannabis Wholesaler
37 license.

38 (ii) For each alternative treatment center deemed to have
39 licenses pursuant to subparagraph (i) of this subparagraph, the
40 commission shall not require the submission of an application for
41 licensure, as the application requirement is deemed satisfied by the
42 alternative treatment center's previously approved permit
43 application that was submitted to the Department of Health or to the
44 commission pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7),
45 but the alternative treatment center shall not begin to operate as any
46 class of cannabis establishment until the alternative treatment center
47 has submitted a written approval for a proposed cannabis
48 establishment from the municipality in which the proposed

1 establishment is to be located, which approval is based on a
2 determination that the proposed establishment complies with the
3 municipality's restrictions on the time, location, manner, and
4 number of establishments enacted pursuant to section 31 of P.L. of
5 P.L. , c. (C.) (pending before the Legislature as this bill).
6 The commission shall 'thereafter only' issue the initial license to
7 the alternative treatment center for a cannabis establishment of the
8 appropriate class **'[upon receipt of the municipality's approval]**
9 once the commission certifies that it has sufficient quantities of
10 medical cannabis and medical cannabis products available to meet
11 the reasonably anticipated need of registered qualifying patients in
12 accordance with subparagraph (iii) of this subparagraph' . The
13 commission shall begin accepting municipal approvals from
14 alternative treatment centers beginning on the date of adoption of
15 the commission's initial rules and regulations pursuant to
16 subparagraph (a) of paragraph (1) of subsection d. of section 6 of
17 P.L. , c. (C.) (pending before the Legislature as this bill).

18 (iii) An alternative treatment center **'[issued an initial license]**
19 **following]** with' approval **'[by] from'** a municipality pursuant to
20 subparagraph (ii) of this subparagraph shall not engage in
21 activities related to the growing, **'[producing] manufacturing'** , or
22 wholesaling of **'[personal use]'** cannabis 'or cannabis items' until
23 it has certified to the commission that that it has sufficient
24 quantities of medical cannabis and medical cannabis products
25 available to meet the reasonably anticipated need of registered
26 qualifying patients, and the commission has accepted the alternative
27 treatment center's certification 'which acceptance is conditioned on
28 the commission's review of the alternative treatment center as set
29 forth in subparagraph (iv) of this subparagraph. Upon
30 acceptance of the certification, the commission shall issue the initial
31 license to the alternative treatment center for a cannabis
32 establishment of the appropriate class'.

33 Notwithstanding the date determined by the commission
34 pursuant to paragraph (2) of subsection d. of section 6 of P.L. ,
35 c. (C.) (pending before the Legislature as this bill) to be the
36 first date on which cannabis retailers issued licenses and conditional
37 licenses begin retail sales of personal use cannabis items, an
38 alternate treatment center, if approved by a municipality to operate
39 as a cannabis retailer, may begin to engage in the retail sale of
40 cannabis items on any date after the date that the commission
41 adopts its initial rules and regulations pursuant to subparagraph (a)
42 of paragraph (1) of subsection d. of section 6 of that act (C.),
43 so long as it has certified to the commission **'[**, and to the
44 municipality in which it is located and intends to engage in retail
45 sales,**']'** that it has sufficient quantities of medical cannabis and, if
46 applicable, medical cannabis products available to meet the
47 reasonably anticipated need of registered qualifying patients, and

1 ~~‘[both]’~~ the commission ~~‘[and municipality have]’~~ has¹ accepted
2 the alternative treatment center’s certification ¹, which acceptance
3 is conditioned on the commission’s review of the alternative
4 treatment center as set forth in subsubparagrph (iv) of this
5 subparagraph. Upon acceptance of the certification, the
6 commission shall issue the initial cannabis retailer license to the
7 alternative treatment center for engaging in the retail sale of
8 cannabis items¹.

9 (iv) An alternative treatment center issued a license for a
10 cannabis establishment shall be authorized to use the same premises
11 for all activities authorized under P.L. , c. (C.) (pending
12 before the Legislature as this bill) and the “Jake Honig
13 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
14 (C.24:6I-1 et al.), without being required to establish or maintain
15 any physical barriers or separations between operations related to
16 the medical use of cannabis and operations related to personal use
17 ¹of cannabis ¹items, provided that the alternative treatment center
18 shall be required to certify that it has sufficient quantities of
19 medical cannabis and, if applicable, medical cannabis products
20 available to meet the reasonably anticipated treatment needs of
21 registered qualifying patients, as set forth in subsubparagraph ¹(ii)
22 or¹ (iii) of this subparagraph, ~~‘[as] and only if accepted by the~~
23 commission, which is¹ as a condition ~~‘[of selling personal use~~
24 cannabis at retail] for licensure as a cannabis establishment of the
25 appropriate class¹ .

26 In determining whether to accept, pursuant to this subparagraph,
27 an alternative treatment center’s certification that it has sufficient
28 quantities of medical cannabis or medical cannabis products
29 available to meet the reasonably anticipated needs of registered
30 qualifying patients, the commission ¹~~‘[~~, and if applicable a
31 municipality in consultation with the commission,¹~~’]~~¹ shall
32 assess patient enrollment, inventory, sales of medical cannabis and
33 medical cannabis products, and any other factors determined by the
34 commission through regulation.

35 ¹As a condition of licensure following acceptance of a
36 certification, an alternative treatment center shall meet the
37 anticipated treatment needs of registered qualifying patients before
38 meeting the retail needs of cannabis consumers, and the alternative
39 treatment center shall not make operational changes that reduce
40 access to medical cannabis for registered qualifying patients in
41 order to operate a cannabis establishment.¹ If an alternative
42 treatment center is found by the commission to not have sufficient
43 quantities of medical cannabis or medical cannabis products
44 available to meet the reasonably anticipated needs of qualified
45 patients, the commission may issue fines, limit retail ¹or other¹
46 sales, temporarily suspend the alternative treatment center’s

1 cannabis establishment license, or issue any other penalties
2 determined by the commission through regulation.

3 (b) Beginning on a date determined by the commission, to be
4 not later than one year from the date determined by the commission
5 pursuant to paragraph (2) of subsection d. of section 6 of P.L. ,
6 c. (C.) (pending before the Legislature as this bill) to be the
7 first date on which cannabis retailers issued licenses and conditional
8 licenses begin retail sales of personal use cannabis items, an
9 alternative treatment center deemed to have licenses and issued
10 initial licenses pursuant to subparagraph (a) of this paragraph shall
11 certify to the commission, within a period of time, as determined by
12 the commission, prior to the date on which a license issued to the
13 alternative treatment center is set to expire, the continued material
14 accuracy of the alternative treatment center's previously approved
15 permit application to the Department of Health or to the
16 commission pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7),
17 and its compliance with the provisions of P.L. , c. (C.)
18 (pending before the Legislature as this bill) as required by the
19 commission for its operations concerning ¹**[personal use]**¹ cannabis
20 ¹or cannabis items¹ , and this certification shall be supplemented
21 with a new written approval from the municipality in which the
22 alternative treatment center is operating as a cannabis establishment
23 for which the initial license was issued, approving the continued
24 operations as a cannabis establishment. The commission shall
25 renew the license of the alternative treatment center based upon a
26 review of the certification and supporting municipality's continued
27 approval. This license renewal process shall thereafter be followed
28 for each expiring license issued to the alternative treatment center.

29 b. Following the ¹**[18]** 24¹ month period set forth in
30 subsection a. of this section, a cannabis ¹**[establishment]**¹ license
31 holder shall be authorized to hold:

32 (1) (a) a Class 1 Cannabis ¹**[Grower]** Cultivator¹ license, a
33 Class 2 Cannabis ¹**[Processor]** Manufacturer¹ license, ¹**[and]**¹ a
34 Class 5 Cannabis Retailer license ¹, and a Class 6 Cannabis
35 Delivery license¹ concurrently, provided that no license holder shall
36 be authorized to concurrently hold more than one license of each
37 class, except for an alternative treatment center that was deemed,
38 during the ¹**[18]** 24¹ month period, to have an additional Class 5
39 Cannabis Retailer license for each satellite dispensary that was
40 authorized and established by the alternative treatment center
41 pursuant to subparagraph (d) of paragraph (2) of subsection a. of
42 section 7 of P.L.2009, c.307 (C.24:6I-7). These additional retailer
43 licenses only permit the retail operation of each satellite dispensary,
44 and shall not be replaced by any other class of cannabis
45 establishment license; or

1 (b) a Class 3 Cannabis Wholesaler license. In no case may a
2 holder of a Class 3 Cannabis Wholesaler license concurrently
3 holder a license of any other class or cannabis establishment.

4 (2) The commission, pursuant to its authority under paragraph
5 (1) of subsection a. of section 18 of P.L. , c. (C.) (pending
6 before the Legislature as this bill) for making periodic evaluations
7 of whether the number of each class of cannabis establishment, or
8 number of cannabis distributors or delivery services, is sufficient to
9 meet the market demands of the State, shall review the limit on the
10 number of cannabis ¹[grower] cultivator¹ licenses set forth in
11 subparagraph (b) of paragraph (1) of subsection a. of this section,
12 and providing there exist qualified applicants, ¹[may make requests
13 for] accept¹ new applications for additional licenses as it deems
14 necessary.

15 (3) A license holder may submit an application for a license of
16 any type that the license holder does not currently hold prior to the
17 expiration of the ¹[18] 24¹ month period set forth in subsection a.
18 of this section, or thereafter, does not currently hold pursuant to
19 paragraph (1) of this subsection, provided that no license shall be
20 awarded to the license holder during the ¹[18] 24¹ month period, or
21 thereafter, if issuance of the license would violate the restrictions
22 set forth in subsection a. of this section concerning the classes of
23 licenses that may be concurrently held during that ¹[18] 24¹ month
24 period, or the restrictions set forth in paragraph (1) of this
25 subsection ¹.¹

26

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

29 7. a. (1) The commission shall accept applications from
30 entities for permits to operate as medical cannabis cultivators,
31 medical cannabis manufacturers, and medical cannabis dispensaries.
32 For the purposes of this section, the term “permit” shall be deemed
33 to include a conditional permit issued pursuant to subsection d. of
34 section 11 of P.L.2019, c.153 (C.24:6I-7.1) and any permit issued to
35 a microbusiness pursuant to subsection e. of section 11 of P.L.2019,
36 c.153 (C.24:6I-7.1).

37 (2) (a) For a period of 18 months after the effective date of
38 P.L.2019, c.153 (C.24:6I-5.1 et al.):

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

42 (ii) there shall be no more than 28 active medical cannabis
43 cultivator permits, including medical cannabis cultivator permits
44 deemed to be held by alternative treatment centers issued a permit
45 prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) and
46 medical cannabis cultivator permits deemed to be held by
47 alternative treatment centers issued a permit subsequent to the

1 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an
2 application submitted prior to the effective date of P.L.2019, c.153
3 (C.24:6I-5.1 et al.); provided that medical cannabis cultivator
4 permits issued to microbusinesses pursuant to subsection e. of
5 section 11 of P.L.2019, c.153 (C.24:6I-7.1) shall not count toward
6 this limit.

7 (b) Commencing 18 months after the effective date of P.L.2019,
8 c.153 (C.24:6I-5.1 et al.), a permit holder shall be authorized to
9 concurrently hold a medical cannabis cultivator permit, a medical
10 cannabis manufacturer permit, and a medical cannabis dispensary
11 permit, provided that no permit holder shall be authorized to
12 concurrently hold more than one permit of each type. The permit
13 holder may submit an application for a permit of any type that the
14 permit holder does not currently hold prior to the expiration of the
15 18-month period described in subparagraph (a) of this paragraph,
16 provided that no additional permit shall be awarded to the permit
17 holder during the 18 month period.

18 (c) (i) The provisions of subparagraph (a) of this paragraph
19 shall not apply to any alternative treatment center that was issued a
20 permit prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
21 al.), to any alternative treatment center that was issued a permit
22 after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)
23 pursuant to an application submitted prior to the effective date of
24 P.L.2019, c.153 (C.24:6I-5.1 et al.), to one of the four alternative
25 treatment centers issued a permit pursuant to an application
26 submitted after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
27 al.) pursuant to a request for applications published in the New
28 Jersey Register prior to the effective date of P.L.2019, c.153
29 (C.24:6I-5.1 et al.) that are expressly exempt from the provisions of
30 subparagraph (i) of subparagraph (a) of this paragraph, or to one
31 of the three alternative treatment centers issued a permit pursuant to
32 section 11 of P.L.2019, c.153 (C.24:6I-7.1) that are expressly
33 exempt from the provisions of subparagraph (i) of subparagraph
34 (a) of this paragraph, which alternative treatment centers shall be
35 deemed to concurrently hold a medical cannabis cultivator permit, a
36 medical cannabis manufacturer permit, and a medical cannabis
37 dispensary permit, and shall be authorized to engage in any conduct
38 authorized pursuant to those permits in relation to the cultivation,
39 manufacturing, and dispensing of medical cannabis.

40 (ii) In addition, each of the alternative treatment centers
41 described in subparagraph (i) of this subparagraph, to which the
42 provisions of subparagraph (a) of this paragraph **['do] shall'** not
43 apply ^{1,1} shall, upon the adoption of the initial rules and regulations
44 by the commission pursuant to subparagraph (a) of paragraph (1) of
45 subsection d. of section 6 of P.L. , c. (C.) (pending before
46 the Legislature as this bill), be deemed to either concurrently hold a

1 Class 1 Cannabis **['Grower']** Cultivator¹ license, a Class 2 Cannabis
2 **['Processor']** Manufacturer¹ License, 'and]' a Class 5 Cannabis
3 Retailer license, plus an additional Class 5 Cannabis Retailer
4 license for each satellite dispensary authorized and established by
5 the alternative treatment center pursuant to subparagraph (d) of this
6 paragraph, 'and a Class 6 Cannabis Delivery license,' or hold a
7 Class 3 Cannabis Wholesaler license. Any alternative treatment
8 center deemed to hold one or more licenses as described in this
9 subsubparagraph may begin to operate as any authorized class of
10 cannabis establishment upon receipt of written approval from the
11 municipality in which the proposed establishment is to be located
12 and obtaining an initial license or licenses, as applicable, issued by
13 the commission pursuant to paragraph (3) of subsection a. of section
14 33 of P.L. , c. (C.) (pending before the Legislature as this
15 bill).

16 (d) No entity may be issued or concurrently hold more than one
17 medical cannabis cultivator permit, one medical cannabis
18 manufacturer permit, or one medical cannabis dispensary permit at
19 one time, and no medical cannabis dispensary shall be authorized to
20 establish a satellite location on or after the effective date of
21 P.L.2019, c.153 (C.24:6I-5.1 et al.), except that an alternative
22 treatment center that was issued a permit prior to the effective date
23 of P.L.2019, c.153 (C.24:6I-5.1 et al.) or that was issued a permit
24 after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)
25 pursuant to an application submitted prior to the effective date of
26 P.L.2019, c.153 (C.24:6I-5.1 et al.) shall be authorized to maintain
27 up to two satellite dispensaries, including any satellite dispensary
28 that was approved pursuant to an application submitted prior to or
29 within 18 months after the effective date of P.L.2019, c.153
30 (C.24:6I-5.1 et al.). The three alternative treatment centers issued
31 permits pursuant to section 11 of P.L.2019, c.153 (C.24:6I-7.1) that
32 are expressly exempt from the provisions of subsubparagraph (i) of
33 subparagraph (a) of this paragraph shall be authorized to establish
34 and maintain up to one satellite dispensary location, provided that
35 the satellite dispensary was approved pursuant to an application
36 submitted within 18 months after the effective date of P.L.2019,
37 c.153 (C.24:6I-5.1 et al.).

38 (e) No entity issued a medical cannabis cultivator, medical
39 cannabis manufacturer, or medical cannabis dispensary permit may
40 concurrently hold a clinical registrant permit issued pursuant to
41 section 13 of P.L.2019, c.153 (C.24:6I-7.3), and no entity issued a
42 clinical registrant permit pursuant to section 13 of P.L.2019, c.153
43 (C.24:6I-7.3) may concurrently hold a medical cannabis cultivator
44 permit, a medical cannabis manufacturer permit, or a medical
45 cannabis dispensary permit.

1 (f) Any medical cannabis dispensary permit holder may be
2 approved by the commission to operate a **【medical】** cannabis
3 consumption area, provided that the permit holder otherwise meets
4 the requirements of section 28 of P.L.2019, c.153 (C.24:6I-21).

5 (g) An alternative treatment center that was issued a permit prior
6 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that was
7 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
8 5.1 et al.) pursuant to an application submitted pursuant to a request
9 for applications published in the New Jersey Register prior to the
10 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was
11 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
12 5.1 et al.) pursuant to an application submitted prior to the effective
13 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), shall be required to
14 submit an attestation signed by a bona fide labor organization
15 stating that the alternative treatment center has entered into a labor
16 peace agreement with such bona fide labor organization no later
17 than 100 days after the effective date of P.L.2019, c.153 (C.24:6I-
18 5.1 et al.) or no later than 100 days after the date the alternative
19 treatment center first opens, whichever date is later. The
20 maintenance of a labor peace agreement with a bona fide labor
21 organization shall be an ongoing material condition of maintaining
22 the alternative treatment center's permit. The failure to submit an
23 attestation as required pursuant to this subparagraph within 100
24 days after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)
25 or within 100 days after the alternative treatment center first opens,
26 as applicable, shall result in the suspension or revocation of the
27 alternative treatment center's permit, provided that the commission
28 may grant an extension to this deadline to the alternative treatment
29 center based upon extenuating circumstances or for good cause
30 shown.

31 (h) An alternative treatment center that was issued a permit prior
32 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)¹, that
33 was issued a permit after the effective date of P.L.2019, c.153
34 (C.24:6I-5.1 et al.) pursuant to an application submitted pursuant to
35 a request for applications published in the New Jersey Register
36 prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or
37 that was issued a permit after the effective date of P.L.2019, c.153
38 (C.24:6I-5.1 et al.) pursuant to an application submitted prior to the
39 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.),¹ shall be
40 permitted to cultivate from up to two physical locations, provided
41 that the alternative treatment center's combined mature cannabis
42 plant grow canopy between both locations shall not exceed 150,000
43 square feet of bloom space or the square footage of canopy
44 permitted under the largest tier in the tiered system adopted by the
45 commission pursuant to paragraph (2) of subsection b. of section 21
46 of P.L. , c. (C.) (pending before the Legislature as this bill).

1 (3) The commission shall seek to ensure the availability of a
2 sufficient number of medical cannabis cultivators, medical cannabis
3 manufacturers, and medical cannabis dispensaries throughout the
4 State, pursuant to need, including at least two each in the northern,
5 central, and southern regions of the State. Medical cannabis
6 cultivators, medical cannabis manufacturers, and medical cannabis
7 dispensaries issued permits pursuant to this section may be
8 nonprofit or for-profit entities.

9 (4) The commission shall periodically evaluate whether the
10 number of medical cannabis cultivator, medical cannabis
11 manufacturer, and medical cannabis dispensary permits issued are
12 sufficient to meet the needs of qualifying patients in the State, and
13 shall make requests for applications and issue such additional
14 permits as shall be necessary to meet those needs. The types of
15 permits requested and issued, and the locations of any additional
16 permits that are authorized, shall be in the discretion of the
17 commission based on the needs of qualifying patients in the State.

18 (5) (a) A medical cannabis cultivator shall be authorized to:
19 acquire a reasonable initial and ongoing inventory, as determined
20 by the commission, of cannabis seeds or seedlings and
21 paraphernalia; possess, cultivate, plant, grow, harvest, and package
22 medical cannabis, including prerolled forms, for any authorized
23 purpose, including, but not limited to, research purposes; and
24 deliver, transfer, transport, distribute, supply, or sell medical
25 cannabis and related supplies to any medical cannabis cultivator,
26 medical cannabis manufacturer, medical cannabis dispensary, or
27 clinical registrant in the State. In no case shall a medical cannabis
28 cultivator operate or be located on land that is valued, assessed or
29 taxed as an agricultural or horticultural use pursuant to the
30 "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et
31 seq.).

32 (b) A medical cannabis manufacturer shall be authorized to:
33 purchase or acquire medical cannabis from any medical cannabis
34 cultivator, medical cannabis manufacturer, or clinical registrant in
35 the State; possess and utilize medical cannabis in the manufacture,
36 production, and creation of medical cannabis products; and deliver,
37 transfer, transport, supply, or sell medical cannabis products and
38 related supplies to any medical cannabis manufacturer, medical
39 cannabis dispensary, or clinical registrant in the State.

40 (c) A medical cannabis dispensary shall be authorized to:
41 purchase or acquire medical cannabis from any medical cannabis
42 cultivator, medical cannabis dispensary, or clinical registrant in the
43 State and medical cannabis products and related supplies from any
44 medical cannabis manufacturer, medical cannabis dispensary, or
45 clinical registrant in the State; purchase or acquire paraphernalia
46 from any legal source; and distribute, supply, sell, or dispense

1 medical cannabis, medical cannabis products, paraphernalia, and
2 related supplies to qualifying patients or their designated or
3 institutional caregivers who are registered with the commission
4 pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4). A medical
5 cannabis dispensary may furnish medical cannabis, medical
6 cannabis products, paraphernalia, and related supplies to a medical
7 cannabis handler for delivery to a registered qualifying patient,
8 designated caregiver, or institutional caregiver consistent with the
9 requirements of subsection i. of section 27 of P.L.2019, c.153
10 (C.24:6I-20).

11 (6) A medical cannabis cultivator shall not be limited in the
12 number of strains of medical cannabis cultivated, and a medical
13 cannabis manufacturer shall not be limited in the number or type of
14 medical cannabis products manufactured, produced, or created. A
15 medical cannabis manufacturer may package, and a medical
16 cannabis dispensary may directly dispense medical cannabis and
17 medical cannabis products to qualifying patients and their
18 designated and institutional caregivers in any authorized form.
19 Authorized forms shall include dried form, oral lozenges, topical
20 formulations, transdermal form, sublingual form, tincture form, or
21 edible form, or any other form as authorized by the commission.
22 Edible form shall include pills, tablets, capsules, drops or syrups,
23 oils, chewable forms, and any other form as authorized by the
24 commission, except that the edible forms made available to minor
25 patients shall be limited to forms that are medically appropriate for
26 children, including pills, tablets, capsules, chewable forms, and
27 drops, oils, syrups, and other liquids.

28 (7) Nonprofit medical cannabis cultivators, medical cannabis
29 manufacturers, and medical cannabis dispensaries need not be
30 recognized as a 501(c)(3) organization by the federal Internal
31 Revenue Service.

32 b. The commission shall require that an applicant provide such
33 information as the commission determines to be necessary pursuant
34 to regulations adopted pursuant to P.L.2009, c.307 (C.24:6I-1 et
35 al.).

36 c. A person who has been convicted of a crime of the first,
37 second, or third degree under New Jersey law or of a crime
38 involving any controlled dangerous substance or controlled
39 substance analog as set forth in chapter 35 of Title 2C of the New
40 Jersey Statutes except paragraph (11) or (12) of subsection b. of
41 N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of
42 N.J.S.2C:35-10, or any similar law of the United States or any other
43 state shall not be issued a permit to operate as a medical cannabis
44 cultivator, medical cannabis manufacturer, medical cannabis
45 dispensary, or clinical registrant or be a director, officer, or
46 employee of a medical cannabis cultivator, medical cannabis

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

7 d. (1) The commission shall require each applicant seeking a
8 permit to operate as, to be a director, officer, or employee of, or to
9 be a significantly involved person in, a medical cannabis cultivator,
10 medical cannabis manufacturer, medical cannabis dispensary, or
11 clinical registrant to undergo a criminal history record background
12 check.

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

43 For purposes of this section, the term "applicant" shall include
44 any owner, director, officer, or employee of, and any significantly
45 involved person in, a medical cannabis cultivator, medical cannabis
46 manufacturer, medical cannabis dispensary, or clinical registrant.

1 The commission is authorized to exchange fingerprint data with and
2 receive criminal history record background information from the
3 Division of State Police and the Federal Bureau of Investigation
4 consistent with the provisions of applicable federal and State laws,
5 rules, and regulations. The Division of State Police shall forward
6 criminal history record background information to the commission
7 in a timely manner when requested pursuant to the provisions of
8 this section.

9 An applicant who is required to undergo a criminal history
10 record background check pursuant to this section shall submit to
11 being fingerprinted in accordance with applicable State and federal
12 laws, rules, and regulations. No check of criminal history record
13 background information shall be performed pursuant to this section
14 unless the applicant has furnished the applicant's written consent to
15 that check. An applicant who is required to undergo a criminal
16 history record background check pursuant to this section who
17 refuses to consent to, or cooperate in, the securing of a check of
18 criminal history record background information shall not be
19 considered for a permit to operate, or authorization to be employed
20 at or to be a significantly involved person in, a medical cannabis
21 cultivator, medical cannabis manufacturer, medical cannabis
22 dispensary, or clinical registrant. An applicant shall bear the cost
23 for the criminal history record background check, including all
24 costs of administering and processing the check.

25 (2) The commission shall not approve an applicant for a permit
26 to operate, or authorization to be employed at or to be a
27 significantly involved person in, a medical cannabis cultivator,
28 medical cannabis manufacturer, medical cannabis dispensary, or
29 clinical registrant if the criminal history record background
30 information of the applicant reveals a disqualifying conviction as
31 set forth in subsection c. of this section.

32 (3) Upon receipt of the criminal history record background
33 information from the Division of State Police and the Federal
34 Bureau of Investigation, the commission shall provide written
35 notification to the applicant of the applicant's qualification for or
36 disqualification for a permit to operate or be a director, officer, or
37 employee of, or a significantly involved person in, a medical
38 cannabis cultivator, medical cannabis manufacturer, medical
39 cannabis dispensary, or clinical registrant.

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

44 (4) The Division of State Police shall promptly notify the
45 commission in the event that an individual who was the subject of a
46 criminal history record background check conducted pursuant to

1 this section is convicted of a crime or offense in this State after the
2 date the background check was performed. Upon receipt of that
3 notification, the commission shall make a determination regarding
4 the continued eligibility to operate or be a director, officer, or
5 employee of, or a significantly involved person in, a medical
6 cannabis cultivator, medical cannabis manufacturer, medical
7 cannabis dispensary, or clinical registrant.

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

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

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

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

31 (c) the circumstances under which the crime or offense
32 occurred;

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

34 (e) the age of the individual when the crime or offense was
35 committed;

36 (f) whether the crime or offense was an isolated or repeated
37 incident;

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

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

1 e. The commission shall issue a permit to operate or be an
2 owner, director, officer, or employee of, or a significantly involved
3 person in, a medical cannabis cultivator, medical cannabis
4 manufacturer, or medical cannabis dispensary if the commission
5 finds that issuing such a permit would be consistent with the
6 purposes of P.L.2009, c.307 (C.24:6I-1 et al.) and the requirements
7 of this section and section 11 of P.L.2019, c.153 (C.24:6I-7.1) are
8 met. The denial of an application shall be considered a final agency
9 decision, subject to review by the Appellate Division of the
10 Superior Court. A permit to operate a medical cannabis cultivator,
11 medical cannabis manufacturer, or medical cannabis dispensary
12 issued on or after the effective date of P.L.2019, c.153 (C.24:6I-5.1
13 et al.) shall be valid for one year and shall be renewable annually.

14 f. A person who has been issued a permit pursuant to this
15 section or a clinical registrant permit pursuant to section 13 of
16 P.L.2019, c.153 (C.24:6I-7.3) shall display the permit at the front
17 entrance to the premises of the permitted facility at all times when
18 the facility is engaged in conduct authorized pursuant to P.L.2009,
19 c.307 (C.24:6I-1 et al.) involving medical cannabis, including, but
20 not limited to, the cultivating, manufacturing, or dispensing of
21 medical cannabis.

22 g. A medical cannabis cultivator, medical cannabis
23 manufacturer, medical cannabis dispensary, or clinical registrant
24 shall report any change in information to the commission not later
25 than 10 days after such change, or the permit shall be deemed null
26 and void.

27 h. Each medical cannabis dispensary and clinical registrant
28 shall maintain and make available on its Internet website, if any, a
29 standard price list that shall apply to all medical cannabis, medical
30 cannabis products, and related supplies and paraphernalia sold or
31 dispensed by the medical cannabis dispensary or clinical registrant,
32 which prices shall be reasonable and consistent with the actual costs
33 incurred by the medical cannabis dispensary or clinical registrant in
34 connection with acquiring and selling, transferring, or dispensing
35 the medical cannabis or medical cannabis product and related
36 supplies and paraphernalia. The prices charged by the medical
37 cannabis dispensary or clinical registrant shall not deviate from the
38 prices indicated on the entity's current price list, provided that a
39 price list maintained by a medical cannabis dispensary or clinical
40 registrant may allow for medical cannabis to be made available at a
41 reduced price or without charge to qualifying patients who have a
42 demonstrated financial hardship, as that term shall be defined by the
43 commission by regulation. A price list required pursuant to this
44 subsection may be revised no more than once per month, and each
45 medical cannabis dispensary and clinical registrant shall be
46 responsible for ensuring that the commission has a copy of the

1 facility's current price list. A medical cannabis dispensary or
2 clinical registrant shall be liable to a civil penalty of \$1,000 for
3 each sale that occurs at a price that deviates from the entity's
4 current price list, and to a civil penalty of \$10,000 for each week
5 during which the entity's current price list is not on file with the
6 commission. Any civil penalties collected by the commission
7 pursuant to this section shall be used by the commission for the
8 purposes of administering the State medical cannabis program.

9 i. The commission shall adopt regulations to:

10 (1) require such written documentation of each delivery or
11 dispensation of cannabis to, and pickup of cannabis for, a registered
12 qualifying patient, including the date and amount dispensed, and, in
13 the case of delivery, the date and times the delivery commenced and
14 was completed, the address where the medical cannabis was
15 delivered, the name of the patient or caregiver to whom the medical
16 cannabis was delivered, and the name, handler certification number,
17 and delivery certification number of the medical cannabis handler
18 who performed the delivery, to be maintained in the records of the
19 medical cannabis dispensary or clinical registrant, as the
20 commission determines necessary to ensure effective
21 documentation of the operations of each medical cannabis
22 dispensary or clinical registrant;

23 (2) monitor, oversee, and investigate all activities performed by
24 medical cannabis cultivators, medical cannabis manufacturers,
25 medical cannabis dispensaries, and clinical registrants;

26 (3) ensure adequate security of all facilities 24 hours per day
27 and security of all delivery methods to registered qualifying
28 patients; and

29 (4) establish thresholds for administrative action to be taken
30 against a medical cannabis cultivator, medical cannabis
31 manufacturer, medical cannabis dispensary, or clinical registrant
32 and its employees, officers, investors, directors, or governing board
33 pursuant to subsection m. of this section, including, but not limited
34 to, specific penalties or disciplinary actions that may be imposed in
35 a summary proceeding.

36 j. (1) Each medical cannabis cultivator, medical cannabis
37 manufacturer, medical cannabis dispensary, and clinical registrant
38 shall require the owners, directors, officers, and employees at the
39 permitted facility to complete at least eight hours of ongoing
40 training each calendar year. The training shall be tailored to the
41 roles and responsibilities of the individual's job function, and shall
42 include training on confidentiality and such other topics as shall be
43 required by the commission.

44 (2) Each medical cannabis dispensary and clinical registrant
45 shall consider whether to make interpreter services available to the
46 population served, including for individuals with a visual or hearing

1 impairment. The commission shall provide assistance to any
2 medical cannabis dispensary or clinical registrant that seeks to
3 provide such services in locating appropriate interpreter resources.
4 A medical cannabis dispensary or clinical registrant shall assume
5 the cost of providing interpreter services pursuant to this
6 subsection.

7 k. (1) The first six alternative treatment centers issued permits
8 following the effective date of P.L.2009, c.307 (C.24:6I-1 et al.)
9 shall be authorized to sell or transfer such permit and other assets to
10 a for-profit entity, provided that: the sale or transfer is approved by
11 the commission; each owner, director, officer, and employee of, and
12 significantly involved person in, the entity seeking to purchase or
13 receive the transfer of the permit, undergoes a criminal history
14 record background check pursuant to subsection d. of this section,
15 provided that nothing in this subsection shall be construed to
16 require any individual to undergo a criminal history record
17 background check if the individual would otherwise be exempt from
18 undergoing a criminal history record background check pursuant to
19 subsection d. of this section; the commission finds that the sale or
20 transfer of the permit would be consistent with the purposes of
21 P.L.2009, c.307 (C.24:6I-1 et al.); and no such sale or transfer shall
22 be authorized more than one year after the effective date of
23 P.L.2019, c.153 (C.24:6I-5.1 et al.). The sale or transfer of a permit
24 pursuant to this subsection shall not be subject to the requirements
25 of the "New Jersey Nonprofit Corporation Act," N.J.S.15A:1-1 et
26 seq., provided that, prior to or at the time of the sale or transfer, all
27 debts and obligations of the nonprofit entity are either paid in full or
28 assumed by the for-profit entity purchasing or acquiring the permit,
29 or a reserve fund is established for the purpose of paying in full the
30 debts and obligations of the nonprofit entity, and the for-profit
31 entity pays the full value of all assets held by the nonprofit entity,
32 as reflected on the nonprofit entity's balance sheet, in addition to
33 the agreed-upon price for the sale or transfer of the entity's
34 alternative treatment center permit. Until such time as the members
35 of the Cannabis Regulatory Commission are appointed and the
36 commission first organizes, the Department of Health shall have
37 full authority to approve a sale or transfer pursuant to this
38 paragraph.

39 (2) The sale or transfer of any interest of five percent or more in
40 a medical cannabis cultivator, medical cannabis manufacturer,
41 medical cannabis dispensary, or clinical registrant permit shall be
42 subject to approval by the commission and conditioned on the entity
43 that is purchasing or receiving transfer of the interest in the medical
44 cannabis cultivator, medical cannabis manufacturer, medical
45 cannabis dispensary, or clinical registrant permit completing a

1 criminal history record background check pursuant to the
2 requirements of subsection d. of this section.

3 l. No employee of any department, division, agency, board, or
4 other State, county, or local government entity involved in the
5 process of reviewing, processing, or making determinations with
6 regard to medical cannabis cultivator, medical cannabis
7 manufacturer, medical cannabis dispensary, or clinical registrant
8 permit applications shall have any direct or indirect financial
9 interest in the cultivating, manufacturing, or dispensing of medical
10 cannabis or related paraphernalia, or otherwise receive anything of
11 value from an applicant for a medical cannabis cultivator, medical
12 cannabis manufacturer, medical cannabis dispensary, or clinical
13 registrant permit in exchange for reviewing, processing, or making
14 any recommendations with respect to a permit application.

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

30 (cf: P.L.2019, c.153, s.10)

31

32 35. (New section) Medical Cannabis Provisions.

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

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

41 b. to authorize an alternative treatment center to dispense
42 cannabis to or on behalf of a person who is not a registered
43 qualifying patient, unless that alternative treatment center is deemed
44 to be licensed to engage in the retail sale of cannabis pursuant to
45 section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a license by the
46 commission following receipt of a municipality’s written approval
47 for a cannabis retailer pursuant to subparagraph (a) of paragraph (3)

1 of subsection a. of section 33 of P.L. , c. (C.) (pending
2 before the Legislature as this bill), or otherwise has applied for a
3 license, and been approved and issued a license by the commission
4 pursuant to P.L. , c. (C.) (pending before the Legislature as
5 this bill) to simultaneously operate as a cannabis retailer, and the
6 alternative treatment center has certified to the commission ¹], and
7 to the municipality in which it is located and intends to engage in
8 retail sales,¹ pursuant to paragraph (3) of subsection a. of that
9 section¹ that it has sufficient quantities of medical cannabis and
10 medical cannabis products available to meet the reasonably
11 anticipated need of registered qualifying patients, and the
12 commission ¹], and municipality, if applicable,¹ has accepted the
13 alternative treatment center’s certification;

14 c. to authorize an alternative treatment center to purchase or
15 acquire cannabis or cannabis ¹[products] items¹ in a manner or
16 from a source not permitted under the “Jake Honig Compassionate
17 Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) or
18 P.L.2015, c.158 (C.18A:40-12.22 et al.), unless that alternative
19 treatment center is deemed to be a licensed cannabis establishment
20 pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a
21 license by the commission following receipt of a municipality’s
22 written approval for the cannabis establishment pursuant to
23 subparagraph (a) of paragraph (3) of subsection a. of section 33 of
24 P.L. , c. (C.) (pending before the Legislature as this bill), or
25 otherwise has applied for a license, and been approved and issued a
26 license by the commission pursuant to P.L. , c. (C.)
27 (pending before the Legislature as this bill) to simultaneously
28 operate as a cannabis establishment, and the alternative treatment
29 center has certified to the commission ¹], and if operating as a
30 cannabis retailer, to the municipality in which it is located and
31 intends to engage in retail sales,¹ pursuant to paragraph (3) of
32 subsection a. of that section¹ that it has sufficient quantities of
33 medical cannabis and, if applicable, medical cannabis products
34 available to meet the reasonably anticipated treatment needs of
35 registered qualifying patients, and the commission ¹], and
36 municipality, if applicable,¹ has accepted the alternative treatment
37 center’s certification;

38 d. to authorize an alternative treatment center issued a permit
39 under section 7 of P.L.2009, c.307 (C.24:6I-7) to operate on the
40 same premises as a cannabis license holder or applicant for a
41 license, unless that alternative treatment center is deemed to be a
42 licensed cannabis establishment pursuant to section 7 of P.L.2009,
43 c.307 (C.24:6I-7) and issued a license by the commission following
44 receipt of a municipality’s written approval for the cannabis
45 establishment pursuant to subparagraph (a) of paragraph (3) of
46 subsection a. of section 33 of P.L. , c. (C.) (pending before
47 the Legislature as this bill), or otherwise has applied for a license,

1 and been approved and issued a license by the commission pursuant
2 to P.L. , c. (C.) (pending before the Legislature as this bill)
3 to simultaneously operate as a cannabis establishment, and the
4 alternative treatment center has certified to the commission ¹【, and
5 if operating as a cannabis retailer, to the municipality in which it is
6 located and intends to engage in retail sales,】 pursuant to paragraph
7 (3) of subsection a. of that section¹ that it has sufficient quantities
8 of medical cannabis and, if applicable, medical cannabis products
9 available to meet the reasonably anticipated treatment needs of
10 registered qualifying patients, and the commission ¹【, and
11 municipality, if applicable,】¹ has accepted the alternative treatment
12 center’s certification ¹【; or

13 In determining whether to accept, pursuant to this section, an
14 alternative treatment center’s certification that it has sufficient
15 quantities of medical cannabis or medical cannabis products
16 available to meet the reasonably anticipated needs of registered
17 qualifying patients, the commission, and if applicable a
18 municipality in consultation with the commission, shall
19 assess patient enrollment, inventory, sales of medical cannabis and
20 medical cannabis products, and any other factors determined by the
21 commission through regulation. If an alternative treatment center is
22 found by the commission to not have sufficient quantities of
23 medical cannabis or medical cannabis products available to meet
24 the reasonably anticipated needs of qualified patients, the
25 commission may issue fines, limit retail sales, temporarily suspend
26 the alternative treatment center’s cannabis establishment license, or
27 issue any other penalties determined by the commission through
28 regulation.】¹

29

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

32 ¹【a.】¹ An alternative treatment center issued a permit under
33 section 7 of P.L.2009, c.307 (C.24:6I-7) shall, as a condition of
34 engaging in operations associated with ¹【personal use】¹ cannabis
35 or cannabis items¹, after being deemed to be licensed pursuant to
36 that section and issued a license by the commission following
37 receipt of a municipality’s written approval for a cannabis
38 ¹【retailer】 establishment¹ pursuant to subparagraph (a) of
39 paragraph (3) of subsection a. of section 33 of P.L. , c. (C.)
40 (pending before the Legislature as this bill), or otherwise issued a
41 license by the commission pursuant to P.L. , c. (C.)
42 (pending before the Legislature as this bill) to simultaneously
43 operate as a cannabis establishment, certify to the commission ¹【,
44 and if operating as a cannabis retailer, to the municipality in which
45 it is located and intends to engage in retail sales,】 pursuant to
46 paragraph (3) of subsection a. of that section¹ that it has sufficient
47 quantities of medical cannabis and, if applicable, medical cannabis

1 products available to meet the reasonably anticipated treatment
2 needs of registered qualifying patients, and the commission ¹ [, and
3 municipality, if applicable,]¹ has accepted the alternative treatment
4 center’s certification.

5 ¹ [b. In determining whether to accept, pursuant to this section, an
6 alternative treatment center’s certification that it has sufficient
7 quantities of medical cannabis or medical cannabis products
8 available to meet the reasonably anticipated needs of registered
9 qualifying patients, the commission, and if applicable a
10 municipality in consultation with the commission, shall
11 assess patient enrollment, inventory, sales of medical cannabis and
12 medical cannabis products, and any other factors determined by the
13 commission through regulation. If an alternative treatment center is
14 found by the commission to not have sufficient quantities of
15 medical cannabis or medical cannabis products available to meet
16 the reasonably anticipated needs of qualified patients, the
17 commission may issue fines, limit retail sales, temporarily suspend
18 the alternative treatment center’s cannabis establishment license, or
19 issue any other penalties determined by the commission through
20 regulation.]¹

21

22 37. (New section) Businesses Treatment of Cannabis
23 Establishments, Distributors, and Delivery Services.

24 With respect to the business treatment of cannabis
25 establishments, distributors, and delivery services:

26 a. A financial institution, as defined by section 2 of P.L.1983,
27 c.466 (C.17:16K-2), shall not, subject to the suspension or
28 revocation of a charter or other available enforcement action by the
29 Commissioner of Banking and Insurance, engage in any
30 discriminatory activities with respect to the banking activities of a
31 cannabis establishment, distributor, or delivery service, or the
32 banking activities of a person associated with a cannabis
33 establishment, distributor, or delivery service.

34 b. (1) In no case shall a cannabis ¹ [grower] cultivator¹ operate
35 or be located on land that is valued, assessed or taxed as an
36 agricultural or horticultural use pursuant to the "Farmland
37 Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

38 (2) As used in this paragraph, “State or local economic
39 incentive” means a financial incentive, awarded by the State, any
40 political subdivision of the State, or any agency or instrumentality
41 of the State or political subdivision of the State, to any non-
42 governmental person, association, for-profit or non-profit
43 corporation, joint venture, limited liability company, partnership,
44 sole proprietorship, or other form of business organization or entity,
45 or agreed to between the government and non-governmental parties,
46 for the purpose of stimulating economic development or
47 redevelopment in New Jersey, including, but not limited to, a bond,

1 grant, loan, loan guarantee, matching fund, tax credit, or other tax
2 expenditure.

3 (a) (i) A person or entity issued a license to operate as a
4 cannabis ¹**[grower]** cultivator¹, cannabis ¹**[processor]**
5 manufacturer¹, cannabis wholesaler, cannabis distributor, cannabis
6 retailer, or cannabis delivery service, or that employs a certified
7 personal use cannabis handler to perform work for or on behalf of a
8 cannabis establishment, distributor, or delivery service shall not be
9 eligible for a State or local economic incentive.

10 (ii) The issuance of a license to operate as a cannabis ¹**[grower]**
11 cultivator¹, cannabis ¹**[processor]** manufacturer¹, cannabis
12 wholesaler, cannabis distributor, cannabis retailer, or cannabis
13 delivery service, or the issuance of a certification to perform work
14 for or on behalf of a cannabis establishment, distributor, or delivery
15 service to a person or entity that has been awarded a State or local
16 economic incentive shall invalidate the right of the person or entity
17 to benefit from the economic incentive as of the date of issuance of
18 the license or certification.

19 (b) (i) A property owner, developer, or operator of a project to
20 be used, in whole or in part, as a cannabis ¹**[grower]** cultivator¹,
21 cannabis ¹**[processor]** manufacturer¹, cannabis wholesaler,
22 cannabis distributor, cannabis retailer, or cannabis delivery service,
23 or to employ a certified personal use cannabis handler to perform
24 work for or on behalf of a cannabis establishment, distributor, or
25 delivery service, shall not be eligible for a State or local economic
26 incentive during the period of time that the economic incentive is in
27 effect.

28 (ii) The issuance of a license to operate as a cannabis ¹**[grower]**
29 cultivator¹, cannabis ¹**[processor]** manufacturer¹, cannabis
30 wholesaler, cannabis distributor, cannabis retailer, or cannabis
31 delivery service, or issuance of a certification to a personal use
32 cannabis handler employed by a person or entity to perform work
33 for or on behalf of a cannabis establishment, distributor, or delivery
34 service at a location that is the subject of a State or local economic
35 incentive shall invalidate the right of a property owner, developer,
36 or operator to benefit from the economic incentive as of the date of
37 issuance of the license.

38

39 38. Section 29 of P.L.2019, c.153 (C.24:6I-22) is amended to
40 read as follows:

41 29. a. (1) The commission shall develop and maintain a system
42 for tracking :

43 (a) the cultivation of medical cannabis, the manufacturing of
44 medical cannabis products, the transfer of medical cannabis and
45 medical cannabis products between medical cannabis cultivators,
46 medical cannabis manufacturers, medical cannabis dispensaries,
47 clinical registrants, and testing laboratories as authorized pursuant

1 to paragraph (5) of subsection a. of section 7 of P.L.2009, c.307
2 (C.24:6I-7) and subsection h. of section 27 of P.L.2019, c.153
3 (C.24:6I-20), and the dispensing or delivery of medical cannabis to
4 registered qualifying patients, designated caregivers, and
5 institutional caregivers; and

6 (b) the production of personal use cannabis, the ¹[processing]
7 manufacturing¹ of cannabis items, the transportation by cannabis
8 distributors or other transfer of cannabis items between the
9 premises of cannabis ¹[growers] cultivators¹ , cannabis
10 ¹[processors] manufacturers¹ , cannabis wholesalers, cannabis
11 retailers, and testing facilities, the retail sale of cannabis items to
12 persons 21 years of age or older, and the delivery of cannabis items
13 to persons 21 years of age or older by personal use cannabis
14 handlers as authorized pursuant to P.L. , c. (C.) (pending
15 before the Legislature as this bill).

16 (2) The tracking system shall, among other features as
17 determined by the commission, utilize a stamp affixed to a
18 container or package for medical cannabis or personal use cannabis
19 items to assist in the collection of the information required to be
20 tracked pursuant to subsection c. of this section.

21 (a) The commission, in consultation with the Director of the
22 Division of Taxation, shall secure stamps based on the designs,
23 specifications, and denominations prescribed by the commission in
24 regulation, and which incorporate encryption, security, and
25 counterfeit-resistant features to prevent the unauthorized
26 duplication or counterfeiting of any stamp. The stamp shall be
27 readable by a scanner or similar device that may be used by the
28 commission, the Director of the Division of Taxation, **[and]**
29 medical cannabis cultivators, medical cannabis manufacturers,
30 medical cannabis dispensaries, **[or]** and clinical registrants , and
31 personal use cannabis ¹[growers] cultivators¹ , cannabis
32 ¹[processors] manufacturers¹ , cannabis wholesalers, cannabis
33 distributors, cannabis retailers, and cannabis delivery services.

34 (b) The commission, and the Director of the Division of
35 Taxation if authorized by the commission, shall make stamps
36 available for purchase by medical cannabis cultivators, medical
37 cannabis manufacturers, and clinical registrants, and personal use
38 cannabis ¹[growers] cultivators¹ , cannabis ¹[processors]
39 manufacturers¹ , cannabis wholesalers, cannabis distributors,
40 cannabis retailers, and cannabis delivery services, which shall be
41 the only entities authorized to affix a stamp to a container or
42 package for medical cannabis or personal use cannabis ¹items¹ in
43 accordance with applicable regulations promulgated by the
44 commission in consultation with the Director of the Division of
45 Taxation. The price charged by the commission **[to medical**

1 cannabis cultivators, medical cannabis manufacturers, and clinical
2 registrants] for a stamp [required pursuant to this paragraph] shall
3 be reasonable and commensurate with the cost of producing the
4 stamp.

5 (c) A medical cannabis cultivator, medical cannabis
6 manufacturer, medical cannabis dispensary, clinical registrant, or
7 certified medical cannabis handler, or a personal use cannabis
8 grower cultivator¹, cannabis processor manufacturer¹,
9 cannabis wholesaler, cannabis distributor, cannabis retailer,
10 cannabis delivery service, or certified personal use cannabis
11 handler, shall not purchase, sell, offer for sale, transfer, transport, or
12 deliver any medical cannabis or personal use cannabis item unless a
13 stamp is properly affixed to the container or package for the
14 medical cannabis or personal use cannabis item.

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

17 (1) preventing the diversion of medical cannabis and personal
18 use cannabis items to criminal enterprises, gangs, cartels, persons
19 not authorized to possess medical cannabis or personal use cannabis
20 items, and other states;

21 (2) preventing persons from substituting or tampering with
22 medical cannabis and personal use cannabis items;

23 (3) ensuring an accurate accounting of the cultivation,
24 manufacturing, transferring, dispensing, and delivery of medical
25 cannabis, and the production, processor manufacturing¹,
26 transporting, transferring, sale, and delivery of personal use
27 cannabis items;

28 (4) ensuring that the testing results from licensed testing
29 laboratories and facilities are accurately reported; and

30 (5) ensuring compliance with the rules and regulations adopted
31 by the commission and any other law of this State that charges the
32 commission with a duty, function, or power related to medical
33 cannabis or personal use cannabis items.

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

36 (1) the propagation of immature medical cannabis plants and
37 personal use cannabis plants, the production of medical cannabis by
38 a medical cannabis cultivator, and the production of personal use
39 cannabis by a cannabis grower cultivator¹;

40 (2) the utilization of medical cannabis in the manufacture,
41 production, and creation of medical cannabis products by a medical
42 cannabis manufacturer, the processor manufacturing of
43 personal use cannabis items by a cannabis processor
44 manufacturer¹, the receiving, storing, and sending of personal use

1 cannabis items by a cannabis wholesaler, and the transporting in
2 bulk cannabis items by a cannabis distributor;

3 (3) the transfer of medical cannabis and medical cannabis
4 products, and personal use cannabis items, to and from licensed
5 testing laboratories and facilities for testing purposes;

6 (4) the dispensing of medical cannabis by a medical cannabis
7 dispensary or clinical registrant, and the selling ¹【and delivery】¹ of
8 personal use cannabis items by a cannabis retailer ¹【or cannabis
9 delivery service】¹;

10 (5) the furnishing of medical cannabis by a medical cannabis
11 dispensary or clinical registrant to a medical cannabis handler for
12 delivery, and the furnishing of personal use cannabis items by a
13 cannabis retailer to a personal use cannabis handler for delivery;

14 (6) the delivery of medical cannabis by a medical cannabis
15 handler, and the delivery of personal use cannabis items by a
16 personal use cannabis handler;

17 (7) the purchase, sale, or other transfer of medical cannabis and
18 medical cannabis products between medical cannabis cultivators,
19 medical cannabis manufacturers, medical cannabis dispensaries, and
20 clinical registrants as authorized pursuant to paragraph (5) of
21 subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) and
22 subsection h. of section 27 of P.L.2019, c.153 (C.24:6I-20), and the
23 purchase, sale, transporting, or other transfer of personal use
24 cannabis items by or between cannabis ¹【growers】 cultivators¹,
25 cannabis ¹【processors】 manufacturers¹, cannabis wholesalers,
26 cannabis distributors, cannabis retailers, and cannabis delivery
27 services as authorized pursuant to P.L. , c. (C.) (pending
28 before the Legislature as this bill); and

29 (8) any other information that the commission determines is
30 reasonably necessary to accomplish the duties, functions, and
31 powers of the commission.

32 (cf: P.L.2019, c.153, s.29)

33
34 ¹39. (New section) Social Equity Excise Fee Assessed on Class
35 1 Cannabis Cultivator Licensees.

36 a. There may be a Social Equity Excise Fee imposed by the
37 commission on the cultivation of cannabis by any cannabis
38 cultivator licensed pursuant to the provisions of P.L. ,
39 c. (C.) (pending before the Legislature as this bill), or on the
40 cultivation of cannabis for the personal use cannabis marketplace
41 and not for the medical cannabis marketplace by any alternative
42 treatment center deemed to be licensed to engage in personal use
43 cannabis activities pursuant to section 7 of P.L.2009, c.307
44 (C.24:6I-7) and issued a Class 1 Cultivator license by the
45 commission pursuant to subparagraph (a) of paragraph (3) of
46 subsection a. of section 33 of P.L. , c. (C.) (pending before

1 the Legislature as this bill). The excise fee, if imposed by the
2 commission pursuant to this section, shall be imposed on the
3 receipts from the sale, or equivalent value of the transfer, of usable
4 cannabis by a cannabis cultivator to any other cannabis
5 establishment, other than another cannabis cultivator. Any sale by a
6 cannabis cultivator for which the excise fee is imposed pursuant to
7 this section shall be exempt from the tax imposed under the “Sales
8 and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.).

9 (1) Immediately following the adoption of the commission’s
10 initial rules and regulations pursuant to subparagraph (a) of
11 paragraph (1) of subsection d. of section 6 of P.L. , c. (C.)
12 (pending before the Legislature as this bill), there may be an excise
13 fee imposed on a cannabis cultivator’s sale or transfer as described
14 in this subsection in the amount of 1/3 of 1% of the Statewide
15 average retail price of an ounce of usable cannabis for consumer
16 purchase, and any fractional portion of an ounce sold or transferred
17 shall be subject to the fee on a proportional basis, during the
18 calendar year the fee may be imposed in accordance with this
19 paragraph; and

20 (2) Beginning nine months following the first sale or transfer of
21 usable cannabis subject to the excise fee as described in paragraph
22 (1) of this subsection, which sale or transfer is made by a cannabis
23 cultivator that is not also an alternative treatment center deemed to
24 be licensed to engage in personal use cannabis activities pursuant to
25 section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a Class 1
26 Cultivator license by the commission pursuant to subparagraph (a)
27 of paragraph (3) of subsection a. of section 33 of P.L. ,
28 c. (C.) (pending before the Legislature as this bill), the excise
29 fee may be adjusted annually based upon the Statewide average
30 retail price of usable cannabis for consumer purchase in the
31 calendar year next preceding the year in which the adjusted fee
32 would be imposed, and the adjusted excise fee shall be based on the
33 ounces of usable cannabis sold or transferred by a cannabis
34 cultivator, and any fractional portion of an ounce sold or transferred
35 shall be subject to the fee on a proportional basis, as follows:

36 (a) up to \$10 per ounce, as established by the commission, if the
37 average retail price of an ounce of usable cannabis is \$350 or more;

38 (b) up to \$30 per ounce, as established by the commission, if the
39 average retail price of an ounce of usable cannabis is less than \$350
40 but at least \$250;

41 (c) up to \$40 per ounce, as established by the commission, if the
42 average retail price of an ounce of usable cannabis is less than \$250
43 but at least \$200;

44 (d) up to \$60 per ounce, as established by the commission, if the
45 average retail price of an ounce of usable cannabis is less than
46 \$200.

47 b. (1) Any excise fee imposed pursuant to this section shall be
48 collected from the cannabis establishment purchasing or acquiring

1 the usable cannabis or paid by the cannabis cultivator, and remitted
2 to the Director of the Division of Taxation. The fee shall be stated,
3 charged, and shown separately on any sales slip, invoice, receipt, or
4 other statement or memorandum of the price paid or payable, or
5 equivalent value of the transfer, for the usable cannabis.

6 (2) Every cannabis cultivator required to collect or pay any
7 excise fee imposed by this section shall be personally liable for the
8 fee imposed, collected, or required to be collected or paid under this
9 section. Any cannabis cultivator shall have the same right with
10 respect to collecting the fee from the cannabis establishment
11 purchasing or acquiring the usable cannabis, or with respect to non-
12 payment of the fee by the cannabis establishment, as if the fee were
13 a part of the purchase price or value of the transfer of the usable
14 cannabis, and payable at the same time; provided, however, that the
15 director shall be joined as a party in any action or proceeding
16 brought to collect the fee.

17 c. Any excise fee imposed shall be reported and paid to the
18 director on a monthly basis, in a manner prescribed by the director.

19 d. Except as otherwise provided in the “Cannabis Regulatory,
20 Enforcement Assistance, and Marketplace Modernization Act,”
21 P.L. , c. (C.) (pending before the Legislature as Senate Bill
22 No 21), any excise Fee imposed pursuant to this section shall be
23 governed by the provisions of the “State Uniform Tax Procedure
24 Law,” R.S.54:48-1 et seq.

25 e. Any excise fee imposed under this section shall not apply to
26 sales or transfers of usable cannabis by a cannabis cultivator to a
27 licensed medical cannabis alternative treatment center for use in
28 medical cannabis dispensing pursuant to the “Jake Honig
29 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
30 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

31 f. Any excise fee revenue collected pursuant to this section
32 shall be deposited by the Director of the Office of Management and
33 Budget into the “Cannabis Regulatory, Enforcement Assistance, and
34 Marketplace Modernization Fund” established pursuant to section
35 41 of P.L. , c. (C.) (pending before the Legislature as this
36 bill), and shall be used for annual appropriations for investing in
37 social equity programs as set forth in that section.

38 g. As used in this section:

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

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

45 “Usable cannabis” means the same as that term is defined in
46 section 3 of P.L. , c. (C.) (pending before the Legislature as
47 this bill).¹

1 ¹~~39.~~ 40.¹ (New section) Local Cannabis Taxation; Local
2 Cannabis Transfer Tax and User Tax.

3 a. (1) A municipality may adopt an ordinance imposing a
4 transfer tax on the sale of cannabis items by a cannabis
5 establishment that is located in the municipality. At the discretion
6 of the municipality, the tax may be imposed on: receipts from the
7 sale of ¹~~1~~¹ ~~cannabis or~~¹ cannabis items from one cannabis
8 establishment to another cannabis establishment; receipts from the
9 retail sales ¹~~of cannabis items~~¹ by a cannabis retailer to retail
10 customers who are 21 years of age or older; or any combination
11 thereof. Each municipality shall set its own rate or rates, but in no
12 case shall a rate exceed: two percent of the receipts from each sale
13 by a cannabis ¹~~grower~~¹ cultivator¹; two percent of the receipts
14 from each sale by a cannabis ¹~~processor~~¹ manufacturer¹; one
15 percent of the receipts from each sale by a cannabis wholesaler; and
16 two percent of the receipts from each sale by a cannabis retailer.

17 (2) A local tax ordinance adopted pursuant to paragraph (1) of
18 this subsection shall also include provisions for imposing a user tax,
19 at the equivalent transfer tax rates, on any concurrent license
20 holder, as permitted by section 33 of P.L. , c. (C.) (pending
21 before the Legislature as this bill), operating more than one
22 cannabis establishment. The user tax shall be imposed on the value
23 of each transfer or use of cannabis items not otherwise subject to
24 the transfer tax imposed pursuant to paragraph (1) of this
25 subsection, from the license holder's establishment that is located in
26 the municipality to any of the other license holder's establishments,
27 whether located in the municipality or another municipality.

28 b. (1) A transfer tax or user tax imposed pursuant this section
29 shall be in addition to any other tax imposed by law. Any
30 transaction for which the transfer tax or user tax is imposed, or
31 could be imposed, pursuant to this section, other than those which
32 generate receipts from the retail sales by cannabis retailers, shall be
33 exempt from the tax imposed under the "Sales and Use Tax Act,"
34 P.L.1966, c.30 (C.54:32B-1 et seq.). The transfer tax or user tax
35 shall be collected or paid, and remitted to the municipality by the
36 cannabis establishment from the cannabis establishment purchasing
37 or receiving the cannabis item, or from the customer at the point of
38 sale, on behalf of the municipality by the cannabis establishment
39 selling or transferring the cannabis item. The transfer tax or user
40 tax shall be stated, charged, and shown separately on any sales slip,
41 invoice, receipt, or other statement or memorandum of the price
42 paid or payable ¹, or equivalent value of the transfer,¹ for the
43 cannabis item.

44 (2) Every cannabis establishment required to collect a transfer
45 tax or user tax imposed by ordinance pursuant to this section shall
46 be personally liable for the transfer tax or user tax imposed,
47 collected, or required to be collected under this section. Any

1 cannabis establishment shall have the same right with respect to
2 collecting the transfer tax or user tax from another cannabis
3 establishment or the customer as if the transfer tax or user tax was a
4 part of the sale and payable at the same time, or with respect to non-
5 payment of the transfer tax or user tax by the cannabis
6 establishment or customer, as if the transfer tax or user tax was a
7 part of the purchase price of the cannabis item, ¹or equivalent value
8 of the transfer of the cannabis item.¹ and payable at the same time;
9 provided, however, that the chief fiscal officer of the municipality
10 which imposes the transfer tax or user tax shall be joined as a party
11 in any action or proceeding brought to collect the transfer tax or
12 user tax.

13 (3) No cannabis establishment required to collect a transfer tax
14 or user tax imposed by ordinance pursuant to this section shall
15 advertise or hold out to any person or to the public in general, in
16 any manner, directly or indirectly, that the transfer tax or user tax
17 will not be separately charged and stated to another cannabis
18 establishment or the customer or that the transfer tax or user tax
19 will be refunded to the cannabis establishment or the customer.

20 c. (1) All revenues collected from a transfer tax or user tax
21 imposed by ordinance pursuant to this section shall be remitted to
22 the chief financial officer of the municipality in a manner
23 prescribed by the municipality. The chief financial officer shall
24 collect and administer any transfer tax or user tax imposed by
25 ordinance pursuant to this section. The municipality shall enforce
26 the payment of delinquent taxes or transfer fees imposed by
27 ordinance pursuant to this section in the same manner as provided
28 for municipal real property taxes.

29 (2) (a) In the event that the transfer tax or user tax imposed by
30 ordinance pursuant to this section is not paid as and when due by a
31 cannabis establishment, the unpaid balance, and any interest
32 accruing thereon, shall be a lien on the parcel of real property
33 comprising the cannabis establishment in the same manner as all
34 other unpaid municipal taxes, fees, or other charges. The lien shall
35 be superior and paramount to the interest in the parcel of any
36 owner, lessee, tenant, mortgagee, or other person, except the lien of
37 municipal taxes, and shall be on a parity with and deemed equal to
38 the municipal lien on the parcel for unpaid property taxes due and
39 owing in the same year.

40 (b) A municipality shall file in the office of its tax collector a
41 statement showing the amount and due date of the unpaid balance
42 and identifying the lot and block number of the parcel of real
43 property that comprises the delinquent cannabis establishment. The
44 lien shall be enforced as a municipal lien in the same manner as all
45 other municipal liens are enforced.

46 d. As used in this section:

1 ¹["Cannabis" means the same as that term is defined in section 3
2 of P.L. , c. (C.) (pending before the Legislature as this
3 bill).]

4 "Cannabis cultivator" means the same as that term is defined in
5 section 3 of P.L. , c. (C.) (pending before the Legislature as
6 this bill).¹

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

10 ¹["Cannabis grower" means the same as that term is defined in
11 section 3 of P.L. , c. (C.) (pending before the Legislature as
12 this bill).]¹

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

16 "Cannabis ¹[processor] manufacturer¹" means the same as that
17 term is defined in section 3 of P.L. , c. (C.) (pending before
18 the Legislature as this bill).

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

22 "Cannabis wholesaler" means the same as that term is defined in
23 section 3 of P.L. , c. (C.) (pending before the Legislature as
24 this bill).

25
26 ¹[40.] 41.¹ (New section) Cannabis Regulatory, Enforcement
27 Assistance, and Marketplace Modernization Fund.

28 a. All fees and penalties collected by the commission, and all
29 tax revenues on retail sales, if any, and all tax revenues collected
30 pursuant to the provisions of the "Jake Honig Compassionate Use
31 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), except
32 for amounts credited to the Property Tax Reform Account in the
33 Property Tax Relief Fund pursuant to paragraph ¹[1] 7¹ of Section
34 I of Article VIII of the New Jersey Constitution, ¹as well as all
35 revenues, if any, collected for the Social Equity Excise Fee pursuant
36 to section 39 of P.L. , c. (C.) (pending before the
37 Legislature as this bill),¹ shall be deposited in a special nonlapsing
38 fund which shall be known as the "Cannabis Regulatory,
39 Enforcement Assistance, and Marketplace Modernization Fund."

40 b. Monies in the fund ¹, other than any monies derived from the
41 Social Equity Excise Fee to be appropriated annually in accordance
42 with subsection d. of this section,¹ shall be used by the commission
43 to:

44 (1) oversee the development, regulation, and enforcement of
45 activities associated with the personal use of cannabis pursuant to
46 P.L. , c. (C.), and assist with assuming responsibility from
47 the Department of Health for the further development and

1 expansion, regulation, and enforcement of activities associated with
2 the medical use of cannabis pursuant to the “Jake Honig
3 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
4 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);
5 **‘[and]’**

6 (2) reimburse the expenses incurred by any county or
7 municipality for the training costs associated with the attendance
8 and participation of a police officer from its law enforcement unit,
9 as those terms are defined in section 2 of P.L.1961, c.56 (C.52:17B-
10 67), in a program provided by an approved school, also defined in
11 that section, which trains and certifies the police officer, including a
12 police officer with a working dog as that term is defined in section
13 1 of P.L.2006, c.88 (C.10:5-29.7), as a Drug Recognition Expert for
14 detecting, identifying, and apprehending drug-impaired motor
15 vehicle operators, and pay for **‘the same training’** costs incurred by
16 the **‘Division of’** State Police **‘in the Department of Law and Public**
17 **Safety for the training of a State police officer or trooper, including**
18 **an officer or trooper with a working dog, as a Drug Recognition**
19 **Expert, as well as its costs’** in furnishing additional program
20 instructors to provide Drug Recognition Expert training to police
21 officers **‘, troopers,’** and working dogs. A municipality or county
22 seeking reimbursement shall apply to the commission, itemizing the
23 costs, with appropriate proofs, for which reimbursement is
24 requested and provide a copy of the certificate issued to the police
25 officer to indicate the successful completion of the program by the
26 police officer, and that officer’s working dog, if applicable.

27 c. Any remaining monies, after the commission uses the
28 **‘available’** monies in the fund in accordance with subsection b. of
29 this section, shall be deposited in the State’s General Fund.

30 **‘d. (1) (a) Not less than 60 days prior to the first day of each**
31 **State fiscal year, the commission shall consult and make**
32 **recommendations to the Governor and Legislature for making social**
33 **equity appropriations based upon the amount of any revenues**
34 **collected during the current fiscal year for the Social Equity Excise**
35 **Fee pursuant to section 39 of P.L. , c. (C.) (pending before the**
36 **Legislature as this bill), or, if the commission has not imposed or**
37 **adjusted the excise fee in the current fiscal year pursuant to that**
38 **section, then appropriations to be made from the General Fund in an**
39 **amount equal to the revenues that would have been collected had it**
40 **imposed or adjusted the fee, in order to invest, through grants,**
41 **loans, reimbursements of expenses, and other financial assistance,**
42 **in private for-profit and non-profit organizations, public entities,**
43 **including any municipality defined as an “impact zone” pursuant to**
44 **section 3 of P.L. , c. (C.) (pending before the Legislature as**
45 **this bill), as well as provide direct financial assistance to qualifying**
46 **persons as determined by the commission, in order to create,**
47 **expand, or promote educational and economic opportunities and**

1 activities, and the health and well-being of both communities and
2 individuals.

3 (b) Not less than 30 days prior to submitting its
4 recommendations to the Governor and Legislature pursuant to
5 subparagraph (a) of this paragraph, the commission shall hold at
6 least three regional public hearing throughout the State, with at least
7 one hearing in the northern, central, and southern regions of the
8 State, to solicit the public input on the social equity investments to
9 be made as described in this section.

10 (2) The commission's recommendations to the Governor and
11 Legislature may include, but are not limited to, recommending
12 investments in the following categories of social equity programs:

13 (a) educational support, including literacy programs, extended
14 learning time programs that endeavor to close the achievement gap
15 and provide services for enrolled students after the traditional
16 school day, GED application and preparedness assistance, tutoring
17 programs, vocational programming, and financial literacy;

18 (b) economic development, including the encouragement and
19 support of community activities so as to stimulate economic activity
20 or increase or preserve residential amenities, and business
21 marketing, and job skills and readiness training, specific
22 employment training, and apprenticeships;

23 (c) social support services, including food assistance, mental
24 health services, substance use disorders treatment and recovery,
25 youth recreation and mentoring services, life skills support services,
26 and reentry and other rehabilitative services for adults and juveniles
27 being released from incarceration; and

28 (d) legal aid for civil and criminal cases.

29 (3) The commission may also, subject to the annual
30 appropriations act, recommend that it retain a portion of the Social
31 Equity Excise Fee to administer startup grants, low-interest loans,
32 application fee assistance, and job training programs through the
33 commission's Office of Minority, Disabled Veterans and Women
34 Cannabis Business Development established by section 32 of
35 P.L.2019, c.153 (24:6I-25).

36 (4) Prior to the first day of each fiscal year, the Legislature shall
37 provide to the commission a statement which lists the investments,
38 including the investment recipients and investment amount, to be
39 made by appropriations as set forth in paragraph (1) of this
40 subsection based upon recommendations presented to the Governor
41 and Legislature pursuant to paragraphs (1) through (3) of this
42 subsection, and how the investment is intended to support and
43 advance social equity as described in this subsection.¹

44
45 ¹**[41.]** 42.¹ Section 2 of P.L.1970, c.226 (C.24:21-2) is amended
46 to read as follows:

47 2. As used in P.L.1970, c.226 (C.24:21-1 et seq.):

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

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

11 "Commissioner" means the Commissioner of Health.

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

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

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

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

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

36 "Dispenser" means a practitioner who dispenses.

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

39 "Distributor" means a person who distributes.

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

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

44 "Drugs" means (a) substances recognized in the official United
45 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the
46 United States, or official National Formulary, or any supplement to
47 any of them; and (b) substances intended for use in the diagnosis, cure,
48 mitigation, treatment, or prevention of disease in man or other animals;

1 and (c) substances (other than food) intended to affect the structure or
2 any function of the body of man or other animals; and (d) substances
3 intended for use as a component of any article specified in subsections
4 (a), (b), and (c) of this section; but does not include devices or their
5 components, parts or accessories. "Drugs" shall not mean hemp or a
6 hemp product cultivated, handled, processed, transported, or sold
7 pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238
8 (C.4:28-6 et al.).

9 "Hashish" means the resin extracted from any part of the plant
10 **【genus】** *Cannabis sativa* L. and any compound, manufacture, salt,
11 derivative, mixture, or preparation of such resin. "Hashish" shall not
12 mean: hemp or a hemp product cultivated, handled, processed,
13 transported, or sold pursuant to the "New Jersey Hemp Farming Act,"
14 P.L.2019, c.238 (C.4:28-6 et al.); or cannabis resin as defined in
15 section 3 of P.L. , c. (C.) (pending before the Legislature as
16 this bill) which is extracted for use in a cannabis item, as defined in
17 that section, in accordance with the "New Jersey Cannabis
18 Regulatory, Enforcement Assistance, and Marketplace
19 Modernization Act," P.L. , c. (C.) (pending before the
20 Legislature as this bill).

21 "Marihuana" means all parts of the plant **【genus】** *Cannabis sativa*
22 L., whether growing or not; the seeds thereof; and every compound,
23 manufacture, salt, derivative, mixture, or preparation of the plant or its
24 seeds, except those containing resin extracted from the plant **【**; but
25 shall not include the mature stalks of the plant, fiber produced from the
26 stalks, oil or cake made from the seeds of the plant, any other
27 compound, manufacture, salt, derivative, mixture, or preparation of
28 such mature stalks, fiber, oil, or cake, or the sterilized seed of the plant
29 which is incapable of germination**】**. "Marihuana" shall not mean:
30 hemp or a hemp product cultivated, handled, processed, transported, or
31 sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238
32 (C.4:28-6 et al.); or cannabis as defined in section 3 of P.L. ,
33 c. (C.) (pending before the Legislature as this bill) which is
34 cultivated and processed for use in a cannabis item, as defined in that
35 section, in accordance with the "New Jersey Cannabis Regulatory,
36 Enforcement Assistance, and Marketplace Modernization Act,"
37 P.L. , c. (C.) (pending before the Legislature as this bill).

38 "Manufacture" means the production, preparation, propagation,
39 compounding, conversion, or processing of a controlled dangerous
40 substance, either directly or by extraction from substances of natural
41 origin, or independently by means of chemical synthesis, or by a
42 combination of extraction and chemical synthesis, and includes any
43 packaging or repackaging of the substance or labeling or relabeling of
44 its container, except that this term does not include the preparation or
45 compounding of a controlled dangerous substance by an individual for
46 the individual's own use or the preparation, compounding, packaging,
47 or labeling of a controlled dangerous substance: (1) by a practitioner as
48 an incident to the practitioner's administering or dispensing of a

1 controlled dangerous substance in the course of the practitioner's
2 professional practice, or (2) by a practitioner (or under the
3 practitioner's supervision) for the purpose of, or as an incident to,
4 research, teaching, or chemical analysis and not for sale.

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

9 (a) Opium, coca leaves, and opiates;

10 (b) A compound, manufacture, salt, derivative, or preparation of
11 opium, coca leaves, or opiates;

12 (c) A substance (and any compound, manufacture, salt, derivative,
13 or preparation thereof) which is chemically identical with any of the
14 substances referred to in subsections (a) and (b), except that the words
15 "narcotic drug" as used in P.L.1970, c.226 (C.24:21-1 et seq.) shall not
16 include decocainized coca leaves or extracts of coca leaves, which
17 extracts do not contain cocaine or ecgonine.

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

26 "Opiate" means any dangerous substance having an addiction-
27 forming or addiction-sustaining liability similar to morphine or being
28 capable of conversion into a drug having such addiction-forming or
29 addiction-sustaining liability. It does not include, unless specifically
30 designated as controlled under section 3 of P.L.1970, c.226 (C.24:21-1
31 et seq.), the dextrorotatory isomer of 3-methoxy-n-methylmorphinan
32 and its salts (dextromethorphan). It does include its racemic and
33 levorotatory forms.

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

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

38 "Pharmacist" means a registered pharmacist of this State.

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

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

47 "Practitioner" means a physician, dentist, veterinarian, scientific
48 investigator, laboratory, pharmacy, hospital, or other person licensed,

1 registered, or otherwise permitted to distribute, dispense, conduct
2 research with respect to, or administer a controlled dangerous
3 substance in the course of professional practice or research in this
4 State.

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

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

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

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

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

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

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

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

36 "Ultimate user" means a person who lawfully possesses a
37 controlled dangerous substance for the person's own use or for the use
38 of a member of the person's household or for administration to an
39 animal owned by the person or by a member of the person's household.
40 (cf: P.L.2019, c.238, s.11)

41

42 ¹**[42.] 43.**¹ Section 5 of P.L.1970, c.226 (C.24:21-5) is amended
43 to read as follows:

44 5. Schedule I.

45 a. Tests. The director shall place a substance in Schedule I if he
46 finds that the substance: (1) has high potential for abuse; and (2) has
47 no accepted medical use in treatment in the United States; or lacks
48 accepted safety for use in treatment under medical supervision.

1 b. The controlled dangerous substances listed in this section are
2 included in Schedule I, subject to any revision and republishing by the
3 director pursuant to subsection d. of section 3 of P.L.1970, c.226
4 (C.24:21-3), and except to the extent provided in any other schedule.

5 c. Any of the following opiates, including their isomers, esters,
6 and ethers, unless specifically excepted, whenever the existence of
7 such isomers, esters, ethers and salts is possible within the specific
8 chemical designation:

- 9 (1) Acetylmethadol
- 10 (2) Allylprodine
- 11 (3) Alphacetylmethadol
- 12 (4) Alphameprodine
- 13 (5) Alphamethadol
- 14 (6) Benzethidine
- 15 (7) Betacetylmethadol
- 16 (8) Betameprodine
- 17 (9) Betamethadol
- 18 (10) Betaprodine
- 19 (11) Clonitazene
- 20 (12) Dextromoramide
- 21 (13) Dextrorphan
- 22 (14) Diampromide
- 23 (15) Diethylthiambutene
- 24 (16) Dimenoxadol
- 25 (17) Dimepheptanol
- 26 (18) Dimethylthiambutene
- 27 (19) Dioxaphetyl butyrate
- 28 (20) Dipipanone
- 29 (21) Ethylmethylthiambutene
- 30 (22) Etonitazene
- 31 (23) Etoxeridine
- 32 (24) Furethidine
- 33 (25) Hydroxypethidine
- 34 (26) Ketobemidone
- 35 (27) Levomoramide
- 36 (28) Levophenacylmorphin
- 37 (29) Morpheridine
- 38 (30) Noracymethadol
- 39 (31) Norlevorphanol
- 40 (32) Normethadone
- 41 (33) Norpipanone
- 42 (34) Phenadoxone
- 43 (35) Phenampromide
- 44 (36) Phenomorphan
- 45 (37) Phenoperidine
- 46 (38) Piritramide
- 47 (39) Proheptazine
- 48 (40) Properidine

1 (41) Racemoramide

2 (42) Trimeperidine.

3 d. Any of the following narcotic substances, their salts, isomers
4 and salts of isomers, unless specifically excepted, whenever the
5 existence of such salts, isomers and salts of isomers is possible within
6 the specific chemical designation:

7 (1) Acetorphine

8 (2) Acetylcodone

9 (3) Acetyldihydrocodeine

10 (4) Benzylmorphine

11 (5) Codeine methylbromide

12 (6) Codeine-N-Oxide

13 (7) Cyprenorphine

14 (8) Desomorphine

15 (9) Dihydromorphine

16 (10) Etorphine

17 (11) Heroin

18 (12) Hydromorphenol

19 (13) Methyldesorphine

20 (14) Methylhydromorphine

21 (15) Morphine methylbromide

22 (16) Morphine methylsulfonate

23 (17) Morphine-N-Oxide

24 (18) Myrophine

25 (19) Nicocodeine

26 (20) Nicomorphine

27 (21) Normorphine

28 (22) Phoclodine

29 (23) Thebacon.

30 e. Any material, compound, mixture or preparation which
31 contains any quantity of the following hallucinogenic substances, their
32 salts, isomers and salts of isomers, unless specifically excepted,
33 whenever the existence of such salts, isomers, and salts of isomers is
34 possible within the specific chemical designation:

35 (1) 3,4-methylenedioxy amphetamine

36 (2) 5-methoxy-3,4-methylenedioxy amphetamine

37 (3) 3,4,5-trimethoxy amphetamine

38 (4) Bufotenine

39 (5) Diethyltryptamine

40 (6) Dimethyltryptamine

41 (7) 4-methyl-2,5-dimethoxylamphetamine

42 (8) Ibogaine

43 (9) Lysergic acid diethylamide

44 (10) Marihuana; except that on and after the effective date of the
45 “New Jersey Cannabis Regulatory, Enforcement Assistance, and
46 Marketplace Modernization Act,” P.L. , c. (C.) (pending
47 before the Legislature as this bill), marihuana shall no longer be
48 included in Schedule I, and shall not be designated or rescheduled and

1 included in any other schedule by the director pursuant to the
 2 director's designation and rescheduling authority set forth in section 3
 3 of P.L.1970, c.226 (C.24:21-3).

4 (11) Mescaline

5 (12) Peyote

6 (13) N-ethyl-3-piperidyl benzilate

7 (14) N-methyl-3-piperidyl benzilate

8 (15) Psilocybin

9 (16) Psilocyn

10 (17) Tetrahydrocannabinols, except when found in hemp or a hemp
 11 product cultivated, handled, processed, transported, or sold pursuant to
 12 the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et
 13 al.), or a cannabis item as defined in section 3 of P.L. , c. (C.)
 14 (pending before the Legislature as this bill) that is grown, cultivated,
 15 produced, or processed in accordance with the "New Jersey Cannabis
 16 Regulatory, Enforcement Assistance, and Marketplace Modernization
 17 Act," P.L. , c. (C.) (pending before the Legislature as this bill).
 18 (cf: P.L.2019, c.238, s.12)

19

20 ¹**[43.]** 44.¹ R.S.24:5-18 is amended to read as follows:

21 24:5-18. For the purposes of this subtitle a drug or device shall
 22 also be deemed to be misbranded:

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

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

27 c. If any word, statement or other information required by or
 28 under authority of this subtitle to appear on the label or labeling is
 29 not prominently placed thereon with such conspicuousness (as
 30 compared with other words, statements or designs in the labeling)
 31 and in such terms as to render it likely to be read and understood by
 32 the ordinary individual under customary conditions of purchase and
 33 use.

34 d. If it is for use by man and contains any quantity of the
 35 narcotic or hypnotic substance alpha-eucaine, barbituric acid, beta-
 36 eucaine, bromal, cannabis other than as defined in section 3 of
 37 P.L. , c. (C.) (pending before the Legislature as this bill),
 38 carbromal, chloral, coca, cocaine, codeine, heroin, marihuana,
 39 morphine, opium, paraldehyde, peyote, or sulphonmethane; or any
 40 chemical derivative of such substance, which derivative has been by
 41 the Department of Health of the State of New Jersey after
 42 investigation found to be, and by regulations under this subtitle
 43 designated as, habit forming; unless its label bears the name and
 44 quantity or proportion of such substance, or derivative and in
 45 juxtaposition therewith, the statement "Warning--May be habit
 46 forming."

47 e. If it is a drug and is not designated solely by a name
 48 recognized in an official compendium, unless its label bears (1) the

1 common or usual name of the drug, if such there be; and (2) in case
2 it is fabricated from 2 or more ingredients, the common or usual
3 name of each active ingredient, including the kind and quantity or
4 proportion of any alcohol, and also including, whether active or not,
5 the name and quantity or proportion of any bromides, ether,
6 chloroform, acetanilid, acetphanetidin, amidopyrine, antipyrine,
7 atropine, hyoscine, hyoscyamine, arsenic, digitalis, digitalis
8 glusocides, mercury, ouabain, strophanthin, strychnine, thyroid, or
9 any derivative or preparation of any such substances, contained
10 therein; provided, that to the extent that compliance with the
11 requirements of clause (2) of this paragraph is impracticable,
12 exemptions may be established by regulations promulgated by the
13 State department.

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

24 g. If it purports to be a drug the name of which is recognized in
25 an official compendium, unless it is packaged and labeled as
26 prescribed therein; provided, that the method of packing may be
27 modified with the consent of the State department. Whenever a
28 drug is recognized in both the United States Pharmacopoeia and the
29 Homeopathic Pharmacopoeia of the United States it shall be subject
30 to the requirements of the United States Pharmacopoeia unless it is
31 labeled and offered for sale as a homeopathic drug, in which case it
32 shall be subject to the provisions of the Homeopathic
33 Pharmacopoeia of the United States and not to those of the United
34 States Pharmacopoeia.

35 h. If it has been found by the Department of Health of the State
36 of New Jersey to be a drug liable to deterioration, unless it is
37 packaged in such form and manner, and its label bears a statement
38 of such precautions, as the Department of Health of the State of
39 New Jersey may by regulations require as necessary for the
40 protection of the public health. No such regulation shall be
41 established for any drug recognized in an official compendium until
42 the State department shall have informed the appropriate body
43 charged with the revision of such compendium of the need for such
44 packaging or labeling requirements and such body shall have failed
45 within a reasonable time to prescribe such requirements.

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

1 possessed, displayed, purchased, or transported marijuana or
2 hashish in violation of that act;

3 b. Transferring without remuneration: one ounce (28.35 grams)
4 or less of ¹useable¹ cannabis; the equivalent of one ounce (28.35
5 grams) or less of ¹usable¹ cannabis ¹**["infused"] as a cannabis¹**
6 product in solid, liquid, or concentrate form, based upon the
7 equivalency calculation for different product forms set by the
8 commission pursuant to subsection a. of this section; or five grams
9 (0.176 ounce) or less of cannabis resin to a person who is of legal
10 age for purchasing cannabis items, provided that such transfer is for
11 non-promotional, non-business purposes. Transferring at any one
12 time any amount of ¹**["cannabis or"] any¹** cannabis ¹**["resin"] items**
13 **described herein¹** in an amount greater than as permitted pursuant to
14 this subsection ¹**["**, or an infused product in solid, liquid, or
15 concentrate form with more than the equivalency permitted
16 pursuant to this subsection¹"], or to a person who is not of legal age
17 to purchase cannabis items, shall be considered a violation of the
18 "Comprehensive Drug Reform Act of 1987," P.L.1987, c.106
19 (N.J.S.2C:35-1 et al.), and subject the person to prosecution as if
20 the person distributed marijuana or hashish in violation of that act,
21 unless the transfer to a person who is not of legal age was done by a
22 cannabis establishment licensed pursuant to P.L. , c. (C.)
23 (pending before the Legislature as this bill), or an employee or
24 agent thereof, in which case it is a civil violation and the civil
25 penalty set forth in subsection b. of section ¹**["57"] 58¹** of P.L. ,
26 c. (C.) (pending before the Legislature as this bill) shall
27 apply;

28 c. Taking delivery of or consuming a lawfully possessed
29 cannabis item, provided that nothing in this section shall permit a
30 person to smoke, vape, or aerosolize any cannabis item in a public
31 place. This prohibition includes the smoking, vaping, or
32 aerosolizing of a cannabis item in any public place pursuant to law
33 that prohibits the smoking of tobacco, including N.J.S.2C:33-13 and
34 the "New Jersey Smoke-Free Air Act," P.L.2005, c.383 (C.26:3D-
35 55 et seq.), and any indoor public place, as that term is defined in
36 section 3 of P.L.2005, c.383 (C.26:3D-57), or portion thereof, even
37 if the smoking of tobacco is otherwise permitted in that place or
38 portion thereof pursuant to the "New Jersey Smoke-Free Air Act";
39 except that the smoking, vaping, or aerosolizing of a cannabis item
40 shall be permitted in a cannabis consumption area as set forth in
41 section 28 of P.L.2019, c.153 (C.24:6I-21), and may be permitted
42 by the person or entity that owns or controls a hotel, motel, or other
43 lodging establishment as defined in section 1 of P.L.1967, c.95
44 (C.29:4-5) in up to 20 percent of its guest rooms. The smoking,
45 vaping, or aerosolizing of a cannabis item may also be prohibited or
46 otherwise regulated in multifamily housing that is a multiple
47 dwelling as defined in section 3 of P.L.1967, c.76 (C.55:13A-3), as

1 decided by the person or entity that owns or controls the
2 multifamily housing, ¹or prohibited or otherwise regulated in the
3 structure or specific units of the structure of a cooperative as
4 defined in section 3 of P.L.1987, c.381 (C.46:8D-3) by the
5 corporation or other legal entity that owns the structure,¹ or
6 prohibited or otherwise regulated in the units of a condominium, as
7 those terms are defined by section 3 of P.L.1969, c.257 (C.46:8B-
8 3), if approved by the association for the condominium and a
9 majority of all of the condominium's unit owners, as those terms
10 are defined in that section. Except as otherwise provided by P.L. ,
11 c. (C.) (pending before the Legislature as this bill), any
12 penalties that may be assessed for the smoking of tobacco where
13 prohibited under the "New Jersey Smoke-Free Air Act" shall be
14 applicable to the smoking, vaping, or aerosolizing of cannabis
15 ¹items¹ where prohibited. Concerning the consumption of any
16 cannabis item, other than by smoking, vaping, or aerosolizing: a
17 person or entity that owns or controls a property, other than
18 multifamily housing that is a multiple dwelling as defined in section
19 3 of P.L.1967, c.76 (C.55:13A-3), ¹the structure or specific units of
20 the structure of a cooperative as defined in section 3 of P.L.1987,
21 c.381 (C.46:8D-3),¹a unit of a condominium, as those terms are
22 defined by section 3 of P.L.1969, c.257 (C.46:8B-3), or a site in a
23 mobile home park as defined in section 3 of P.L.1983, c.386
24 (C.40:55D-102), which site is leased to the owner of a
25 manufactured home, as defined in that section, that is installed
26 thereon, may prohibit or otherwise regulate the consumption of
27 cannabis items on or in that property, including a casino hotel
28 facility as defined in section 19 of P.L.1977, c.110 (C.5:12-19) with
29 respect to a hotel property, a casino as defined in section 6 of
30 P.L.1977, c.110 (C.5:12-6), or casino simulcasting facility
31 authorized pursuant to the "Casino Simulcasting Act," P.L.1992,
32 c.19 (C.5:12-191 et al.); and a municipality may enact an ordinance
33 making it an unlawful act for any person 21 years of age or older to
34 consume, other than by smoking, vaping, or aerosolizing, any
35 cannabis item in a public place, including any indoor public place
36 as that term is defined in section 3 of P.L.2005, c.383 (C.26:3D-57),
37 or portion thereof, and providing a civil penalty for a violation in
38 accordance with section ¹**[70] 71**¹ of P.L. , c. (C.) (pending
39 before the Legislature as this bill); and
40 d. Assisting another person to engage in any of the acts
41 described in subsections a. through c. of this section, provided that
42 the person being assisted is of legal age to purchase cannabis items
43 and the assistance being provided is without remuneration.

44
45 ¹**[45.] 46.**¹ (New section) Licensee and Consumer Protections.

46 a. ¹**[Individuals]** Except as otherwise set forth in section 47 of
47 P.L. , c. (C.) (pending before the Legislature as this bill)

1 with respect to employers, employment actions, and employment
2 policies, individuals,¹ and licensed cannabis establishments,
3 distributors, and delivery services ^{1,1} shall not be subject to arrest,
4 prosecution, or penalty in any manner, or denied any right or
5 privilege, including but not limited to civil liability or disciplinary
6 action by a business, occupational, or professional licensing board
7 or bureau, solely for conduct permitted under P.L. , c. (C.)
8 (pending before the Legislature as this bill).

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

12 (1) with respect to a student, employee, ¹other than as set forth
13 in section 47 of P.L. , c. (C.) (pending before the
14 Legislature as this bill),¹ or tenant, shall not form the basis for
15 refusal to enroll or employ or lease to or otherwise penalize that
16 person, unless failing to do so would put the school, employer, or
17 landlord in violation of a federal contract or cause it to lose federal
18 funding;

19 (2) with respect to a patient ^{1,1} shall not constitute the use of an
20 illicit substance resulting in denial of medical care, including organ
21 transplant, and a patient's use of cannabis items may only be
22 considered with respect to evidence-based clinical criteria; and

23 (3) with respect to a parent or legal guardian of a child or
24 newborn infant, or a pregnant woman ^{1,1} shall not form the sole or
25 primary basis for any action or proceeding by the Division of Child
26 Protection and Permanency, or any successor agencies; provided,
27 however, that nothing in this paragraph shall preclude any action or
28 proceeding by the division based on harm or risk of harm to a child
29 or the use of information on the presence of cannabinoid
30 metabolites in the bodily fluids of any person in any action or
31 proceeding.

32

33 ¹**[46.] 47.**¹ (New section) Employers, Driving, Minors and
34 Control of Property.

35 a. ¹**(1)**¹ No employer shall refuse to hire or employ any person
36 or shall discharge from employment or take any adverse action
37 against any employee with respect to compensation, terms,
38 conditions, or other privileges of employment because that person
39 does or does not smoke, vape, aerosolize or otherwise use cannabis
40 items, ¹**[unless the]** however, an¹ employer ¹**[has a rational basis**
41 **for doing so which is reasonably related to the employment,**
42 **including the responsibilities of the]** may require an¹ employee ¹**[or**
43 **prospective employee]** to undergo a drug test upon reasonable
44 suspicion of an employee's usage of a cannabis item while engaged
45 in the performance of the employee's work responsibilities, or upon
46 finding any observable signs of intoxication related to usage of a
47 cannabis item, or following a work-related accident subject to

1 investigation by the employer, and the employer may utilize the
2 results of that drug test when determining the appropriate
3 employment action concerning the employee, including, but not
4 limited to dismissal, suspension, demotion, or other disciplinary
5 action.

6 (2) (a) In order to better ensure the protections for prospective
7 employees and employees against refusals to hire or employ, or
8 against being discharged or having another adverse action taken by
9 an employer, while simultaneously supporting the authority of
10 employers to require employees undergo drug tests under the
11 circumstances set forth in paragraph (1) of this subsection, as well
12 as employer efforts to maintain a drug- and alcohol-free workplace
13 or other drug- or alcohol workplace policy as described in
14 paragraph (1) of subsection b. of this section, the commission, in
15 consultation with the Police Training Commission established
16 pursuant to section 5 of P.L.1961, c.56 (C.52:17B-70), shall
17 prescribe standards in regulation for a Workplace Impairment
18 Recognition Expert certification, to be issued to full- or part-time
19 employees, or others contracted to perform services on behalf of an
20 employer, demonstrating education and training in detecting and
21 identifying an employee's usage of, or impairment from, a cannabis
22 item or other intoxicating substance, or for assisting in the
23 investigation of workplace accidents. The commission's
24 regulations shall also prescribe minimum curriculum courses of
25 study for the certifications, as well as standards for the
26 commission's approval and continuation of approval of non-profit
27 and for-profit programs, organizations, or schools and their
28 instructors to offer courses of study, and may include the use of a
29 Police Training Commission approved school as that term is
30 defined in section 2 of P.L.1961, c.56 (C.52:17B-67) if consented to
31 by the Police Training Commission.

32 (b) Any person who demonstrates to the commission's
33 satisfaction that the person has successfully completed a Drug
34 Recognition Expert program provided by a Police Training
35 Commission approved school, or another program or course
36 conducted by any Federal, State, or other public or private agency,
37 the requirements of which are substantially equivalent to the
38 requirements established by the commission pursuant to
39 subparagraph (a) of this paragraph for a Workplace Impairment
40 Recognition Expert certification, may, at the discretion of the
41 commission, be issued this certification, subject to subsequent
42 continuation of certification approval by the commission¹.

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

45 (1) Requires an employer to amend or repeal, or affect, restrict
46 or preempt the rights and obligations of employers to maintain a
47 ¹**【drug and alcohol free】** drug- and alcohol-free¹ workplace or
48 require an employer to permit or accommodate the use,

1 consumption, being under the influence, possession, transfer,
2 display, transportation, sale, or growth of cannabis or cannabis
3 items in the workplace, or to affect the ability of employers to have
4 policies prohibiting use of cannabis **[use] items** or intoxication
5 by employees during work hours **[.]**;

6 (2) Is intended to allow driving under the influence of cannabis
7 items or driving while impaired by cannabis items or to supersede
8 laws related to driving under the influence of marijuana or cannabis
9 items or driving while impaired by marijuana or cannabis items
10 **[.]**;

11 (3) Is intended to permit the transfer of cannabis items, with or
12 without remuneration, to a person under the age of 21 or to allow a
13 person under the age of 21 to purchase, possess, use, transport,
14 grow, or consume cannabis items, unless the person is under the age
15 of 21, but at least 18 years of age, and an employee of a cannabis
16 establishment, distributor, or delivery service acting in the person's
17 employment capacity **[.]**;

18 (4) Shall, consistent with subsection c. of section **[44] 45** of
19 P.L. , c. (C.) (pending before the Legislature as this
20 bill), prohibit a person or entity that owns or controls a property
21 from prohibiting or otherwise regulating the consumption, use,
22 display, transfer, distribution, sale, or transportation of cannabis
23 items on or in that property, or portion thereof, including a hotel
24 property that is a casino hotel facility as defined in section 19 of
25 P.L.1977, c.110 (C.5:12-19), a casino as defined in section 6 of
26 P.L.1977, c.110 (C.5:12-6), or casino simulcasting facility
27 authorized pursuant to the "Casino Simulcasting Act," P.L.1992,
28 c.19 (C.5:12-191 et al.), provided that a person or entity that owns
29 or controls multifamily housing that is a multiple dwelling as
30 defined in section 3 of P.L.1967, c.76 (C.55:13A-3), the structure
31 or specific units of the structure of a cooperative as defined in
32 section 3 of P.L.1987, c.381 (C.46:8D-3), a unit of a condominium
33 as defined in section 3 of P.L.1969, c.257 (C.46:8B-3), or a site in a
34 mobile home park as defined in section 3 of P.L.1983, c.386
35 (C.40:55D-102), which site is leased to the owner of a
36 manufactured home, as defined in that section, that is installed
37 thereon, may only prohibit or otherwise regulate the smoking,
38 vaping, or aerosolizing, but not other consumption, of cannabis
39 items, and further provided that municipalities may not prohibit
40 delivery, possession, or consumption of cannabis items by a person
41 21 years of age or older as permitted by section **[44] 45** of
42 P.L. , c. (C.) (pending before the Legislature as this bill)
43 **[.]**;

44 (5) Is intended to permit any person to possess, consume, use,
45 display, transfer, distribute, sell, transport, or grow or manufacture
46 cannabis or cannabis items in a school, hospital, detention facility,
47 adult correctional facility, or youth correction facility **[.]**;

1 (6) Is intended to permit the smoking, vaping, or aerosolizing of
2 cannabis items in any place that any other law prohibits the
3 smoking of tobacco, including N.J.S.2C:33-13 and the “New Jersey
4 Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.). Except
5 as otherwise provided by P.L. , c. (C.) (pending before the
6 Legislature as this bill), any fines or civil penalties that may be
7 assessed for the smoking of tobacco in designated places shall be
8 applicable to the smoking, vaping, or aerosolizing of cannabis
9 items.

10
11 ¹**[47.] 48.**¹ (New section) Consuming, including by smoking,
12 vaping, or aerosolizing, any cannabis item available for lawful
13 consumption pursuant to the “New Jersey Cannabis Regulatory,
14 Enforcement Assistance, and Marketplace Modernization Act,”
15 P.L. , c. (C.) (pending before the Legislature as this bill), is
16 prohibited in any area of any building of, on the grounds of, or in
17 any facility owned, leased, or controlled by, any public or private
18 institution of higher education or a related entity thereof, regardless
19 of whether the area or facility is an indoor place or is outdoors. As
20 used in this section “related entity” includes, but is not limited to,
21 the foundation, auxiliary services corporation, or alumni
22 association, or any subsidiary thereof, of an institution of higher
23 learning. Any penalties that may be assessed for the smoking of
24 tobacco where prohibited under the “New Jersey Smoke-Free Air
25 Act,” P.L.2005, c.383 (C.26:3D-55 et seq.), shall be applicable to
26 the consumption of cannabis items where prohibited by this section.

27
28 ¹**[48.] 49.**¹ (New section) Lawful Operation of Cannabis
29 Establishments, Distributors, and Delivery Services.

30 Notwithstanding any other provision of law, the following acts
31 are not unlawful and shall not be a criminal offense or a basis for
32 seizure or forfeiture of assets under N.J.S.2C:64-1 et seq. or other
33 applicable law, provided the acts are undertaken by a person 21
34 years of age or older while acting within the scope of authority
35 provided by a license, or are undertaken by a person 18 years of age
36 or older while acting within the scope of authority as an employee
37 of a licensed cannabis establishment, distributor, or delivery
38 service, or provided by a cannabis handler certification issued
39 pursuant to P.L. , c. (C.) (pending before the Legislature as
40 this bill) and are consistent with the relevant definitions set forth in
41 section 3 of P.L. , c. (C.) (pending before the Legislature as
42 this bill):

43 a. manufacturing, possessing, or purchasing cannabis
44 paraphernalia or the sale of cannabis paraphernalia to a person who
45 is 21 years of age or older;

46 b. possessing, displaying, transporting, or delivering cannabis
47 items; purchasing cannabis ¹items¹ from a cannabis ¹**[cultivation**
48 **facility]** cultivator¹; purchasing cannabis items from a cannabis

1 ~~1~~ **[product manufacturing facility] manufacturer**¹; or selling
2 cannabis items to consumers, if the person conducting the activities
3 described in this subsection has obtained a current, valid license to
4 operate as a cannabis retailer or is acting in his capacity as an
5 owner, employee, or agent of a licensed cannabis retailer;

6 c. cultivating, harvesting, processing, packaging, transporting,
7 displaying, or possessing cannabis; delivering or transferring
8 cannabis ~~1~~ **items**¹ to a cannabis testing facility; selling cannabis
9 ~~1~~ **items**¹ to a cannabis ~~1~~ **[cultivation facility] cultivator**¹, a cannabis
10 ~~1~~ **[product manufacturing facility] manufacturer**¹, ~~1~~ **a cannabis**
11 ~~1~~ **wholesaler**¹, or a cannabis retailer; or purchasing cannabis ~~1~~ **items**¹
12 from a cannabis ~~1~~ **[cultivation facility] cultivator**¹, if the person
13 conducting the activities described in this subsection has obtained a
14 current, valid license to operate ~~1~~ **as**¹ a cannabis ~~1~~ **[cultivation**
15 ~~1~~ **facility] cultivator**¹ or is acting in his capacity as an owner,
16 employee, or agent of a licensed cannabis ~~1~~ **[cultivation facility]**
17 ~~1~~ **cultivator**¹;

18 d. packaging, ~~1~~ **[processing] manufacturing**¹, transporting,
19 ~~1~~ **[manufacturing]**¹, displaying, or possessing cannabis items;
20 delivering or transferring cannabis items to a cannabis testing
21 facility; selling cannabis items to a cannabis retailer or a cannabis
22 ~~1~~ **[product manufacturing facility] manufacturer**¹; purchasing
23 cannabis ~~1~~ **items**¹ from a cannabis ~~1~~ **[cultivation facility] cultivator**¹;
24 or purchasing cannabis items from a cannabis ~~1~~ **[product**
25 ~~1~~ **manufacturing facility] manufacturer**¹, if the person conducting the
26 activities described in this subsection has obtained a current, valid
27 license to operate ~~1~~ **as**¹ a cannabis ~~1~~ **[product manufacturing facility]**
28 ~~1~~ **manufacturer**¹ or is acting in his capacity as an owner, employee, or
29 agent of a licensed cannabis ~~1~~ **[product manufacturing facility]**
30 ~~1~~ **manufacturer**¹;

31 e. possessing, cultivating, ~~1~~ **[processing] manufacturing**¹,
32 repackaging, storing, transporting, displaying, transferring, or
33 delivering cannabis items if the person has obtained a current, valid
34 license to operate a cannabis testing facility or is acting in his
35 capacity as an owner, employee, or agent of a licensed cannabis
36 testing facility; and

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

41

42 ~~1~~ **[49.] 50.**¹ (New section) Contract Enforceability.

43 No contract shall be unenforceable on the basis that
44 manufacturing, distributing, dispensing, possessing, or using any
45 cannabis item or marijuana is prohibited by federal law. No contract
46 entered into by a licensee, its employees, or its agents as permitted

1 pursuant to a valid license issued by the commission, or by those
2 who allow property to be used by a licensee, its employees, or its
3 agents as permitted pursuant to a valid license issued by the
4 commission, shall be deemed unenforceable on the basis that the
5 actions or conduct permitted pursuant to the license are prohibited
6 by federal law.

7
8 ¹**[50.] 51.**¹ (New section) Federal and Interstate Relations.

9 a. Law enforcement agencies in this State shall not cooperate
10 with or provide assistance to the government of the United States or
11 any agency thereof in enforcing the “Controlled Substances Act,”
12 21 U.S.C. 801 et seq., solely for actions consistent with P.L. ,
13 c. (C.) (pending before the Legislature as this bill), except
14 pursuant to a valid court order.

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

20 c. The commission may not revoke or refuse to issue or renew
21 a license or certification pursuant to section 20, 22, 23, 24, 25, or 26
22 of P.L. , c. (C.) (pending before the Legislature as this bill) on
23 the basis that manufacturing, transporting, distributing, dispensing,
24 delivering, possessing, or using any cannabis item or marijuana is
25 prohibited by federal law.

26 d. Nothing in this section shall be construed to limit the authority
27 of an agency or subdivision of any agency of this State to cooperate
28 with or assist the government of the United States or any agency
29 thereof, or the government of another state or agency thereof, in
30 matters pertaining to illegal interstate trafficking of marijuana, hashish,
31 or cannabis items.

32
33 ¹**[51.] 52.**¹ (New section) Limitations.

34 The provisions of P.L. , c. (C.) (pending before the
35 Legislature as this bill) concerning the development, regulation, and
36 enforcement of activities associated with personal use cannabis, as
37 well as acts involving personal use cannabis or cannabis resin, shall
38 not be construed:

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

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

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

47 d. To prohibit a party to a federal contract or a person applying
48 to be a party to a federal contract from prohibiting the manufacture,

1 transport, distribution, delivery, possession, or use of cannabis
2 items to the extent necessary to comply with the terms and
3 conditions of the contract or to satisfy federal requirements for the
4 contract;

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

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

8

9 ¹~~【52.】~~ 53.¹ N.J.S.2C:35-2 is amended to read as follows:

10 2C:35-2. As used in this chapter:

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

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

22 "Controlled dangerous substance" means a drug, substance, or
23 immediate precursor in Schedules I through V, marijuana and
24 hashish as defined in this section, any substance the distribution of
25 which is specifically prohibited in N.J.S.2C:35-3, in section 3 of
26 P.L.1997, c.194 (C.2C:35-5.2), in section 5 of P.L.1997, c.194
27 (C.2C:35-5.3), in section 2 of P.L.2011, c.120 (C.2C:35-5.3a), or in
28 section 2 of P.L.2013, c.35 (C.2C:35-5.3b), and any drug or
29 substance which, when ingested, is metabolized or otherwise
30 becomes a controlled dangerous substance in the human body.
31 When any statute refers to controlled dangerous substances, or to a
32 specific controlled dangerous substance, it shall also be deemed to
33 refer to any drug or substance which, when ingested, is metabolized
34 or otherwise becomes a controlled dangerous substance or the
35 specific controlled dangerous substance, and to any substance that
36 is an immediate precursor of a controlled dangerous substance or
37 the specific controlled dangerous substance. The term shall not
38 include distilled spirits, wine, malt beverages, as those terms are
39 defined or used in R.S.33:1-1 et seq., **【or】** tobacco and tobacco
40 products, or cannabis or cannabis resin as defined in section 3 of
41 P.L. , c. (C.) (pending before the Legislature as this bill).
42 The term, wherever it appears in any law or administrative
43 regulation of this State, shall include controlled substance analogs.

44 "Controlled substance analog" means a substance that has a
45 chemical structure substantially similar to that of a controlled
46 dangerous substance and that was specifically designed to produce
47 an effect substantially similar to that of a controlled dangerous
48 substance. The term shall not include a substance manufactured or

1 distributed in conformance with the provisions of an approved new
2 drug application or an exemption for investigational use within the
3 meaning of section 505 of the "Federal Food, Drug and Cosmetic
4 Act," 52 Stat. 1052 (21 U.S.C. s.355).

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

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

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

24 "Distribute" means to deliver other than by administering or
25 dispensing a controlled dangerous substance or controlled substance
26 analog. "Distributor" means a person who distributes.

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

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

47 "Hashish" means the resin extracted from any part of the plant
48 **【Genus】** *Cannabis sativa* L. and any compound, manufacture, salt,

1 derivative, mixture, or preparation of such resin. “Hashish” shall
2 not mean: hemp or a hemp product cultivated, handled, processed,
3 transported, or sold pursuant to the “New Jersey Hemp Farming
4 Act,” P.L.2019, c.238 (C.4:28-6 et al.); or cannabis resin as defined
5 in section 3 of P.L. , c. (C.) (pending before the Legislature as
6 this bill) which is extracted for use in a cannabis item, as defined in
7 that section, in accordance with the “New Jersey Cannabis
8 Regulatory, Enforcement Assistance, and Marketplace Modernization
9 Act,” P.L. , c. (C.) (pending before the Legislature as this
10 bill).

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

27 "Marijuana" means all parts of the plant **【Genus】** *Cannabis*
28 *sativa* L., whether growing or not; the seeds thereof, and every
29 compound, manufacture, salt, derivative, mixture, or preparation of
30 the plant or its seeds, except those containing resin extracted from
31 the plant **【**; but shall not include the mature stalks of the plant, fiber
32 produced from the stalks, oil, or cake made from the seeds of the
33 plant, any other compound, manufacture, salt, derivative, mixture,
34 or preparation of mature stalks, fiber, oil, or cake, or the sterilized
35 seed of the plant which is incapable of germination**】**. “Marijuana”
36 shall not mean: hemp or a hemp product cultivated, handled,
37 processed, transported, or sold pursuant to the “New Jersey Hemp
38 Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.); or cannabis as
39 defined in section 3 of P.L. , c. (C.) (pending before the
40 Legislature as this bill) which is cultivated and processed for use in
41 a cannabis item, as defined in that section, in accordance with the
42 “New Jersey Cannabis Regulatory, Enforcement Assistance, and
43 Marketplace Modernization Act,” P.L. , c. (C.) (pending
44 before the Legislature as this bill).

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

1 (a) Opium, coca leaves, and opiates;

2 (b) A compound, manufacture, salt, derivative, or preparation of
3 opium, coca leaves, or opiates;

4 (c) A substance (and any compound, manufacture, salt,
5 derivative, or preparation thereof) which is chemically identical
6 with any of the substances referred to in subsections (a) and (b),
7 except that the words "narcotic drug" as used in this act shall not
8 include decocainized coca leaves or extracts of coca leaves, which
9 extracts do not contain cocaine or ecogine.

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

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

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

22 "Plant" means an organism having leaves and a readily
23 observable root formation, including, but not limited to, a cutting
24 having roots, a rootball or root hairs.

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

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

33 (a) "Physician" means a physician authorized by law to practice
34 medicine in this or any other state and any other person authorized
35 by law to treat sick and injured human beings in this or any other
36 state.

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

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

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

46 (e) "Laboratory" means a laboratory to be entrusted with the
47 custody of narcotic drugs and the use of controlled dangerous
48 substances or controlled substance analogs for scientific,

1 experimental, and medical purposes and for purposes of instruction
2 approved by the Department of Health.

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

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

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

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

25 "State" means the State of New Jersey.

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

31 "Prescription legend drug" means any drug which under federal
32 or State law requires dispensing by prescription or order of a
33 licensed physician, veterinarian, or dentist and is required to bear
34 the statement "Rx only" or similar wording indicating that such
35 drug may be sold or dispensed only upon the prescription of a
36 licensed medical practitioner and is not a controlled dangerous
37 substance or stramonium preparation.

38 "Stramonium preparation" means a substance prepared from any
39 part of the stramonium plant in the form of a powder, pipe mixture,
40 cigarette, or any other form with or without other ingredients.

41 "Stramonium plant" means the plant *Datura Stramonium* Linne,
42 including *Datura Tatula* Linne.

43 (cf: P.L.2019, c.238, s.10)

44

45 ¹**[53.] 54.**¹ (New section) Criminal Investigation.

46 None of the following shall, individually or collectively,
47 constitute reasonable articulable suspicion of a crime, unless on
48 property used for school purposes which is owned by a school or

- 1 school board, or at any detention facility, adult correctional facility,
2 or youth correction facility:
- 3 a. The odor of cannabis or burnt cannabis;
- 4 b. The possession of or the suspicion of possession of
5 marijuana or hashish without evidence of quantity in excess of any
6 amount that would exceed the amount of cannabis ¹~~or cannabis~~
7 ~~resin~~ items¹ which may be lawfully possessed pursuant to section
8 ¹~~44~~ 45¹ of P.L. , c. (C.) (pending before the Legislature
9 as this bill); or
- 10 c. The possession of marijuana or hashish without evidence of
11 quantity in excess of any amount that would exceed the amount of
12 cannabis ¹~~or cannabis resin~~ items¹ which may be lawfully
13 possessed pursuant to section ¹~~44~~ 45¹ of P.L. , c. (C.)
14 (pending before the Legislature as this bill), in proximity to any
15 amount of cash or currency.

16

17 ¹~~54~~ 55¹ N.J.S 2C:36-1 is amended to read as follows:

18 2C:36-1. Drug paraphernalia, defined; determination.

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

29 **[a.]** (1) kits used or intended for use in planting, propagating,
30 cultivating, growing or harvesting of any species of plant which is a
31 controlled dangerous substance or from which a controlled
32 dangerous substance can be derived;

33 **[b.]** (2) kits used or intended for use in manufacturing,
34 compounding, converting, producing, processing, or preparing
35 controlled dangerous substances or controlled substance analogs;

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

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

42 **[e.]** (5) scales and balances used or intended for use in weighing
43 or measuring controlled dangerous substances or controlled
44 substance analogs;

45 **[f.]** (6) dilutants and adulterants, such as quinine hydrochloride,
46 mannitol, mannite, dextrose and lactose, used or intended for use in

1 cutting controlled dangerous substances or controlled substance
2 analogs;

3 **【g.】** (7) separation gins and sifters used or intended for use in
4 removing twigs and seeds from, or in otherwise cleaning or
5 refining, **【marihuana】** marijuana;

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

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

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

15 **【k.】** (11) objects used or intended for use in ingesting, inhaling,
16 or otherwise introducing **【marihuana】** marijuana, cocaine, hashish,
17 hashish oil, nitrous oxide or the fumes of a toxic chemical into the
18 human body, such as **【(1)】** (a) metal, wooden, acrylic, glass, stone,
19 plastic, or ceramic pipes with or without screens, permanent
20 screens, hashish heads, or punctured metal bowls; **【(2)】** (b) water
21 pipes; **【(3)】** (c) carburetion tubes and devices; **【(4)】** (d) smoking
22 and carburetion masks; **【(5)】** (e) roach clips, meaning objects used
23 to hold burning material, such as a marihuana cigarette, that has
24 become too small or too short to be held in the hand; **【(6)】** (f)
25 miniature cocaine spoons, and cocaine vials; **【(7)】** (g) chamber
26 pipes; **【(8)】** (h) carburetor pipes; **【(9)】** (i) electric pipes; **【(10)】** (j)
27 air-driven pipes; **【(11)】** (k) chillums; **【(12)】** (l) bonges; **【(13)】** (m)
28 ice pipes or chillers; **【(14)】** (n) compressed gas containers, such as
29 tanks, cartridges or canisters, that contain food grade or
30 pharmaceutical grade nitrous oxide as a principal ingredient; **【(15)】**
31 (o) chargers or charging bottles, meaning metal, ceramic or plastic
32 devices that contain an interior pin that may be used to expel
33 compressed gas from a cartridge or canister; and **【(16)】** (p) tubes,
34 balloons, bags, fabrics, bottles or other containers used to
35 concentrate or hold in suspension a toxic chemical or the fumes of a
36 toxic chemical.

37 **b.** In determining whether or not an object is drug
38 paraphernalia, the trier of fact, in addition to or as part of the
39 proofs, may consider the following factors:

40 **【a.】** (1) (a) statements by an owner or by anyone in control of
41 the object concerning its use;

42 **【b.】** (b) the proximity of the object **【of】** to illegally possessed
43 controlled dangerous substances, controlled substance analogs or
44 toxic chemicals;

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

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

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

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

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

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

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

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

21 (2) If an object appears to be for use, intended for use, or
22 designed for use with cannabis or cannabis items in accordance with
23 the “New Jersey Cannabis Regulatory, Enforcement Assistance, and
24 Marketplace Modernization Act,” P.L. _____, c. (C. _____) (pending
25 before the Legislature as this bill), the object is presumed to be a
26 lawful cannabis paraphernalia as defined in section 3 of that act
27 (C. _____), and does not alone constitute reasonable articulable
28 suspicion that the object is a drug paraphernalia, notwithstanding
29 that the object could also be used with marijuana, hashish, or
30 another illegal controlled substance or controlled substance analog,
31 unless the owner or any other person in proximity to or in control of
32 the object was in possession of marijuana, hashish, or another
33 illegal controlled dangerous substance or controlled substance
34 analog, or the object was in proximity of marijuana, hashish, or
35 another illegally possessed controlled dangerous substance or
36 controlled substance analog to indicate its use, intended use, or
37 design for use with that controlled dangerous substance or
38 controlled substance analog.

39 (cf: P.L.2007, c.31, s.2)

40
41 ¹**[55.] 56.**¹ N.J.S.2C:35-16 is amended to read as follows:

42 2C:35-16. a. In addition to any disposition authorized by this
43 title, the provisions of section 24 of P.L.1982, c.77 (C.2A:4A-43),
44 or any other statute indicating the dispositions that can be ordered
45 for an adjudication of delinquency, and notwithstanding the
46 provisions of subsection c. of N.J.S.2C:43-2, a person convicted of
47 or adjudicated delinquent for a violation of any offense defined in

1 this chapter or chapter 36 of this title shall forthwith forfeit his right
2 to operate a motor vehicle over the highways of this State for a
3 period to be fixed by the court at not less than six months or more
4 than two years which shall commence on the day the sentence is
5 imposed unless the court finds compelling circumstances
6 warranting an exception or except as provided in subsection e. of
7 this section. For the purposes of this section, compelling
8 circumstances warranting an exception exist if the forfeiture of the
9 person's right to operate a motor vehicle over the highways of this
10 State will result in extreme hardship and alternative means of
11 transportation are not available. In the case of a person who at the
12 time of the imposition of sentence is less than 17 years of age, the
13 period of any suspension of driving privileges authorized herein,
14 including a suspension of the privilege of operating a motorized
15 bicycle, shall commence on the day the sentence is imposed and
16 shall run for a period as fixed by the court of not less than six
17 months or more than two years after the day the person reaches the
18 age of 17 years. If the driving privilege of any person is under
19 revocation, suspension, or postponement for a violation of any
20 provision of this title or Title 39 of the Revised Statutes at the time
21 of any conviction or adjudication of delinquency for a violation of
22 any offense defined in this chapter or chapter 36 of this title, any
23 revocation, suspension, or postponement period imposed herein
24 shall commence as of the date of termination of the existing
25 revocation, suspension, or postponement.

26 b. If forfeiture or postponement of driving privileges is ordered
27 by the court pursuant to subsection a. of this section, the court shall
28 collect forthwith the New Jersey driver's license or licenses of the
29 person and forward such license or licenses to the Chief
30 Administrator of the New Jersey Motor Vehicle Commission along
31 with a report indicating the first and last day of the suspension or
32 postponement period imposed by the court pursuant to this section.
33 If the court is for any reason unable to collect the license or licenses
34 of the person, the court shall cause a report of the conviction or
35 adjudication of delinquency to be filed with the Chief
36 Administrator. That report shall include the complete name,
37 address, date of birth, eye color, and sex of the person and shall
38 indicate the first and last day of the suspension or postponement
39 period imposed by the court pursuant to this section. The court shall
40 inform the person orally and in writing that if the person is
41 convicted of personally operating a motor vehicle during the period
42 of license suspension or postponement imposed pursuant to this
43 section, the person shall, upon conviction, be subject to the
44 penalties set forth in R.S.39:3-40. A person shall be required to
45 acknowledge receipt of the written notice in writing. Failure to
46 receive a written notice or failure to acknowledge in writing the
47 receipt of a written notice shall not be a defense to a subsequent
48 charge of a violation of R.S.39:3-40. If the person is the holder of a

1 driver's license from another jurisdiction, the court shall not collect
2 the license but shall notify forthwith the Chief Administrator who
3 shall notify the appropriate officials in the licensing jurisdiction.
4 The court shall, however, in accordance with the provisions of this
5 section, revoke the person's non-resident driving privilege in this
6 State.

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

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

19 e. Provided that the person was not convicted of or adjudicated
20 delinquent for a violation of any offense defined in this chapter or
21 chapter 36 of this title other than those enumerated in this
22 subsection, the forfeiture or postponement of driving privileges set
23 forth in subsection a. of this section shall not apply to any person
24 convicted of or adjudicated delinquent for an offense which if
25 committed by an adult would constitute:

26 (1) distribution of, or possessing or having under control with
27 intent to distribute, marijuana or hashish in violation of paragraph
28 (11) of subsection b. of N.J.S.2C:35-5, or a lesser amount of
29 marijuana or hashish in violation of paragraph (12) of subsection b.
30 that section, or a violation of either of those paragraphs based on an
31 amount of marijuana or hashish described herein and a violation of
32 subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection
33 a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or
34 possessing or having under control with intent to distribute, on or
35 within 1,000 feet of any school property, or on or within 500 feet of
36 the real property comprising a public housing facility, public park, or
37 public building;

38 (2) using, being under the influence of, or failing to make lawful
39 disposition of marijuana or hashish in violation of paragraph (3) of
40 subsection a., or subsection b. or subsection c. of N.J.S.2C:35-10; or

41 (3) a violation involving marijuana or hashish as described in
42 paragraph (1) or (2) of this subsection and using or possessing with
43 intent to use drug paraphernalia with that marijuana or hashish in
44 violation of N.J.S.2C:36-2.

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

46
47 ¹**[56.] 57.**¹ N.J.S.2B:12-31 is amended to read as follows:

48 2B:12-31. Suspension of driving privileges.

1 a. (1) If a defendant charged with a disorderly persons offense,
2 a petty disorderly persons offense, a violation of a municipal
3 ordinance, or a violation of any other law of this State for which a
4 penalty may be imposed fails to appear at any scheduled court
5 proceeding after written notice has been given to said defendant
6 pursuant to the Rules of Court, a municipal court may order the
7 suspension of the person's driving privileges or nonresident
8 reciprocity privilege or prohibit the person from receiving or
9 obtaining driving privileges until the pending matter is adjudicated
10 or otherwise disposed of, except by dismissal for failure of
11 defendant to appear.

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

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

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

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

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

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

38 (a) A fee of \$3.00 which shall be transferred to the **【Division**
39 **of】** New Jersey Motor 【Vehicles】 Vehicle Commission;

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

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

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

45

46 ¹**【57.】 58.**¹ (New section) Prohibition of Persons Under the
47 Legal Age Purchasing Cannabis or Cannabis Resin.

1 Consistent with the relevant definitions set forth in section 3 of
2 P.L. , c. (C.) (pending before the Legislature as this bill):

3 a. A cannabis establishment licensee, cannabis distributor
4 licensee, or cannabis delivery service licensee, either directly or
5 indirectly by an agent or employee, shall not sell, offer for sale,
6 distribute for commercial purpose at no cost or minimal cost, or
7 give or furnish for consumption, any cannabis items to a person
8 under 21 years of age.

9 b. Any licensee or employee or agent of a licensee who allows
10 a person under the age of 21 to procure cannabis items which,
11 pursuant to section ¹~~44~~ ⁴⁵ of P.L. , c. (C.) (pending
12 before the Legislature as this bill) are not unlawful for persons 21
13 years of age or older to procure for personal use, shall be subject to
14 a civil penalty of not less than \$250 for the first violation; \$500 for
15 the second violation; and \$1,000 for the third and each subsequent
16 violation; in addition, subject to a hearing, a licensee's license may
17 be revoked, suspended, or otherwise limited. The penalties provided
18 for in this subsection shall be recovered by a summary proceeding
19 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
20 c.274 (C.2A:58-10 et seq.).

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

25 (1) That the purchaser of the cannabis item falsely represented
26 that the ¹~~person~~ purchaser¹ was of legal age to make the
27 purchase, by producing ¹~~either~~¹ a ¹~~United States passport;~~
28 driver's license or non-driver identification card issued by the New
29 Jersey Motor Vehicle Commission; a driver's license issued
30 pursuant to the laws of another state; or any other ~~government-~~
31 issued¹ identification card ¹~~issued by a state or the United States~~
32 as set forth in subparagraph (a) of paragraph (6) of subsection a. of
33 section 18 of P.L. , c. (C.) (pending before the Legislature
34 as this bill)¹ to determine the consumer's ¹identity and¹ age ¹~~that~~
35 bears a picture of the person, the name of the person, the person's
36 date of birth, and a physical description of the person¹; and

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

41 d. It shall be unlawful for a person under the age of 21 to
42 purchase, acquire, or attempt to purchase or acquire a cannabis
43 item, even if the cannabis item may be legally purchased by persons
44 at or above the legal age for purchasing cannabis items.

45 For purposes of this subsection, purchasing a cannabis item
46 includes accepting a cannabis item, and acquiring a cannabis item
47 includes consuming a cannabis item.

1 e. It shall be unlawful for a person under the age of 21 to
2 present or offer to a cannabis establishment, distributor, or delivery
3 service, or the cannabis establishment's, distributor's, or delivery
4 service's agent or employee, any written or oral evidence of age or
5 other personal identifying information that is false, fraudulent, or
6 not actually the person's own, including the use of a driver's license
7 or other government-issued form of identification in violation of
8 section 1 of P.L.1983, c.565 (C.2C:21-2.1), N.J.S.2C:21-17, section
9 5 of P.L.2003, c.184 (C.2C:21-17.2), or section 6 of P.L.1968,
10 c.313 (C.33:1-81.7), for the purpose of:

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

13 (2) Gaining access to a cannabis establishment's, distributor's,
14 or delivery service's premises.

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

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

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

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

45

46 ¹[58.] 59.¹ Section 1 of P.L.1983, c.565 (C.2C:21-2.1) is
47 amended to read as follows:

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

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

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

46 d. A person who knowingly possesses a document or other
47 writing which falsely purports to be a driver's license, birth
48 certificate or other document issued by a governmental agency and

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

28 e. In addition to any other disposition authorized by this Title,
29 the provisions of section 24 of P.L.1982, c.77 (C.2A:4A-43), or any
30 other statute indicating the dispositions that may be ordered for an
31 adjudication of delinquency, and, notwithstanding the provisions of
32 subsection c. of N.J.S.2C:43-2, every person convicted of, or
33 adjudicated delinquent or penalized for a violation of any offense
34 defined in this section shall forthwith forfeit his right to operate a
35 motor vehicle over the highways of this State for a period to be
36 fixed by the court at not less than six months or more than two
37 years which shall commence on the day the sentence is imposed. In
38 the case of any person who at the time of the imposition of the
39 sentence is less than 17 years of age, the period of the suspension of
40 driving privileges authorized herein, including a suspension of the
41 privilege of operating a motorized bicycle, shall commence on the
42 day the sentence is imposed and shall run for a period as fixed by
43 the court of not less than six months or more than two years after
44 the day the person reaches the age of 17 years. If the driving
45 privilege of any person is under revocation, suspension, or
46 postponement for a violation of any provision of this Title or Title
47 39 of the Revised Statutes at the time of any conviction or
48 adjudication of delinquency for a violation of any offense defined in

1 this chapter or chapter 36 of this Title, the revocation, suspension,
2 or postponement period imposed herein shall commence as of the
3 date of termination of the existing revocation, suspension or
4 postponement.

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

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

38

39 ¹**[59.]** 60.¹ N.J.S.2C:21-17 is amended to read as follows:

40 2C:21-17. Impersonation; Theft of identity; crime.

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

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

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

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

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

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

26 As used in this section:

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

31 b. (Deleted by amendment, P.L.2005, c.224).

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

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

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

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

47 d. A violation of N.J.S.2C:28-7, constituting a disorderly
48 persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15),

1 R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case
2 where the person uses the personal identifying information of
3 another to illegally purchase an alcoholic beverage or for using the
4 personal identifying information of another to misrepresent **[his]**
5 the person's age for the purpose of obtaining tobacco or other
6 consumer product denied to persons under **[19]** 21 years of age
7 shall not, except as otherwise set forth in this subsection, constitute
8 an offense under this section if the actor received only that benefit
9 or service and did not perpetrate or attempt to perpetrate any
10 additional injury or fraud on another. If a person used the personal
11 identifying information of another to misrepresent the person's age
12 for the purpose of illegally obtaining any cannabis item available for
13 lawful consumption pursuant to the "New Jersey Cannabis
14 Regulatory, Enforcement Assistance, and Marketplace Modernization
15 Act," P.L. , c. (C.) (pending before the Legislature as this
16 bill), the person shall be subject to a civil penalty of \$50. The civil
17 penalty provided for in this subsection shall be collected pursuant to
18 the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-
19 10 et seq.), in a summary proceeding before the municipal court
20 having jurisdiction. A civil penalty recovered under the provisions
21 of this subsection shall be recovered by and in the name of the State
22 by the local municipality. The penalty shall be paid into the
23 treasury of the municipality in which the violation occurred for the
24 general use of the municipality.

25 e. The sentencing court shall issue such orders as are necessary
26 to correct any public record or government document that contains
27 false information as a result of a theft of identity. The sentencing
28 court may provide restitution to the victim in accordance with the
29 provisions of section 4 of P.L.2002, c.85 (C.2C:21-17.1).
30 (cf: P.L.2013, c.241, s.1)

31
32 ¹**[60.] 61.** Section 5 of P.L.2003, c.184 (C.2C:21-17.2) is
33 amended to read as follows:

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

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

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

26 (cf: P.L.2005, c.224, s.4)

27

28 ¹**[61.]** 62.¹ The title of P.L.1968, c.313 is amended to read as
29 follows:

30 **AN ACT** relating to the establishing of proof of age for purposes of
31 purchasing alcoholic beverages or cannabis items in certain
32 cases.

33 (cf: P.L.1968, c.313, title)

34

35 ¹**[62.]** 63.¹ Section 6 of P.L.1968, c.313 (C.33:1-81.7) is
36 amended to read as follows:

37 6. It shall be unlawful for the owner of an identification card,
38 as defined by this act, to transfer said card to any other person for
39 the purpose of aiding such person to secure alcoholic beverages or
40 cannabis items available for lawful consumption pursuant to the
41 “New Jersey Cannabis Regulatory, Enforcement Assistance, and
42 Marketplace Modernization Act,” P.L. _____, c. (C. _____) (pending
43 before the Legislature as this bill). Any person who shall transfer
44 such identification card for the purpose of aiding such transferee to
45 obtain alcoholic beverages shall be guilty of a **[misdemeanor]**
46 disorderly persons offense and, upon conviction thereof, shall be
47 sentenced to pay a fine of not more than \$300.00, or undergo
48 imprisonment for not more than 60 days. Any person not entitled

1 thereto who shall have unlawfully procured or have issued or
2 transferred to him, as aforesaid, identification card or any person
3 who shall make any false statement on any card required by
4 subsection (c) hereof to be signed by him shall be guilty of a
5 **【misdemeanor】** disorderly persons offense and, upon conviction
6 thereof, shall be sentenced to pay a fine of not more than \$300.00,
7 or undergo imprisonment for not more than 60 days.

8 (cf: P.L.1968, c.313, s.6)

9
10 ¹**【63.】** 64.¹ The title of P.L.1991, c.169 is amended to read as
11 follows:

12 **AN ACT** concerning the retail sale of alcoholic beverages or
13 cannabis items, amending R.S.33:1-81 and P.L.1979, c.264 and
14 supplementing chapter 1 of Title 33 of the Revised Statutes.

15 (cf: P.L.1991, c.169, title)

16
17 ¹**【64.】** 65.¹ Section 3 of P.L.1991, c.169 (C.33:1-81.1a) is
18 amended to read as follows:

19 3. A parent, guardian or other person having legal custody of a
20 person under 18 years of age found in violation of R.S.33:1-81 or
21 section 1 of P.L.1979, c.264 (C.2C:33-15) with respect to
22 purchasing, possessing, or consuming any alcoholic beverage or
23 cannabis item available for lawful consumption pursuant to the
24 “New Jersey Cannabis Regulatory, Enforcement Assistance, and
25 Marketplace Modernization Act,” P.L. , c. (C.) (pending
26 before the Legislature as this bill) shall be notified of the violation
27 in writing. The parent, guardian or other person having legal
28 custody of a person under 18 years of age shall be subject to a fine
29 in the amount of \$500.00 upon any subsequent violation of
30 R.S.33:1-81 or section 1 of P.L.1979, c.264 (C.2C:33-15) on the
31 part of such person if it is shown that the parent, guardian or other
32 person having legal custody failed or neglected to exercise
33 reasonable supervision or control over the conduct of the person
34 under 18 years of age.

35 (cf: P.L.1991, c.169, s.3)

36
37 ¹**【65.】** 66.¹ The title of P.L.1979, c.264 is amended to read as
38 follows:

39 **AN ACT** concerning certain alcoholic beverage and cannabis item
40 offenses by persons under the legal age to purchase alcoholic
41 beverages and cannabis items, and supplementing chapter 33 of
42 Title 2C of the New Jersey Statutes.

43 (cf: P.L.1979, c.264, title)

44
45 ¹**【66.】** 67.¹ Section 1 of P.L.1979, c.264 (C.2C:33-15) is
46 amended to read as follows:

1 1. a. (1) Any person under the legal age to purchase alcoholic
2 beverages who knowingly possesses without legal authority or who
3 knowingly consumes any alcoholic beverage in any school, public
4 conveyance, public place, or place of public assembly, or motor
5 vehicle, is guilty of a petty disorderly persons offense, and shall ¹,
6 in the case of an adult under the legal age to purchase alcoholic
7 beverages,¹ be fined not less than ~~[\$500]~~ \$250.

8 (2) (a) Any person under the legal age to purchase cannabis
9 items who knowingly possesses without legal authority any
10 cannabis item, the amount of which may be lawfully possessed by a
11 person of the legal age to purchase cannabis items pursuant to
12 section ~~1[44]~~ 45¹ of P.L. , c. (C.) (pending before the
13 Legislature as this bill), in any school, public conveyance, public
14 place, or place of public assembly, or motor vehicle, is guilty of a
15 petty disorderly persons offense, and shall ¹, in the case of an adult
16 under the legal age to purchase cannabis items,¹ be fined not less
17 than \$250.

18 (b) Any person under the legal age to purchase cannabis items
19 who knowingly possesses without legal authority any cannabis
20 item, the amount of which exceeds what may be lawfully possessed
21 by a person of the legal age to purchase cannabis items pursuant to
22 section ~~1[44]~~ 45¹ of P.L. , c. (C.) (pending before the
23 Legislature as this bill), or who knowingly consumes any cannabis
24 item in any school, public conveyance, public place, or place of
25 public assembly, or motor vehicle, is guilty of a disorderly persons
26 offense, and shall ¹, in the case of an adult under the legal age to
27 purchase cannabis items,¹ be fined not less than \$500.

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

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

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

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

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

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

40 e. The provisions of section 3 of P.L.1991, c.169 (C.33:1-
41 81.1a) shall apply to a parent, guardian or other person with legal
42 custody of a person under 18 years of age who is found to be in
43 violation of this section.

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

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

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

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

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

13 The underage person who received medical assistance also shall
14 be immune from prosecution under this section.

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

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

22

23 ¹[67.] 68.¹ The title of P.L.1981, c.197 is amended to read as
24 follows:

25 AN ACT concerning the unauthorized bringing of alcoholic
26 beverages or cannabis items onto school premises, and
27 supplementing chapter 33 of Title 2C of the New Jersey Statutes.

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

29

30 ¹[68.] 69.¹ Section 1 of P.L.1981, c.197 (C.2C:33-16) is
31 amended to read as follows:

32 1. Any person of legal age to purchase alcoholic beverages or
33 cannabis items, who, in the case of alcoholic beverages, knowingly
34 and without the express written permission of the school board, its
35 delegated authority, or any school principal, brings or possesses any
36 alcoholic beverages, or in the case of cannabis items, brings,
37 possesses, or consumes, including by smoking, vaping, or
38 aerosolizing, any cannabis items, on any property used for school
39 purposes which is owned by any school or school board, is guilty
40 of a disorderly persons offense. For purposes of this section, an
41 alcoholic beverage includes powdered alcohol as defined by
42 R.S.33:1-1, and a cannabis item includes any item available for
43 lawful consumption pursuant to the “New Jersey Cannabis
44 Regulatory, Enforcement Assistance, and Marketplace Modernization
45 Act,” P.L. , c. (C.) (pending before the Legislature as this
46 bill).

47 (cf: P.L.1981, c.197, s.1)

1 ¹ ~~69.~~ 70.¹ R.S.40:48-1 is amended to read as follows:

2 40:48-1. Ordinances; general purpose. The governing body of
3 every municipality may make, amend, repeal and enforce
4 ordinances to:

5 Finances and property. 1. Manage, regulate and control the
6 finances and property, real and personal, of the municipality;

7 Contracts and contractor's bonds. 2. Prescribe the form and
8 manner of execution and approval of all contracts to be executed by
9 the municipality and of all bonds to be given to it;

10 Officers and employees; duties, terms and salaries. 3. Prescribe
11 and define, except as otherwise provided by law, the duties and
12 terms of office or employment, of all officers and employees; and to
13 provide for the employment and compensation of such officials and
14 employees, in addition to those provided for by statute, as may be
15 deemed necessary for the efficient conduct of the affairs of the
16 municipality;

17 Fees. 4. Fix the fees of any officer or employee of the
18 municipality for any service rendered in connection with his office
19 or position, for which no specific fee or compensation is provided.
20 In the case of salaried officers or employees, such fee shall be paid
21 into the municipal treasury;

22 Salaries instead of fees; disposition of fees. 5. Provide that any
23 officer or employee receiving compensation for his services, in
24 whole or in part by fees, whether paid by the municipality or
25 otherwise, shall be paid a salary to be fixed in the ordinance, and
26 thereafter all fees received by such officer or employee shall be
27 paid into the municipal treasury;

28 Maintain order. 6. Prevent vice, drunkenness and immorality; to
29 preserve the public peace and order; to prevent and quell riots,
30 disturbances and disorderly assemblages; to prohibit the
31 consumption of alcoholic beverages or cannabis items by underage
32 persons on private property pursuant to section 1 of P.L.2000, c.33
33 (C.40:48-1.2);

34 Punish beggars; prevention of loitering. 7. Restrain and punish
35 drunkards, vagrants, mendicants and street beggars; to prevent
36 loitering, lounging or sleeping in the streets, parks or public places;

37 Auctions and noises. 8. Regulate the ringing of bells and the
38 crying of goods and other commodities for sale at auction or
39 otherwise, and to prevent disturbing noises;

40 Swimming; bathing costume; prohibition of public nudity. 9.
41 Regulate or prohibit swimming or bathing in the waters of, in, or
42 bounding the municipality, and to regulate or prohibit persons from
43 appearing upon the public streets, parks and places clad in bathing
44 costumes or robes, or costumes of a similar character; regulate or
45 prohibit persons from appearing in a state of nudity upon all lands
46 within its borders which are under the jurisdiction of the State
47 including, without limitation, all lands owned by, controlled by,
48 managed by or leased by the State;

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

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

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

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

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

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

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

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

38 Firearms and fireworks. 18. Regulate and prohibit the sale and
39 use of guns, pistols, firearms, and fireworks of all descriptions;

40 Soft coal. 19. Regulate the use of soft coal in locomotives,
41 factories, power houses and other places;

42 Theaters, schools, churches and public places. 20. Regulate the
43 use of theaters, cinema houses, public halls, schools, churches, and
44 other places where numbers of people assemble, and the exits
45 therefrom, so that escape therefrom may be easily and safely made
46 in case of fire or panic; and to regulate any machinery, scenery,
47 lights, wires and other apparatus, equipment or appliances used in
48 all places of public amusement;

1 Excavations. 21. Regulate excavations below the established
2 grade or curb line of any street, not greater than eight feet, which
3 the owner of any land may make, in the erection of any building
4 upon his own property; and to provide for the giving of notice, in
5 writing, of such intended excavation to any adjoining owner or
6 owners, and that they will be required to protect and care for their
7 several foundation walls that may be endangered by such
8 excavation; and to provide that in case of the neglect or refusal, for
9 10 days, of such adjoining owner or owners to take proper action to
10 secure and protect the foundations of any adjacent building or other
11 structure, that the party or parties giving such notice, or their
12 agents, contractors or employees, may enter into and upon such
13 adjoining property and do all necessary work to make such
14 foundations secure, and may recover the cost of such work and
15 labor in so protecting such adjacent property; and to make such
16 further and other provisions in relation to the proper conduct and
17 performance of said work as the governing body or board of the
18 municipality may deem necessary and proper;

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

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

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

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

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

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

46 Appropriation for life-saving apparatus. 28. Appropriate
47 moneys to safeguard people from drowning within its borders, by
48 location of apparatus or conduct of educational work in harmony

1 with the plans of the United States volunteer life-saving corps in
2 this State;

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

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

25 Government Energy Aggregation Programs. 31. Establish
26 programs and procedures pursuant to which the municipality may
27 act as a government aggregator pursuant to sections 40 through 43
28 of P.L.1999, c.23 (C.48:3-89 through C.48:3-92), section 45 of
29 P.L.1999, c.23 (C.48:3-94), and sections 1, 2 and 6 of P.L.2003,
30 c.24 (C.48:3-93.1 through C.48:3-93.3). Notwithstanding the
31 provisions of any other law, rule or regulation to the contrary, a
32 municipality acting as a government aggregator pursuant to
33 P.L.1999, c.23 (C.48:3-49 et al.) shall not be deemed to be a public
34 utility pursuant to R.S.40:62-24 or R.S.48:1-1 et seq. or be deemed
35 to be operating any form of public utility service pursuant to
36 R.S.40:62-1 et seq., to the extent such municipality is solely
37 engaged in the provision of such aggregation service and not
38 otherwise owning or operating any plant or facility for the
39 production or distribution of gas, electricity, steam or other product
40 as provided in R.S.40:62-12;

41 Joint municipal action on consent for the provision of cable
42 television service. 32. Establish programs and procedures pursuant
43 to which a municipality may act together with one or more
44 municipalities in granting municipal consent for the provision of
45 cable television service pursuant to the provisions of the "Cable
46 Television Act," P.L.1972, c.186 (C.48:5A-1 et seq.) as amended
47 and supplemented. Notwithstanding the provisions of any other
48 law, rule or regulation to the contrary, two or more municipalities

1 acting jointly pursuant to the provisions of P.L.1972, c.186
2 (C.48:5A-1 et seq.) shall not be deemed a public utility pursuant to
3 R.S.48:1-1 et seq., to the extent those municipalities are solely
4 engaged in granting municipal consent jointly and are not otherwise
5 owning or operating any facility for the provision of cable
6 television service as provided in P.L.1972, c.186 (C.48:5A-1 et
7 seq.);

8 Private cable television service aggregation programs. 33.
9 Establish programs and procedures pursuant to which a
10 municipality may employ the services of a private aggregator for
11 the purpose of facilitating the joint action of two or more
12 municipalities in granting municipal consent for the provision of
13 cable television service provided that any such municipality shall
14 adhere to the provisions of the "Cable Television Act," P.L.1972,
15 c.186 (C.48:5A-1 et seq.) as amended and supplemented, and to the
16 provisions of the "Local Public Contracts Law," P.L.1971, c.198
17 (C.40A:11-1 et seq.) as amended and supplemented.
18 Notwithstanding the provisions of any other law, rule or regulation
19 to the contrary, a municipality that employs the services of a private
20 aggregator pursuant to the provisions of P.L.1972, c.186 (C.48:5A-
21 1 et seq.) shall not be deemed a public utility pursuant to R.S.48:1-
22 1 et seq., to the extent that the municipality is solely engaged in
23 employing the services of a private aggregator for the purpose of
24 facilitating the joint action of two or more municipalities in
25 granting municipal consent and is not otherwise owning or
26 operating any facility for the provision of cable television service as
27 provided in P.L.1972, c.186 (C.48:5A-1 et seq.);

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

35 Private Outdoor Video Surveillance Camera Registry. 35.
36 Establish a private outdoor video surveillance camera registry and
37 allow voluntary registration of private outdoor video surveillance
38 cameras as provided in P.L.2015, c.142 (C.40:48-1.6 et al.).
39 (cf: P.L.2015, c.142, s.3)

40
41 ¹[70.] 71.¹ (New section) A municipality may enact an
42 ordinance making it unlawful for any person who is of legal age to
43 consume, other than by smoking, vaping, or aerosolizing, a cannabis
44 item available for lawful consumption pursuant to the "New Jersey
45 Cannabis Regulatory, Enforcement Assistance, and Marketplace
46 Modernization Act," P.L. , c. (C.) (pending before the
47 Legislature as this bill), in any public place as defined in section 3
48 of that act (C.), other than school property described in section 1

1 of P.L.1981, c.197 (C.2C:33-16) for which unlawful consumption is
2 a disorderly persons offense, or when not prohibited by the owner or
3 person responsible for the operation of that public place. A person
4 may be subject to a civil penalty of up to \$200, which shall be
5 recovered in a civil action by a summary proceeding in the name of
6 the municipality pursuant to the "Penalty Enforcement Law of
7 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The municipal court
8 and the Superior Court shall have jurisdiction of proceedings for the
9 enforcement of the penalty provided by this section.

10
11 ¹[71.] 72.¹ The title of P.L.2000, c.33 is amended to read as
12 follows:

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

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

18
19 ¹[72.] 73.¹ Section 1 of P.L.2000, c.33 (C.40:48-1.2) is
20 amended to read as follows:

21 1. a. A municipality may enact an ordinance making it
22 unlawful for any person under the legal age who, without legal
23 authority, knowingly possesses or knowingly consumes an alcoholic
24 beverage or a cannabis item, other than by smoking, vaping, or
25 aerosolizing, on private property.

26 (1) The ordinance shall provide that a violation involving
27 alcoholic beverage activity shall ¹, in the case of an adult under the
28 legal age to purchase an alcoholic beverage,¹ be punished by a fine
29 of \$250 for a first offense and \$350 for any subsequent offense.

30 (2) The ordinance shall provide that a violation involving
31 cannabis activity ¹, in the case of an adult under the legal age to
32 purchase cannabis items,¹ shall be punished as follows:

33 (a) If the cannabis item possessed is an amount which may be
34 lawfully possessed by a person of the legal age to purchase cannabis
35 items pursuant to section ¹[44] 45¹ of P.L. , c. (C.)
36 (pending before the Legislature as this bill): for a first offense, a
37 civil penalty of \$100; for a second offense, a civil penalty of \$200;
38 and for a third or subsequent offense, a fine of \$350. The civil
39 penalties provided for in this subparagraph shall be collected
40 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
41 c.274 (C.2A:58-10 et seq.), in a summary proceeding before the
42 municipal court having jurisdiction. A penalty recovered under the
43 provisions of this subparagraph shall be recovered by and in the
44 name of the municipality.

45 (b) If the cannabis item possessed is an amount that exceeds
46 what may be lawfully possessed by a person of the legal age to
47 purchase cannabis items pursuant to section ¹[44] 45¹ of P.L. ,

1 c. (C. _____) (pending before the Legislature as this bill), or if any
2 cannabis item is consumed: for a first offense, a fine of \$250; and
3 for a second or subsequent offense, a fine of \$350.

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

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

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

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

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

47 (2) As used in this section:

1 “Alcoholic beverage” includes powdered alcohol as defined by
2 R.S.33:1-1.

3 “Guardian” means a person who has qualified as a guardian of
4 the underaged person pursuant to testamentary or court
5 appointment.

6 “Cannabis items” includes any item available for lawful
7 consumption pursuant to the “New Jersey Cannabis Regulatory,
8 Enforcement Assistance, and Marketplace Modernization Act,”
9 P.L. , c. (C.) (pending before the Legislature as this bill).

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

12 d. No ordinance shall prohibit possession of alcoholic
13 beverages by any such person while actually engaged in the
14 performance of employment by a person who is licensed under Title
15 33 of the Revised Statutes, or while actively engaged in the
16 preparation of food while enrolled in a culinary arts or hotel
17 management program at a county vocational school or **【**post
18 secondary**】** post-secondary educational institution, and no
19 ordinance shall prohibit possession of cannabis items by any such
20 person while actually engaged in the performance of employment
21 by a cannabis establishment, distributor, or delivery service as
22 permitted pursuant to the “New Jersey Cannabis Regulatory,
23 Enforcement Assistance, and Marketplace Modernization Act,”
24 P.L. , c. (C.) (pending before the Legislature as this bill);
25 however, no ordinance enacted pursuant to this section shall be
26 construed to preclude the imposition of a penalty under this section,
27 R.S.33:1-81, or any other section of law against a person who is
28 convicted of unlawful alcoholic beverage activity or unlawful
29 cannabis activity on or at premises licensed for the sale of alcoholic
30 beverages or cannabis items.

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

32

33 ¹**【73.】** 74.¹ The title of P.L.2009, c.133 is amended to read as
34 follows:

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

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

40

41 ¹**【74.】** 75.¹ Section 2 of P.L.2009, c.133 (C.40:48-1.2a) is
42 amended to read as follows:

43 2. a. An underage person and one or two other persons shall be
44 immune from prosecution under an ordinance authorized by section
45 1 of P.L.2000, c.33 (C.40:48-1.2) prohibiting any person under the
46 legal age who, without legal authority, knowingly possesses or
47 knowingly consumes an alcoholic beverage or cannabis item on
48 private property if:

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

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

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

10 (4) the underage person and, if applicable, one or two other
11 persons acting in concert with the underage person who made the 9-
12 1-1 call remained on the scene with the person under the legal age
13 in need of medical assistance until assistance arrived and
14 cooperated with medical assistance and law enforcement personnel
15 on the scene.

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

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

21
22 **75.** 76.¹ Section 2 of P.L.1981, c.512 (C.39:4-50.4a) is
23 amended to read as follows:

24 2. a. The municipal court shall order any person who, after
25 being arrested for a violation of R.S.39:4-50 or section 1 of
26 P.L.1992, c.189 (C.39:4-50.14), refuses to submit, upon request, to
27 a test provided for in section 2 of P.L.1966, c.142 (C.39:4-50.2):

28 (1) if the refusal was in connection with a first offense under this
29 section, to forfeit the right to operate a motor vehicle over the
30 highways of this State until the person installs an ignition interlock
31 device in one motor vehicle owned, leased, or principally operated
32 by the person, whichever the person most often operates, for the
33 purpose of complying with the provisions of P.L.1999, c.417
34 (C.39:4-50.16 et al.);

35 (2) if the refusal was in connection with a second offense under
36 this section, to forfeit the right to operate a motor vehicle over the
37 highways of this State for a period of not less than one year or more
38 than two years following the installation of an ignition interlock
39 device in one motor vehicle owned, leased, or principally operated
40 by the person, whichever the person most often operates, for the
41 purpose of complying with the provisions of P.L.1999, c.417
42 (C.39:4-50.16 et al.);

43 (3) if the refusal was in connection with a third or subsequent
44 offense under this section, to forfeit the right to operate a motor
45 vehicle over the highways of this State for a period of eight years
46 following the installation of an ignition interlock device in one
47 motor vehicle owned, leased, or principally operated by the person,
48 whichever the person most often operates, for the purpose of

1 complying with the provisions of P.L.1999, c.417 (C.39:4-50.16 et
2 al.). A conviction or administrative determination of a violation of
3 a law of a substantially similar nature in another jurisdiction,
4 regardless of whether that jurisdiction is a signatory to the Interstate
5 Driver License Compact pursuant to P.L.1966, c.73 (C.39:5D-1 et
6 seq.), shall constitute a prior conviction under this section.

7 The municipal court shall determine by a preponderance of the
8 evidence whether the arresting officer had probable cause to believe
9 that the person had been driving or was in actual physical control of
10 a motor vehicle on the public highways or quasi-public areas of this
11 State while the person was under the influence of intoxicating
12 liquor or a narcotic, hallucinogenic, or habit-producing drug, or
13 marijuana or cannabis item as defined in section 3 of P.L. _____,
14 c. (C. _____) (pending before the Legislature as this bill); whether
15 the person was placed under arrest, if appropriate, and whether he
16 refused to submit to the test upon request of the officer; and if these
17 elements of the violation are not established, no conviction shall
18 issue. In addition to any other requirements provided by law, a
19 person whose operator's license is revoked for refusing to submit to
20 a test shall be referred to an Intoxicated Driver Resource Center
21 established by subsection (f) of R.S.39:4-50 and shall satisfy the
22 same requirements of the center for refusal to submit to a test as
23 provided for in section 2 of P.L.1966, c.142 (C.39:4-50.2) in
24 connection with a first, second, third or subsequent offense under
25 this section that must be satisfied by a person convicted of a
26 commensurate violation of this section, or be subject to the same
27 penalties as such a person for failure to do so. For a first offense,
28 the revocation may be concurrent with or consecutive to any
29 revocation imposed for a conviction under the provisions of
30 R.S.39:4-50 arising out of the same incident. For a second or
31 subsequent offense, the revocation shall be consecutive to any
32 revocation imposed for a conviction under the provisions of
33 R.S.39:4-50. In addition to issuing a revocation, the municipal
34 court shall fine a person convicted under this section, a fine of not
35 less than \$300 or more than \$500 for a first offense; a fine of not
36 less than \$500 or more than \$1,000 for a second offense; and a fine
37 of \$1,000 for a third or subsequent offense.

38 b. (Deleted by amendment, P.L.2019, c.248)
39 (cf: P.L.2019, c.248, s.3)
40

41 ¹**[76.]** 77.¹ Section 1 of P.L.1983, c.307 (C.39:4-51a) is
42 amended to read as follows:

43 1. a. A person shall not consume an alcoholic beverage or
44 cannabis item as defined in section 3 of P.L. _____, c. (C. _____)
45 (pending before the Legislature as this bill) while operating a motor
46 vehicle. A passenger in a motor vehicle shall not consume an
47 alcoholic beverage, and shall not consume by means of smoking,
48 vaping, or aerosolizing a cannabis item, while the motor vehicle is

1 being operated. This subsection shall not apply, with respect to the
2 consumption of an alcoholic beverage, to a passenger of a charter or
3 special bus operated as defined under R.S.48:4-1 or a limousine
4 service.

5 b. A person shall be presumed to have consumed an alcoholic
6 beverage in violation of this section if an unsealed container of an
7 alcoholic beverage is located in the passenger compartment of the
8 motor vehicle, the contents of the alcoholic beverage have been
9 partially consumed and the physical appearance or conduct of the
10 operator of the motor vehicle or a passenger may be associated with
11 the consumption of an alcoholic beverage. For the purposes of this
12 section, the term "unsealed" shall mean a container with its original
13 seal broken, or a container such as a glass or cup.

14 c. For the first offense, a person convicted of violating this
15 section shall be fined **[\$200.00]** \$200 and shall be informed by the
16 court of the penalties for a second or subsequent violation of this
17 section. For a second or subsequent offense, a person convicted of
18 violating this section shall be fined **[\$250.00]** \$250 or shall be
19 ordered by the court to perform community service for a period of
20 10 days in such form and on such terms as the court shall deem
21 appropriate under the circumstances.

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

23

24 ¹**[[77.] 78.** Section 6 of P.L.2000, c.83 (C.39:4-51b) is amended
25 to read as follows:

26 6. a. All occupants of a motor vehicle located on a public
27 highway, or the right-of-way of a public highway, shall be
28 prohibited from possessing any open or unsealed alcoholic beverage
29 container or unsealed cannabis item as defined in section 3 of
30 P.L. , c. (C.) (pending before the Legislature as this bill)
31 that is intended to be consumed by means of smoking, vaping, or
32 aerosolizing. This subsection shall not apply, with respect to the
33 possession of an alcoholic beverage, to a passenger of a charter or
34 special bus operated as defined under R.S.48:4-1 or a limousine
35 service.

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

46 c. For a first offense, a person convicted of violating this
47 section shall be fined \$200 and shall be informed by the court of the

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

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

8

9 ¹79. Section 6 of P.L.1961, c.56 (C.52:17B-71) is amended to
10 read as follows:

11 6. The commission is vested with the power, responsibility and
12 duty:

13 a. To prescribe standards for the approval and continuation of
14 approval of schools at which police training courses authorized by
15 this act and in-service police training courses shall be conducted,
16 including but not limited to currently existing regional, county,
17 municipal, and police chief association police training schools or at
18 which basic training courses and in-service training courses shall be
19 conducted for State and county juvenile and adult correctional
20 police officers and juvenile detention officers;

21 b. To approve and issue certificates of approval to these
22 schools, to inspect the schools from time to time, and to revoke any
23 approval or certificate issued to the schools;

24 c. To prescribe the curriculum, the minimum courses of study,
25 attendance requirements, equipment and facilities, and standards of
26 operation for these schools. Courses of study in crime prevention
27 may be recommended to the Police Training Commission by the
28 Crime Prevention Advisory Committee, established by section 2 of
29 P.L.1985, c.1 (C.52:17B-77.1). The Police Training Commission
30 may prescribe psychological and psychiatric examinations for
31 police recruits while in the schools;

32 d. To prescribe minimum qualifications for instructors at these
33 schools and to certify, as qualified, instructors for approved police
34 training schools and to issue appropriate certificates to the
35 instructors;

36 e. To certify police officers, correctional police officers,
37 juvenile correctional police officers, and juvenile detention officers
38 who have satisfactorily completed training programs and to issue
39 appropriate certificates to the police officers, correctional police
40 officers, juvenile correctional police officers, and juvenile detention
41 officers;

42 f. To advise and consent in the appointment of an
43 administrator of police services by the Attorney General pursuant to
44 section 8 of P.L.1961, c.56 (C.52:17B-73);

45 g. (Deleted by amendment, P.L.1985, c.491 **[.]**)

46 h. To make rules and regulations as may be reasonably
47 necessary or appropriate to accomplish the purposes and objectives
48 of this act;

- 1 i. To make a continuous study of police training methods and
2 training methods for correctional police officers, juvenile
3 correctional police officers, and juvenile detention officers and to
4 consult and accept the cooperation of any recognized federal or
5 State law enforcement agency or educational institution;
- 6 j. To consult and cooperate with universities, colleges, and
7 institutes in the State for the development of specialized courses of
8 study for police officers in police science and police administration;
- 9 k. To consult and cooperate with other departments and
10 agencies of the State concerned with police training or the training
11 of correctional police officers, juvenile correctional police officers,
12 and juvenile detention officers;
- 13 l. To participate in unified programs and projects relating to
14 police training and the training of correctional police officers,
15 juvenile correctional police officers, and juvenile detention officers
16 sponsored by any federal, State, or other public or private agency;
- 17 m. To perform other acts as may be necessary or appropriate to
18 carry out its functions and duties as set forth in this act;
- 19 n. To extend the time limit for satisfactory completion of police
20 training programs or programs for the training of correctional police
21 officers, juvenile correctional police officers, and juvenile detention
22 officers upon a finding that health, extraordinary workload, or other
23 factors have, singly or in combination, effected a delay in the
24 satisfactory completion of the training program;
- 25 o. (1) To furnish approved schools, for inclusion in their
26 regular police training courses and curriculum, with information
27 concerning the advisability of high speed chases, the risk caused by
28 them, and the benefits resulting from them;
- 29 (2) To review and approve new standards and course curricula
30 for police training courses or programs to be offered by approved
31 schools for the training of police officers to be certified as a Drug
32 Recognition Expert for detecting, identifying, and apprehending
33 drug-impaired motor vehicle operators. The commission shall
34 consult with the Cannabis Regulatory Commission established by
35 31 of P.L.2019, c.153 (C.24:6I-24) with respect to any aspects of
36 the course curricula that focus on impairment from the use of
37 cannabis items as defined by section 3 of P.L. , c. (C.)
38 (pending before the Legislature as this bill) or marijuana. Any
39 police officer certified and recognized by the commission as a Drug
40 Recognition Expert prior to the effective date of this section, as
41 amended by the “New Jersey Cannabis Regulatory, Enforcement
42 Assistance, and Marketplace Modernization Act,” P.L. ,
43 c. (C.) (pending before the Legislature as this bill), shall
44 continue to be recognized as certified until that certification has
45 expired or is no longer considered valid as determined by the
46 commission, or the certification is replaced by the police officer
47 with a new certification in accordance with the new standards and
48 course curricula for certification described in this paragraph.

1 p. To review and approve new standards and course curricula
2 developed by the Department of Corrections for both basic and in-
3 service training of State and county correctional police officers and
4 juvenile detention officers. These courses for the State correctional
5 police officers and juvenile detention officers shall be centrally
6 provided at the Corrections Officers' Training Academy of the
7 Department of Corrections. Courses for the county correctional
8 police officers and juvenile detention officers shall also be centrally
9 provided at the Corrections Officers' Training Academy unless an
10 off-grounds training program is established by the county. A
11 county may elect to establish and conduct a basic training program
12 for correctional police officers and juvenile detention officers
13 seeking permanent appointment in that county. The Corrections
14 Officers' Training Academy shall develop the curriculum of the
15 basic training program to be conducted by a county;

16 q. To administer and distribute the monies in the Law
17 Enforcement Officers Training and Equipment Fund established by
18 section 9 of P.L.1996, c.115 (C.2C:43-3.3) and make rules and
19 regulations for the administration and distribution of the monies as
20 may be necessary or appropriate to accomplish the purpose for
21 which the fund was established.¹

22 (cf: P.L.2019, c.219, s.9)

23

24 ¹[78.] 80.¹ This act shall take effect as follows:

25 a. (1) Sections 1 through 18, 31 and 32, 38 through ¹[43] 45¹,
26 ¹[51] 52¹ through ¹[56] 57¹, ¹[and 69] 70¹ through ¹[74] 75, and
27 section 79¹ shall take effect immediately; and

28 (2) Sections 19 through 30, 33 through 37, ¹[44] 46¹ through
29 ¹[50] 51¹, ¹[57] 58¹ through ¹[68] 69¹, and ¹[75] 76¹ through
30 ¹[77] 78¹ shall take effect immediately, but shall only become
31 operative upon adoption of the commission's initial rules and
32 regulations pursuant to subparagraph (a) of paragraph (1) of
33 subsection d. of section 6 of P.L. , c. (C.) (pending before
34 the Legislature as this bill).

35 b. The Attorney General, State Treasurer, Commissioner of
36 Health, Commissioner of Banking and Insurance, and the
37 Administrative Director of the Courts, and once constituted and
38 organized, the Cannabis Regulatory Commission, may take such
39 anticipatory administrative action as may be necessary to effectuate
40 the provisions of P.L. , c. (C.) (pending before the
41 Legislature as this bill).