

ASSEMBLY, No. 5364

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 23, 2021

Sponsored by:

Assemblywoman VERLINA REYNOLDS-JACKSON
District 15 (Hunterdon and Mercer)

Co-Sponsored by:

Assemblyman Zwicker

SYNOPSIS

Establishes program to subsidize purchase price of medical cannabis for registered qualifying patients enrolled in Medicaid or NJ FamilyCare programs.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/24/2021)

1 AN ACT concerning medical cannabis, amending
2 P.L.2021, c. (passed both Houses on December 17, 2020 as
3 Assembly Bill No. 21(2R) of 2020/2021), and supplementing
4 P.L.2009, c.307 (C.24:6I-1 et al.).
5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:
8

9 1. Section 41 of P.L.2021, c. (C.) (passed both Houses
10 on December 17, 2020 as Assembly Bill No. 21(2R) of 2020/2021)
11 is amended to read as follows:

12 41. Cannabis Regulatory, Enforcement Assistance, and
13 Marketplace Modernization Fund.

14 a. All fees and penalties collected by the commission, and all
15 tax revenues on retail sales of cannabis items, and all tax revenues
16 collected pursuant to the provisions of the “Jake Honig
17 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
18 (C.24:6I-1 et al.), except for amounts credited to the Property Tax
19 Reform Account in the Property Tax Relief Fund pursuant to
20 paragraph 7 of Section I of Article VIII of the New Jersey
21 Constitution, as well as all revenues, if any, collected for the Social
22 Equity Excise Fee pursuant to section 39 of P.L.2021, c. (C.)
23 (passed both Houses on December 17, 2020 as Assembly Bill No.
24 21(2R) of 2020/2021), shall be deposited in a special nonlapsing
25 fund which shall be known as the “Cannabis Regulatory,
26 Enforcement Assistance, and Marketplace Modernization Fund.”

27 b. Monies in the fund, other than any monies derived from the
28 Social Equity Excise Fee to be appropriated annually in accordance
29 with subsection d. of this section, shall be appropriated annually as
30 follows:

31 (1) at least 70 percent of all tax revenues on retail sales of
32 cannabis items shall be appropriated for investments, including
33 through grants, loans, reimbursements of expenses, and other
34 financial assistance, in municipalities defined as an “impact zone”
35 pursuant to section 3 of P.L. , c. (C.) (passed both Houses
36 on December 17, 2020 as Assembly Bill No. 21(2R) of 2020/2021),
37 as well as provide direct financial assistance to qualifying persons
38 residing therein as recommended by the commission; and

39 (2) the remainder of the monies in the fund shall be appropriated
40 by the Legislature to include the following:

41 (a) to oversee the development, regulation, and enforcement of
42 activities associated with the personal use of cannabis pursuant to
43 P.L.2021, c. (C.) (passed both Houses on December 17, 2020
44 as Assembly Bill No. 21(2R) of 2020/2021), and assist with
45 assuming responsibility from the Department of Health for the

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

Matter underlined thus is new matter.

1 further development and expansion, regulation, and enforcement of
2 activities associated with the medical use of cannabis pursuant to
3 the “Jake Honig Compassionate Use Medical Cannabis Act,”
4 P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-
5 12.22 et al.);

6 (b) to 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; **[and]**

27 (c) for further investments, including through grants, loans,
28 reimbursements of expenses, and other financial assistance, in
29 municipalities defined as an “impact zone” pursuant to section 3 of
30 P.L. , c. (C.) (passed both Houses on December 17, 2020 as
31 Assembly Bill No. 21(2R) of 2020/2021), as well as provide direct
32 financial assistance to qualifying persons residing therein as
33 recommended by the commission; and

34 (d) to reimburse medical cannabis dispensaries and clinical
35 registrants for subsidies applied to the purchase price of medical
36 cannabis and medical cannabis products pursuant to section 2 of
37 P.L. , c. (C.) (pending before the Legislature as this bill).

38 The monies appropriated pursuant to paragraph (1) of this
39 subsection shall be offset by any revenue constitutionally dedicated
40 to municipalities defined as an “impact zone” pursuant to section 3
41 of P.L. , c. (C.) (passed both Houses on December 17, 2020
42 as Assembly Bill No. 21(2R) of 2020/2021).

43 c. Any remaining available monies, after the appropriation of
44 those monies in the fund in accordance with subsection b. of this
45 section, shall be deposited in the State’s General Fund.

46 d. (1) (a) Not less than 60 days prior to the first day of each
47 State fiscal year, the commission shall consult and make
48 recommendations to the Governor and Legislature for making social

1 equity appropriations based upon the amount of any revenues
2 collected during the current fiscal year for the Social Equity Excise
3 Fee pursuant to section 39 of P.L. , c. (C.) (passed both
4 Houses on December 17, 2020 as Assembly Bill No. 21(2R) of
5 2020/2021), or, if the commission has not imposed or adjusted the
6 excise fee in the current fiscal year pursuant to that section, then
7 appropriations to be made from the General Fund in an amount
8 equal to the revenues that would have been collected had it imposed
9 or adjusted the fee, in order to invest, through grants, loans,
10 reimbursements of expenses, and other financial assistance, in
11 private for-profit and non-profit organizations, public entities,
12 including any municipality defined as an “impact zone” pursuant to
13 section 3 of P.L. , c. (C.) (passed both Houses on December
14 17, 2020 as Assembly Bill No. 21(2R) of 2020/2021), as well as
15 provide direct financial assistance to qualifying persons as
16 determined by the commission, in order to create, expand, or
17 promote educational and economic opportunities and activities, and
18 the health and well-being of both communities and individuals.

19 (b) Not less than 30 days prior to submitting its
20 recommendations to the Governor and Legislature pursuant to
21 subparagraph (a) of this paragraph, the commission shall hold at
22 least three regional public hearing throughout the State, with at least
23 one hearing in the northern, central, and southern regions of the
24 State, to solicit the public input on the social equity investments to
25 be made as described in this section.

26 (2) The commission’s recommendations to the Governor and
27 Legislature may include, but are not limited to, recommending
28 investments in the following categories of social equity programs:

29 (a) educational support, including literacy programs, extended
30 learning time programs that endeavor to close the achievement gap
31 and provide services for enrolled students after the traditional
32 school day, GED application and preparedness assistance, tutoring
33 programs, vocational programming, and financial literacy;

34 (b) economic development, including the encouragement and
35 support of community activities so as to stimulate economic activity
36 or increase or preserve residential amenities, and business
37 marketing, and job skills and readiness training, specific
38 employment training, and apprenticeships;

39 (c) social support services, including food assistance, mental
40 health services, substance use disorders treatment and recovery,
41 youth recreation and mentoring services, life skills support services,
42 and reentry and other rehabilitative services for adults and juveniles
43 being released from incarceration; and

44 (d) legal aid for civil and criminal cases.

45 (3) The commission may also, subject to the annual
46 appropriations act, recommend that it retain a portion of the Social
47 Equity Excise Fee to administer startup grants, low-interest loans,
48 application fee assistance, and job training programs through the

1 commission's Office of Minority, Disabled Veterans and Women
2 Cannabis Business Development established by section 32 of
3 P.L.2019, c.153 (24:6I-25).

4 (4) Prior to the first day of each fiscal year, the Legislature shall
5 provide to the commission a statement which lists the investments,
6 including the investment recipients and investment amount, to be
7 made by appropriations as set forth in paragraph (1) of this
8 subsection based upon recommendations presented to the Governor
9 and Legislature pursuant to paragraphs (1) through (3) of this
10 subsection, and how the investment is intended to support and
11 advance social equity as described in this subsection.

12 (cf: P.L.2021, c. , s.41 (passed both Houses on December 17,
13 2020 as Assembly Bill No. 21(2R) of 2020/2021))
14

15 2. (New section) a. The commission shall establish a program
16 to subsidize up to 20 percent of the purchase price of medical
17 cannabis and medical cannabis products dispensed to or on behalf
18 registered qualifying patients who are currently enrolled in the State
19 Medicaid program established pursuant to P.L.1968, c.413
20 (C.30:4D-1 et seq.) or the NJ FamilyCare program established
21 pursuant to P.L.2005, c.156 (C.30:4J-8 et al.). The subsidy shall
22 reduce the purchase price of the medical cannabis or medical
23 cannabis product as listed on the medical cannabis dispensary's or
24 clinical registrant's website pursuant to subsection h. of section 7 of
25 P.L.2009, c.307 (C.24:6I-7), and shall be applied at the point of sale
26 after any other discounts or price reductions are applied.

27 b. The program developed by the commission pursuant to
28 subsection a. of this section shall include a mechanism for medical
29 cannabis dispensaries and clinical registrants to quickly verify
30 whether a registered qualifying patient to whom, or on behalf of
31 whom, medical cannabis or a medical cannabis product is being
32 dispensed, is currently enrolled in Medicaid or NJ FamilyCare. The
33 commission shall coordinate with the Division of Medical
34 Assistance and Health Services in the Department of Human
35 Services in developing the enrollment verification system pursuant
36 to this subsection.

37 c. A medical cannabis dispensary or clinical registrant shall
38 provide notice of the subsidy program to registered qualifying
39 patients and their designated and institutional caregivers through the
40 use of posted signage, and may provide additional notice of the
41 program verbally, through written materials, or both, but shall not
42 apply the subsidy to a purchase of medical cannabis or a medical
43 cannabis product, or attempt to verify a patient's status as an
44 enrollee in Medicaid or NJ FamilyCare, except at the request of the
45 patient or the patient's designated or institutional caregiver.

46 d. The commission shall establish a process for medical
47 cannabis dispensaries to apply for and receive reimbursement from
48 the commission for the amount of any subsidies applied to the

1 purchase price of medical cannabis and medical cannabis products
2 pursuant to this section.

3 e. Reimbursements for subsidies applied to the purchase of
4 medical cannabis and medical cannabis products pursuant to this
5 section shall be paid to medical cannabis dispensaries and clinical
6 registrants out of funds available through the “Cannabis
7 Regulatory, Enforcement Assistance, and Marketplace
8 Modernization Fund” established pursuant to section 41 of
9 P.L.2021, c. (C.) (passed both Houses on December 17, 2020
10 as Assembly Bill No. 21(2R) of 2020/2021), or other funds made
11 available to the commission for this purpose.

12
13 3. This act shall take effect 90 days after the effective date of
14 P.L.2021, c. (C.) (passed both Houses on December 17, 2020
15 as Assembly Bill No. 21(2R) of 2020/2021).

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17

18 STATEMENT

19

20 This bill requires the Cannabis Regulatory Commission (CRC) to
21 establish a program to subsidize up to 20 percent of the purchase
22 price of medical cannabis and medical cannabis products dispensed
23 to or on behalf registered qualifying patients who are currently
24 enrolled in the State Medicaid program or the NJ FamilyCare
25 program. The subsidy will reduce the purchase price of the medical
26 cannabis or medical cannabis product as listed on the medical
27 cannabis dispensary’s or clinical registrant’s website, and will be
28 applied after any other discounts or price reductions are applied.
29 The price reduction will apply at the point of purchase.

30 The program developed by the CRC will include a mechanism
31 for medical cannabis dispensaries and clinical registrants to quickly
32 verify whether a registered qualifying patient to whom or on behalf
33 of whom medical cannabis or a medical cannabis product is being
34 dispensed is currently enrolled in Medicaid or NJ FamilyCare. The
35 CRC will be required to coordinate with the Division of Medical
36 Assistance and Health Services in the Department of Human
37 Services to develop this enrollment verification system. Medical
38 cannabis dispensaries and clinical registrants are to make patients
39 and their caregivers aware of the subsidy program through posted
40 signage, and may provide additional notice of the program verbally,
41 using written materials, or both, but are not to apply a subsidy or
42 attempt to verify whether a patient is enrolled in Medicaid or NJ
43 FamilyCare except at the request of a patient or the patient’s
44 designated or institutional caregiver.

45 The CRC will additionally be required to establish a process for
46 medical cannabis dispensaries to apply for and receive
47 reimbursement from the CRC for the amount of any subsidies
48 applied to the purchase price of medical cannabis and medical

1 cannabis products under the bill. Reimbursements for the subsidies
2 will be paid out of funds available through the “Cannabis
3 Regulatory, Enforcement Assistance, and Marketplace
4 Modernization Fund” established pursuant to Assembly Bill
5 No.21(2R) of 2020/2021, which passed both Houses on December
6 17, 2020, or other funds made available to the CRC for this
7 purpose.

8 The bill will take effect 90 days after the effective date of
9 Assembly Bill No.21(2R) of 2020/2021.