

SENATE, No. 21

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED NOVEMBER 5, 2020

Sponsored by:

Senator NICHOLAS P. SCUTARI

District 22 (Middlesex, Somerset and Union)

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

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 introduced.



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.

- 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, medical
23 cannabis dispensary, or clinical registrant, as well as any alternative
24 treatment center deemed pursuant to section 7 of that act (C.24:6I-7) to
25 concurrently hold a medical cannabis cultivator permit, a medical
26 cannabis manufacturer permit, and a medical cannabis dispensary
27 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, processed in accordance
33 with P.L. , c. (C.) (pending before the Legislature as this
34 bill) for use in cannabis items as set forth in this act, but shall not
35 include the weight of any other ingredient combined with cannabis
36 to prepare topical or oral administrations, food, drink, or other
37 product. “Cannabis” does not include: medical cannabis dispensed
38 to registered qualifying patients pursuant to the “Jake Honig
39 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
40 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);
41 marijuana as defined in N.J.S.2C:35-2 and applied to any offense or
42 civil violation set forth in chapters 35, 35A, and 36 of Title 2C of
43 the New Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.),
44 or marihuana as defined in section 2 of P.L.1970, c.226 (C.24:21-2)
45 and applied to any offense set forth in the “New Jersey Controlled
46 Dangerous Substances Act,” P.L.1970, c.226 (C.24:21-1 et al.); or
47 hemp or a hemp product cultivated, handled, processed, transported, or

1 sold pursuant to the “New Jersey Hemp Farming Act,” P.L.2019,
2 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 delivery service” means any licensed person or entity
17 that provides courier services for a cannabis retailer in order to
18 make deliveries of cannabis items and related supplies to a
19 consumer. This person or entity shall hold a Class 6 Cannabis
20 Delivery license.

21 “Cannabis distributor” means any licensed person or entity that
22 transports cannabis items in bulk intrastate, from one licensed
23 cannabis establishment to another licensed cannabis establishment,
24 and may engage in the temporary storage of cannabis items as
25 necessary to carry out transportation activities. This person or
26 entity shall hold a Class 4 Cannabis Distributor license.

27 “Cannabis establishment” means a cannabis grower, also referred
28 to as a cannabis cultivation facility, a cannabis processor, also
29 referred to as a cannabis product manufacturing facility, a cannabis
30 wholesaler, or a cannabis retailer.

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

38 “Cannabis flower” means the flower of the plant *Cannabis sativa*
39 L. within the plant family Cannabaceae.

40 “Cannabis grower” means any licensed person or entity that
41 grows, cultivates, or produces cannabis in this State, and sells, and
42 may transport, this cannabis to other cannabis growers, cannabis
43 processors, cannabis wholesalers, or cannabis retailers, but not to
44 consumers. This person or entity shall hold a Class 1 Cannabis
45 Grower license. A cannabis grower may also be referred to as a
46 "cannabis cultivation facility."

47 “Cannabis item” means any cannabis, cannabis resin, cannabis
48 product, and cannabis extract. “Cannabis item” does not include:

1 any form of medical cannabis dispensed to registered qualifying
2 patients pursuant to the “Jake Honig Compassionate Use Medical
3 Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015,
4 c.158 (C.18A:40-12.22 et al.); or hemp or a hemp product cultivated,
5 handled, processed, transported, or sold pursuant to the “New Jersey
6 Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.).

7 “Cannabis leaf” means the leaf of the plant *Cannabis sativa* L.
8 within the plant family Cannabaceae.

9 “Cannabis paraphernalia” means any equipment, products, or
10 materials of any kind which are used, intended for use, or designed
11 for use in planting, propagating, cultivating, growing, harvesting,
12 composting, manufacturing, compounding, converting, producing,
13 processing, preparing, testing, analyzing, packaging, repackaging,
14 storing, vaporizing, or containing cannabis, or for ingesting,
15 inhaling, or otherwise introducing a cannabis item into the human
16 body. “Cannabis paraphernalia” does not include drug
17 paraphernalia as defined in N.J.S.2C:36-1 and which is used or
18 intended for use to commit a violation of chapter 35 of Title 2C of
19 the New Jersey Statutes.

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

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

34 “Cannabis resin” means the resin extracted from any part of the
35 plant *Cannabis sativa* L. and any compound, manufacture, salt,
36 derivative, mixture, or preparation of such resin, processed and used in
37 accordance with P.L. , c. (C.) (pending before the Legislature
38 as this bill). “Cannabis resin” does not include: any form of medical
39 cannabis dispensed to registered qualifying patients pursuant to the
40 “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009,
41 c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);
42 hashish as defined in N.J.S.2C:35-2 and applied to any offense or civil
43 violation set forth in chapters 35, 35A, and 36 of Title 2C of the New
44 Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or as defined
45 in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense
46 of the “New Jersey Controlled Dangerous Substances Act,” P.L.1970,
47 c.226 (C.24:21-1 et al.); or hemp or a hemp product cultivated,

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

3 “Cannabis retailer” means any licensed person or entity that
4 purchases or otherwise obtains cannabis from cannabis growers and
5 cannabis items from cannabis processors or cannabis wholesalers,
6 and sells these to consumers from a retail store, and may use a
7 cannabis delivery service or a certified cannabis handler for the off-
8 premises delivery of cannabis items and related supplies to
9 consumers. This person or entity shall hold a Class 5 Cannabis
10 Retailer license.

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

16 “Cannabis wholesaler” means any licensed person or entity that
17 purchases or otherwise obtains, stores, sells or otherwise transfers, and
18 may transport, cannabis items for the purpose of resale or other
19 transfer to either to another cannabis wholesaler or to a cannabis
20 retailer, but not to consumers. This person or entity shall hold a Class
21 3 Cannabis Wholesaler license.

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

24 “Conditional license” means a temporary license designated as
25 either a Class 1 Cannabis Grower license, a Class 2 Cannabis
26 Processor license, a Class 3 Cannabis Wholesaler license, a Class 4
27 Cannabis Distributor license, a Class 5 Cannabis Retailer license, or a
28 Class 6 Cannabis Delivery license that allows the holder to lawfully
29 act as a cannabis grower, cannabis processor, cannabis wholesaler,
30 cannabis distributor, cannabis retailer, or cannabis delivery service as
31 the case may be, which is issued pursuant to an abbreviated application
32 process, after which the conditional license holder shall have a limited
33 period of time in which to become fully licensed by satisfying all of
34 the remaining conditions for licensure which were not required for the
35 issuance of the conditional license.

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

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

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

48 “Department” means the Department of Health.

1 “Director” means the Director of the Office of Minority,
2 Disabled Veterans, and Women Cannabis Business Development in
3 the Cannabis Regulatory Commission.

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

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

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

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

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

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

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

42 “Licensee” means a person or entity that holds a license issued
43 under P.L. , c. (C.) (pending before the Legislature as this
44 bill), including a license that is designated as either a Class 1
45 Cannabis Grower license, a Class 2 Cannabis Processor license, a
46 Class 3 Cannabis Wholesaler license, a Class 4 Cannabis
47 Distributor license, a Class 5 Cannabis Retailer license, or a Class 6
48 Cannabis Delivery license, and includes a person or entity that holds

1 a conditional license for a designated class, except when the context
2 of the provisions of P.L. , c. (C.) (pending before the
3 Legislature as this bill) otherwise intend to only apply to a person
4 or entity that holds a license and not a conditional license.

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

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

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

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

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

40 “Premises” or “licensed premises” includes the following areas
41 of a location licensed under P.L. , c. (C.) (pending before
42 the Legislature as this bill): all public and private enclosed areas at
43 the location that are used in the business operated at the location,
44 including offices, kitchens, rest rooms, and storerooms; all areas
45 outside a building that the Cannabis Regulatory Commission has
46 specifically licensed for the production, processing, wholesaling,
47 distributing, retail sale, or delivery of cannabis items; and, for a
48 location that the commission has specifically licensed for the

1 production of cannabis outside a building, the entire lot or parcel
2 that the licensee owns, leases, or has a right to occupy.

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

6 “Produce” means the manufacture, planting, cultivation, growing
7 or harvesting of cannabis. “Produce” does not include the drying of
8 cannabis by a cannabis processor, if the cannabis processor is not
9 otherwise producing cannabis; or the cultivation and growing of an
10 immature cannabis plant by a cannabis processor, cannabis
11 wholesaler, or cannabis retailer if the cannabis processor, cannabis
12 wholesaler, or cannabis retailer purchased or otherwise received the
13 plant from a licensed cannabis grower.

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

22 “Radio” means a system for transmitting sound without visual
23 images, and includes broadcast, cable, on-demand, satellite, or
24 Internet programming. “Radio” includes any audio programming
25 downloaded or streamed via the Internet.

26 “Significantly involved person” means a person or entity who
27 holds at least a five percent investment interest in a proposed or
28 licensed cannabis grower, cannabis processor, cannabis wholesaler,
29 cannabis distributor, or cannabis retailer, or who is a decision
30 making member of a group that holds at least a 20 percent
31 investment interest in a proposed or licensed cannabis grower,
32 cannabis processor, cannabis wholesaler, cannabis distributor, or
33 cannabis retailer in which no member of that group holds more than
34 a five percent interest in the total group investment interest, and the
35 person or entity makes controlling decisions regarding the proposed
36 or licensed cannabis grower, cannabis processor, cannabis
37 wholesaler, cannabis distributor, or cannabis retailer operations.

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

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

45

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

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

3 "Academic medical center" means

4 (1) an entity located in New Jersey that, on the effective date of
5 P.L.2019, c.153 (C.24:6I-5.1 et al.), has an addiction medicine
6 faculty practice or is in the same health care system as another
7 facility located in New Jersey that offers outpatient medical
8 detoxification services or inpatient treatment services for substance
9 use disorder; has a pain management faculty practice or a facility-
10 based pain management service located in New Jersey; has graduate
11 medical training programs accredited, or pending accreditation, by
12 the Accreditation Council for Graduate Medical Education or the
13 American Osteopathic Association in primary care and medical
14 specialties; is the principal teaching affiliate of a medical school
15 based in the State; and has the ability to conduct research related to
16 medical cannabis **[. If]** , and if the entity is part of a system of
17 health care facilities, the entity shall not qualify as an academic
18 medical center unless the health care system is principally located
19 within the State; or

20 (2) an accredited school of medicine or osteopathic medicine that
21 is located in a state that shares a common border with this State; has
22 an articulation agreement or similar memorandum of understanding
23 with any State college or university with a college of nursing or
24 nursing degree program accredited by the Commission on
25 Collegiate Nursing Education; and has an institutional review board
26 that has, on the effective date of P.L. , c. (C.) (pending
27 before the Legislature as this bill), previously approved a clinical
28 research study involving medical cannabis; and has the ability and
29 will conduct all research and development in this State.

30 "Adverse employment action" means refusing to hire or employ
31 an individual, barring or discharging an individual from
32 employment, requiring an individual to retire from employment, or
33 discriminating against an individual in compensation or in any
34 terms, conditions, or privileges of employment.

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

38 "Clinical registrant" means an entity that has a written
39 contractual relationship with an academic medical center in the
40 region in which it has its principal place of business, which includes
41 provisions whereby the parties will engage in clinical research
42 related to the use of medical cannabis and the academic medical
43 center or its affiliate will provide advice to the entity regarding
44 patient health and safety, medical applications, and dispensing and
45 managing controlled dangerous substances, among other areas.

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

48 "Commissioner" means the Commissioner of Health.

1 "Common ownership or control" means:

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

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

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

11 "Department" means the Department of Health.

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

13 (1) is at least 18 years old;

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

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

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

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

33 "Dispense" means the furnishing of medical cannabis to a
34 registered qualifying patient, designated caregiver, or institutional
35 caregiver by a medical cannabis dispensary or clinical registrant
36 pursuant to written instructions issued by a health care practitioner
37 pursuant to the requirements of P.L.2009, c.307 (C.24:6I-1 et al.).
38 The term shall include the act of furnishing medical cannabis to a
39 medical cannabis handler for delivery to a registered qualifying
40 patient, designated caregiver, or institutional caregiver, consistent
41 with the requirements of subsection i. of section 27 of P.L.2019,
42 c.153 (C.24:6I-20).

43 "Health care facility" means a general acute care hospital,
44 nursing home, long term care facility, hospice care facility, group
45 home, facility that provides services to persons with developmental
46 disabilities, behavioral health care facility, or rehabilitation center.

1 "Health care practitioner" means a physician, advanced practice
2 nurse, or physician assistant licensed or certified pursuant to Title
3 45 of the Revised Statutes who:

4 (1) possesses active registrations to prescribe controlled
5 dangerous substances issued by the United States Drug
6 Enforcement Administration and the Division of Consumer Affairs
7 in the Department of Law and Public Safety;

8 (2) is the health care practitioner responsible for the ongoing
9 treatment of a patient's qualifying medical condition, the symptoms
10 of that condition, or the symptoms associated with the treatment of
11 that condition, provided, however, that the ongoing treatment shall
12 not be limited to the provision of authorization for a patient to use
13 medical cannabis or consultation solely for that purpose; and

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

15 "Immediate family" means the spouse, domestic partner, civil
16 union partner, child, sibling, or parent of an individual, and shall
17 include the siblings, parents, and children of the individual's spouse,
18 domestic partner, or civil union partner, and the parents, spouses,
19 domestic partners, or civil union partners of the individual's parents,
20 siblings, and children.

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

22 (1) is at least 18 years old;

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

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

28 (4) is authorized by the health care facility employing the person
29 to assist registered qualifying patients who are patients or residents
30 of the facility with the medical use of cannabis, including, but not
31 limited to, obtaining medical cannabis for registered qualifying
32 patients and assisting registered qualifying patients with the
33 administration of medical cannabis;

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

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

44 "Integrated curriculum" means an academic, clinical, or research
45 program at an institution of higher education that is coordinated
46 with a medical cannabis cultivator, medical cannabis manufacturer,
47 or medical cannabis dispensary to apply theoretical principles,
48 practical experience, or both involving the cultivation,

1 manufacturing, dispensing, delivery, or medical use of cannabis to a
2 specific area of study, including, but not limited to, agriculture,
3 biology, business, chemistry, culinary studies, ecology,
4 environmental studies, health care, horticulture, technology, or any
5 other appropriate area of study or combined areas of study.
6 Integrated curricula shall be subject to approval by the commission
7 and the Office of the Secretary of Higher Education.

8 "Integrated curriculum permit" or "IC permit" means a permit
9 issued to a medical cannabis cultivator, medical cannabis
10 manufacturer, or medical cannabis dispensary that includes an
11 integrated curriculum approved by the commission and the Office
12 of the Secretary of Higher Education.

13 "Medical cannabis alternative treatment center" or "alternative
14 treatment center" means an organization issued a permit, including
15 a conditional permit, by the commission to operate as a medical
16 cannabis cultivator, medical cannabis manufacturer, medical
17 cannabis dispensary, or clinical registrant. This term shall include
18 the organization's officers, directors, board members, and
19 employees.

20 "Medical cannabis cultivator" means an organization holding a
21 permit issued by the commission that authorizes the organization to:
22 possess and cultivate cannabis and deliver, transfer, transport,
23 distribute, supply, and sell medical cannabis and related supplies to
24 other medical cannabis cultivators and to medical cannabis
25 manufacturers, clinical registrants, and medical cannabis
26 dispensaries, as well as to plant, cultivate, grow, and harvest
27 medical cannabis for research purposes. A medical cannabis
28 cultivator permit shall not authorize the permit holder to
29 manufacture, produce, or otherwise create medical cannabis
30 products, or to deliver, transfer, transport, distribute, supply, sell, or
31 dispense medical cannabis, medical cannabis products,
32 paraphernalia, or related supplies to qualifying patients, designated
33 caregivers, or institutional caregivers.

34 "Medical cannabis dispensary" means an organization issued a
35 permit by the commission that authorizes the organization to:
36 purchase or obtain medical cannabis and related supplies from
37 medical cannabis cultivators; purchase or obtain medical cannabis
38 products and related supplies from medical cannabis manufacturers;
39 purchase or obtain medical cannabis, medical cannabis products,
40 and related supplies and paraphernalia from other medical cannabis
41 dispensaries and from clinical registrants; deliver, transfer,
42 transport, distribute, supply, and sell medical cannabis and medical
43 cannabis products to other medical cannabis dispensaries; furnish
44 medical cannabis, including medical cannabis products, to a
45 medical cannabis handler for delivery to a registered qualifying
46 patient, designated caregiver, or institutional caregiver consistent
47 with the requirements of subsection i. of section 27 of P.L.2019,
48 c.153 (C.24:6I-20); and possess, display, deliver, transfer, transport,

1 distribute, supply, sell, and dispense medical cannabis, medical
2 cannabis products, paraphernalia, and related supplies to qualifying
3 patients, designated caregivers, and institutional caregivers. A
4 medical cannabis dispensary permit shall not authorize the permit
5 holder to cultivate medical cannabis, to produce, manufacture, or
6 otherwise create medical cannabis products.

7 "Medical cannabis manufacturer" means an organization issued a
8 permit by the commission that authorizes the organization to:
9 purchase or obtain medical cannabis and related supplies from a
10 medical cannabis cultivator or a clinical registrant; purchase or
11 obtain medical cannabis products from another medical cannabis
12 manufacturer or a clinical registrant; produce, manufacture, or
13 otherwise create medical cannabis products; and possess, deliver,
14 transfer, transport, distribute, supply, and sell medical cannabis
15 products and related supplies to other medical cannabis
16 manufacturers and to medical cannabis dispensaries and clinical
17 registrants. A medical cannabis manufacturer permit shall not
18 authorize the permit holder to cultivate medical cannabis or to
19 deliver, transfer, transport, distribute, supply, sell, or dispense
20 medical cannabis, medical cannabis products, paraphernalia, or
21 related supplies to registered qualifying patients, designated
22 caregivers, or institutional caregivers.

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

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

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

31 "Pediatric specialist" means a physician who is a board-certified
32 pediatrician or pediatric specialist, or an advanced practice nurse or
33 physician assistant who is certified as a pediatric specialist by an
34 appropriate professional certification or licensing entity.

35 "Primary care" means the practice of family medicine, general
36 internal medicine, general pediatrics, general obstetrics, or
37 gynecology.

38 "Qualifying medical condition" means seizure disorder,
39 including epilepsy; intractable skeletal muscular spasticity; post-
40 traumatic stress disorder; glaucoma; positive status for human
41 immunodeficiency virus; acquired immune deficiency syndrome;
42 cancer; amyotrophic lateral sclerosis; multiple sclerosis; muscular
43 dystrophy; inflammatory bowel disease, including Crohn's disease;
44 terminal illness, if the patient has a prognosis of less than 12
45 months of life; anxiety; migraine; Tourette's syndrome;
46 dysmenorrhea; chronic pain; opioid use disorder; or any other
47 medical condition or its treatment that is approved by the
48 commission.

1 "Qualifying patient" or "patient" means a resident of the State
2 who has been authorized for the medical use of cannabis by a health
3 care practitioner.

4 "Registration with the commission" means a person has met the
5 qualification requirements for, and has been registered by the
6 commission as, a registered qualifying patient, designated
7 caregiver, or institutional caregiver. The commission shall establish
8 appropriate means for health care practitioners, health care
9 facilities, medical cannabis dispensaries, law enforcement, schools,
10 facilities providing behavioral health services or services for
11 persons with developmental disabilities, and other appropriate
12 entities to verify an individual's status as a registrant with the
13 commission.

14 "Significantly involved person" means a person or entity who
15 holds at least a five percent investment interest in an entity issued,
16 or applying for a permit to operate as, a medical cannabis cultivator,
17 medical cannabis manufacturer, medical cannabis dispensary, or
18 clinical registrant, or who is a decision making member of a group
19 that holds at least a 20 percent investment interest in an entity
20 issued, or applying for a permit to operate as, a medical cannabis
21 cultivator, medical cannabis manufacturer, medical cannabis
22 dispensary, or clinical registrant, in which no member of that group
23 holds more than a five percent interest in the total group investment
24 interest, and the person or entity makes controlling decisions
25 regarding the operations of the entity issued, or applying for a
26 permit to operate as, a medical cannabis cultivator, medical
27 cannabis manufacturer, medical cannabis dispensary, or clinical
28 registrant.

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

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

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

35

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

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

40 (1) assume all powers, duties, and responsibilities with regard to
41 the regulation and oversight of activities authorized pursuant to
42 P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health for
43 the further development, expansion, regulation, and enforcement of
44 activities associated with the medical use of cannabis pursuant to
45 P.L.2009, c.307 (C.24:6I-1 et al.). All powers, duties, and
46 responsibilities with regard to the regulation and oversight of activities
47 authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) shall be
48 transferred from the Department of Health to the Cannabis Regulatory

1 Commission at such time as the members of the commission are
2 appointed as provided in subsection b. of this section and the
3 commission first organizes. Thereafter, any reference to the
4 Department of Health or the Commissioner of Health in any statute or
5 regulation pertaining to the provisions of P.L.2009, c.307 (C.24:6I-1 et
6 al.) shall be deemed to refer to the Cannabis Regulatory Commission.
7 The provisions of this **[subsection]** paragraph shall be carried out in
8 accordance with the "State Agency Transfer Act," P.L.1971, c.375
9 (C.52:14D-1 et seq.); and

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

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

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

19 (a) One member shall be appointed upon recommendation of the
20 Senate President;

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

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

25 (3) Initial appointments of commission members pursuant to
26 paragraph (2) of this subsection shall not require the advice and
27 consent of the Senate. Subsequent appointments made pursuant to
28 subparagraph (c) of paragraph (2) of this subsection, including
29 reappointments of members initially appointed, shall be made with the
30 advice and consent of the Senate. Subsequent appointments made
31 pursuant to subparagraphs (a) and (b) of paragraph (2) of this
32 subsection shall be made in the same manner as the original
33 appointment.

34 (4) All five members shall be residents of this State. At least one
35 member shall be a State representative of a national organization or
36 State branch of a national organization with a stated mission of
37 studying, advocating, or adjudicating against minority historical
38 oppression, past and present discrimination, unemployment, poverty
39 and income inequality, and other forms of social injustice or
40 inequality, and all five members shall possess education, training, or
41 experience with legal, policy, or criminal justice issues, corporate or
42 industry management, finance, securities, or production or distribution,
43 medicine or pharmacology, or public health, mental health, or
44 substance use disorders.

45 (5) The chair and the other members shall serve for terms of five
46 years; provided that, for the two other members initially appointed by
47 the Governor without any needed recommendation, one shall be
48 appointed for a term of four years, and one shall be appointed for a

1 term of three years. The chair and the other members shall serve in
2 their respective capacities throughout their entire term and until their
3 successors shall have been duly appointed and qualified. Any vacancy
4 in the commission occurring for any reason other than the expiration
5 of a term, including a vacancy occurring during the term of the initial
6 chair or another initial member, shall be filled in accordance with the
7 requirements for subsequent appointments set forth in paragraph (3) of
8 this subsection for the remainder of the unexpired term only.

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

15 (7) The members of the commission, at the commission's first
16 meeting when called by the chair, shall elect, by a majority of the total
17 authorized membership of the commission, one of the members who is
18 appointed based upon the recommendation of the Senate President or
19 Speaker of the General Assembly as set forth in paragraph (2) of this
20 subsection to serve as vice-chair during that member's term. A new
21 vice-chair shall be elected upon the expiration of the current vice-
22 chair's term, even if that member remains on the commission until that
23 member's successor is duly appointed and qualified. The vice-chair
24 shall be empowered to carry out all of the responsibilities of the chair
25 during the chair's absence, disqualification, or inability to serve.

26 (8) A majority of the total authorized membership of the
27 commission shall be required to establish a quorum, and a majority of
28 the total authorized membership of the commission shall be required to
29 exercise its powers at any meeting thereof. However, only if all five
30 commissioners have been duly appointed in accordance with the
31 appointment process set forth in paragraph (2) of this subsection, and
32 five appointed commissioners are present at a meeting, may a majority
33 of the total authorized membership act to assume the powers, duties,
34 and responsibilities with regard to the regulation and oversight of
35 activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
36 from the Department of Health; and similarly, only if all five
37 appointed commissioners are present at a meeting, may a majority of
38 the total authorized membership act to adopt the commission's initial
39 rules and regulations concerning personal use cannabis pursuant to
40 subparagraph (a) of paragraph (1) of subsection d. of section 6 of
41 P.L. , c. (C.) (pending before the Legislature as this bill), by
42 which the licensing of cannabis establishments, and the lawfully
43 permitted licensing activities of those establishments, may begin.

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

46 (10) Any member of the commission may be removed from office
47 by the Governor, for cause, upon notice and opportunity to be heard at

1 a public hearing. Any member of the commission shall automatically
2 forfeit the member's office upon conviction for any crime.

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

10 (a) The initial executive director shall be appointed by the
11 Governor, and thereafter every subsequent executive director shall be
12 appointed by the Governor with the advice and consent of the Senate.
13 The executive director shall serve at the pleasure of the appointing
14 Governor during the Governor's term of office and until a successor
15 has been duly appointed and qualified. Any vacancy in the office
16 occurring for any reason other than the expiration of a term, including
17 a vacancy occurring during the term of the initial executive director,
18 shall be filled for the unexpired term only in the same manner as the
19 appointment of any subsequent executive director as set forth herein.
20 The executive director shall receive an annual salary to be fixed and
21 established by the Governor, which shall not exceed \$141,000.

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

28 (ii) If, as a result of transferring powers, duties, and responsibilities
29 with regard to the regulation and oversight of activities authorized
30 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of
31 Health to the commission pursuant to subsection a. of this section, the
32 commission needs to employ an individual to fill a position,
33 employees of the department who performed the duties of the position
34 to be filled shall be given a one-time right of first refusal offer of
35 employment with the commission, and such employees may be
36 removed by the commission for cause or if deemed unqualified to hold
37 the position, notwithstanding any other provision of law to the
38 contrary. A department employee who becomes employed by the
39 commission shall retain as an employee of the commission the
40 seniority, and all rights related to seniority, that the employee had with
41 the department as of the last day of employment with the department;
42 provided, however, that such seniority and seniority rights shall be
43 retained only by an employee who was transferred from employment
44 with the department to employment with the commission, and shall not
45 be retained by an employee who was removed from employment with
46 the department due to layoff procedures or who resigned from a
47 position with the department prior to being hired by the commission.

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

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

11 d. With respect to the activities of the commission, neither the
12 President of the Senate or the Speaker of the General Assembly shall
13 be permitted to appear or practice or act in any capacity whatsoever
14 before the commission regarding any matter whatsoever, nor shall any
15 member of the immediate family of the Governor, President of the
16 Senate, or Speaker of the General Assembly be permitted to so
17 practice or appear in any capacity whatsoever before the commission
18 regarding any matter whatsoever. As used in this subsection,
19 "immediate family" means the spouse, domestic partner, or civil union
20 partner, and any dependent child or stepchild, recognized by blood or
21 by law, of the Governor, President of the Senate, or Speaker of the
22 General Assembly, or of the spouse, domestic partner, or civil union
23 partner residing in the same household as the Governor, President of
24 the Senate, or Speaker of the General Assembly.

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

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

- 33 (1) the commission's organization;
- 34 (2) the commission's regulation and enforcement activities;
- 35 (3) the overall effectiveness of the commission as a full time
36 entity; and
- 37 (4) whether the regulation and oversight of medical cannabis or
38 personal use cannabis could be more effectively and efficiently
39 managed through a reorganization of the commission, consolidation of
40 the commission within the Department of Health or another Executive
41 Branch department, conversion to a part-time commission, or the
42 transfer of some or all of the commission's operations elsewhere
43 within the Executive Branch.

44 The commission shall submit the findings of the independent
45 study, along with the commission's recommendations for appropriate
46 executive, administrative, or legislative action, to the Governor and,

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

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

4

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

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

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

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

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

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

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

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

38 (a) Issuing subpoenas;

39 (b) Compelling attendance of witnesses;

40 (c) Administering oaths;

41 (d) Certifying official acts;

42 (e) Taking depositions as provided by law;

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

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

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

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

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

25 d. (1) (a) Within 180 days after the effective date of this
26 section, which takes effect immediately upon enactment of P.L. ,
27 c. (C.) (pending before the Legislature as this bill), or within
28 45 days of all five members of the commission being duly
29 appointed in accordance with the appointment process set forth in
30 paragraph (2) of subsection b. of section 31 of P.L.2019, c.153
31 (C.24:6I-24), whichever date is later, and notwithstanding the
32 provisions of the “Administrative Procedure Act,” P.L.1968, c.410
33 (C.52:14B-1 et seq.), to the contrary, the commission, after
34 consultation with the Attorney General, State Treasurer,
35 Commissioner of Health, and Commissioner of Banking and
36 Insurance, shall, immediately upon filing proper notice with the
37 Office of Administrative Law, adopt rules and regulations prepared
38 by the commission necessary or proper to enable it to carry out the
39 commission’s duties, functions, and powers with respect to
40 overseeing the development, regulation, and enforcement of
41 activities associated with the personal use of cannabis pursuant to
42 P.L. , c. (C.).

43 (b) The initial rules and regulations adopted pursuant to
44 subparagraph (a) of this paragraph shall be in effect for a period not
45 to exceed one year after the date of filing with the Office of
46 Administrative Law. These rules and regulations shall thereafter be
47 adopted, amended, or readopted, and any subsequent rules and
48 regulations adopted, amended, or readopted, by the commission in

1 accordance with the requirements of the “Administrative Procedure
2 Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), after consultation with
3 other department heads, as the commission deems appropriate.

4 (2) On the date of adoption of the initial rules and regulations
5 pursuant to subparagraph (a) of paragraph (1) of this subsection, the
6 provisions of P.L. , c. (C.) (pending before the Legislature
7 as this bill) shall become operative, other than those provisions
8 which were operative immediately upon enactment. Subsequent to
9 the date of adoption of the initial rules and regulations, the
10 commission shall determine the first date thereafter on which
11 cannabis retailers issued licenses and conditional licenses may
12 begin retail sales of personal use cannabis items, which latter date
13 shall not be more than 180 days after the commission’s adoption of
14 its initial rules and regulations. The commission shall provide
15 every person or entity issued licenses or conditional licenses by the
16 commission with at least 30 days’ notice of this date, and shall also
17 provide the 30-day notice to every alternative treatment center
18 deemed to be licensed for personal use cannabis activities pursuant
19 to section 7 of P.L.2009, c.307 (C.24:6I-7), as amended by P.L. ,
20 c. (C.) (pending before the Legislature as this bill), whether or
21 not already engaged in retail sales of personal use cannabis items as
22 permitted prior to the retail sales date established pursuant to this
23 paragraph, as set forth in paragraph (3) of subsection a. of section
24 33 of P.L. , c. (C.) (pending before the Legislature as this
25 bill).

26

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

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

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

37 (2) annually thereafter on the number of applications for
38 registration with the commission, the number of qualifying patients
39 registered, the number of designated and institutional caregivers
40 registered, the nature of the qualifying medical conditions of the
41 patients, the number of registrations revoked, the number of
42 medical cannabis cultivator, medical cannabis manufacturer, and
43 medical cannabis dispensary permits issued and revoked, the
44 number and type of integrated curricula approved, established, and
45 maintained in connection with an IC permit, the number of testing
46 laboratories licensed, the number of clinical registrant permits
47 issued and the nature of the clinical research conducted by each

1 clinical registrant, any incidents of diversion of medical cannabis,
2 information concerning racial, ethnic, disabled veteran, and gender
3 diversity in the individuals issued and currently holding permits
4 issued by the commission, the number of permit applications
5 received from businesses owned by minorities, disabled veterans,
6 and women and the number of such applications that were
7 approved, the business development initiatives undertaken by the
8 Office of Minority, Disabled Veterans, and Women **【Medical】**
9 Cannabis Business Development pursuant to section 32 of
10 P.L.2019, c.153 (C.24:6I-25) and the outcomes or effects of those
11 initiatives, statistics concerning arrests for drug offenses throughout
12 the State and in areas where medical cannabis dispensaries are
13 located, including information concerning racial disparities in arrest
14 rates for drug offenses generally and cannabis offenses in particular,
15 the number of motor vehicle stops by law enforcement involving
16 violations of R.S.39:4-50, or section 5 of P.L.1990, c.103 (C.39:3-
17 10.13) concerning operators of commercial motor vehicles, for
18 driving under the influence of medical cannabis, or suspicion
19 thereof, cataloged by the jurisdictions in which the stop occurred,
20 and the race, ethnicity, gender, and age of the vehicle driver and
21 any other vehicle occupants, the number of deliveries of medical
22 cannabis performed and the percentage of total medical cannabis
23 dispensations that were completed by delivery, and the number of
24 health care practitioners authorizing patients for the medical use of
25 cannabis, including the types of license or certification held by
26 those practitioners; and

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

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

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

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

7 (d) the data compiled by the Office of Minority, Disabled
8 Veterans, and Women Cannabis Business Development pursuant to
9 section 32 of P.L.2019, c.153 (C.24:6I-25) about participation in the
10 lawful operation of cannabis establishments by persons from
11 socially and economically disadvantaged communities, including
12 minority, disabled veterans', and women's business licensing and
13 business development in the personal use cannabis marketplace, and
14 the data shall include the office's analysis of the total number of
15 licenses applied for and issued since the distribution of the previous
16 report to the Governor and Legislature compared with the total
17 number of minority businesses and women's businesses, as these
18 terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-21.18),
19 and disabled veterans' businesses, as defined in section 2 of P.L.2015,
20 c.116 (C.52:32-31.2), that submitted applications for licenses and
21 whether they were approved, reapproved, or denied.

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

24 c. (1) Within two years after the effective date of P.L.2009,
25 c.307 (C.24:6I-1 et al.) and every two years thereafter, the
26 commissioner or, after the effective date of P.L.2019, c.153
27 (C.24:6I-5.1 et al.), the commission, shall: evaluate whether there
28 are sufficient numbers of medical cannabis cultivators, medical
29 cannabis manufacturers, medical cannabis dispensaries, and clinical
30 registrants to meet the needs of registered qualifying patients
31 throughout the State; evaluate whether the maximum amount of
32 medical cannabis allowed pursuant to P.L.2009, c.307 (C.24:6I-1 et
33 al.) is sufficient to meet the medical needs of qualifying patients;
34 and determine whether any medical cannabis cultivator, medical
35 cannabis manufacturer, medical cannabis dispensary, or clinical
36 registrant has charged excessive prices in connection with medical
37 cannabis.

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

44 (2) The commission, beginning no later than one year after the
45 effective date of P.L. _____, c. _____ (C. _____) (pending before the
46 Legislature as this bill), may also include in its reports information
47 concerning its periodic evaluation of whether the existing numbers

1 of cannabis growers, cannabis processors, cannabis wholesalers,
2 cannabis distributors, cannabis retailers, and cannabis delivery
3 services are sufficient to meet the personal use cannabis market
4 demands of the State, and actions the commission may take to issue
5 additional cannabis licenses as authorized by paragraph (1) of
6 subsection a. of section 18 of P.L. , c. (C.) (pending before
7 the Legislature as this bill), or if there is an oversupply of licenses,
8 as well as information about any increase in the rates of use of
9 marijuana and cannabis by persons under 21 years of age.
10 (cf: P.L.2019, c.153, s.20)

11

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

14 33. a. No person shall be appointed to or employed by the
15 commission if, during the period commencing three years prior to
16 appointment or employment, the person held any direct or indirect
17 interest in, or any employment by, any holder of, or applicant for, a
18 medical cannabis cultivator, medical cannabis manufacturer,
19 medical cannabis dispensary, or clinical registrant permit pursuant
20 to P.L.2009, c.307 (C.24:6I-1 et al.) or otherwise employs any
21 certified medical cannabis handler to perform transfers or deliveries
22 of medical cannabis , or a cannabis grower, cannabis processor,
23 cannabis wholesaler, cannabis distributor, cannabis retailer, or
24 cannabis delivery service, or an entity that employs or uses a
25 certified personal use cannabis handler to perform work for or on
26 behalf of a licensed cannabis establishment, distributor, or delivery
27 service; provided, however, that notwithstanding any other
28 provision of law to the contrary, any such person may be appointed
29 to or employed by the commission if the person's prior interest in
30 any such permit holder, license holder, entity, or applicant would
31 not, in the opinion of the commission, interfere with the objective
32 discharge of the person's obligations of appointment or
33 employment, but in no instance shall any person be appointed to or
34 employed by the commission if the person's prior interest in such
35 permit holder, license holder, entity, or applicant constituted a
36 controlling interest in that permit holder, license holder, entity, or
37 applicant; and provided further, however, that notwithstanding any
38 other provision of law to the contrary, any such person may be
39 employed by the commission in a secretarial or clerical position if,
40 in the opinion of the commission, the person's previous
41 employment by, or interest in, any permit holder, license holder,
42 entity, or applicant would not interfere with the objective discharge
43 of the person's employment obligations.

44 b. Prior to appointment or employment, each member of the
45 commission and each employee of the commission shall swear or
46 affirm that the member or employee, as applicable, possesses no

1 interest in any business or organization issued a medical cannabis
2 cultivator, medical cannabis manufacturer, medical cannabis
3 dispensary, or clinical registrant permit, or cannabis grower,
4 cannabis processor, cannabis wholesaler, cannabis distributor,
5 cannabis retailer, or cannabis delivery service license by the
6 commission, or in any entity that employs or uses a certified
7 personal use cannabis handler to perform work for or on behalf of a
8 licensed cannabis establishment, distributor, or delivery service.

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

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

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

35

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

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

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

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

5 c. The Code of Ethics promulgated and maintained by the
6 commission, and any amendments or restatements thereof, shall be
7 submitted to the State Ethics Commission for approval. The
8 **【Codes】** Code of Ethics shall include, but not be limited to,
9 provisions that:

10 (1) No commission member or employee shall be permitted to
11 enter and engage in any activities, nor have any interest, directly or
12 indirectly, in any medical cannabis cultivator, medical cannabis
13 manufacturer, medical cannabis dispensary, or clinical registrant
14 issued a permit by the commission in accordance with P.L.2009,
15 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
16 medical cannabis handler to perform transfers or deliveries of
17 medical cannabis, or any cannabis grower, cannabis processor,
18 cannabis wholesaler, cannabis distributor, cannabis retailer, or
19 cannabis delivery service issued a license by the commission in
20 accordance with P.L. , c. (C.) (pending before the
21 Legislature as this bill) or any entity that employs or uses a certified
22 personal use cannabis handler to perform work for or on behalf of a
23 licensed cannabis establishment, distributor, or delivery service,
24 except in the course of the member's or employee's duties;
25 provided that nothing in this paragraph shall be construed to
26 prohibit a member or employee who is a registered qualifying
27 patient, or who is serving as a designated caregiver or institutional
28 caregiver for a registered qualifying patient, from being dispensed
29 medical cannabis consistent with the requirements of P.L.2009,
30 c.307 (C.24:6I-1 et al.).

31 (2) No commission member or employee shall solicit or accept
32 employment from any holder of, or applicant for, a medical
33 cannabis cultivator, medical cannabis manufacturer, medical
34 cannabis dispensary, or clinical registrant permit or any entity that
35 employs any certified medical cannabis handler to perform transfers
36 or deliveries of medical cannabis, or any cannabis grower, cannabis
37 processor, cannabis wholesaler, cannabis distributor, cannabis
38 retailer, or cannabis delivery service issued a license by the
39 commission in accordance with P.L. , c. (C.) (pending
40 before the Legislature as this bill) or any entity that employs or uses
41 a certified personal use cannabis handler to perform work for or on
42 behalf of a licensed cannabis establishment, distributor, or delivery
43 service, for a period of two years after termination of service with
44 the commission, except as otherwise provided in section 35 of
45 P.L.2019, c.153 (C.24:6I-28).

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

8 (4) No commission member or employee shall act in the
9 member's or employee's official capacity in a matter concerning
10 any holder of, or applicant for, a medical cannabis cultivator,
11 medical cannabis manufacturer, medical cannabis dispensary, or
12 clinical registrant permit or any entity that employs any certified
13 medical cannabis handler to perform transfers or deliveries of
14 medical cannabis, or a cannabis grower, cannabis processor,
15 cannabis wholesaler, cannabis distributor, cannabis retailer license,
16 or cannabis delivery service or any entity that employs or uses a
17 certified personal use cannabis handler to perform work for or on
18 behalf of a licensed cannabis establishment, distributor, or delivery
19 service, who is the employer of a spouse, domestic partner, or
20 partner in a civil union couple, or child, parent, or sibling of the
21 commission member or employee when the fact of the employment
22 of the spouse, domestic partner, or partner in a civil union couple,
23 or child, parent, or sibling might reasonably be expected to impair
24 the objectivity and independence of judgment of the commission
25 member or employee.

26 (5) No spouse, domestic partner, or partner in a civil union
27 couple, or child, parent, or sibling of a commission member shall be
28 employed in any capacity by any holder of, or applicant for, a
29 medical cannabis cultivator, medical cannabis manufacturer,
30 medical cannabis dispensary, or clinical registrant permit, or any
31 entity that employs any certified medical cannabis handler to
32 perform transfers or deliveries of medical cannabis, or a cannabis
33 grower, cannabis processor, cannabis wholesaler, cannabis
34 distributor, cannabis retailer, or cannabis delivery service license or
35 any entity that employs or uses a certified personal use cannabis
36 handler to perform work for or on behalf of a licensed cannabis
37 establishment, distributor, or delivery service, nor by any holding,
38 intermediary, or subsidiary company thereof.

39 (6) No commission member shall meet with any person, except
40 for any other member of the commission or employee of the
41 commission, or discuss any issues involving any pending or
42 proposed application or any matter whatsoever which may
43 reasonably be expected to come before the commission, or any
44 member thereof, for determination unless the meeting or discussion
45 takes place on the business premises of the commission, provided,
46 however, that commission members may meet to consider matters

1 requiring the physical inspection of equipment or premises at the
2 location of the equipment or premises. All meetings or discussions
3 subject to this paragraph shall be noted in a log maintained for this
4 purpose and available for inspection pursuant to the provisions of
5 P.L.1963, c.73 (C.47:1A-1 et seq.).

6 d. No commission member or employee shall have any interest,
7 direct or indirect, in any holder of, or applicant for, a medical
8 cannabis cultivator, medical cannabis manufacturer, medical
9 cannabis dispensary, or clinical registrant permit or **[in]** any entity
10 that employs any certified medical cannabis handler to perform
11 transfers or deliveries of medical cannabis, or a cannabis grower,
12 cannabis processor, cannabis wholesaler, cannabis distributor,
13 cannabis retailer, or cannabis delivery service license or any entity
14 that employs or uses a certified personal use cannabis handler to
15 perform work for or on behalf of a licensed cannabis establishment,
16 distributor, or delivery service, during the member's term of office
17 or employee's term of employment.

18 e. Each commission member and employee shall devote the
19 member's or employee's entire time and attention to the member's
20 or employee's duties, as applicable, and shall not pursue any other
21 business or occupation or other gainful employment; provided,
22 however, that secretarial and clerical personnel may engage in such
23 other gainful employment as shall not interfere with their duties to
24 the commission, unless otherwise directed; and provided further,
25 however, that other employees of the commission may engage in
26 such other gainful employment as shall not interfere or be in
27 conflict with their duties to the commission **[or division,]** upon
28 approval by the commission **[, as the case may be].**

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

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

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

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

43 (c) take any active part in political campaigns or the
44 management thereof; provided, however, that nothing herein shall
45 prohibit a member or employee from voting as the member or

1 employee chooses or from expressing personal opinions on political
2 subjects and candidates.

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

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

12

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

15 35. a. No member of the commission shall hold any direct or
16 indirect interest in, or be employed by, any holder of, or applicant
17 for, a medical cannabis cultivator, medical cannabis manufacturer,
18 medical cannabis dispensary, or clinical registrant permit issued
19 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or **[in]** any entity that
20 employs any certified medical cannabis handler to perform transfers
21 or deliveries of medical cannabis, or a cannabis grower, cannabis
22 processor, cannabis wholesaler, cannabis distributor, cannabis
23 retailer, or cannabis delivery service license issued pursuant to
24 P.L. , c. (C.) (pending before the Legislature as this bill) or
25 any entity that employs or uses a certified personal use cannabis
26 handler to perform work for or on behalf of a licensed cannabis
27 establishment, distributor, or delivery service, for a period of two
28 years commencing on the date that membership on the commission
29 terminates.

30 b. (1) No employee of the commission may acquire any direct or
31 indirect interest in, or accept employment with, any holder of, or
32 applicant for, a medical cannabis cultivator, medical cannabis
33 manufacturer, medical cannabis dispensary, or clinical registrant
34 permit or **[in]** any entity that employs any certified medical
35 cannabis handler to perform transfers or deliveries of medical
36 cannabis, or a cannabis grower, cannabis processor, cannabis
37 wholesaler, cannabis distributor, cannabis retailer, or cannabis
38 delivery service license or any entity that employs or uses a
39 certified personal use cannabis handler to perform work for or on
40 behalf of a licensed cannabis establishment, distributor, or delivery
41 service, for a period of two years commencing at the termination of
42 employment with the commission, except that a secretarial or
43 clerical employee of the commission may accept such employment
44 at any time after the termination of employment with the
45 commission. At the end of two years and for a period of two years
46 thereafter, a former employee who held a policy-making

1 management position at any time during the five years prior to
2 termination of employment may acquire an interest in, or accept
3 employment with, any holder of, or applicant for, a medical
4 cannabis cultivator, medical cannabis manufacturer, medical
5 cannabis dispensary, or clinical registrant permit or **[in]** any entity
6 that employs any certified medical cannabis handler to perform
7 transfers or deliveries of medical cannabis, or a cannabis grower,
8 cannabis processor, cannabis wholesaler, cannabis distributor,
9 cannabis retailer, or cannabis delivery service license or any entity
10 that employs or uses a certified personal use cannabis handler to
11 perform work for or on behalf of a licensed cannabis establishment,
12 distributor, or delivery service, upon application to, and the
13 approval of, the commission, upon a finding that the interest to be
14 acquired or the employment will not create the appearance of a
15 conflict of interest and does not evidence a conflict of interest in
16 fact.

17 (2) Notwithstanding the provisions of this subsection, if the
18 employment of a commission employee, other than an employee
19 who held a policy-making management position at any time during
20 the five years prior to termination of employment, is terminated as a
21 result of a reduction in the workforce at the commission, the
22 employee may, at any time prior to the end of the two-year period,
23 accept employment with any holder of, or applicant for, a medical
24 cannabis cultivator, medical cannabis manufacturer, medical
25 cannabis dispensary, or clinical registrant permit or any entity that
26 employs any certified medical cannabis handler to perform transfers
27 or deliveries of medical cannabis, or a cannabis grower, cannabis
28 processor, cannabis wholesaler, or cannabis retailer license or any
29 entity that employs or uses a certified personal use cannabis handler
30 to perform work for or on behalf of a licensed cannabis
31 establishment, upon application to, and the approval of, the
32 commission, upon a finding that the employment will not create the
33 appearance of a conflict of interest and does not evidence a conflict
34 of interest in fact. The commission shall take action on an
35 application within 30 days of receipt and an application may be
36 submitted to the commission prior to or after the commencement of
37 the employment.

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

42 d. No partnership, firm, or corporation in which a former
43 commission member or employee has an interest, nor any partner,
44 officer, or employee of any such partnership, firm, or corporation

1 shall make any appearance or representation which is prohibited to
2 the former member or employee.

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

4

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

7 36. a. (1) No holder of, or applicant for, a medical cannabis
8 cultivator, medical cannabis manufacturer, medical cannabis
9 dispensary, or clinical registrant permit issued pursuant to P.L.2009,
10 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
11 medical cannabis handler to perform transfers or deliveries of
12 medical cannabis, or a cannabis grower, cannabis processor,
13 cannabis wholesaler, cannabis distributor, cannabis retailer, or
14 cannabis delivery service license issued pursuant to P.L. _____,
15 c. (C. _____) (pending before the Legislature as this bill) or any
16 entity that employs or uses a certified personal use cannabis handler
17 to perform work for or on behalf of a licensed cannabis
18 establishment, distributor, or delivery service, shall employ or offer
19 to employ, or provide, transfer, or sell, or offer to provide, transfer,
20 or sell any interest, direct or indirect, in any medical cannabis
21 cultivator, medical cannabis manufacturer, medical cannabis
22 dispensary, or clinical registrant permit holder, or any cannabis
23 grower, cannabis processor, cannabis wholesaler, cannabis
24 distributor, cannabis retailer, or cannabis delivery service license
25 holder, to any person restricted from such transactions by the
26 provisions of sections 33 through 35 of P.L.2019, c.153 (C.24:6I-26
27 through C.24:6I-28).

28 (2) In addition to any civil penalty imposed pursuant to
29 subsection c. of this section, the commission may deny an
30 application, or revoke or suspend a permit holder's permit or
31 license holder's license, for committing a violation of this
32 subsection.

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

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

43 c. The State Ethics Commission, established pursuant to the
44 "New Jersey Conflicts of Interest Law," P.L.1971, c.182
45 (C.52:13D-12 et seq.), shall enforce the provisions of sections 33
46 through 36 of P.L.2019, c.153 (C.24:6I-26 through C.24:6I-29), and

1 upon a finding of a violation, impose a civil penalty of not less than
2 \$500 nor more than \$10,000, which penalty may be collected in a
3 summary proceeding pursuant to the "Penalty Enforcement Law of
4 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). If a violation also
5 represents a crime or disorderly persons offense as set forth in
6 subsection b. of this section, the State Ethics Commission shall also
7 refer the matter to the Attorney General or appropriate county
8 prosecutor for further investigation and prosecution.

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

10
11 12. Section 2 of P.L.1971, c.182 (C.52:13D-13) is amended to
12 read as follows:

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

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

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

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

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

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

1 member to an interstate agency the duties of which membership are
2 not full-time.

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

5 g. "Interest" means: (1) the ownership or control of more than
6 10 percent of the profits or assets of a firm, association, or
7 partnership, or more than 10 percent of the stock in a corporation
8 for profit other than a professional service corporation organized
9 under the "Professional Service Corporation Act," P.L.1969, c.232
10 (C.14A:17-1 et seq.); or (2) the ownership or control of more than
11 one percent of the profits of a firm, association, or partnership, or
12 more than one percent of the stock in any corporation, (a) which is
13 the holder of, or an applicant for, a casino license or in any holding
14 or intermediary company with respect thereto, as defined by the
15 "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.), **[or]** (b)
16 which is the holder of, or an applicant for, a medical cannabis
17 cultivator, medical cannabis manufacturer, medical cannabis
18 dispensary, or clinical registrant permit issued pursuant to P.L.2009,
19 c.307 (C.24:6I-1 et al.), or any holding or intermediary company
20 with respect thereto, or (c) which is the holder of, or an applicant for,
21 a cannabis grower, cannabis processor, cannabis wholesaler, cannabis
22 distributor, cannabis retailer, or cannabis delivery service license
23 issued pursuant to P.L. , c. (C.) (pending before the Legislature
24 as this bill), or which is an entity that employs or uses a certified
25 personal use cannabis handler to perform work for or on behalf of a
26 licensed cannabis establishment, distributor, or delivery service, or any
27 holding or intermediary company with respect to thereto. The
28 provisions of this act governing the conduct of individuals are
29 applicable to shareholders, associates or professional employees of
30 a professional service corporation regardless of the extent or
31 amount of their shareholder interest in such a corporation.

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

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

41
42 13. The title of P.L.1981, c.142 is amended to read as follows:
43 **AN ACT concerning casino activity, and personal use and medical**
44 **cannabis activities,** and the conduct of certain elected and appointed
45 public officers and employees as it relates thereto, amending and
46 supplementing P.L.1971, c.182, amending P.L.1977, c.110,

1 P.L.1980, c.28 and P.L.1980, c.69 , and repealing section 2 of
2 P.L.1980, c.79.

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

4

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

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

8 (1) (a) with respect to casino activity **[and]** , activity related to
9 medical cannabis authorized pursuant to P.L.2009, c.307 (C.24:6I-1
10 et al.), and activity related to personal use cannabis authorized
11 pursuant to P.L. , c. (C.) (pending before the Legislature as
12 this bill); the Governor; the President of the Senate; the Speaker of
13 the General Assembly; any full-time member of the Judiciary; any
14 full-time professional employee of the Office of the Governor; the
15 head of a principal department; the assistant or deputy heads of a
16 principal department, including all assistant and deputy
17 commissioners; the head of any division of a principal department;

18 (b) with respect to casino activity **[,]** ; any State officer or
19 employee subject to financial disclosure by law or executive order
20 and any other State officer or employee with responsibility for
21 matters affecting casino activity; any special State officer or
22 employee with responsibility for matters affecting casino activity;
23 any member of the Legislature; any full-time professional employee
24 of the Legislature; members of the Casino Reinvestment
25 Development Authority; or

26 (c) with respect to activity related to medical cannabis
27 authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) **[,]** and
28 activity related to personal use cannabis authorized pursuant to
29 P.L. , c. (C.) (pending before the Legislature as this bill);
30 any State officer or employee subject to financial disclosure by law
31 or executive order and any other State officer or employee with
32 responsibility for matters affecting medical cannabis activity or
33 personal use cannabis activity; any special State officer or
34 employee with responsibility for matters affecting medical cannabis
35 activity or personal use cannabis activity; members of the Cannabis
36 Regulatory Commission; or

37 (2) (a) any member of the governing body, or the municipal
38 judge or the municipal attorney of a municipality wherein a casino
39 is located; any member of or attorney for the planning board or
40 zoning board of adjustment of a municipality wherein a casino is
41 located, or any professional planner, or consultant regularly
42 employed or retained by such planning board or zoning board of
43 adjustment; or

44 (b) any member of the governing body or the municipal judge of
45 a municipality, any member of the planning board or zoning board
46 of adjustment, or any professional planner, or consultant regularly

1 employed or retained by such planning board or zoning board of
2 adjustment, of a municipality wherein a medical cannabis
3 cultivator, medical cannabis manufacturer, medical cannabis
4 dispensary, or clinical registrant issued a permit pursuant to
5 P.L.2009, c.307 (C.24:6I-1 et al.), or wherein a cannabis grower,
6 cannabis processor, cannabis wholesaler, cannabis distributor,
7 cannabis retailer, cannabis delivery service issued a license
8 pursuant to P.L. , c. (C.) (pending before the Legislature as
9 this bill), is located.

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

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

37 (3) No State officer or employee, nor any person, nor any
38 member of the immediate family of any State officer or employee,
39 or person, nor any partnership, firm, or corporation with which any
40 such State officer or employee or person is associated or in which
41 he has an interest, nor any partner, officer, director, or employee
42 while he is associated with such partnership, firm, or corporation,
43 shall hold, directly or indirectly, an interest in, or hold employment
44 with, or represent, appear for, or negotiate on behalf of, any holder
45 of, or applicant for, a medical cannabis cultivator, medical cannabis
46 manufacturer, medical cannabis dispensary, or clinical registrant

1 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or **[in]**
2 any entity that employs any certified medical cannabis handler to
3 perform transfers or deliveries of medical cannabis, or any holding
4 or intermediary company with respect thereto, or a cannabis grower,
5 cannabis processor, cannabis wholesaler, cannabis distributor,
6 cannabis retailer, or cannabis delivery service license issued pursuant
7 to P.L. , c. (C.) (pending before the Legislature as this bill), or
8 which is an entity that employs or uses a certified personal use
9 cannabis handler to perform work for or on behalf of a licensed
10 cannabis establishment, distributor, or delivery service or any holding
11 or intermediary company with respect thereto, in connection with any
12 cause, application, or matter, except as provided in section 3 of
13 P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State officer
14 or employee other than a State officer or employee included in the
15 definition of person, and (b) a member of the immediate family of a
16 State officer or employee, or of a person, may hold employment
17 with the holder of, or applicant for, a medical cannabis cultivator,
18 medical cannabis manufacturer, medical cannabis dispensary, or
19 clinical registrant permit or any entity that employs any certified
20 medical cannabis handler to perform transfers or deliveries of
21 medical cannabis, or a cannabis grower, cannabis processor, cannabis
22 wholesaler, cannabis distributor, cannabis retailer, cannabis delivery
23 service license or any entity that employs or uses a certified personal
24 use cannabis handler to perform work for or on behalf of a licensed
25 cannabis establishment, distributor, or delivery service, if, in the
26 judgment of the State Ethics Commission, the Joint Legislative
27 Committee on Ethical Standards, or the Supreme Court, as
28 appropriate, such employment will not interfere with the
29 responsibilities of the State officer or employee, or person, and will
30 not create a conflict of interest, or reasonable risk of the public
31 perception of a conflict of interest, on the part of the State officer or
32 employee, or person. No special State officer or employee without
33 responsibility for matters affecting medical cannabis activity or
34 personal use cannabis activity, excluding those serving in the
35 Departments of Education, Health, and Human Services and the
36 Office of the Secretary of Higher Education, shall hold, directly or
37 indirectly, an interest in, or represent, appear for, or negotiate on
38 behalf of, any holder of, or applicant for, a medical cannabis
39 cultivator, medical cannabis manufacturer, medical cannabis
40 dispensary, or clinical registrant permit or any entity that employs
41 any certified medical cannabis handler to perform transfers or
42 deliveries of medical cannabis, or any holding or intermediary
43 company with respect thereto, or a cannabis grower, cannabis
44 processor, cannabis wholesaler, cannabis distributor, cannabis retailer,
45 or cannabis delivery service license or any entity that employs or uses
46 a certified personal use cannabis handler to perform work for or on

1 behalf of a licensed cannabis establishment, distributor, or delivery
2 service or any holding or intermediary company with respect thereto,
3 in connection with any cause, application, or matter. However, a
4 special State officer or employee without responsibility for matters
5 affecting medical cannabis activity or personal use cannabis activity
6 may hold employment directly with any holder of or applicant for a
7 medical cannabis cultivator, medical cannabis manufacturer,
8 medical cannabis dispensary, or clinical registrant permit, or any
9 entity that employs any certified medical cannabis handler to
10 perform transfers or deliveries of medical cannabis, or any holding
11 or intermediary company thereof, or a cannabis grower, cannabis
12 processor, cannabis wholesaler, cannabis distributor, cannabis retailer,
13 or cannabis delivery service license or any entity that employs or uses
14 a certified personal use cannabis handler to perform work for or on
15 behalf of a licensed cannabis establishment, distributor, or delivery
16 service or any holding or intermediary company with respect to
17 thereto, and if so employed may hold, directly or indirectly, an
18 interest in, or represent, appear for, or negotiate on behalf of, that
19 employer, except as otherwise prohibited by law.

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

35 (a) a member of the immediate family of a person may hold
36 employment with the holder of, or applicant for, a casino license if,
37 in the judgment of the State Ethics Commission, the Joint
38 Legislative Committee on Ethical Standards, or the Supreme Court,
39 as appropriate, such employment will not interfere with the
40 responsibilities of the person and will not create a conflict of
41 interest, or reasonable risk of the public perception of a conflict of
42 interest, on the part of the person;

43 (b) an employee who is terminated as a result of a reduction in
44 the workforce at the agency where employed, other than an
45 employee who held a policy-making management position at any
46 time during the five years prior to termination of employment, may,

1 at any time prior to the end of the two-year period, accept
2 employment with the holder of, or applicant for, a casino license if,
3 in the judgment of the State Ethics Commission, the Joint
4 Legislative Committee on Ethical Standards, or the Supreme Court,
5 as appropriate, such employment will not create a conflict of
6 interest, or reasonable risk of the public perception of a conflict of
7 interest, on the part of the employee. In no case shall the restrictions
8 of this subsection apply to a secretarial or clerical employee.

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

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

40 (2) No person or any member of the person's immediate family,
41 nor any partnership, firm, or corporation with which such person is
42 associated or in which the person has an interest, nor any partner,
43 officer, director, or employee while the person is associated with
44 such partnership, firm, or corporation, shall, within two years next
45 subsequent to the termination of the office or employment of such
46 person, hold, directly or indirectly, an interest in, or hold

1 employment with, or represent, appear for, or negotiate on behalf
2 of, any holder of, or applicant for, a medical cannabis cultivator,
3 medical cannabis manufacturer, medical cannabis dispensary, or
4 clinical registrant permit issued pursuant to P.L.2009, c.307
5 (C.24:6I-1 et al.) or **[in]** any entity that employs any certified
6 medical cannabis handler to perform transfers or deliveries of
7 medical cannabis **[**, or any holding or intermediary company with
8 respect thereto**]** , or a cannabis grower, cannabis processor,
9 cannabis wholesaler, cannabis distributor, cannabis retailer, or
10 cannabis delivery service license issued pursuant to P.L. _____,
11 c. (C. _____) (pending before the Legislature as this bill) or any
12 entity that employs or uses a certified personal use cannabis handler to
13 perform work for or on behalf of a licensed cannabis establishment,
14 distributor, or delivery service in connection with any cause,
15 application, or matter, or any holding or intermediary company with
16 respect to such holder of, or applicant for, a medical cannabis
17 cultivator, medical cannabis manufacturer, medical cannabis
18 dispensary, or clinical registrant permit or entity that employs any
19 certified medical cannabis handler to perform transfers or deliveries
20 of medical cannabis, or a cannabis grower, cannabis processor,
21 cannabis wholesaler, cannabis distributor, cannabis retailer, or
22 cannabis delivery service license or any entity that employs or uses a
23 certified personal use cannabis handler to perform work for or on
24 behalf of a licensed cannabis establishment, distributor, or delivery
25 service in connection with any phase of development, permitting,
26 licensure, or any other matter whatsoever related to medical
27 cannabis activity or personal use cannabis activity, except as
28 provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except
29 that:

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

1 interest, or reasonable risk of the public perception of a conflict of
2 interest, on the part of the person;

3 (b) an employee who is terminated as a result of a reduction in
4 the workforce at the agency where employed, other than an
5 employee who held a policy-making management position at any
6 time during the five years prior to termination of employment, may,
7 at any time prior to the end of the two-year period, accept
8 employment with the holder of, or applicant for, a medical cannabis
9 cultivator, medical cannabis manufacturer, medical cannabis
10 dispensary, or clinical registrant permit or any entity that employs
11 any certified medical cannabis handler to perform transfers or
12 deliveries of medical cannabis, or a cannabis grower, cannabis
13 processor, cannabis wholesaler, cannabis distributor, cannabis retailer,
14 or cannabis delivery service 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, distributor, or delivery
17 service if, in the judgment of the State Ethics Commission, the Joint
18 Legislative Committee on Ethical Standards, or the Supreme Court,
19 as appropriate, such employment will not create a conflict of
20 interest, or reasonable risk of the public perception of a conflict of
21 interest, on the part of the employee. In no case shall the
22 restrictions of this subsection apply to a secretarial or clerical
23 employee. Nothing herein contained shall alter or amend the post-
24 service or post-employment restrictions applicable to members and
25 employees of the Cannabis Regulatory Commission pursuant to
26 paragraph (2) of subsection c. of section 34 and section 35 of
27 P.L.2019, c.153 (C.24:6I-27 and C.24:6I-28); and

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

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

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

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

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

1 (2) No person shall solicit or accept, directly or indirectly, any
2 complimentary service or discount from any holder of, or applicant
3 for, a medical cannabis cultivator, medical cannabis manufacturer,
4 medical cannabis dispensary, or clinical registrant permit issued
5 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that
6 employs any certified medical cannabis handler to perform transfers
7 or deliveries of medical cannabis, or a cannabis grower, cannabis
8 processor, cannabis wholesaler, cannabis distributor, cannabis retailer,
9 or cannabis delivery service license issued pursuant to P.L. _____,
10 c. (C. _____) (pending before the Legislature as this bill) or any entity
11 that employs or uses a certified personal use cannabis handler to
12 perform work for or on behalf of a licensed cannabis establishment,
13 distributor, or delivery service which the person knows or has reason
14 to know is other than a service or discount that is offered to
15 members of the general public in like circumstance.

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

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

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

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

9
10 15. Section 32 of P.L.2019, c.153 (C.24:6I-25) is amended to
11 read as follows:

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

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

44 (2) The office shall conduct advertising and promotional
45 campaigns, and shall disseminate information to the public, to
46 increase awareness for participation in the medical cannabis

1 **【industry】** and personal use cannabis industries by persons from
2 socially and economically disadvantaged communities. To this end,
3 the office shall sponsor seminars and informational programs, and
4 shall provide information on its Internet website, providing
5 practical information concerning the medical cannabis **【industry】**
6 and personal use cannabis industries, including information on
7 business management, marketing, and other related matters.

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

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

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

45 (2) The office shall periodically analyze the total number of
46 permits and licenses issued by the commission as compared with the

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

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

23 e. The office shall prepare information regarding its activities
24 pursuant to this section concerning participation in the medical
25 cannabis **【industry】** and personal use cannabis industries by persons
26 from socially and economically disadvantaged communities,
27 including medical cannabis and personal use cannabis business
28 development initiatives for minority, women's, and disabled
29 veterans' businesses participating in the medical cannabis
30 marketplace, to be incorporated by the commission into its annual
31 report submitted to the Governor and to the Legislature pursuant to
32 section 14 of P.L.2009, c.307 (C.24:6I-12).
33 (cf: P.L.2019, c.153, s.32)

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

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

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

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

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

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

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

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

27 (c) quality control and quality assurance;

28 (d) recall plans;

29 (e) packaging and labeling;

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

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

33 (h) water management practices;

34 (i) odor mitigation practices;

35 (j) onsite and offsite recordkeeping;

36 (k) strain variety and plant genetics;

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

39 (m) waste disposal plans; and

40 (n) compliance with applicable laws and regulations.

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

45 (a) State-authorized manufacture, production, and creation of
46 cannabis products using appropriate extraction methods, including

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

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

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

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

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

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

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

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

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

1 application does not include the materials described in
2 subparagraph (b) or (c) of this paragraph.

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

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

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

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

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

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

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

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

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

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

1 statements, net worth statements, and debt and equity financing
2 statements; and

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

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

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

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

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

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

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

1 (11) Whether the applicant intends to or has entered into a
2 partnership with a prisoner re-entry program for the purpose of
3 identifying and promoting employment opportunities at the
4 applicant's organization for former inmates and current inmates
5 leaving the corrections system. If so, the applicant shall provide
6 details concerning the name of the re-entry program, the
7 employment opportunities at the applicant's organization that will
8 be made available to the re-entry population, and any other
9 initiatives the applicant's organization will undertake to provide
10 support and assistance to the re-entry population.

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

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

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

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

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

43 (4) Applicants that submit an attestation affirming that they will
44 use best efforts to utilize **[union]** building trades labor
45 organizations in the construction or retrofit of the facilities
46 associated with the permitted entity.

1 (5) Applicants that submit an attestation affirming that they have
2 a project labor agreement, or will utilize a project labor agreement,
3 which is a form of pre-hire collective bargaining agreement
4 covering terms and conditions of a specific project, including labor
5 issues and worker grievances associated with any construction or
6 retrofit of facilities, or other applicable project, associated with the
7 licensed entity.

8 The requirements of this subsection shall not apply to a
9 microbusiness applying for a conditional or annual permit of any
10 type.

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

28 g. The commission shall conduct a disparity study to determine
29 whether race-based measures should be considered when issuing
30 permits pursuant to this section, and shall incorporate the policies,
31 practices, protocols, standards, and criteria developed by the Office
32 of Minority, Disabled Veterans, and Women **【Medical】** Cannabis
33 Business Development pursuant to section 32 of P.L.2019, c.153
34 (C.24:6I-25) to promote participation in the medical cannabis
35 industry by persons from socially and economically disadvantaged
36 communities, including promoting applications for, and the
37 issuance of, medical cannabis cultivator, medical cannabis
38 manufacturer, and medical cannabis dispensary permits to certified
39 minority, women's, and disabled veterans' businesses. To this end,
40 the commission shall seek to issue at least 30 percent of the total
41 number of new medical cannabis cultivator permits, medical
42 cannabis manufacturer permits, and medical cannabis dispensary
43 permits issued on or after the effective date of P.L.2019, c.153
44 (C.24:6I-5.1 et al.) as follows:

45 (1) at least 15 percent of the total number of new medical
46 cannabis cultivator permits, medical cannabis manufacturer

1 permits, and medical cannabis dispensary permits issued on or after
2 the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) are issued
3 to a qualified applicant that has been certified as a minority
4 business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.); and

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

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

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

44 i. Application materials submitted to the commission pursuant
45 to this section shall not be considered a public record pursuant to

1 P.L.1963, c.73 (C.47:1A-1 et seq.) or P.L.2001, c.404 (C.47:1A-5 et
2 al.).

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

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

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

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

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

37 (2) submit to the commission any required application and
38 permit fees;

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

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

44 b. The commission shall, no later than 90 days after the
45 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) or upon
46 adoption of rules and regulations as provided in subsection c. of

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

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

34 d. A clinical registrant issued a permit pursuant to this section
35 shall be authorized to engage in all conduct involving the
36 cultivation, manufacturing, and dispensing of medical cannabis as is
37 authorized for an entity holding medical cannabis cultivator,
38 medical cannabis manufacturer, and medical cannabis dispensary
39 permits pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), including
40 dispensing medical cannabis and medical cannabis products to
41 qualifying patients and designated and institutional caregivers. The
42 clinical registrant shall additionally be authorized to engage in
43 clinical research involving medical cannabis using qualifying
44 patients who consent to being part of such research, subject to any
45 restrictions established by the commission.

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

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

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

22 (4) In no case shall a clinical registrant operate or be located on
23 land that is valued, assessed or taxed as an agricultural or
24 horticultural use pursuant to the "Farmland Assessment Act of
25 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

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

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

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

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

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

1 18. (New section) Regulation of Cannabis.

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

9 (1) Procedures for the application, issuance, denial, renewal,
10 suspension, and revocation of a license or conditional license to
11 operate as a cannabis establishment, distributor, or delivery service.
12 Such procedures shall include a periodic evaluation of whether the
13 number of each class of cannabis establishment, or cannabis
14 distributors or cannabis delivery services, is sufficient to meet the
15 market demands of the State, a result of which is the commission's
16 authority to make requests for new applications and issue additional
17 licenses as it deems necessary to meet those demands, except as
18 otherwise provided in section 33 of P.L. , c. (C.) (pending
19 before the Legislature as this bill) regarding an initial period during
20 which the number of Class 1 Cannabis Grower licenses is capped;

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

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

32 (4) (a) Incorporation of the licensing measures established by
33 the Office of Minority, Disabled Veterans, and Women Cannabis
34 Business Development pursuant to subparagraph (b) of paragraph (1)
35 of subsection c. of section 32 of P.L.2019, c.153 (C.24:6I-25) to
36 promote the licensing of persons from socially and economically
37 disadvantaged communities, and minority businesses and women's
38 businesses, as these terms are defined in section 2 of P.L.1986,
39 c.195 (C.52:27H-21.18), and disabled veterans' businesses as
40 defined in section 2 of P.L.2015, c.116 (C.52:32-31.2). The
41 commission shall coordinate with the office with respect to the
42 incorporation of these licensing measures;

43 (b) Procedures, to monitor the incorporated licensing measures
44 established by the Office of Minority, Disabled Veterans, and Women
45 Cannabis Business Development, which shall include a verification, as
46 part of the application process for licensure or license renewal, of a
47 minority, women's, or disabled veterans' business certification
48 provided to that business by the office pursuant to paragraph (1) of

1 subsection b. of section 32 of P.L.2019, c.153 (C.24:6I-25), or
2 verification of an application for certification under review by the
3 office pursuant to that paragraph, which review is occurring
4 simultaneous to the application for licensure or license renewal;

5 (5) Security requirements for cannabis establishments and
6 transportation of cannabis;

7 (6) Requirements to prevent the sale or diversion of cannabis
8 items to persons under the legal age to purchase cannabis items,
9 including, but not limited to, requirements that:

10 (a) All licensees and licensee representatives, before permitting
11 entrance to a cannabis establishment and selling or serving cannabis
12 items to any person, shall require such person to produce one of the
13 following pieces of identification:

14 (i) The person's United States passport;

15 (ii) The person's motor vehicle driver's license, whether issued by
16 New Jersey or by any other state, provided the license displays a
17 picture of the person;

18 (iii) A New Jersey identification card issued by the New Jersey
19 Motor Vehicle Commission; or

20 (iv) Any other identification card issued by a state or the United
21 States that bears a picture of the person, the name of the person, the
22 person's date of birth, and a physical description of the person;

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

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

32 (d) No edible cannabis items shall be produced, marketed, or
33 sold that are in the shape of, or a shape bearing the likeness or
34 containing characteristics of, a realistic or fictional human, animal,
35 or fruit, or part thereof, including artistic, caricature, or cartoon
36 renderings;

37 (7) Labeling and packaging requirements for cannabis items
38 sold or distributed by a cannabis establishment, including, but not
39 limited to, the affixing of a tracking stamp to containers or
40 packaging as set forth in section 29 of P.L.2019, c.153 (C.24:6I-22)
41 and requirements that:

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

45 (i) Includes false, deceptive, or misleading statements;

46 (ii) Promotes over-consumption;

47 (iii) Depicts a child or other person under legal age consuming
48 cannabis items; or

- 1 (iv) Includes objects, such as toys, characters, or cartoon
2 characters suggesting the presence of a person under the legal age to
3 purchase cannabis items, or any other depiction designed in any
4 manner to be especially appealing to persons under the legal age to
5 purchase cannabis items;
- 6 (b) Ensure cannabis items are packaged in opaque, child-
7 resistant special packaging, or if applicable to a particular cannabis
8 item, child resistant special packaging for liquid nicotine containers, in
9 accordance with the “Poison Prevention Packaging Act of 1970,” 15
10 U.S.C. s.1471 et seq., and the associated regulations promulgated
11 thereunder, except that these child-resistant packaging requirements
12 shall not apply to any cannabis item obtained from a cannabis retailer
13 or alternative treatment center for immediate, on-premises
14 consumption at that retailer’s or center’s cannabis consumption area as
15 permitted pursuant to section 28 of P.L.2019, c.153 (C.24:6I-21);
- 16 (c) Cannabis items warning labels adequately inform consumers
17 about safe cannabis use and warn of the consequences of misuse or
18 overuse;
- 19 (d) Labeling rules that mandate clear identification of health
20 and safety information, including, but not limited to:
- 21 (i) Net weight;
- 22 (ii) Production date and expiration date;
- 23 (iii) An ingredient list that includes, but is not limited to, all
24 ingredients used to manufacture the cannabis product and a list of
25 all potential allergens contained within the product;
- 26 (iv) Strain or type of cannabis, listed by scientific terms, if
27 available, and generic or “slang” names;
- 28 (v) Whether the product requires refrigeration;
- 29 (vi) Growth method (whether dirt grown, hydroponic, or
30 otherwise) and an indication whether the cannabis was grown using
31 all-organic materials, and a complete list of any nonorganic
32 pesticides, fungicides and herbicides used during the cultivation of
33 the cannabis;
- 34 (vii) Serving size, the total number of servings, and a statement
35 regarding the percentage of THC contained in the cannabis product
36 and in each serving. For example: “The serving size of active THC
37 in this product is X mg. This product contains X servings of
38 cannabis, and the total amount of active THC in this product is X
39 mg.”;
- 40 (viii) Warning labels that include the nationwide toll-free
41 telephone number used to access poison control centers that is
42 maintained in accordance with 42 U.S.C. s.300d-71, as well as
43 include, but are not limited to, one or more of the following:
- 44 -- “This product contains cannabis”;
- 45 -- “This product is infused with cannabis”;
- 46 -- “This product is intended for use by adults 21 years of age or
47 older. Keep out of the reach of children”;

1 -- “The intoxicating effects of this product may be delayed by
2 two or more hours”;

3 -- “There may be health risks associated with the consumption of
4 this product, including for women who are pregnant, breastfeeding,
5 or planning on becoming pregnant”;

6 -- “Do not drive a motor vehicle or operate heavy machinery
7 while using cannabis”;

8 (e) Labeling rules that mandate the source of the cannabis items,
9 including, but not limited to, the license number of the cannabis
10 cultivation facility where the cannabis used to produce the cannabis
11 item was grown, the license number of the cannabis product
12 manufacturing facility that produced the cannabis item, and the
13 license number of the cannabis retailer that sold the cannabis item
14 and the production batch and lot numbers of the cannabis items;

15 (8) Health and safety regulations and standards for the
16 manufacture and sale of cannabis products and the cultivation of
17 cannabis, including, but not limited to, requirements that:

18 (a) Establish accreditation and licensure criteria for cannabis
19 testing facilities, which shall include, as a condition for licensure, the
20 maintenance of a labor peace agreement and entrance into, or good
21 faith effort to enter into, a collective bargaining agreement in
22 accordance with subsection c. of section 18 of P.L. , c. (C.)
23 (pending before the Legislature as this bill). The commission shall
24 also incorporate the licensing measures established by the Office of
25 Minority, Disabled Veterans, and Women Cannabis Business
26 Development, and the assessment of their effectiveness, pursuant to
27 subparagraph (b) of paragraph (1) of subsection c. of section 32 of
28 P.L.2019, c.153 (C.24:6I-25), and apply them to the licensing of
29 cannabis testing facilities in order to promote the licensing of
30 persons from socially and economically disadvantaged
31 communities, and minority businesses and women’s businesses, as
32 these terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-
33 21.18), and disabled veterans’ businesses as defined in section 2 of
34 P.L.2015, c.116 (C.52:32-31.2). The license shall permit a cannabis
35 testing facility to test cannabis and cannabis items in accordance
36 with the provisions set forth in P.L. , c. (C.) (pending
37 before the Legislature as this bill), as well as test medical cannabis
38 and medical cannabis products in accordance with the provisions of
39 the “Jake Honig Compassionate Use Medical Cannabis Act,”
40 P.L.2009, c.307 (C.24:6I-1 et al.);

41 (b) (i) The commission issue licenses for a sufficient number of
42 cannabis testing facilities, if those facilities meet the requirements
43 for licensure, in order to ensure that the testing of representative
44 samples of cannabis items in accordance with the procedures set
45 forth in paragraph (13) of this subsection can be completed in not
46 more than 14 days following their submission to any facility. Other
47 factors that may be considered by the commission in determining
48 whether a sufficient number of cannabis testing facilities are

1 currently licensed include the current licensees' experience or
2 expertise in testing highly regulated products, demonstrated testing
3 efficiency and effectiveness, existing research partnerships or
4 capability to form and maintain research partnerships focusing on
5 cannabis items, and any other factors established in regulation by
6 the commission; and

7 (ii) Permits the commission to inspect any licensed cannabis
8 testing facility to determine the condition and calibration of any
9 equipment used for testing, and to ensure that a facility's testing
10 procedures are performed in accordance with the commission's
11 accreditation requirements for licensure;

12 (c) Every licensed cannabis cultivation facility and cannabis
13 product manufacturing facility shall permit representatives of
14 cannabis testing facilities to make scheduled and unscheduled visits
15 to facilities in order to obtain random samples of cannabis items, in
16 a quantity established by the commission, to be transported to
17 cannabis testing facilities for inspection and testing to certify
18 compliance with health, safety, and potency standards adopted by
19 the commission;

20 (d) Prescribe methods of producing, processing, and packaging
21 cannabis items; conditions of sanitation; safe handling
22 requirements; approved pesticides and pesticide testing
23 requirements, to the extent not inconsistent with approved pesticides
24 and requirements otherwise established under federal and State law;
25 and standards of ingredients, quality, and identity of cannabis items
26 produced, processed, packaged, or sold by cannabis establishments;

27 (e) Establish accreditation and licensing criteria for responsible
28 cannabis server and seller training and certification programs for
29 cannabis retailer employees;

30 (f) Provide that no licensed cannabis establishment, distributor,
31 or delivery service, or employee of a cannabis establishment or
32 distributor, shall consume, or allow to be consumed, any cannabis
33 items on the establishment's, distributor's, or delivery service's
34 premises, except as permitted in a cannabis consumption area or
35 private area as set forth in section 28 of P.L.2019, c.153 (C.24:6I-
36 21);

37 (g) (i) Set appropriate dosage, potency, and serving size limits
38 for cannabis and other cannabis items, provided that a standardized
39 serving of cannabis shall be no more than 10 milligrams of active
40 THC and no individual edible retail product unit for sale shall
41 contain more than 100 milligrams of active THC;

42 (ii) Require that each single standardized serving of cannabis in
43 a multiple-serving edible cannabis product is physically demarked
44 in a way that enables a reasonable person to determine how much of
45 the product constitutes a single serving of active THC, and that each
46 standardized serving of cannabis shall be easily separable to allow
47 an average person 21 years of age or older to physically separate,
48 with minimal effort, individual servings of the product;

- 1 (iii) Require that, if it is impracticable to clearly demark every
2 standardized serving of cannabis or to make each standardized
3 serving easily separable in an edible cannabis product, the product
4 shall contain no more than 10 milligrams of active THC per unit of
5 sale;
- 6 (h) Establish a universal symbol to indicate that a cannabis item
7 contains cannabis, which shall be marked, stamped, or imprinted
8 directly on an edible retail cannabis item, or on each single
9 standardized serving in a multiple-serving edible cannabis item,
10 unless the item is a loose bulk good such as granola or cereal, a
11 powder, a liquid-infused item, or another form too impractical to be
12 marked, stamped, or imprinted;
- 13 (i) Prohibit the use of a commercially manufactured or
14 trademarked food product as an edible retail cannabis item, provided
15 that a commercially manufactured or trademarked food product may
16 be used as a component of an edible retail cannabis item or part of an
17 item's recipe so long as the commercially manufactured or
18 trademarked food product is used in a way that renders it
19 unrecognizable in the final edible retail cannabis item and the item is
20 not advertised as containing the commercially manufactured or
21 trademarked food product;
- 22 (j) Establish screening, hiring, training, and supervising
23 requirements for retail store employees and others who manufacture
24 or handle cannabis items;
- 25 (k) Promote general sanitary requirements for the handling,
26 storage, and disposal of cannabis items, and the maintenance of
27 cannabis establishments;
- 28 (l) Provide for rigorous auditing, inspection, and monitoring of
29 cannabis establishments, distributors, and delivery services for
30 compliance with health and safety rules and regulations;
- 31 (m) Require the implementation of security requirements for
32 retail outlets and premises where cannabis items are produced or
33 processed, and safety protocols for cannabis establishments,
34 distributors, and delivery services, and their employees;
- 35 (n) Prescribe reasonable restrictions on the manner, methods,
36 and means by which licensees shall transport cannabis items within
37 the State; and
- 38 (o) Establish procedures for identification, seizure, confiscation,
39 destruction, or donation to law enforcement for training purposes of
40 all cannabis or cannabis products produced, processed, sold, or
41 offered for sale within this State which do not conform in all
42 respects to the standards prescribed by P.L. , c. (C.)
43 (pending before the Legislature as this bill);
- 44 (9) Restrictions on the advertising and display of cannabis items
45 and cannabis paraphernalia, including, but not limited to,
46 requirements that:
- 47 (a) Restrict advertising of cannabis items and cannabis
48 paraphernalia in ways that target or are designed to appeal to

1 individuals under the legal age to purchase cannabis items,
2 including, but not limited to depictions of a person under 21 years
3 of age consuming cannabis, or, includes objects, such as toys,
4 characters, or cartoon characters suggesting the presence of a
5 person under 21 years of age, or any other depiction designed in any
6 manner to be especially appealing to a person under 21 years of
7 age;

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

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

14 (d) Prohibit engaging in advertising or marketing directed
15 towards location-based devices, including but not limited to cellular
16 phones, unless the marketing is a mobile device application
17 installed on the device by the owner of the device who is 21 years
18 of age or older and includes a permanent and easy opt-out feature
19 and warnings that the use of cannabis items is restricted to persons
20 21 years of age or older;

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

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

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

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

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

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

42 c. (C.) (pending before the Legislature as this bill) and any
43 other laws which may hereafter be enacted concerning cannabis, or
44 the manufacture, distribution, sale, or delivery thereof, including
45 the inspection and search of premises for which the license is
46 sought or has been issued, of any building containing the same, of
47 licensed buildings, examination of the books, records, accounts,
48 documents and papers of the licensees or on the licensed premises;

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

10 (b) The commission may, at any time, examine the books and
11 records of any cannabis licensee, require compliance with P.L. , c.
12 (C.) (pending before the Legislature as this bill), and may
13 appoint auditors, investigators and other employees that the
14 commission considers necessary to enforce its powers and perform
15 its duties;

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

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

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

27 (a) The obligation of every cannabis grower to keep a complete
28 and accurate record of all sales of cannabis flowers, cannabis
29 leaves, and immature cannabis plants, and a complete and accurate
30 record of the number of cannabis flowers produced, the number of
31 ounces of cannabis leaves produced, the number of immature
32 cannabis plants produced, and the dates of production; the
33 obligation of every cannabis establishment to keep a complete and
34 accurate record of all sales of cannabis, and a complete and accurate
35 record of the number of ounces of cannabis items sold; the
36 obligation of every cannabis distributor to keep a complete and
37 accurate record of all cannabis items transported in bulk, and the
38 sending and receiving cannabis establishments involved in each
39 transportation of the cannabis items; and the obligation of every
40 cannabis delivery service to keep a complete and accurate record of
41 all cannabis item deliveries made on behalf of a cannabis retailer;

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

45 (c) The commission may, at any time, with adequate notice,
46 examine the books and records of any cannabis establishment,
47 distributor, or delivery service, and may appoint auditors,
48 investigators, and other employees that the commission considers

- 1 necessary to enforce its powers and duties as described in P.L. ,
2 c. (C.) (pending before the Legislature as this bill);
- 3 (13) Procedures for inspecting samples of cannabis items,
4 including:
- 5 (a) On a schedule determined by the commission, every licensed
6 cannabis grower and processor shall submit representative samples
7 of cannabis, useable cannabis, or cannabis-infused products
8 produced or processed by the licensee to an independent, third-party
9 licensed testing facility meeting the accreditation requirements
10 established by the commission, for inspection and testing to certify
11 compliance with standards adopted by the commission. Any sample
12 remaining after testing shall be destroyed by the facility or returned
13 to the licensee, unless that sample does not meet the applicable
14 standards adopted by the commission, in which case it may be retained
15 for purposes of retesting upon request of a licensee in accordance with
16 subparagraph (c) of this paragraph;
- 17 (b) Licensees shall submit the results of this inspection and
18 testing to the commission on a form developed by the commission;
19 and
- 20 (c) If a representative sample inspected and tested under this
21 section does not meet the applicable standards adopted by the
22 commission, the representative sample may, upon notice to the
23 commission, be retested at the request of a licensee in a manner
24 prescribed by the commission, and in addition to a retest, or as an
25 alternative thereto, the licensee may also be permitted an
26 opportunity to remediate, upon notice to the commission, the lot
27 from which the failed representative sample was taken, which lot
28 shall be subject to a subsequent test of a new representative sample
29 in a manner prescribed by the commission. Any request for a retest
30 of a representative sample, and any retest and reporting of results,
31 as well as any lot remediation process undertaken and subsequent
32 testing of that lot, shall be completed within a time period
33 established by the commission. The commission shall also provide
34 a process by which representative samples and lots that failed
35 retesting or remediation, as applicable, shall be destroyed;
- 36 (14) Establishing the number of cannabis retailers:
- 37 (a) Assuming there are sufficient qualified applicants for
38 licensure, the commission shall, subject to annual review, issue a
39 sufficient number of Class 5 Retailer licenses to meet the market
40 demands of the State, giving regard to geographical and population
41 distribution throughout the State; and
- 42 (b) the provision of adequate access to licensed sources of
43 useable cannabis and cannabis products to discourage purchases
44 from the illegal market; and
- 45 (15) Civil penalties for the failure to comply with regulations
46 adopted pursuant to this section.
- 47 b. In order to ensure that individual privacy is protected, the
48 commission shall not require a consumer to provide a cannabis retailer

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

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

20 d. The commission shall:

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

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

32

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

35 a. Each application for an annual license to operate a cannabis
36 establishment, distributor, or delivery service, or conditional license
37 for a proposed cannabis establishment, distributor, or delivery
38 service, shall be submitted to the commission. A separate license or
39 conditional license shall be required for each location at which a
40 cannabis establishment seeks to operate, or for the location of each
41 premises from which a cannabis distributor or delivery service
42 seeks to operate. Renewal applications for another annual license
43 may be filed up to 90 days prior to the expiration of the
44 establishment's, distributor's, or delivery service's license. A
45 conditional license shall not be renewed, but replaced with an
46 annual license upon the commission's determination of
47 qualification for the annual license, or otherwise expire, as set forth
48 in paragraph (2) of subsection b. of this section.

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

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

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

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

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

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

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

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

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

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

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

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

30 (ii) a listing included with the application, showing all persons
31 with a financial interest who also has decision making authority for
32 the proposed cannabis establishment, distributor, or delivery service
33 detailed in the application;

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

38 (iv) the name, address, date of birth, and resumes of each
39 executive officer and all significantly involved persons with a
40 financial interest who also has decision making authority for the
41 proposed cannabis establishment, distributor, or delivery service, as
42 well as a photocopy of their driver’s licenses or other government-
43 issued form of identification, plus background check information in
44 a form and manner determined by the commission in consultation
45 with the Superintendent of State Police; concerning the background
46 check, an application shall be denied if any person has any
47 disqualifying conviction pursuant to subparagraph (c) of paragraph
48 (4) of subsection a. of section 19, 21, 22, 23, or 24 of P.L. ,

1 c. (C.) (pending before the Legislature as this bill), based
2 upon the applicable class of cannabis establishment for which the
3 application was submitted, or based upon the application being for a
4 cannabis distributor or delivery service, unless the commission
5 determines pursuant to subsubparagraph (ii) of those subparagraphs
6 that the conviction should not disqualify the application;

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

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

18 (vii) the federal and State tax identification numbers for the
19 proposed cannabis establishment, distributor, or delivery service,
20 and proof of business registration with the Division of Revenue in
21 the Department of the Treasury;

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

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

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

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

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

37 The commission shall deny a license application to any applicant
38 who fails to provide information, documentation and assurances as
39 required by P.L. , c. (C.) (pending before the Legislature as
40 this bill) or as requested by the commission, or who fails to reveal any
41 fact material to qualification, or who supplies information which is
42 untrue or misleading as to a material fact pertaining to the qualification
43 criteria for licensure. The commission shall approve a license
44 application that meets the requirements of this section unless the
45 commission finds by clear and convincing evidence that the applicant
46 would be manifestly unsuitable to perform the activities for the
47 applicable license class for which licensure is sought.

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

43 (ii) If the application is denied, the commission shall notify the
44 applicant in writing of the specific reason for its denial, provide
45 with this written notice a refund of 80 percent of the application fee
46 submitted with the application, and provide the applicant with the
47 opportunity for a hearing in accordance with the "Administrative
48 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.);

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

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

40 (a) An initial application for licensure shall be evaluated
41 according to criteria to be developed by the commission. For the
42 point values assigned to each criterion, there shall be included
43 bonus points for applicants who are residents of New Jersey.

44 (b) The criteria to be developed by the commission pursuant to
45 subparagraph (a) this paragraph shall include, in addition to the
46 criteria set forth in subparagraphs (c) and (d) of this paragraph and
47 any other criteria developed by the commission, an analysis of the

1 applicant's operating plan, excluding safety and security criteria,
2 which shall include the following:

3 (i) In the case of an applicant for a cannabis grower license, the
4 operating plan summary shall include a written description
5 concerning the applicant's qualifications for, experience in, and
6 knowledge of each of the following topics:

- 7 - State-authorized cultivation of personal use cannabis;
- 8 - conventional horticulture or agriculture, familiarity with good
9 agricultural practices, and any relevant certifications or degrees;
- 10 - quality control and quality assurance;
- 11 - recall plans;
- 12 - packaging and labeling;
- 13 - inventory control and tracking software or systems for the
14 production of personal use cannabis;
- 15 - analytical chemistry and testing of personal use cannabis;
- 16 - water management practices;
- 17 - odor mitigation practices;
- 18 - onsite and offsite recordkeeping;
- 19 - strain variety and plant genetics;
- 20 - pest control and disease management practices, including plans
21 for the use of pesticides, nutrients, and additives;
- 22 - waste disposal plans; and
- 23 - compliance with applicable laws and regulations.

24 (ii) In the case of an applicant for a cannabis processor license,
25 or, as applicable, a cannabis wholesaler license, cannabis distributor
26 license, or cannabis delivery service license, the operating plan
27 summary shall include a written description concerning the
28 applicant's qualifications for, experience in, and knowledge of each
29 of the following topics:

- 30 - State-authorized manufacture, production, and creation of
31 cannabis products using appropriate extraction methods, including
32 intended use and sourcing of extraction equipment and associated
33 solvents or intended methods and equipment for non-solvent
34 extraction;
- 35 - quality control and quality assurance;
- 36 - recall plans;
- 37 - packaging and labeling;
- 38 - inventory control and tracking software or systems for the
39 production of personal use cannabis and cannabis items;
- 40 - analytical chemistry and testing of personal use cannabis and
41 cannabis items;
- 42 - water management practices;
- 43 - odor mitigation practices;
- 44 - onsite and offsite recordkeeping;
- 45 - a list of product formulations or products proposed to be
46 manufactured with estimated cannabinoid profiles, if known,
47 including varieties with high cannabidiol content;

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

- 1 - the applicant's history of workers' compensation claims and
2 safety assessments;
- 3 - procedures for reporting adverse events; and
4 - a sanitation practices plan.
- 5 (iii) A summary of the applicant's business experience, including
6 the following, if applicable:
- 7 - the applicant's experience operating businesses in highly-
8 regulated industries;
- 9 - the applicant's experience in operating cannabis establishments
10 or alternative treatment centers and related personal use or medical
11 cannabis production and dispensation entities, or experience in
12 operating cannabis distributors or delivery services, under the laws
13 of New Jersey or any other state or jurisdiction within the United
14 States; and
- 15 - the applicant's plan to comply with and mitigate the effects of
16 26 U.S.C. s.280E on cannabis businesses, and for evidence that the
17 applicant is not in arrears with respect to any tax obligation to the
18 State.
- 19 In evaluating the experience described under this
20 subparagraph, the commission shall afford the greatest weight to
21 the experience of the applicant itself, controlling owners, and
22 entities with common ownership or control with the applicant;
23 followed by the experience of those with a 15 percent or greater
24 ownership interest in the applicant's organization; followed by
25 interest holders in the applicant's organization; followed by other
26 officers, directors, and bona fide full-time employees of the
27 applicant as of the submission date of the application.
- 28 (iv) A description of the proposed location for the applicant's
29 site, including the following, if applicable:
- 30 - the proposed location, the surrounding area, and the suitability
31 or advantages of the proposed location, along with a floor plan and
32 optional renderings or architectural or engineering plans;
- 33 - the submission of zoning approvals for the proposed location,
34 which shall consist of a letter or affidavit from appropriate officials
35 of the municipality that the location will conform to local zoning
36 requirements allowing for activities related to the operations of the
37 proposed cannabis grower, cannabis processor, cannabis
38 wholesaler, cannabis distributor, cannabis retailer, or cannabis
39 delivery service and related supplies as will be conducted at the
40 proposed facility; and
- 41 - the submission of proof of local support for the suitability of
42 the location, which may be demonstrated by a resolution adopted by
43 the municipality's governing body indicating that the intended
44 location is appropriately located or otherwise suitable for activities
45 related to the operations of the proposed cannabis grower, cannabis
46 processor, cannabis wholesaler, cannabis distributor, cannabis
47 retailer, or cannabis delivery service.

1 Notwithstanding any other provision of this subparagraph, an
2 application shall be disqualified from consideration unless it
3 includes documentation demonstrating that the applicant will have
4 final control of the premises upon approval of the application,
5 including, but not limited to, a lease agreement, contract for sale,
6 title, deed, or similar documentation. In addition, if the applicant
7 will lease the premises, the application will be disqualified from
8 consideration unless it includes certification from the landlord that
9 the landlord is aware that the tenant's use of the premises will
10 involve operations as a cannabis grower, cannabis processor,
11 cannabis wholesaler, cannabis distributor, cannabis retailer, or
12 cannabis delivery service. An application shall not be disqualified
13 from consideration if the application does not include the materials
14 described in this subparagraph.

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

18 - a community impact plan summarizing how the applicant
19 intends to have a positive impact on the community in which the
20 proposed cannabis establishment, distributor, or delivery service is
21 to be located, which shall include an economic impact plan and a
22 description of outreach activities;

23 - a written description of the applicant's record of social
24 responsibility, philanthropy, and ties to the proposed host
25 community;

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

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

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

43 (vi) A workforce development and job creation plan, which may
44 include, but shall not be limited to a description of the applicant's
45 workforce development and job creation plan, which may include
46 information on the applicant's history of job creation and planned
47 job creation at the proposed cannabis establishment, distributor, or
48 delivery service; education, training, and resources to be made

1 available for employees; any relevant certifications; and an optional
2 diversity plan.

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

5 - an executive summary of the applicant's business plan;
6 - a demonstration of the applicant's financial ability to
7 implement its business plan, which may include, but shall not be
8 limited to, bank statements, business and individual financial
9 statements, net worth statements, and debt and equity financing
10 statements; and

11 - a description of the applicant's experience complying with
12 guidance pertaining to cannabis issued by the Financial Crimes
13 Enforcement Network under 31 U.S.C. s.5311 et seq., the federal
14 "Bank Secrecy Act," which may be demonstrated by submitting
15 letters regarding the applicant's banking history from banks or
16 credit unions that certify they are aware of the business activities of
17 the applicant, or entities with common ownership or control of the
18 applicant's organization, in any state where the applicant has
19 operated a business related to personal use or medical cannabis. For
20 the purposes of this subparagraph, the commission shall consider
21 only bank references involving accounts in the name of the
22 applicant or of an entity with common ownership or control of the
23 applicant's organization. An applicant who does not submit the
24 information described in this subparagraph shall not be disqualified
25 from consideration.

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

32 (ix) Whether the applicant can demonstrate that its governance
33 structure includes the involvement of a school of medicine or
34 osteopathic medicine licensed and accredited in the United States,
35 or a general acute care hospital, ambulatory care facility, adult day
36 care services program, or pharmacy licensed in New Jersey,
37 provided that:

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

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

1 - the school, hospital, facility, or pharmacy participates in major
2 decision-making activities within the applicant's organization,
3 which may be demonstrated by representation on the board of
4 directors of the applicant's organization.

5 (x) Any other information the commission deems relevant in
6 determining whether to grant a license to the applicant.

7 (2) In ranking applications, in addition to the awarding of points
8 as set forth in paragraph (1) of this subsection, the commission shall
9 give priority to the following, regardless of whether
10 there is any competition among applications for a particular class of
11 license:

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

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

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

21 (d) Applicants that submit an attestation affirming that they will
22 use best efforts to utilize **[union]** building trades labor
23 organizations in the construction or retrofit of the facilities
24 associated with the licensed entity.

25 (e) Applicants that submit an attestation affirming that they have
26 a project labor agreement, or will utilize a project labor agreement,
27 which is a form of pre-hire collective bargaining agreement
28 covering terms and conditions of a specific project, including labor
29 issues and worker grievances associated with any construction or
30 retrofit of facilities, or other applicable project, associated with the
31 licensed entity.

32 (3) In reviewing an initial application, unless the information is
33 otherwise solicited by the commission in a specific application
34 question, the commission's evaluation of the application shall be
35 limited to the experience and qualifications of the applicant's
36 organization, including any entities with common ownership or
37 control of the applicant's organization, controlling owners or
38 interest holders in the applicant's organization, and the officers,
39 directors, and current full-time existing employees of the
40 applicant's organization. Responses pertaining to consultants,
41 independent contractors, applicants who are exempt from the
42 criminal history record background check requirements of P.L. ,
43 c. (C.) (pending before the Legislature as this bill), and
44 prospective or part-time employees of the entity shall not be
45 considered. Each applicant shall certify as to the status of the
46 individuals and entities included in the application.

47 (4) The commission shall give special consideration to any
48 applicant that has entered into an agreement with an institution of

1 higher education to create an integrated curriculum involving the
2 growing, processing, wholesaling, distributing, and retail sales of
3 personal use cannabis and cannabis items, provided that the
4 curriculum is approved by both the commission and the Department
5 of Education and the applicant agrees to maintain the integrated
6 curriculum in perpetuity. An integrated curriculum permit shall be
7 subject to revocation if the license holder fails to maintain or
8 continue the integrated curriculum. In the event that, because of
9 circumstances outside a license holder's control, the license holder
10 will no longer be able to continue an integrated curriculum, the
11 license holder shall notify the commission and shall make
12 reasonable efforts to establish a new integrated curriculum with an
13 institution of higher education, subject to approval by the
14 commission and the Department of Education. If the license holder
15 is unable to establish a new integrated curriculum within six months
16 after the date the current integrated curriculum arrangement ends,
17 the commission shall revoke the entity's license, unless the
18 commission finds there are extraordinary circumstances that justify
19 allowing the license holder to retain the license without an
20 integrated curriculum and the commission finds that allowing the
21 license holder to retain the license would be consistent with the
22 purposes of P.L. , c. (C.) (pending before the Legislature as
23 this bill). The commission may revise the application and license
24 fees or other conditions for a license pursuant to this paragraph as
25 may be necessary to encourage applications for license.

26 (5) Application materials submitted to the commission pursuant
27 to this section shall not be considered a public record pursuant to
28 P.L.1963, c.73 (C.47:1A-1 et seq.).

29 (6) If the commission notifies an applicant that it has performed
30 sufficiently well on multiple applications to be awarded more than
31 one cannabis grower license, cannabis processor license, cannabis
32 wholesaler license, cannabis distributor license, cannabis retailer
33 license, or cannabis delivery service license, the applicant shall
34 notify the commission, within seven business days after receiving
35 such notice, as to which license it will accept. For any license
36 award that is declined by an applicant pursuant to this paragraph,
37 the commission shall, upon receiving notice from the applicant of
38 the declination, award the license to the applicant for that license
39 class who, in the determination of the commission, best satisfies the
40 commission's criteria while meeting the commission's
41 determination of Statewide marketplace need. If an applicant fails
42 to notify the commission as to which license it will accept, the
43 commission shall have the discretion to determine which license it
44 will award to the applicant, based on the commission's
45 determination of Statewide marketplace need and other applications
46 submitted for cannabis establishments, distributors, or delivery
47 services to be located in the affected regions.

1 e. (1) The commission shall also prioritize applications on the
2 basis of impact zones, for which past criminal marijuana enterprises
3 contributed to higher concentrations of law enforcement activity,
4 unemployment, and poverty within parts of or throughout these
5 zones, regardless of whether there is any competition among
6 applications for a particular class of license. An “impact zone”
7 means any municipality that:

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

12 (b) (i) ranks in the top 40 percent of municipalities in the State
13 for marijuana- or hashish-related arrests for violation of paragraph
14 (4) of subsection a. of N.J.S.2C:35-10 in the calendar year next
15 preceding the effective date of P.L. , c. (C.) (pending before
16 the Legislature as this bill);

17 (ii) has a crime index total of 825 or higher based upon the
18 indexes listed in the most recently issued annual Uniform Crime
19 Report by the Division of State Police as of that effective date; and

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

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

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

33 (b) An applicant who is a current resident of an impact zone and
34 has resided therein for three or more consecutive years at the time
35 of making the application. To the extent reasonably practicable, at
36 least 25 percent of the total licenses issued to applicants for a
37 cannabis establishment, distributor, or delivery service license shall
38 be awarded to applicants who have resided in an impact zone for
39 three or more consecutive years at the time of making the
40 application, regardless of where the cannabis establishment,
41 distributor, or delivery service is, or is intended to be, located.

42 (c) An applicant who presents a plan, attested to, to employ 25
43 percent of employees who reside in an impact zone, of whom at
44 least 25 percent shall reside in the impact zone nearest to the
45 location, or intended location, of the cannabis establishment,
46 distributor, or delivery service; failure to meet the requisite
47 percentages of employees from an impact zone within 90 days of
48 the opening of a licensed cannabis establishment, distributor, or

1 delivery service shall result in the suspension or revocation of a
2 license or conditional license, as applicable, issued based on an
3 application with an impact zone employment plan.

4 f. (1) The commission shall ensure that at least 10 percent of
5 the total licenses issued for each class of cannabis establishment, or
6 for cannabis distributors and cannabis delivery services, are
7 designated for and only issued to microbusinesses, and that at least
8 25 percent of the total licenses issued be issued to microbusinesses.
9 The determination of the percentage for each class of license issued
10 to microbusinesses shall include the number of conditional licenses
11 issued to microbusinesses for each class, as the percentage of
12 conditional licenses issued for each class pursuant to subparagraph
13 (a) of paragraph (2) of subsection b. of this section shall not be
14 mutually exclusive of the percentage of licenses issued to
15 microbusinesses pursuant to this paragraph. The maximum fee
16 assessed by the commission for issuance or renewal of a license
17 designated and issued to a microbusiness shall be no more than half
18 the fee applicable to a license of the same class issued to a person
19 or entity that is not a microbusiness. A license designated and
20 issued to a microbusiness shall be valid for one year and may be
21 renewed annually.

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

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

26 (b) at least 51 percent of the owners, directors, officers, or
27 employees of the microbusiness shall be residents of the
28 municipality in which the microbusiness is located, or to be located,
29 or a municipality bordering the municipality in which the
30 microbusiness is located, or to be located;

31 (c) concerning business operations, and capacity and quantity
32 restrictions:

33 (i) employ no more than 10 employees;

34 (ii) operate a cannabis establishment occupying an area of no
35 more than 2,500 square feet, and in the case of a cannabis grower,
36 grow cannabis on an area no more than 2,500 square feet measured
37 on a horizontal plane and grow above that plane not higher than 24
38 feet; provided, that a cannabis grower's grow space may, if
39 approved by the commission, be part of a larger premises that is
40 owned or operated by a cannabis grower that is not a licensed
41 microbusiness, allowing for the sharing of physical facilities and
42 certain business operations, but only the microbusiness cannabis
43 grower shall grow cannabis on and above the grower's grow space.

44 (iii) possess no more than 1,000 cannabis plants each month,
45 except that a cannabis distributor's possession of cannabis plants
46 for transportation shall not be subject to this limit;

47 (iv) in the case of a cannabis processor, acquire and process no
48 more than 1,000 pounds of cannabis in dried form each month;

1 (v) in the case of a cannabis wholesaler, acquire for resale no
2 more than 1,000 pounds of cannabis in dried form, or the equivalent
3 amount in any other form, or any combination thereof, each month;
4 and

5 (vi) in the case of a cannabis retailer, acquire for retail sale no
6 more than 1,000 pounds of cannabis in dried form, or the equivalent
7 amount in any other form, or any combination thereof, each month.

8 (d) no owner, director, officer, or other person with a financial
9 interest who also has decision making authority for the
10 microbusiness shall hold any financial interest in any other licensed
11 cannabis establishment, distributor, or delivery service, whether or
12 not a microbusiness;

13 (e) no owner, director, officer, or other person with a financial
14 interest who also has decision making authority for a licensed
15 cannabis establishment, distributor, or delivery service, whether or
16 not a microbusiness, shall hold any financial interest in a
17 microbusiness;

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

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

22

23 20. (New section) Class 1 Cannabis Grower license.

24 A cannabis grower shall have a Class 1 Cannabis Grower license
25 issued by the commission for the premises at which the cannabis is
26 grown or cultivated. Except for an initial period during which the
27 number of licenses is capped pursuant to section 33 of P.L. ,
28 c. (C.) (pending before the Legislature as this bill), the
29 commission shall determine the maximum number of licenses, of
30 which at least 35 percent shall be conditional licenses issued
31 pursuant to subparagraph (a) of paragraph (2) of subsection b. of
32 section 18 of P.L. , c. (C.) (pending before the Legislature
33 as this bill), and at least 25 percent of the total number of licenses
34 and conditional licenses shall be designated for and only issued to
35 microbusinesses pursuant subsection f. of that section. After the
36 initial period during which the number of licenses is capped
37 pursuant to section 33 of P.L. , c. (C.) (pending before the
38 Legislature as this bill), the commission shall review the current
39 number of licenses issued and, providing there exist qualified
40 applicants, may, as authorized by paragraph (1) of subsection a. of
41 section 18 of P.L. , c. (C.) (pending before the Legislature
42 as this bill), make requests for new applications for additional
43 licenses as it deems necessary to meet the market demands of the
44 State.

45 a. To hold a Class 1 Cannabis Grower 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 grower listed on an application submitted under
9 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 grower or who is a member of a group that holds less than
17 a 20 percent investment interest in the cannabis grower and no
18 member of that group holds more than a five percent interest in the
19 total group investment, and who lacks the authority to make
20 controlling decisions regarding the cannabis grower's operations;
21 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 grower. Each person shall bear the
38 cost for the criminal history record background check, including all
39 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 1 Cannabis Grower
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 under
4 federal law for conduct involving cannabis or cannabis resin that is
5 authorized by P.L. , c. (C.) (pending before the Legislature as
6 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 cannabis resin that is authorized
10 by P.L. , c. (C.) (pending before the Legislature as this bill),
11 or under this State's law, or any other state's law that is
12 substantially related to the qualifications, functions, or duties for
13 which the license is required, and not more than five years have
14 passed since the date of that conviction, satisfactory completion of
15 probation or parole, or release from incarceration, which is later. In
16 determining which indictable offenses are substantially related to
17 the qualifications, functions, or duties for which the license is
18 required, the commission shall at least consider any conviction
19 involving fraud, deceit, or embezzlement, and any conviction for
20 N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or
21 similar indictable offense in this or another jurisdiction involving
22 the use of a minor to dispense or distribute a controlled dangerous
23 substance or controlled substance analog;

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

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

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

45 (e) The Division of State Police shall promptly notify the
46 commission in the event that a person who was the subject of a
47 criminal history record background check conducted pursuant to
48 this section is convicted of a crime or offense in this State after the

1 date the background check was performed. Upon receipt of that
2 notification, the commission shall make a determination regarding
3 the continued eligibility for the applicant, or following application,
4 for the licensee, to hold a Class 1 Cannabis Grower license.

5 b. The commission shall adopt rules and regulations that:

6 (1) Provide for the annual renewal of the Class 1 Cannabis
7 Grower license;

8 (2) Establish application, licensure, and renewal of licensure
9 fees for cannabis growers in accordance with paragraph (2) of
10 subsection a. of section 18 of P.L. , c. (C.) (pending before
11 the Legislature as this bill);

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

15 (4) Require cannabis growers to submit, at the time of applying
16 for or renewing a license under P.L. , c. (C.) (pending
17 before the Legislature as this bill), a report describing the
18 applicant's or licensee's electrical and water usage; and

19 (5) Require a cannabis grower to meet any public health and
20 safety standards, industry best practices, and all applicable
21 regulations established by the commission by rule or regulation
22 related to the production of cannabis or the propagation of
23 immature cannabis plants and the seeds of the plant *Cannabis sativa*
24 L. within the plant family Cannabaceae. The commission may
25 regulate the number of immature cannabis plants that may be
26 possessed by a cannabis grower licensed under this section; the size
27 of the grow canopy a cannabis grower licensed under this section
28 uses to grow immature cannabis plants; and the weight or size of
29 shipments of immature cannabis plants made by a cannabis grower
30 licensed 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, Enforcement
36 Assistance, and Marketplace Modernization Fund" established under
37 section 40 of P.L. , c. (C.) (pending before the
38 Legislature as this bill).

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

43 (2) The commission may suspend or revoke a Class 1 Cannabis
44 Grower license or conditional license to operate as a cannabis
45 cultivation facility for cause, which shall be considered a final
46 agency action for the purposes of the "Administrative Procedure
47 Act," P.L.1968, c.410 (C.52:14B-1 et seq.) and shall be subject only
48 to 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 produced.

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 21. (New section) Grow Canopies for Licensed Cannabis
10 Growers.

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

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

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

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

40 (3) Take into consideration the market demand for cannabis
41 items in this State, the number of persons applying for a license
42 pursuant to sections 20, 22, 23, 24, 25, and 26 of P.L. ,
43 c. (C.) (pending before the Legislature as this bill), and to
44 whom a license has been issued pursuant to those sections, and
45 whether the availability of cannabis items in this State is
46 commensurate with the market demand.

47 c. This section shall not apply to premises for which a license
48 has been issued to a cannabis grower pursuant to section 20 of

1 P.L. , c. (C.) (pending before the Legislature as this
2 bill), if the premises is used only to propagate immature cannabis
3 plants.

4
5 22. (New section) Class 2 Cannabis Processor license.

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

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

24 (1) Shall apply for a license in the manner described in section
25 18 of P.L. , c. (C.) (pending before the Legislature as
26 this bill);

27 (2) Shall have at least one significantly involved person who has
28 resided in this State for at least two years as of the date of the
29 application, and provide proof that this person and any other person
30 with an investment interest who also has decision making authority
31 for the cannabis processor listed on an application submitted under
32 section 18 of P.L. , c. (C.) (pending before the
33 Legislature as this bill) is 21 years of age or older;

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

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

45 (a) Pursuant to this provision, the commission is authorized to
46 exchange fingerprint data with and receive criminal history record
47 background information from the Division of State Police and the
48 Federal Bureau of Investigation consistent with the provisions of

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

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

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

47 (ii) The commission may approve an applicant for a Class 2
48 Cannabis Processor license after conducting a thorough review of

1 any previous conviction of a person that substantially related to the
2 qualifications, functions, or duties for which the license is required
3 that is contained in the criminal history record background
4 information, and this review shall include examining the nature of
5 the indictable offense, the circumstances at the time of committing
6 the offense, and evidence of rehabilitation since conviction. If the
7 commission determines that the reviewed conviction should not
8 disqualify the applicant, the applicant may be approved so long as
9 the applicant is otherwise qualified to be issued the license; and

10 (d) Upon receipt and review of the criminal history record
11 background information from the Division of State Police and the
12 Federal Bureau of Investigation, the commission shall provide
13 written notification to the applicant of the qualification for or
14 disqualification for a Class 2 Cannabis Processor license.

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

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

28 b. The commission shall adopt rules that:

29 (1) Provide for the annual renewal of the Class 2 Cannabis
30 Processor license;

31 (2) Establish application, licensure, and renewal of licensure
32 fees for cannabis processors in accordance with paragraph (2) of
33 subsection a. of section 18 of P.L. , c. (C.) (pending before
34 the Legislature as this bill);

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

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

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

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

45 (2) Shall be deposited in the “Cannabis Regulatory, Enforcement
46 Assistance, and Marketplace Modernization Fund” established under
47 section 40 of P.L. , c. (C.) (pending before the
48 Legislature as this bill).

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

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

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

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

18

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

20 A cannabis wholesaler shall have a Class 3 Cannabis Wholesaler
21 license issued by the commission for the premises at which the
22 cannabis is warehoused. The commission shall determine the
23 maximum number of licenses, of which at least 35 percent shall be
24 conditional licenses issued pursuant to subparagraph (a) of
25 paragraph (2) of subsection b. of section 18 of P.L. , c. (C.)
26 (pending before the Legislature as this bill), and at least 25 percent
27 of the total number of licenses and conditional licenses shall be
28 designated for and only issued to microbusinesses pursuant
29 subsection f. of that section. Providing there exist qualified
30 applicants, the commission shall issue a sufficient number of
31 licenses to meet the market demands of the State, and may, as
32 authorized by paragraph (1) of subsection a. of section 18 of P.L. ,
33 c. (C.) (pending before the Legislature as this bill), make
34 requests for new applications for additional licenses as it deems
35 necessary to meet those demands.

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

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

41 (2) Shall have at least one significantly involved person who has
42 resided in this State for at least two years as of the date of the
43 application, and provide proof that this person and any other person
44 with an investment interest who also has decision making authority
45 for the cannabis wholesaler listed on an application submitted under
46 section 18 of P.L. , c. (C.) (pending before the
47 Legislature as this bill) is 21 years of age or 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 wholesaler or who is a member of a group that holds less
7 than a 20 percent investment interest in the cannabis wholesaler and
8 no member of that group holds more than a five percent interest in
9 the total group investment, and who lacks the authority to make
10 controlling decisions regarding the cannabis wholesaler's
11 operations; any director; any officer; and any employee.

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

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

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

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

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

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

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

43 b. The commission shall adopt rules that:

44 (1) Provide for the annual renewal of the Class 3 Cannabis
45 Wholesaler license;

46 (2) Establish application, licensure, and renewal of licensure
47 fees for cannabis wholesalers in accordance with paragraph (2) of

1 subsection a. of section 18 of P.L. , c. (C.) (pending before
2 the Legislature as this bill); and

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

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

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

10 (2) Shall be deposited in the "Cannabis Regulatory, Enforcement
11 Assistance, and Marketplace Modernization Fund" established under
12 section 40 of P.L. , c. (C.) (pending before the
13 Legislature as this bill).

14 d. (1) The commission shall issue or deny issuance of a Class
15 3 Cannabis Wholesaler license or conditional license in accordance
16 with the procedures set forth in section 18 of P.L. , c. (C.)
17 (pending before the Legislature as this bill).

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

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

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

31

32 24. (New section) Class 4 Cannabis Distributor license.

33 A cannabis distributor shall have a Class 4 Cannabis Distributor
34 license issued by the commission for the premises from which the
35 cannabis distributor will conduct operations to transport cannabis
36 items in bulk. The commission shall determine the maximum number
37 of licenses, of which at least 35 percent shall be conditional licenses
38 issued pursuant to subparagraph (a) of paragraph (2) of subsection b.
39 of section 18 of P.L. , c. (C.) (pending before the Legislature
40 as this bill), 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 there
43 exist qualified applicants, the commission shall issue a sufficient
44 number of licenses to meet the market demands of the State, and may,
45 as authorized by paragraph (1) of subsection a. of section 18 of P.L. ,
46 c. (C.) (pending before the Legislature as this bill), make
47 requests for new applications for additional licenses as it deems
48 necessary to meet those demands.

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

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

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

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

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

45 (e) The Division of State Police shall promptly notify the
46 commission in the event that an individual who was the subject of a
47 criminal history record background check conducted pursuant to this
48 section is convicted of a crime or offense in this State after the date the

1 background check was performed. Upon receipt of that notification,
2 the commission shall make a determination regarding the continued
3 eligibility for the applicant, or following application, for the licensee to
4 hold a Class 4 Cannabis Distributor license.

5 b. The commission shall adopt rules that:

6 (1) Provide for the annual renewal of the Class 4 Cannabis
7 Distributor license;

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

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

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

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

19 (2) Shall be deposited in the "Cannabis Regulatory, Enforcement
20 Assistance, and Marketplace Modernization Fund" established under
21 section 40 of P.L. , c. (C.) (pending before the Legislature
22 as this bill).

23 d. (1) The commission shall issue or deny issuance of a Class 4
24 Cannabis Distributor license or conditional license in accordance with
25 the procedures set forth in section 18 of P.L. , c. (C.) (pending
26 before the Legislature as this bill).

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

33 e. A person who has been issued a license or conditional license
34 shall display the license or conditional license at the distributor's
35 premises at all times when cannabis is being transported.

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

40

41 25. (New section) Class 5 Cannabis Retailer license.

42 A cannabis retailer shall have a Class 5 Cannabis Retailer license
43 issued by the commission for the premises at which the cannabis is
44 retailed. The commission shall determine the maximum number of
45 licenses, of which at least 35 percent shall be conditional licenses
46 issued pursuant to subparagraph (a) of paragraph (2) of subsection
47 b. of section 18 of P.L. , c. (C.) (pending before the
48 Legislature as this bill), and at least 25 percent of the total number

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

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

11 (1) Shall apply for a license in the manner described in section
12 18 of P.L. , c. (C.) (pending before the Legislature as
13 this bill);

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

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

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

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

40 (b) Each person shall submit to being fingerprinted in
41 accordance with applicable State and federal laws, rules, and
42 regulations. No check of criminal history record background
43 information shall be performed pursuant to this section unless a
44 person has furnished his written consent to that check. A person
45 who refuses to consent to, or cooperate in, the securing of a check
46 of criminal history record background information shall not be
47 considered for licensure as a retailer. Each person shall bear the

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

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

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

46 (d) Upon receipt and review of the criminal history record
47 background information from the Division of State Police and the
48 Federal Bureau of Investigation, the commission shall provide

1 written notification to the applicant of the qualification for or
2 disqualification for a Class 5 Cannabis Retailer license.

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

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

16 b. The commission shall adopt rules that:

17 (1) Provide for the annual renewal of the Class 5 Cannabis
18 Retailer license;

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

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

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

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

30 (2) Shall be deposited in the "Cannabis Regulatory, Enforcement
31 Assistance, and Marketplace Modernization Fund" established under
32 section 40 of P.L. , c. (C.) (pending before the
33 Legislature as this bill).

34 d. (1) The commission shall issue or deny issuance of a Class
35 5 Cannabis Retailer license or conditional license in accordance
36 with the procedures set forth in section 18 of P.L. , c. (C.)
37 (pending before the Legislature as this bill).

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

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

47 f. As required by the commission in regulation, a licensee or
48 conditional licensee shall report required changes in information

1 about the licensee to the commission within the time specified by
2 the commission.

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

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

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

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

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

23

24 26. (New section) Class 6 Cannabis Delivery license.

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

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

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

46 (2) Shall have at least one significantly involved person who has
47 resided in this State for at least two years as of the date of the
48 application, and provide proof that this person and any other person

1 with an investment interest who also has decision making authority for
2 the cannabis delivery service listed on an application submitted under
3 section 18 of P.L. , c. (C.) (pending before the Legislature
4 as this bill) is 21 years of age or older;

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

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

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

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

34 (c) (i) With respect to determining whether any conviction of a
35 person contained in the criminal history record background check
36 should disqualify an applicant for a Class 6 Cannabis Delivery license,
37 the commission shall not take into consideration any conviction for a
38 crime or offense that occurred prior to the effective date of P.L. ,
39 c. (C.) (pending before the Legislature as this bill) involving a
40 controlled dangerous substance or controlled substance analog as set
41 forth in paragraph (11) or (12) of subsection b., or subparagraph (b) of
42 paragraph (10) of subsection b. of N.J.S.2C:35-5, or paragraph (3) or
43 (4) of subsection a. of N.J.S.2C:35-10, or any similar indictable
44 offense under federal law, this State's law, or any other state's law, or
45 for any conviction under federal law for conduct involving cannabis or
46 cannabis resin that is authorized by P.L. , c. (C.) (pending
47 before the Legislature as this bill). Additionally, the commission shall
48 not take into consideration any other prior conviction, unless that

1 conviction is for an indictable offense under federal law, other than a
2 conviction for conduct involving cannabis or cannabis resin that is
3 authorized by P.L. , c. (C.) (pending before the Legislature as
4 this bill), 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 passed
7 since the date of that conviction, satisfactory completion of probation
8 or parole, or release from incarceration, whichever is later. In
9 determining which indictable offenses are substantially related to the
10 qualifications, functions, or duties for which the license is required, the
11 commission shall at least consider any conviction involving fraud,
12 deceit, or embezzlement, and any conviction for N.J.S.2C:35-6,
13 employing a minor in a drug distribution scheme, or similar indictable
14 offense in this or another jurisdiction involving the use of a minor to
15 dispense or distribute a controlled dangerous substance or controlled
16 substance analog;

17 (ii) The commission may approve an applicant for a Class 4
18 Cannabis Distributor license after conducting a thorough review of any
19 previous conviction of a person that substantially related to the
20 qualifications, functions, or duties for which the license is required that
21 is contained in the criminal history record background information,
22 and this review shall include examining the nature of the indictable
23 offense, the circumstances at the time of committing the offense, and
24 evidence of rehabilitation since conviction. If the commission
25 determines that the reviewed conviction should not disqualify the
26 applicant, the applicant may be approved so long as the applicant is
27 otherwise qualified to be issued the license; and

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

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

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

45 b. The commission shall adopt rules that:

46 (1) Provide for the annual renewal of the Class 6 Cannabis
47 Delivery license;

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

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

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

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

12 (2) Shall be deposited in the "Cannabis Regulatory, Enforcement
13 Assistance, and Marketplace Modernization Fund" established under
14 section 40 of P.L. , c. (C.) (pending before the Legislature
15 as this bill).

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

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

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

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

33

34 27. (New section) Personal Use Cannabis Handlers.

35 a. An individual who performs work for or on behalf of a
36 person who holds a license classified pursuant to section 20, 22, 23,
37 24, 25, or 26 of P.L. , c. (C.) (pending before the
38 Legislature as this bill) shall have a valid certification issued by the
39 commission under this section if the individual participates in:

40 (1) the possession, securing, or selling of cannabis items at the
41 premises for which the license has been issued; or

42 (2) the recording of the possession, securing, or selling of
43 cannabis items at the premises for which the license has been
44 issued; or

45 (3) the transportation or delivery of cannabis items.

46 b. A person who holds a license classified pursuant to section
47 20, 22, 23, 24, 25, or 26 of P.L. , c. (C.) (pending before
48 the Legislature as this bill) shall verify that an individual has a valid

1 certification issued under this section before allowing the individual
2 to perform any work described in subsection a. of this section at the
3 premises for which the license has been issued.

4 c. The commission shall issue certifications to qualified
5 applicants to perform work described in this section. The
6 commission shall adopt rules and regulations establishing: the
7 qualifications for performing work described in this section; the
8 terms of a certification issued under this section; procedures for
9 applying for and renewing a certification issued under this section;
10 and reasonable application, issuance, and renewal fees for a
11 certification issued under this section.

12 d. The commission may require an individual applying for a
13 certification under this section to successfully complete a course,
14 made available by or through the commission, in which the
15 individual receives training on: checking identification; detecting
16 intoxication; handling cannabis items; statutory and regulatory
17 provisions relating to cannabis; and any matter deemed necessary
18 by the commission to protect the public health and safety. The
19 commission or other provider may charge a reasonable fee for the
20 course.

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

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

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

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

1 not be considered for a certification. Each individual shall bear the
2 cost for the criminal history record background check, including all
3 costs of administering and processing the check.

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

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

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

1 the use of a minor to dispense or distribute a controlled dangerous
2 substance or controlled substance analog;

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

14 g. The commission shall deny an application to any applicant who
15 fails to provide information, documentation and assurances as required
16 by P.L. , c. (C.) (pending before the Legislature as this bill) or
17 as requested by the commission, or who fails to reveal any fact
18 material to qualification, or who supplies information which is untrue
19 or misleading as to a material fact pertaining to the qualification
20 criteria for licensure.

21 h. The commission may suspend, revoke, or refuse to renew a
22 certification if the individual who is applying for or who holds the
23 certification: violates any provision of P.L. , c. (C.)
24 (pending before the Legislature as this bill) or any rule or regulation
25 adopted under P.L. , c. (C.) (pending before the
26 Legislature as this bill); makes a false statement to the commission;
27 or refuses to cooperate in any investigation by the commission.

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

31 j. In addition to the requirements for regulations set forth in
32 paragraph (1) of subsection d. of section 6 of P.L. ,
33 c. (C.) (pending before the Legislature as this bill) the
34 commission shall enact regulations to allow for a cannabis retailer
35 to engage in delivery of cannabis items by a certified cannabis
36 handler performing work for or on behalf of a cannabis retailer,
37 including a certified cannabis handler employed by a cannabis
38 delivery service providing courier service for the cannabis retailer,
39 and which regulations shall include, but not be limited to, the
40 following requirements:

41 (1) A cannabis retailer may only deliver cannabis items to a
42 residence, including a temporary residence, in this State.

43 (2) Deliveries shall be made only to a legal consumer by a
44 certified cannabis handler who is an employee of a cannabis
45 retailer, cannabis delivery service, or an approved contractor vender
46 for a cannabis retailer.

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

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

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

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

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

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

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

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

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

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

47 (13) Each cannabis retailer, delivery service, or contract vendor
48 of a cannabis retailer shall maintain current hired and non-owned

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

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

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

9 (16) While making residential deliveries, a certified cannabis
10 handler shall only travel from the cannabis retailer's licensed
11 premises, or as part of a cannabis delivery service or contract
12 vendor deliveries, between multiple cannabis retailers, then to a
13 residence for delivery; from one residential delivery to another
14 residence for residential delivery; or from a residential delivery
15 back to the cannabis retailer's licensed premises. A cannabis
16 handler shall not deviate from the delivery path described in this
17 paragraph, except in the event of emergency or as necessary for
18 rest, fuel, or vehicle repair stops, or because road conditions make
19 continued use of the route or operation of the vehicle unsafe,
20 impossible, or impracticable.

21 (17) The process of delivery begins when the certified cannabis
22 handler leaves the cannabis retailer licensed premises with the
23 cannabis items for delivery. The process of delivering ends when
24 the cannabis handler returns to the cannabis retailer's licensed
25 premises, or delivery service's or contract vendor's premises, after
26 delivering the cannabis item to the consumer.

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

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

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

39

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

42 24. a. (1) Each batch of medical cannabis cultivated by a
43 medical cannabis cultivator or a clinical registrant and each batch of
44 a medical cannabis product produced by a medical cannabis
45 manufacturer or a clinical registrant shall be tested in accordance
46 with the requirements of section 26 of P.L.2019, c.153 (C.24:6I-19)
47 by a laboratory licensed pursuant to section 25 of P.L.2019, c.153
48 (C.24:6I-18). The laboratory performing the testing shall produce a

1 written report detailing the results of the testing, a summary of
2 which shall be included in any packaging materials for medical
3 cannabis and medical cannabis products dispensed to qualifying
4 patients and their designated and institutional caregivers. The
5 laboratory may charge a reasonable fee for any test performed
6 pursuant to this section.

7 (2) Each representative sample of personal use cannabis from a
8 cannabis cultivation facility and each representative sample of a
9 personal use cannabis item from a cannabis product manufacturing
10 facility shall be tested in accordance with the provisions of section
11 18 of P.L. , c. (C.) (pending before the Legislature as this
12 bill) by a laboratory licensed pursuant to section 25 of P.L.2019,
13 c.153 (C.24:6I-18).

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

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

23

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

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

43 (2) Any laboratory licensed pursuant to this section prior to the
44 effective date of P.L. , c. (C.) to only test medical cannabis
45 and medical cannabis products shall be authorized to test personal
46 use cannabis and personal use cannabis items under an existing
47 license in good standing, if the laboratory certifies to the
48 commission that its facility, and the condition and calibration of any

1 equipment used for testing meet the commission's accreditation
2 requirements for licensure as a cannabis testing facility, and its
3 testing procedures will be performed in accordance with the
4 requirements of section 18 of P.L. , c. (C.) (pending before
5 the Legislature as this bill). The commission shall acknowledge
6 receipt of the laboratory's certification in writing to that laboratory,
7 which shall serve as notice and recognition that the laboratory may
8 test personal use cannabis and personal use cannabis items under
9 the existing license.

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

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

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

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

39 An applicant who is required to undergo a criminal history
40 record background check pursuant to this section shall submit to
41 being fingerprinted in accordance with applicable State and federal
42 laws, rules, and regulations. No check of criminal history record
43 background information shall be performed pursuant to this section
44 unless the applicant has furnished the applicant's written consent to
45 that check. An applicant who is required to undergo a criminal
46 history record background check pursuant to this section who
47 refuses to consent to, or cooperate in, the securing of a check of
48 criminal history record background information shall not be

1 considered for a license to operate, or authorization to be employed
2 at, a medical cannabis testing laboratory. An applicant shall bear
3 the cost for the criminal history record background check, including
4 all costs of administering and processing the check.

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

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

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

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

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

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

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

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

47 (c) the circumstances under which the crime or offense
48 occurred;

- 1 (d) the date of the crime or offense;
- 2 (e) the age of the individual when the crime or offense was
3 committed;
- 4 (f) whether the crime or offense was an isolated or repeated
5 incident;
- 6 (g) any social conditions which may have contributed to the
7 commission of the crime or offense; and
- 8 (h) any evidence of rehabilitation, including good conduct in
9 prison or in the community, counseling or psychiatric treatment
10 received, acquisition of additional academic or vocational
11 schooling, successful participation in correctional work-release
12 programs, or the recommendation of those who have had the
13 individual under their supervision.
14 (cf: P.L.2019, c.153, s.25)

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

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

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

36 (2) for licenses to operate as, or to be a director, officer, or
37 employee of, or a significantly involved person in, cannabis
38 growers, cannabis processors, cannabis wholesalers, cannabis
39 distributors, cannabis retailers, cannabis delivery services, and
40 personal use cannabis testing facilities pursuant to sections 18, 20,
41 21, 22, 23, 24, 25, and 26 of P.L. , c. (C.) (pending before
42 the 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
47 employee of, a medical cannabis testing laboratory, an applicant for

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

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

11

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

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

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

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

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

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

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

46 (2) A municipality may impose a separate local licensing or
47 endorsement requirement as a part of its restrictions on times of
48 operation, location, manner, and the number of cannabis businesses.

1 A municipality may decline to impose any local licensing or
2 endorsement requirements, but a local jurisdiction shall notify the
3 commission that it either approves or denies each application
4 forwarded to it.

5

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

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

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

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

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

34 b. Applications for an endorsement pursuant to this section
35 shall be made to the commission in a form and manner as shall be
36 prescribed by the commission and shall set forth such information
37 as the commission may require. Each application shall be verified
38 by the oath or affirmation of such persons as the commission may
39 prescribe. The endorsement shall be conditioned upon approval by
40 a municipality. An applicant is prohibited from operating a
41 cannabis consumption area without State and local approval. If the
42 applicant does not receive approval from the municipality within
43 one year after the date of State approval, the State endorsement
44 shall expire and may not be renewed. If an application is denied by
45 the municipality or the approval of the municipality is revoked, the
46 commission shall revoke the State endorsement. Any person

1 aggrieved by the local denial of an endorsement application may
2 request a hearing in the Superior Court of the county in which the
3 application was filed. The request for a hearing shall be filed
4 within 30 days after the date the application was denied. The
5 person shall serve a copy of the person's request for a hearing upon
6 the appropriate officer for the municipality that denied the
7 application. The hearing shall be held and a record made thereof
8 within 30 days after the receipt of the application for a hearing. No
9 formal pleading and no filing fee shall be required for the hearing.

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

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

18 (a) the endorsed permit holder , license holder, or applicant has
19 violated, does not meet, or has failed to comply with, any of the
20 terms, conditions, or provisions of this section, any rules
21 promulgated pursuant to this section, or any supplemental local
22 laws, rules, or regulations;

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

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

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

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

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

45 f. A **【medical】** cannabis consumption area shall be located on
46 the premises of a medical cannabis dispensary **【or】** , clinical

1 registrant, or cannabis retailer, may be indoors or outdoors, and shall
2 be designated by conspicuous signage. The signage shall also
3 indicate whether the cannabis consumption area may be used for the
4 on-premises consumption of medical cannabis, personal use cannabis,
5 or both.

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

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

38 (2) An outdoor **【medical】** cannabis consumption area shall be
39 an exterior structure on the same premises as the medical cannabis
40 dispensary **【or】** , clinical registrant facility, or cannabis retailer, that
41 is either separate from or connected to the dispensary, facility, or
42 retailer, and that is not required to be completely enclosed, but shall
43 have sufficient walls, fences, or other barriers to prevent any view
44 of patients consuming medical cannabis or persons consuming
45 personal use cannabis from any sidewalk or other pedestrian or non-

1 motorist right-of-way, as the case may be, within the consumption
2 area.

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

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

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

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

44 (4) (a) A cannabis retailer, or medical cannabis dispensary or
45 clinical registrant that is also licensed to simultaneously operate as

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

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

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

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

39 i. When a patient or other person leaves a **【medical】** cannabis
40 consumption area, the establishment shall ensure any remaining
41 unconsumed medical cannabis or personal use cannabis item that is
42 not taken by the patient **【or】** , the patient's designated caregiver , or
43 other person is destroyed.

44 j. A medical cannabis dispensary, clinical registrant, or cannabis
45 retailer operating a cannabis consumption area and its employees:

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

3 (2) may remove an individual from the establishment for any
4 reason;

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

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

11 k. If an emergency requires law enforcement, firefighters,
12 emergency medical services providers, or other public safety
13 personnel to enter a medical cannabis consumption area, employees
14 of the establishment shall prohibit on-site consumption of medical
15 cannabis until such personnel have completed their investigation or
16 services and have left the premises.

17 (cf: P.L.2019, c.153, s.28)

18

19 33. (New section) Marketplace Regulation.

20 a. (1) (a) For a period of 18 months after the date determined
21 by the commission pursuant to paragraph (2) of subsection d. of
22 section 6 of P.L. , c. (C.) (pending before the Legislature as
23 this bill), to be the first date on which cannabis retailers issued
24 licenses and conditional licenses begin retail sales of personal use
25 cannabis items, it shall be unlawful for any owner, part owner,
26 stockholder, officer, or director of any corporation, or any other
27 person interested in any cannabis cultivation facility, cannabis
28 testing facility, cannabis product manufacturing facility, cannabis
29 wholesaler, cannabis distributor, or cannabis delivery service to
30 engage in the retailing of any cannabis items in this State, or to own,
31 either in whole or in part, or be directly or indirectly interested in a
32 cannabis retailer, and such interest shall include any payments or
33 delivery of money or property by way of loan or otherwise
34 accompanied by an agreement to sell the product of said cannabis
35 cultivation facility, cannabis testing facility, cannabis product
36 manufacturing facility, cannabis wholesaler, or cannabis distributor,
37 but does not include any arrangement between a cannabis delivery
38 service and a cannabis retailer for making deliveries of cannabis
39 items to consumers. During this 18-month period, the holder of a
40 Class 1 Cannabis Grower license to operate a cannabis cultivation
41 facility or a Class 2 Cannabis Processor license to operate a
42 cannabis product manufacturing facility may hold one other license
43 to operate another cannabis establishment, other than a Class 3
44 Cannabis Wholesaler license to operate a cannabis wholesaler or a
45 Class 5 Cannabis Retailer license to operate a cannabis retailer; and
46 the holder of a Class 3 Cannabis Wholesaler license to operate a
47 cannabis wholesaler shall be limited to just that one license.

1 (b) Throughout the 18-month period set forth in subparagraph
2 (a) of this paragraph, the commission, except as authorized by
3 paragraph (2) of subsection b. of this section, shall not allow,
4 providing there exist qualified applicants, more than 28 cannabis
5 growers to be simultaneously licensed and engaging in personal use
6 cannabis activities, which number shall include any alternative
7 treatment centers deemed to be licensed as cannabis growers who
8 are issued licenses by the commission pursuant to paragraph (3) of
9 this subsection.

10 (2) For a period of 18 months after the date determined by the
11 commission pursuant to paragraph (2) of subsection d. of section 6
12 of P.L. , c. (C.) (pending before the Legislature as this bill),
13 to be the first date on which cannabis retailers issued licenses and
14 conditional licenses begin retail sales of personal use cannabis
15 items, it shall be unlawful for any owner, part owner, stockholder,
16 officer, or director of any corporation, or any other person engaged
17 in any retailing of any cannabis items to engage in the growing of,
18 testing of, processing of, wholesaling of, or transporting in bulk any
19 cannabis items, or to own either whole or in part, or to be a
20 shareholder, officer or director of a corporation or association,
21 directly or indirectly, interested in any cannabis cultivation facility,
22 cannabis testing facility, cannabis product manufacturing facility,
23 cannabis wholesaler, cannabis distributor, or cannabis delivery
24 service.

25 (3) (a) (i) Except with respect to the cap on the number of
26 cannabis grower licenses set forth in subparagraph (b) of paragraph
27 (1) of this subsection, the provisions of paragraphs (1) and (2) of
28 this subsection shall not apply

29 to any alternative treatment center that was issued a permit prior
30 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or to any
31 alternative treatment center that was issued a permit subsequent to
32 that effective date pursuant to an application submitted prior to that
33 effective date,

34 to the one alternative treatment center, out of four, issued a permit
35 pursuant to an application submitted after the effective date of
36 P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to a request for
37 applications published in the New Jersey Register prior to that
38 effective date, that is expressly exempt, pursuant to subsection a. of
39 section 11 of P.L.2019, c.153 (C.24:6I-7.1), from the provisions of
40 subparagraph (i) of subparagraph (a) of paragraph (2) of
41 subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7), which
42 exemption permits the alternative treatment center to concurrently
43 hold more than one medical cannabis permit, and that one alternative
44 treatment center is deemed pursuant to that section 7 (C.24:6I-7) to
45 concurrently hold more than one permit, and

46 to the one alternative treatment center, out of three, issued a
47 permit pursuant to an application submitted on or after the effective
48 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that is expressly

1 exempt, pursuant to subsection a. of section 11 of P.L.2019,
2 c.153 (C.24:6I-7.1), from the provisions of subparagraph (i) of
3 subparagraph (a) of paragraph (2) of subsection a. of section 7 of
4 P.L.2009, c.307 (C.24:6I-7), which exemption permits the
5 alternative treatment center to concurrently hold more than one
6 medical cannabis permit, and that one alternative treatment center is
7 deemed pursuant to that section 7 (C.24:6I-7) to concurrently hold
8 more than one permit,

9 and which alternative treatment center is also deemed, pursuant
10 to subparagraph (ii) of subparagraph (c) of paragraph (2) of
11 section 7 of P.L.2009, c.307 (C.24:6I-7), to either concurrently hold
12 a Class 1 Cannabis Grower license, a Class 2 Cannabis Processor
13 license, and a Class 5 Cannabis Retailer license, plus an additional
14 Class 5 Cannabis Retailer license for each satellite dispensary
15 authorized and established by an alternative treatment center pursuant
16 to subparagraph (d) of paragraph (2) of subsection a. of section 7 of
17 P.L.2009, c.307 (C.24:6I-7), or alternatively to hold a Class 3
18 Cannabis Wholesaler license.

19 (ii) For each alternative treatment center deemed to have
20 licenses pursuant to subparagraph (i) of this subparagraph, the
21 commission shall not require the submission of an application for
22 licensure, as the application requirement is deemed satisfied by the
23 alternative treatment center's previously approved permit
24 application that was submitted to the Department of Health or to the
25 commission pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7),
26 but the alternative treatment center shall not begin to operate as any
27 class of cannabis establishment until the alternative treatment center
28 has submitted a written approval for a proposed cannabis
29 establishment from the municipality in which the proposed
30 establishment is to be located, which approval is based on a
31 determination that the proposed establishment complies with the
32 municipality's restrictions on the time, location, manner, and
33 number of establishments enacted pursuant to section 31 of P.L. of
34 P.L. , c. (C.) (pending before the Legislature as this bill).
35 The commission shall issue the initial license to the alternative
36 treatment center for a cannabis establishment of the appropriate
37 class upon receipt of the municipality's approval. The commission
38 shall begin accepting municipal approvals from alternative
39 treatment centers beginning on the date of adoption of the
40 commission's initial rules and regulations pursuant to subparagraph
41 (a) of paragraph (1) of subsection d. of section 6 of P.L. ,
42 c. (C.) (pending before the Legislature as this bill).

43 (iii) An alternative treatment center issued an initial license
44 following approval by a municipality pursuant to subparagraph
45 (ii) of this subparagraph shall not engage in activities related to the
46 growing, producing, or wholesaling of personal use cannabis until it
47 has certified to the commission that that it has sufficient quantities
48 of medical cannabis and medical cannabis products available to

1 meet the reasonably anticipated need of registered qualifying
2 patients, and the commission has accepted the alternative treatment
3 center's certification.

4 Notwithstanding 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 alternate treatment center, if approved by a municipality to operate
10 as a cannabis retailer, may begin to engage in the retail sale of
11 cannabis items on any date after the date that the commission
12 adopts its initial rules and regulations pursuant to subparagraph (a) of
13 paragraph (1) of subsection d. of section 6 of that act (C.), so
14 long as it has certified to the commission, and to the municipality in
15 which it is located and intends to engage in retail sales, that it has
16 sufficient quantities of medical cannabis and, if applicable, medical
17 cannabis products available to meet the reasonably anticipated need
18 of registered qualifying patients, and both the commission and
19 municipality have accepted the alternative treatment center's
20 certification.

21 (iv) An alternative treatment center issued a license for a
22 cannabis establishment shall be authorized to use the same premises
23 for all activities authorized under P.L. , c. (C.) (pending
24 before the Legislature as this bill) and the "Jake Honig
25 Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-
26 1 et al.), without being required to establish or maintain any
27 physical barriers or separations between operations related to the
28 medical use of cannabis and operations related to personal use
29 cannabis, provided that the alternative treatment center shall be
30 required to certify that it has sufficient quantities of medical
31 cannabis and, if applicable, medical cannabis products available to
32 meet the reasonably anticipated treatment needs of registered
33 qualifying patients, as set forth in subparagraph (iii) of this
34 subparagraph, as a condition of selling personal use cannabis at
35 retail.

36 In determining whether to accept, pursuant to this subparagraph,
37 an alternative treatment center's certification that it has sufficient
38 quantities of medical cannabis or medical cannabis products
39 available to meet the reasonably anticipated needs of registered
40 qualifying patients, the commission, and if applicable a
41 municipality in consultation with the commission, shall
42 assess patient enrollment, inventory, sales of medical cannabis and
43 medical cannabis products, and any other factors determined by the
44 commission through regulation. If an alternative treatment center is
45 found by the commission to not have sufficient quantities of
46 medical cannabis or medical cannabis products available to meet
47 the reasonably anticipated needs of qualified patients, the
48 commission may issue fines, limit retail sales, temporarily suspend

1 the alternative treatment center's cannabis establishment license, or
2 issue any other penalties determined by the commission through
3 regulation.

4 (b) Beginning on a date determined by the commission, to be
5 not later than one year from the date determined by the commission
6 pursuant to paragraph (2) of subsection d. of section 6 of P.L. ,
7 c. (C.) (pending before the Legislature as this bill) to be the first
8 date on which cannabis retailers issued licenses and conditional
9 licenses begin retail sales of personal use cannabis items, an
10 alternative treatment center deemed to have licenses and issued
11 initial licenses pursuant to subparagraph (a) of this paragraph shall
12 certify to the commission, within a period of time, as determined by
13 the commission, prior to the date on which a license issued to the
14 alternative treatment center is set to expire, the continued material
15 accuracy of the alternative treatment center's previously approved
16 permit application to the Department of Health or to the commission
17 pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), and its
18 compliance with the provisions of P.L. , c. (C.) (pending before
19 the Legislature as this bill) as required by the commission for its
20 operations concerning personal use cannabis, and this certification
21 shall be supplemented with a new written approval from the
22 municipality in which the alternative treatment center is operating
23 as a cannabis establishment for which the initial license was issued,
24 approving the continued operations as a cannabis establishment.
25 The commission shall renew the license of the alternative treatment
26 center based upon a review of the certification and supporting
27 municipality's continued approval. This license renewal process
28 shall thereafter be followed for each expiring license issued to the
29 alternative treatment center.

30 b. Following the 18 month period set forth in subsection a. of
31 this section, a cannabis establishment license holder shall be
32 authorized to hold:

33 (1) (a) a Class 1 Cannabis Grower license, a Class 2 Cannabis
34 Processor license, and a Class 5 Cannabis Retailer license
35 concurrently, provided that no license holder shall be authorized to
36 concurrently hold more than one license of each class, except for an
37 alternative treatment center that was deemed, during the 18 month
38 period, to have an additional Class 5 Cannabis Retailer license for
39 each satellite dispensary that was authorized and established by the
40 alternative treatment center pursuant to subparagraph (d) of
41 paragraph (2) of subsection a. of section 7 of P.L.2009, c.307
42 (C.24:6I-7). These additional retailer licenses only permit the retail
43 operation of each satellite dispensary, and shall not be replaced by
44 any other class of cannabis establishment license; or

45 (b) a Class 3 Cannabis Wholesaler license. In no case may a
46 holder of a Class 3 Cannabis Wholesaler license concurrently
47 holder a license of any other class or cannabis establishment.

1 (2) The commission, pursuant to its authority under paragraph
2 (1) of subsection a. of section 18 of P.L. , c. (C.) (pending
3 before the Legislature as this bill) for making periodic evaluations of
4 whether the number of each class of cannabis establishment, or
5 number of cannabis distributors or delivery services, is sufficient to
6 meet the market demands of the State, shall review the limit on the
7 number of cannabis grower licenses set forth in subparagraph (b) of
8 paragraph (1) of subsection a. of this section, and providing there
9 exist qualified applicants, may make requests for new applications
10 for additional licenses as it deems necessary.

11 (3) A license holder may submit an application for a license of
12 any type that the license holder does not currently hold prior to the
13 expiration of the 18 month period set forth in subsection a. of this
14 section, or thereafter, does not currently hold pursuant to paragraph
15 (1) of this subsection, provided that no license shall be awarded to
16 the license holder during the 18 month period, or thereafter, if
17 issuance of the license would violate the restrictions set forth in
18 subsection a. of this section concerning the classes of licenses that
19 may be concurrently held during that 18 month period, or the
20 restrictions set forth in paragraph (1) of this subsection

21

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

24 7. a. (1) The commission shall accept applications from entities
25 for permits to operate as medical cannabis cultivators, medical
26 cannabis manufacturers, and medical cannabis dispensaries. For the
27 purposes of this section, the term “permit” shall be deemed to
28 include a conditional permit issued pursuant to subsection d. of
29 section 11 of P.L.2019, c.153 (C.24:6I-7.1) and any permit issued to
30 a microbusiness pursuant to subsection e. of section 11 of P.L.2019,
31 c.153 (C.24:6I-7.1).

32 (2) (a) For a period of 18 months after the effective date of
33 P.L.2019, c.153 (C.24:6I-5.1 et al.):

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

37 (ii) there shall be no more than 28 active medical cannabis
38 cultivator permits, including medical cannabis cultivator permits
39 deemed to be held by alternative treatment centers issued a permit
40 prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) and
41 medical cannabis cultivator permits deemed to be held by
42 alternative treatment centers issued a permit subsequent to the
43 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an
44 application submitted prior to the effective date of P.L.2019, c.153
45 (C.24:6I-5.1 et al.); provided that medical cannabis cultivator
46 permits issued to microbusinesses pursuant to subsection e. of

1 section 11 of P.L.2019, c.153 (C.24:6I-7.1) shall not count toward
2 this limit.

3 (b) Commencing 18 months after the effective date of P.L.2019,
4 c.153 (C.24:6I-5.1 et al.), a permit holder shall be authorized to
5 concurrently hold a medical cannabis cultivator permit, a medical
6 cannabis manufacturer permit, and a medical cannabis dispensary
7 permit, provided that no permit holder shall be authorized to
8 concurrently hold more than one permit of each type. The permit
9 holder may submit an application for a permit of any type that the
10 permit holder does not currently hold prior to the expiration of the
11 18-month period described in subparagraph (a) of this paragraph,
12 provided that no additional permit shall be awarded to the permit
13 holder during the 18 month period.

14 (c) (i) The provisions of subparagraph (a) of this paragraph shall
15 not apply to any alternative treatment center that was issued a
16 permit prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
17 al.), to any alternative treatment center that was issued a permit
18 after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)
19 pursuant to an application submitted prior to the effective date of
20 P.L.2019, c.153 (C.24:6I-5.1 et al.), to one of the four alternative
21 treatment centers issued a permit pursuant to an application
22 submitted after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
23 al.) pursuant to a request for applications published in the New
24 Jersey Register prior to the effective date of P.L.2019, c.153
25 (C.24:6I-5.1 et al.) that are expressly exempt from the provisions of
26 subparagraph (i) of subparagraph (a) of this paragraph, or to one
27 of the three alternative treatment centers issued a permit pursuant to
28 section 11 of P.L.2019, c.153 (C.24:6I-7.1) that are expressly
29 exempt from the provisions of subparagraph (i) of subparagraph
30 (a) of this paragraph, which alternative treatment centers shall be
31 deemed to concurrently hold a medical cannabis cultivator permit, a
32 medical cannabis manufacturer permit, and a medical cannabis
33 dispensary permit, and shall be authorized to engage in any conduct
34 authorized pursuant to those permits in relation to the cultivation,
35 manufacturing, and dispensing of medical cannabis.

36 (ii) In addition, each of the alternative treatment centers
37 described in subparagraph (i) of this subparagraph, to which the
38 provisions of subparagraph (a) of this paragraph do not apply shall,
39 upon the adoption of the initial rules and regulations by the
40 commission pursuant to subparagraph (a) of paragraph (1) of
41 subsection d. of section 6 of P.L. , c. (C.) (pending before
42 the Legislature as this bill), be deemed to either concurrently hold a
43 Class 1 Cannabis Grower license, a Class 2 Cannabis Processor
44 License, and a Class 5 Cannabis Retailer license, plus an additional
45 Class 5 Cannabis Retailer license for each satellite dispensary
46 authorized and established by the alternative treatment center

1 pursuant to subparagraph (d) of this paragraph, or hold a Class 3
2 Cannabis Wholesaler license. Any alternative treatment center
3 deemed to hold one or more licenses as described in this
4 subsubparagraph may begin to operate as any authorized class of
5 cannabis establishment upon receipt of written approval from the
6 municipality in which the proposed establishment is to be located
7 and obtaining an initial license or licenses, as applicable, issued by
8 the commission pursuant to paragraph (3) of subsection a. of section
9 33 of P.L. , c. (C.) (pending before the Legislature as this
10 bill).

11 (d) No entity may be issued or concurrently hold more than one
12 medical cannabis cultivator permit, one medical cannabis
13 manufacturer permit, or one medical cannabis dispensary permit at
14 one time, and no medical cannabis dispensary shall be authorized to
15 establish a satellite location on or after the effective date of
16 P.L.2019, c.153 (C.24:6I-5.1 et al.), except that an alternative
17 treatment center that was issued a permit prior to the effective date
18 of P.L.2019, c.153 (C.24:6I-5.1 et al.) or that was issued a permit
19 after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)
20 pursuant to an application submitted prior to the effective date of
21 P.L.2019, c.153 (C.24:6I-5.1 et al.) shall be authorized to maintain
22 up to two satellite dispensaries, including any satellite dispensary
23 that was approved pursuant to an application submitted prior to or
24 within 18 months after the effective date of P.L.2019, c.153
25 (C.24:6I-5.1 et al.). The three alternative treatment centers issued
26 permits pursuant to section 11 of P.L.2019, c.153 (C.24:6I-7.1) that
27 are expressly exempt from the provisions of subsubparagraph (i) of
28 subparagraph (a) of this paragraph shall be authorized to establish
29 and maintain up to one satellite dispensary location, provided that
30 the satellite dispensary was approved pursuant to an application
31 submitted within 18 months after the effective date of P.L.2019,
32 c.153 (C.24:6I-5.1 et al.).

33 (e) No entity issued a medical cannabis cultivator, medical
34 cannabis manufacturer, or medical cannabis dispensary permit may
35 concurrently hold a clinical registrant permit issued pursuant to
36 section 13 of P.L.2019, c.153 (C.24:6I-7.3), and no entity issued a
37 clinical registrant permit pursuant to section 13 of P.L.2019, c.153
38 (C.24:6I-7.3) may concurrently hold a medical cannabis cultivator
39 permit, a medical cannabis manufacturer permit, or a medical
40 cannabis dispensary permit.

41 (f) Any medical cannabis dispensary permit holder may be
42 approved by the commission to operate a **【medical】** cannabis
43 consumption area, provided that the permit holder otherwise meets
44 the requirements of section 28 of P.L.2019, c.153 (C.24:6I-21).

45 (g) An alternative treatment center that was issued a permit prior
46 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that was

1 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
2 5.1 et al.) pursuant to an application submitted pursuant to a request
3 for applications published in the New Jersey Register prior to the
4 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was
5 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
6 5.1 et al.) pursuant to an application submitted prior to the effective
7 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), shall be required to
8 submit an attestation signed by a bona fide labor organization
9 stating that the alternative treatment center has entered into a labor
10 peace agreement with such bona fide labor organization no later
11 than 100 days after the effective date of P.L.2019, c.153 (C.24:6I-
12 5.1 et al.) or no later than 100 days after the date the alternative
13 treatment center first opens, whichever date is later. The
14 maintenance of a labor peace agreement with a bona fide labor
15 organization shall be an ongoing material condition of maintaining
16 the alternative treatment center's permit. The failure to submit an
17 attestation as required pursuant to this subparagraph within 100
18 days after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)
19 or within 100 days after the alternative treatment center first opens,
20 as applicable, shall result in the suspension or revocation of the
21 alternative treatment center's permit, provided that the commission
22 may grant an extension to this deadline to the alternative treatment
23 center based upon extenuating circumstances or for good cause
24 shown.

25 (h) An alternative treatment center that was issued a permit prior
26 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) shall be
27 permitted to cultivate from up to two physical locations, provided
28 that the alternative treatment center's combined mature cannabis
29 plant grow canopy between both locations shall not exceed 150,000
30 square feet of bloom space or the square footage of canopy
31 permitted under the largest tier in the tiered system adopted by the
32 commission pursuant to paragraph (2) of subsection b. of section 21
33 of P.L. , c. (C.) (pending before the Legislature as this bill).

34 (3) The commission shall seek to ensure the availability of a
35 sufficient number of medical cannabis cultivators, medical cannabis
36 manufacturers, and medical cannabis dispensaries throughout the
37 State, pursuant to need, including at least two each in the northern,
38 central, and southern regions of the State. Medical cannabis
39 cultivators, medical cannabis manufacturers, and medical cannabis
40 dispensaries issued permits pursuant to this section may be
41 nonprofit or for-profit entities.

42 (4) The commission shall periodically evaluate whether the
43 number of medical cannabis cultivator, medical cannabis
44 manufacturer, and medical cannabis dispensary permits issued are
45 sufficient to meet the needs of qualifying patients in the State, and
46 shall make requests for applications and issue such additional

1 permits as shall be necessary to meet those needs. The types of
2 permits requested and issued, and the locations of any additional
3 permits that are authorized, shall be in the discretion of the
4 commission based on the needs of qualifying patients in the State.

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

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

27 (c) A medical cannabis dispensary shall be authorized to:
28 purchase or acquire medical cannabis from any medical cannabis
29 cultivator, medical cannabis dispensary, or clinical registrant in the
30 State and medical cannabis products and related supplies from any
31 medical cannabis manufacturer, medical cannabis dispensary, or
32 clinical registrant in the State; purchase or acquire paraphernalia
33 from any legal source; and distribute, supply, sell, or dispense
34 medical cannabis, medical cannabis products, paraphernalia, and
35 related supplies to qualifying patients or their designated or
36 institutional caregivers who are registered with the commission
37 pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4). A medical
38 cannabis dispensary may furnish medical cannabis, medical
39 cannabis products, paraphernalia, and related supplies to a medical
40 cannabis handler for delivery to a registered qualifying patient,
41 designated caregiver, or institutional caregiver consistent with the
42 requirements of subsection i. of section 27 of P.L.2019, c.153
43 (C.24:6I-20).

44 (6) A medical cannabis cultivator shall not be limited in the
45 number of strains of medical cannabis cultivated, and a medical
46 cannabis manufacturer shall not be limited in the number or type of

1 medical cannabis products manufactured, produced, or created. A
2 medical cannabis manufacturer may package, and a medical
3 cannabis dispensary may directly dispense medical cannabis and
4 medical cannabis products to qualifying patients and their
5 designated and institutional caregivers in any authorized form.
6 Authorized forms shall include dried form, oral lozenges, topical
7 formulations, transdermal form, sublingual form, tincture form, or
8 edible form, or any other form as authorized by the commission.
9 Edible form shall include pills, tablets, capsules, drops or syrups,
10 oils, chewable forms, and any other form as authorized by the
11 commission, except that the edible forms made available to minor
12 patients shall be limited to forms that are medically appropriate for
13 children, including pills, tablets, capsules, chewable forms, and
14 drops, oils, syrups, and other liquids.

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

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

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

40 d. (1) The commission shall require each applicant seeking a
41 permit to operate as, to be a director, officer, or employee of, or to
42 be a significantly involved person in, a medical cannabis cultivator,
43 medical cannabis manufacturer, medical cannabis dispensary, or
44 clinical registrant to undergo a criminal history record background
45 check.

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

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

43 An applicant who is required to undergo a criminal history
44 record background check pursuant to this section shall submit to
45 being fingerprinted in accordance with applicable State and federal
46 laws, rules, and regulations. No check of criminal history record

1 background information shall be performed pursuant to this section
2 unless the applicant has furnished the applicant's written consent to
3 that check. An applicant who is required to undergo a criminal
4 history record background check pursuant to this section who
5 refuses to consent to, or cooperate in, the securing of a check of
6 criminal history record background information shall not be
7 considered for a permit to operate, or authorization to be employed
8 at or to be a significantly involved person in, a medical cannabis
9 cultivator, medical cannabis manufacturer, medical cannabis
10 dispensary, or clinical registrant. An applicant shall bear the cost
11 for the criminal history record background check, including all
12 costs of administering and processing the check.

13 (2) The commission shall not approve an applicant for a permit
14 to operate, or authorization to be employed at or to be a
15 significantly involved person in, a medical cannabis cultivator,
16 medical cannabis manufacturer, medical cannabis dispensary, or
17 clinical registrant if the criminal history record background
18 information of the applicant reveals a disqualifying conviction as
19 set forth in subsection c. of this section.

20 (3) Upon receipt of the criminal history record background
21 information from the Division of State Police and the Federal
22 Bureau of Investigation, the commission shall provide written
23 notification to the applicant of the applicant's qualification for or
24 disqualification for a permit to operate or be a director, officer, or
25 employee of, or a significantly involved person in, a medical
26 cannabis cultivator, medical cannabis manufacturer, medical
27 cannabis dispensary, or clinical registrant.

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

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

42 (5) Notwithstanding the provisions of subsection c. of this
43 section to the contrary, the commission may offer provisional
44 authority for an applicant to be an owner, director, officer, or
45 employee of, or a significantly involved person in, a medical
46 cannabis cultivator, medical cannabis manufacturer, medical

1 cannabis dispensary, or clinical registrant for a period not to exceed
2 three months if the applicant submits to the commission a sworn
3 statement attesting that the person has not been convicted of any
4 disqualifying conviction pursuant to this section.

5 (6) Notwithstanding the provisions of subsection c. of this
6 section to the contrary, no applicant to be an owner, director,
7 officer, or employee of, or a significantly involved person in, a
8 medical cannabis cultivator, medical cannabis manufacturer,
9 medical cannabis dispensary, or clinical registrant shall be
10 disqualified on the basis of any conviction disclosed by a criminal
11 history record background check conducted pursuant to this section
12 if the individual has affirmatively demonstrated to the commission
13 clear and convincing evidence of rehabilitation. In determining
14 whether clear and convincing evidence of rehabilitation has been
15 demonstrated, the following factors shall be considered:

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

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

19 (c) the circumstances under which the crime or offense
20 occurred;

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

22 (e) the age of the individual when the crime or offense was
23 committed;

24 (f) whether the crime or offense was an isolated or repeated
25 incident;

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

28 (h) any evidence of rehabilitation, including good conduct in
29 prison or in the community, counseling or psychiatric treatment
30 received, acquisition of additional academic or vocational
31 schooling, successful participation in correctional work-release
32 programs, or the recommendation of those who have had the
33 individual under their supervision.

34 e. The commission shall issue a permit to operate or be an
35 owner, director, officer, or employee of, or a significantly involved
36 person in, a medical cannabis cultivator, medical cannabis
37 manufacturer, or medical cannabis dispensary if the commission
38 finds that issuing such a permit would be consistent with the
39 purposes of P.L.2009, c.307 (C.24:6I-1 et al.) and the requirements
40 of this section and section 11 of P.L.2019, c.153 (C.24:6I-7.1) are
41 met. The denial of an application shall be considered a final agency
42 decision, subject to review by the Appellate Division of the
43 Superior Court. A permit to operate a medical cannabis cultivator,
44 medical cannabis manufacturer, or medical cannabis dispensary
45 issued on or after the effective date of P.L.2019, c.153 (C.24:6I-5.1
46 et al.) shall be valid for one year and shall be renewable annually.

1 f. A person who has been issued a permit pursuant to this
2 section or a clinical registrant permit pursuant to section 13 of
3 P.L.2019, c.153 (C.24:6I-7.3) shall display the permit at the front
4 entrance to the premises of the permitted facility at all times when
5 the facility is engaged in conduct authorized pursuant to P.L.2009,
6 c.307 (C.24:6I-1 et al.) involving medical cannabis, including, but
7 not limited to, the cultivating, manufacturing, or dispensing of
8 medical cannabis.

9 g. A medical cannabis cultivator, medical cannabis
10 manufacturer, medical cannabis dispensary, or clinical registrant
11 shall report any change in information to the commission not later
12 than 10 days after such change, or the permit shall be deemed null
13 and void.

14 h. Each medical cannabis dispensary and clinical registrant
15 shall maintain and make available on its Internet website, if any, a
16 standard price list that shall apply to all medical cannabis, medical
17 cannabis products, and related supplies and paraphernalia sold or
18 dispensed by the medical cannabis dispensary or clinical registrant,
19 which prices shall be reasonable and consistent with the actual costs
20 incurred by the medical cannabis dispensary or clinical registrant in
21 connection with acquiring and selling, transferring, or dispensing
22 the medical cannabis or medical cannabis product and related
23 supplies and paraphernalia. The prices charged by the medical
24 cannabis dispensary or clinical registrant shall not deviate from the
25 prices indicated on the entity's current price list, provided that a
26 price list maintained by a medical cannabis dispensary or clinical
27 registrant may allow for medical cannabis to be made available at a
28 reduced price or without charge to qualifying patients who have a
29 demonstrated financial hardship, as that term shall be defined by the
30 commission by regulation. A price list required pursuant to this
31 subsection may be revised no more than once per month, and each
32 medical cannabis dispensary and clinical registrant shall be
33 responsible for ensuring that the commission has a copy of the
34 facility's current price list. A medical cannabis dispensary or
35 clinical registrant shall be liable to a civil penalty of \$1,000 for
36 each sale that occurs at a price that deviates from the entity's
37 current price list, and to a civil penalty of \$10,000 for each week
38 during which the entity's current price list is not on file with the
39 commission. Any civil penalties collected by the commission
40 pursuant to this section shall be used by the commission for the
41 purposes of administering the State medical cannabis program.

42 i. The commission shall adopt regulations to:

43 (1) require such written documentation of each delivery or
44 dispensation of cannabis to, and pickup of cannabis for, a registered
45 qualifying patient, including the date and amount dispensed, and, in
46 the case of delivery, the date and times the delivery commenced and

1 was completed, the address where the medical cannabis was
2 delivered, the name of the patient or caregiver to whom the medical
3 cannabis was delivered, and the name, handler certification number,
4 and delivery certification number of the medical cannabis handler
5 who performed the delivery, to be maintained in the records of the
6 medical cannabis dispensary or clinical registrant, as the
7 commission determines necessary to ensure effective
8 documentation of the operations of each medical cannabis
9 dispensary or clinical registrant;

10 (2) monitor, oversee, and investigate all activities performed by
11 medical cannabis cultivators, medical cannabis manufacturers,
12 medical cannabis dispensaries, and clinical registrants;

13 (3) ensure adequate security of all facilities 24 hours per day
14 and security of all delivery methods to registered qualifying
15 patients; and

16 (4) establish thresholds for administrative action to be taken
17 against a medical cannabis cultivator, medical cannabis
18 manufacturer, medical cannabis dispensary, or clinical registrant
19 and its employees, officers, investors, directors, or governing board
20 pursuant to subsection m. of this section, including, but not limited
21 to, specific penalties or disciplinary actions that may be imposed in
22 a summary proceeding.

23 j. (1) Each medical cannabis cultivator, medical cannabis
24 manufacturer, medical cannabis dispensary, and clinical registrant
25 shall require the owners, directors, officers, and employees at the
26 permitted facility to complete at least eight hours of ongoing
27 training each calendar year. The training shall be tailored to the
28 roles and responsibilities of the individual's job function, and shall
29 include training on confidentiality and such other topics as shall be
30 required by the commission.

31 (2) Each medical cannabis dispensary and clinical registrant
32 shall consider whether to make interpreter services available to the
33 population served, including for individuals with a visual or hearing
34 impairment. The commission shall provide assistance to any
35 medical cannabis dispensary or clinical registrant that seeks to
36 provide such services in locating appropriate interpreter resources.
37 A medical cannabis dispensary or clinical registrant shall assume
38 the cost of providing interpreter services pursuant to this
39 subsection.

40 k. (1) The first six alternative treatment centers issued permits
41 following the effective date of P.L.2009, c.307 (C.24:6I-1 et al.)
42 shall be authorized to sell or transfer such permit and other assets to
43 a for-profit entity, provided that: the sale or transfer is approved by
44 the commission; each owner, director, officer, and employee of, and
45 significantly involved person in, the entity seeking to purchase or
46 receive the transfer of the permit, undergoes a criminal history

1 record background check pursuant to subsection d. of this section,
2 provided that nothing in this subsection shall be construed to
3 require any individual to undergo a criminal history record
4 background check if the individual would otherwise be exempt from
5 undergoing a criminal history record background check pursuant to
6 subsection d. of this section; the commission finds that the sale or
7 transfer of the permit would be consistent with the purposes of
8 P.L.2009, c.307 (C.24:6I-1 et al.); and no such sale or transfer shall
9 be authorized more than one year after the effective date of
10 P.L.2019, c.153 (C.24:6I-5.1 et al.). The sale or transfer of a permit
11 pursuant to this subsection shall not be subject to the requirements
12 of the “New Jersey Nonprofit Corporation Act,” N.J.S.15A:1-1 et
13 seq., provided that, prior to or at the time of the sale or transfer, all
14 debts and obligations of the nonprofit entity are either paid in full or
15 assumed by the for-profit entity purchasing or acquiring the permit,
16 or a reserve fund is established for the purpose of paying in full the
17 debts and obligations of the nonprofit entity, and the for-profit
18 entity pays the full value of all assets held by the nonprofit entity,
19 as reflected on the nonprofit entity’s balance sheet, in addition to
20 the agreed-upon price for the sale or transfer of the entity’s
21 alternative treatment center permit. Until such time as the members
22 of the Cannabis Regulatory Commission are appointed and the
23 commission first organizes, the Department of Health shall have
24 full authority to approve a sale or transfer pursuant to this
25 paragraph.

26 (2) The sale or transfer of any interest of five percent or more in
27 a medical cannabis cultivator, medical cannabis manufacturer,
28 medical cannabis dispensary, or clinical registrant permit shall be
29 subject to approval by the commission and conditioned on the entity
30 that is purchasing or receiving transfer of the interest in the medical
31 cannabis cultivator, medical cannabis manufacturer, medical
32 cannabis dispensary, or clinical registrant permit completing a
33 criminal history record background check pursuant to the
34 requirements of subsection d. of this section.

35 1. No employee of any department, division, agency, board, or
36 other State, county, or local government entity involved in the
37 process of reviewing, processing, or making determinations with
38 regard to medical cannabis cultivator, medical cannabis
39 manufacturer, medical cannabis dispensary, or clinical registrant
40 permit applications shall have any direct or indirect financial
41 interest in the cultivating, manufacturing, or dispensing of medical
42 cannabis or related paraphernalia, or otherwise receive anything of
43 value from an applicant for a medical cannabis cultivator, medical
44 cannabis manufacturer, medical cannabis dispensary, or clinical
45 registrant permit in exchange for reviewing, processing, or making
46 any recommendations with respect to a permit application.

1 m. In the event that a medical cannabis cultivator, medical
2 cannabis manufacturer, medical cannabis dispensary, or clinical
3 registrant fails to comply with any requirements set forth in
4 P.L.2009, c.307 (C.24:6I-1 et al.) or any related law or regulation,
5 the commission may invoke penalties or take administrative action
6 against the medical cannabis cultivator, medical cannabis
7 manufacturer, medical cannabis dispensary, or clinical registrant
8 and its employees, officers, investors, directors, or governing board,
9 including, but not limited to, assessing fines, referring matters to
10 another State agency, and suspending or terminating any permit
11 held by the medical cannabis cultivator, medical cannabis
12 manufacturer, medical cannabis dispensary, or clinical registrant.
13 Any penalties imposed or administrative actions taken by the
14 commission pursuant to this subsection may be imposed in a
15 summary proceeding.

16 (cf: P.L.2019, c.153, s.10)

17

18 35. (New section) Medical Cannabis Provisions.

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

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

27 b. to authorize an alternative treatment center to dispense
28 cannabis to or on behalf of a person who is not a registered
29 qualifying patient, unless that alternative treatment center is deemed
30 to be licensed to engage in the retail sale of cannabis pursuant to
31 section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a license by the
32 commission following receipt of a municipality’s written approval
33 for a cannabis retailer pursuant to subparagraph (a) of paragraph (3)
34 of subsection a. of section 33 of P.L. , c. (C.) (pending
35 before the Legislature as this bill), or otherwise has applied for a
36 license, and been approved and issued a license by the commission
37 pursuant to P.L. , c. (C.) (pending before the Legislature as
38 this bill) to simultaneously operate as a cannabis retailer, and the
39 alternative treatment center has certified to the commission, and to
40 the municipality in which it is located and intends to engage in retail
41 sales, that it has sufficient quantities of medical cannabis and
42 medical cannabis products available to meet the reasonably
43 anticipated need of registered qualifying patients, and the
44 commission, and municipality, if applicable, has accepted the
45 alternative treatment center’s certification;

46 c. to authorize an alternative treatment center to purchase or
47 acquire cannabis or cannabis products in a manner or from a source

1 not permitted under the “Jake Honig Compassionate Use Medical
2 Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015,
3 c.158 (C.18A:40-12.22 et al.), unless that alternative treatment
4 center is deemed to be a licensed cannabis establishment pursuant
5 to section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a license by
6 the commission following receipt of a municipality’s written
7 approval for the cannabis establishment pursuant to subparagraph
8 (a) of paragraph (3) of subsection a. of section 33 of P.L. ,
9 c. (C.) (pending before the Legislature as this bill), or
10 otherwise has applied for a license, and been approved and issued a
11 license by the commission pursuant to P.L. , c. (C.)
12 (pending before the Legislature as this bill) to simultaneously
13 operate as a cannabis establishment, and the alternative treatment
14 center has certified to the commission, and if operating as a
15 cannabis retailer, to the municipality in which it is located and
16 intends to engage in retail sales, that it has sufficient quantities of
17 medical cannabis and, if applicable, medical cannabis products
18 available to meet the reasonably anticipated treatment needs of
19 registered qualifying patients, and the commission, and
20 municipality, if applicable, has accepted the alternative treatment
21 center’s certification;

22 d. to authorize an alternative treatment center issued a permit
23 under section 7 of P.L.2009, c.307 (C.24:6I-7) to operate on the
24 same premises as a cannabis license holder or applicant for a
25 license, unless that alternative treatment center is deemed to be a
26 licensed cannabis establishment pursuant to section 7 of P.L.2009,
27 c.307 (C.24:6I-7) and issued a license by the commission following
28 receipt of a municipality’s written approval for the cannabis
29 establishment pursuant to subparagraph (a) of paragraph (3) of
30 subsection a. of section 33 of P.L. , c. (C.) (pending before
31 the Legislature as this bill), or otherwise has applied for a license,
32 and been approved and issued a license by the commission pursuant
33 to P.L. , c. (C.) (pending before the Legislature as this bill)
34 to simultaneously operate as a cannabis establishment, and the
35 alternative treatment center has certified to the commission, and if
36 operating as a cannabis retailer, to the municipality in which it is
37 located and intends to engage in retail sales, that it has sufficient
38 quantities of medical cannabis and, if applicable, medical cannabis
39 products available to meet the reasonably anticipated treatment
40 needs of registered qualifying patients, and the commission, and
41 municipality, if applicable, has accepted the alternative treatment
42 center’s certification; or

43 In determining whether to accept, pursuant to this section, an
44 alternative treatment center’s certification that it has sufficient
45 quantities of medical cannabis or medical cannabis products
46 available to meet the reasonably anticipated needs of registered
47 qualifying patients, the commission, and if applicable a
48 municipality in consultation with the commission, shall

1 assess patient enrollment, inventory, sales of medical cannabis and
2 medical cannabis products, and any other factors determined by the
3 commission through regulation. If an alternative treatment center is
4 found by the commission to not have sufficient quantities of
5 medical cannabis or medical cannabis products available to meet
6 the reasonably anticipated needs of qualified patients, the
7 commission may issue fines, limit retail sales, temporarily suspend
8 the alternative treatment center's cannabis establishment license, or
9 issue any other penalties determined by the commission through
10 regulation.

11

12 36. (New section) Medical Cannabis – Additional Regulatory
13 Requirements.

14 a. An alternative treatment center issued a permit under section
15 7 of P.L.2009, c.307 (C.24:6I-7) shall, as a condition of engaging in
16 operations associated with personal use cannabis, after being
17 deemed to be licensed pursuant to that section and issued a license
18 by the commission following receipt of a municipality's written
19 approval for a cannabis retailer pursuant to subparagraph (a) of
20 paragraph (3) of subsection a. of section 33 of P.L. , c. (C.)
21 (pending before the Legislature as this bill), or otherwise issued a
22 license by the commission pursuant to P.L. , c. (C.)
23 (pending before the Legislature as this bill) to simultaneously
24 operate as a cannabis establishment, certify to the commission, and
25 if operating as a cannabis retailer, to the municipality in which it is
26 located and intends to engage in retail sales, that it has sufficient
27 quantities of medical cannabis and, if applicable, medical cannabis
28 products available to meet the reasonably anticipated treatment
29 needs of registered qualifying patients, and the commission, and
30 municipality, if applicable, has accepted the alternative treatment
31 center's certification.

32 b. In determining whether to accept, pursuant to this section, an
33 alternative treatment center's certification that it has sufficient
34 quantities of medical cannabis or medical cannabis products
35 available to meet the reasonably anticipated needs of registered
36 qualifying patients, the commission, and if applicable a
37 municipality in consultation with the commission, shall
38 assess patient enrollment, inventory, sales of medical cannabis and
39 medical cannabis products, and any other factors determined by the
40 commission through regulation. If an alternative treatment center is
41 found by the commission to not have sufficient quantities of
42 medical cannabis or medical cannabis products available to meet
43 the reasonably anticipated needs of qualified patients, the
44 commission may issue fines, limit retail sales, temporarily suspend
45 the alternative treatment center's cannabis establishment license, or
46 issue any other penalties determined by the commission through
47 regulation.

1 37. (New section) Businesses Treatment of Cannabis
2 Establishments, Distributors, and Delivery Services.

3 With respect to the business treatment of cannabis
4 establishments, distributors, and delivery services:

5 a. A financial institution, as defined by section 2 of P.L.1983,
6 c.466 (C.17:16K-2), shall not, subject to the suspension or
7 revocation of a charter or other available enforcement action by the
8 Commissioner of Banking and Insurance, engage in any
9 discriminatory activities with respect to the banking activities of a
10 cannabis establishment, distributor, or delivery service, or the
11 banking activities of a person associated with a cannabis
12 establishment, distributor, or delivery service.

13 b. (1) In no case shall a cannabis grower operate or be located
14 on land that is valued, assessed or taxed as an agricultural or
15 horticultural use pursuant to the "Farmland Assessment Act of
16 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

17 (2) As used in this paragraph, "State or local economic
18 incentive" means a financial incentive, awarded by the State, any
19 political subdivision of the State, or any agency or instrumentality
20 of the State or political subdivision of the State, to any non-
21 governmental person, association, for-profit or non-profit
22 corporation, joint venture, limited liability company, partnership, sole
23 proprietorship, or other form of business organization or entity, or
24 agreed to between the government and non-governmental parties, for
25 the purpose of stimulating economic development or redevelopment
26 in New Jersey, including, but not limited to, a bond, grant, loan,
27 loan guarantee, matching fund, tax credit, or other tax expenditure.

28 (a) (i) A person or entity issued a license to operate as a
29 cannabis grower, cannabis processor, cannabis wholesaler, cannabis
30 distributor, cannabis retailer, or cannabis delivery service, or that
31 employs a certified personal use cannabis handler to perform work for
32 or on behalf of a cannabis establishment, distributor, or delivery
33 service shall not be eligible for a State or local economic incentive.

34 (ii) The issuance of a license to operate as a cannabis grower,
35 cannabis processor, cannabis wholesaler, cannabis distributor,
36 cannabis retailer, or cannabis delivery service, or the issuance of a
37 certification to perform work for or on behalf of a cannabis
38 establishment, distributor, or delivery service to a person or entity
39 that has been awarded a State or local economic incentive shall
40 invalidate the right of the person or entity to benefit from the
41 economic incentive as of the date of issuance of the license or
42 certification.

43 (b) (i) A property owner, developer, or operator of a project to
44 be used, in whole or in part, as a cannabis grower, cannabis
45 processor, cannabis wholesaler, cannabis distributor, cannabis
46 retailer, or cannabis delivery service, or to employ a certified
47 personal use cannabis handler to perform work for or on behalf of a
48 cannabis establishment, distributor, or delivery service, shall not be

1 eligible for a State or local economic incentive during the period of
2 time that the economic incentive is in effect.

3 (ii) The issuance of a license to operate as a cannabis grower,
4 cannabis processor, cannabis wholesaler, cannabis distributor,
5 cannabis retailer, or cannabis delivery service, or issuance of a
6 certification to a personal use cannabis handler employed by a
7 person or entity to perform work for or on behalf of a cannabis
8 establishment, distributor, or delivery service at a location that is
9 the subject of a State or local economic incentive shall invalidate
10 the right of a property owner, developer, or operator to benefit from
11 the economic incentive as of the date of issuance of the license.

12

13 38. Section 29 of P.L.2019, c.153 (C.24:6I-22) is amended to
14 read as follows:

15 29. a. (1) The commission shall develop and maintain a system
16 for tracking :

17 (a) the cultivation of medical cannabis, the manufacturing of
18 medical cannabis products, the transfer of medical cannabis and
19 medical cannabis products between medical cannabis cultivators,
20 medical cannabis manufacturers, medical cannabis dispensaries,
21 clinical registrants, and testing laboratories as authorized pursuant
22 to paragraph (5) of subsection a. of section 7 of P.L.2009, c.307
23 (C.24:6I-7) and subsection h. of section 27 of P.L.2019, c.153
24 (C.24:6I-20), and the dispensing or delivery of medical cannabis to
25 registered qualifying patients, designated caregivers, and
26 institutional caregivers; and

27 (b) the production of personal use cannabis, the processing of
28 cannabis items, the transportation by cannabis distributors or other
29 transfer of cannabis items between the premises of cannabis growers,
30 cannabis processors, cannabis wholesalers, cannabis retailers, and
31 testing facilities, the retail sale of cannabis items to persons 21 years of
32 age or older, and the delivery of cannabis items to persons 21 years of
33 age or older by personal use cannabis handlers as authorized pursuant
34 to P.L. , c. (C.) (pending before the Legislature as this bill).

35 (2) The tracking system shall, among other features as
36 determined by the commission, utilize a stamp affixed to a
37 container or package for medical cannabis or personal use cannabis
38 items to assist in the collection of the information required to be
39 tracked pursuant to subsection c. of this section.

40 (a) The commission, in consultation with the Director of the
41 Division of Taxation, shall secure stamps based on the designs,
42 specifications, and denominations prescribed by the commission in
43 regulation, and which incorporate encryption, security, and
44 counterfeit-resistant features to prevent the unauthorized
45 duplication or counterfeiting of any stamp. The stamp shall be
46 readable by a scanner or similar device that may be used by the
47 commission, the Director of the Division of Taxation, [and]

1 medical cannabis cultivators, medical cannabis manufacturers,
2 medical cannabis dispensaries, **【or】** and clinical registrants , and
3 personal use cannabis growers, cannabis processors, cannabis
4 wholesalers, cannabis distributors, cannabis retailers, and cannabis
5 delivery services.

6 (b) The commission, and the Director of the Division of
7 Taxation if authorized by the commission, shall make stamps
8 available for purchase by medical cannabis cultivators, medical
9 cannabis manufacturers, and clinical registrants, and personal use
10 cannabis growers, cannabis processors, cannabis wholesalers, cannabis
11 distributors, cannabis retailers, and cannabis delivery services, which
12 shall be the only entities authorized to affix a stamp to a container
13 or package for medical cannabis or personal use cannabis in
14 accordance with applicable regulations promulgated by the
15 commission in consultation with the Director of the Division of
16 Taxation. The price charged by the commission **【to medical**
17 **cannabis cultivators, medical cannabis manufacturers, and clinical**
18 **registrants】** for a stamp **【required pursuant to this paragraph】** shall
19 be reasonable and commensurate with the cost of producing the
20 stamp.

21 (c) A medical cannabis cultivator, medical cannabis
22 manufacturer, medical cannabis dispensary, clinical registrant, or
23 certified medical cannabis handler , or a personal use cannabis
24 grower, cannabis processor, cannabis wholesaler, cannabis
25 distributor, cannabis retailer, cannabis delivery service, or certified
26 personal use cannabis handler, shall not purchase, sell, offer for
27 sale, transfer, transport, or deliver any medical cannabis or personal
28 use cannabis item unless a stamp is properly affixed to the container
29 or package for the medical cannabis or personal use cannabis item.

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

32 (1) preventing the diversion of medical cannabis and personal
33 use cannabis items to criminal enterprises, gangs, cartels, persons
34 not authorized to possess medical cannabis or personal use cannabis
35 items, and other states;

36 (2) preventing persons from substituting or tampering with
37 medical cannabis and personal use cannabis items;

38 (3) ensuring an accurate accounting of the cultivation,
39 manufacturing, transferring, dispensing, and delivery of medical
40 cannabis , and the production, processing, transporting, transferring,
41 sale, and delivery of personal use cannabis items;

42 (4) ensuring that the testing results from licensed testing
43 laboratories and facilities are accurately reported; and

44 (5) ensuring compliance with the rules and regulations adopted
45 by the commission and any other law of this State that charges the

1 commission with a duty, function, or power related to medical
2 cannabis or personal use cannabis items.

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

5 (1) the propagation of immature medical cannabis plants and
6 personal use cannabis plants, the production of medical cannabis by
7 a medical cannabis cultivator , and the production of personal use
8 cannabis by a cannabis grower;

9 (2) the utilization of medical cannabis in the manufacture,
10 production, and creation of medical cannabis products by a medical
11 cannabis manufacturer , the processing of personal use cannabis items
12 by a cannabis processor, the receiving, storing, and sending of
13 personal use cannabis items by a cannabis wholesaler, and the
14 transporting in bulk cannabis items by a cannabis distributor;

15 (3) the transfer of medical cannabis and medical cannabis
16 products , and personal use cannabis items, to and from licensed
17 testing laboratories and facilities for testing purposes;

18 (4) the dispensing of medical cannabis by a medical cannabis
19 dispensary or clinical registrant , and the selling and delivery of
20 personal use cannabis items by a cannabis retailer or cannabis delivery
21 service;

22 (5) the furnishing of medical cannabis by a medical cannabis
23 dispensary or clinical registrant to a medical cannabis handler for
24 delivery , and the furnishing of personal use cannabis items by a
25 cannabis retailer to a personal use cannabis handler for delivery;

26 (6) the delivery of medical cannabis by a medical cannabis
27 handler , and the delivery of personal use cannabis items by a personal
28 use cannabis handler;

29 (7) the purchase, sale, or other transfer of medical cannabis and
30 medical cannabis products between medical cannabis cultivators,
31 medical cannabis manufacturers, medical cannabis dispensaries, and
32 clinical registrants as authorized pursuant to paragraph (5) of
33 subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) and
34 subsection h. of section 27 of P.L.2019, c.153 (C.24:6I-20) , and the
35 purchase, sale, transporting, or other transfer of personal use cannabis
36 items by or between cannabis growers, cannabis processors, cannabis
37 wholesalers, cannabis distributors, cannabis retailers, and cannabis
38 delivery services as authorized pursuant to P.L. , c. (C.)
39 (pending before the Legislature as this bill); and

40 (8) any other information that the commission determines is
41 reasonably necessary to accomplish the duties, functions, and
42 powers of the commission.

43 (cf: P.L.2019, c.153, s.29)

44

45 39. (New section) Local Cannabis Taxation; Local Cannabis
46 Transfer Tax and User Tax.

1 a. (1) A municipality may adopt an ordinance imposing a transfer
2 tax on the sale of cannabis items by a cannabis establishment that is
3 located in the municipality. At the discretion of the municipality, the
4 tax may be imposed on: receipts from the sale of cannabis or cannabis
5 items from one cannabis establishment to another cannabis
6 establishment; receipts from the retail sales by a cannabis retailer to
7 retail customers who are 21 years of age or older; or any combination
8 thereof. Each municipality shall set its own rate or rates, but in no
9 case shall a rate exceed: two percent of the receipts from each sale by a
10 cannabis grower; two percent of the receipts from each sale by a
11 cannabis processor; one percent of the receipts from each sale by a
12 cannabis wholesaler; and two percent of the receipts from each sale by
13 a cannabis retailer.

14 (2) A local tax ordinance adopted pursuant to paragraph (1) of this
15 subsection shall also include provisions for imposing a user tax, at the
16 equivalent transfer tax rates, on any concurrent license holder, as
17 permitted by section 33 of P.L. , c. (C.) (pending before the
18 Legislature as this bill), operating more than one cannabis
19 establishment. The user tax shall be imposed on the value of each
20 transfer or use of cannabis items not otherwise subject to the transfer
21 tax imposed pursuant to paragraph (1) of this subsection, from the
22 license holder's establishment that is located in the municipality to any
23 of the other license holder's establishments, whether located in the
24 municipality or another municipality.

25 b. (1) A transfer tax or user tax imposed pursuant this section
26 shall be in addition to any other tax imposed by law. Any
27 transaction for which the transfer tax or user tax is imposed, or
28 could be imposed, pursuant to this section, other than those which
29 generate receipts from the retail sales by cannabis retailers, shall be
30 exempt from the tax imposed under the "Sales and Use Tax Act,"
31 P.L.1966, c.30 (C.54:32B-1 et seq.). The transfer tax or user tax
32 shall be collected or paid, and remitted to the municipality by the
33 cannabis establishment from the cannabis establishment purchasing
34 or receiving the cannabis item, or from the customer at the point of
35 sale, on behalf of the municipality by the cannabis establishment
36 selling or transferring the cannabis item. The transfer tax or user
37 tax shall be stated, charged, and shown separately on any sales slip,
38 invoice, receipt, or other statement or memorandum of the price
39 paid or payable for the cannabis item.

40 (2) Every cannabis establishment required to collect a transfer
41 tax or user tax imposed by ordinance pursuant to this section shall
42 be personally liable for the transfer tax or user tax imposed,
43 collected, or required to be collected under this section. Any
44 cannabis establishment shall have the same right with respect to
45 collecting the transfer tax or user tax from another cannabis
46 establishment or the customer as if the transfer tax or user tax was a
47 part of the sale and payable at the same time, or with respect to non-
48 payment of the transfer tax or user tax by the cannabis

1 establishment or customer, as if the transfer tax or user tax was a
2 part of the purchase price of the cannabis item, and payable at the
3 same time; provided, however, that the chief fiscal officer of the
4 municipality which imposes the transfer tax or user tax shall be
5 joined as a party in any action or proceeding brought to collect the
6 transfer tax or user tax.

7 (3) No cannabis establishment required to collect a transfer tax or
8 user tax imposed by ordinance pursuant to this section shall advertise
9 or hold out to any person or to the public in general, in any manner,
10 directly or indirectly, that the transfer tax or user tax will not be
11 separately charged and stated to another cannabis establishment or the
12 customer or that the transfer tax or user tax will be refunded to the
13 cannabis establishment or the customer.

14 c. (1) All revenues collected from a transfer tax or user tax
15 imposed by ordinance pursuant to this section shall be remitted to
16 the chief financial officer of the municipality in a manner
17 prescribed by the municipality. The chief financial officer shall
18 collect and administer any transfer tax or user tax imposed by
19 ordinance pursuant to this section. The municipality shall enforce
20 the payment of delinquent taxes or transfer fees imposed by
21 ordinance pursuant to this section in the same manner as provided
22 for municipal real property taxes.

23 (2) (a) In the event that the transfer tax or user tax imposed by
24 ordinance pursuant to this section is not paid as and when due by a
25 cannabis establishment, the unpaid balance, and any interest
26 accruing thereon, shall be a lien on the parcel of real property
27 comprising the cannabis establishment in the same manner as all
28 other unpaid municipal taxes, fees, or other charges. The lien shall
29 be superior and paramount to the interest in the parcel of any
30 owner, lessee, tenant, mortgagee, or other person, except the lien of
31 municipal taxes, and shall be on a parity with and deemed equal to
32 the municipal lien on the parcel for unpaid property taxes due and
33 owing in the same year.

34 (b) A municipality shall file in the office of its tax collector a
35 statement showing the amount and due date of the unpaid balance
36 and identifying the lot and block number of the parcel of real
37 property that comprises the delinquent cannabis establishment. The
38 lien shall be enforced as a municipal lien in the same manner as all
39 other municipal liens are enforced.

40 d. As used in this section:

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

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

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

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

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

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

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

13

14 40. (New section) Cannabis Regulatory, Enforcement Assistance,
15 and Marketplace Modernization Fund.

16 a. All fees and penalties collected by the commission, and all
17 tax revenues on retail sales, if any, and all tax revenues collected
18 pursuant to the provisions of the “Jake Honig Compassionate Use
19 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), except
20 for amounts credited to the Property Tax Reform Account in the
21 Property Tax Relief Fund pursuant to paragraph 1 of Section I of
22 Article VIII of the New Jersey Constitution, shall be deposited in a
23 special nonlapsing fund which shall be known as the “Cannabis
24 Regulatory, Enforcement Assistance, and Marketplace Modernization
25 Fund.”

26 b. Monies in the fund shall be used by the commission to:

27 (1) oversee the development, regulation, and enforcement of
28 activities associated with the personal use of cannabis pursuant to
29 P.L. , c. (C.), and assist with assuming responsibility from
30 the Department of Health for the further development and
31 expansion, regulation, and enforcement of activities associated with
32 the medical use of cannabis pursuant to the “Jake Honig
33 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
34 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); and

35 (2) reimburse the expenses incurred by any county or municipality
36 for the training costs associated with the attendance and participation
37 of a police officer from its law enforcement unit, as those terms are
38 defined in section 2 of P.L.1961, c.56 (C.52:17B-67), in a program
39 provided by an approved school, also defined in that section, which
40 trains and certifies the police officer, including a police officer with a
41 working dog as that term is defined in section 1 of P.L.2006, c.88
42 (C.10:5-29.7), as a Drug Recognition Expert for detecting, identifying,
43 and apprehending drug-impaired motor vehicle operators, and pay for
44 costs incurred by the State Police in furnishing additional program
45 instructors to provide Drug Recognition Expert training to police
46 officers and working dogs. A municipality or county seeking
47 reimbursement shall apply to the commission, itemizing the costs, with
48 appropriate proofs, for which reimbursement is requested and provide

1 a copy of the certificate issued to the police officer to indicate the
2 successful completion of the program by the police officer, and that
3 officer's working dog, if applicable.

4 c. Any remaining monies, after the commission uses the
5 monies in the fund in accordance with subsection b. of this section,
6 shall be deposited in the State's General Fund

7
8 41. Section 2 of P.L.1970, c.226 (C.24:21-2) is amended to read as
9 follows:

10 2. As used in P.L.1970, c.226 (C.24:21-1 et seq.):

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

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

21 "Commissioner" means the Commissioner of Health.

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

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

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

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

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

46 "Dispenser" means a practitioner who dispenses.

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

1 "Distributor" means a person who distributes.

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

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

6 "Drugs" means (a) substances recognized in the official United
7 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the
8 United States, or official National Formulary, or any supplement to
9 any of them; and (b) substances intended for use in the diagnosis, cure,
10 mitigation, treatment, or prevention of disease in man or other animals;
11 and (c) substances (other than food) intended to affect the structure or
12 any function of the body of man or other animals; and (d) substances
13 intended for use as a component of any article specified in subsections
14 (a), (b), and (c) of this section; but does not include devices or their
15 components, parts or accessories. "Drugs" shall not mean hemp or a
16 hemp product cultivated, handled, processed, transported, or sold
17 pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238
18 (C.4:28-6 et al.).

19 "Hashish" means the resin extracted from any part of the plant
20 **【genus】 Cannabis sativa L.** and any compound, manufacture, salt,
21 derivative, mixture, or preparation of such resin. "Hashish" shall not
22 mean; hemp or a hemp product cultivated, handled, processed,
23 transported, or sold pursuant to the "New Jersey Hemp Farming Act,"
24 P.L.2019, c.238 (C.4:28-6 et al.); or cannabis resin as defined in
25 section 3 of P.L. , c. (C.) (pending before the Legislature as
26 this bill) which is extracted for use in a cannabis item, as defined in
27 that section, in accordance with the "New Jersey Cannabis
28 Regulatory, Enforcement Assistance, and Marketplace
29 Modernization Act," P.L. , c. (C.) (pending before the
30 Legislature as this bill).

31 "Marihuana" means all parts of the plant **【genus】 Cannabis sativa**
32 **L.**, whether growing or not; the seeds thereof; and every compound,
33 manufacture, salt, derivative, mixture, or preparation of the plant or its
34 seeds, except those containing resin extracted from the plant **【**; but
35 shall not include the mature stalks of the plant, fiber produced from the
36 stalks, oil or cake made from the seeds of the plant, any other
37 compound, manufacture, salt, derivative, mixture, or preparation of
38 such mature stalks, fiber, oil, or cake, or the sterilized seed of the plant
39 which is incapable of germination**】**. "Marihuana" shall not mean;
40 hemp or a hemp product cultivated, handled, processed, transported, or
41 sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238
42 (C.4:28-6 et al.); or cannabis as defined in section 3 of P.L. ,
43 c. (C.) (pending before the Legislature as this bill) which is
44 cultivated and processed for use in a cannabis item, as defined in that
45 section, in accordance with the "New Jersey Cannabis Regulatory,
46 Enforcement Assistance, and Marketplace Modernization Act,"
47 P.L. , c. (C.) (pending before the Legislature as this bill).

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

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

20 (a) Opium, coca leaves, and opiates;

21 (b) A compound, manufacture, salt, derivative, or preparation of
22 opium, coca leaves, or opiates;

23 (c) A substance (and any compound, manufacture, salt, derivative,
24 or preparation thereof) which is chemically identical with any of the
25 substances referred to in subsections (a) and (b), except that the words
26 "narcotic drug" as used in P.L.1970, c.226 (C.24:21-1 et seq.) shall not
27 include decocainized coca leaves or extracts of coca leaves, which
28 extracts do not contain cocaine or ecgonine.

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

37 "Opiate" means any dangerous substance having an addiction-
38 forming or addiction-sustaining liability similar to morphine or being
39 capable of conversion into a drug having such addiction-forming or
40 addiction-sustaining liability. It does not include, unless specifically
41 designated as controlled under section 3 of P.L.1970, c.226 (C.24:21-1
42 et seq.), the dextrorotatory isomer of 3-methoxy-n-methylmorphinan
43 and its salts (dextromethorphan). It does include its racemic and
44 levorotatory forms.

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

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

1 "Pharmacist" means a registered pharmacist of this State.

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

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

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

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

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

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

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

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

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

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

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

47 "Ultimate user" means a person who lawfully possesses a
48 controlled dangerous substance for the person's own use or for the use

1 of a member of the person's household or for administration to an
2 animal owned by the person or by a member of the person's household.
3 (cf: P.L.2019, c.238, s.11)

4

5 42. Section 5 of P.L.1970, c.226 (C.24:21-5) is amended to read as
6 follows:

7 5. Schedule I.

8 a. Tests. The director shall place a substance in Schedule I if he
9 finds that the substance: (1) has high potential for abuse; and (2) has
10 no accepted medical use in treatment in the United States; or lacks
11 accepted safety for use in treatment under medical supervision.

12 b. The controlled dangerous substances listed in this section are
13 included in Schedule I, subject to any revision and republishing by the
14 director pursuant to subsection d. of section 3 of P.L.1970, c.226
15 (C.24:21-3), and except to the extent provided in any other schedule.

16 c. Any of the following opiates, including their isomers, esters,
17 and ethers, unless specifically excepted, whenever the existence of
18 such isomers, esters, ethers and salts is possible within the specific
19 chemical designation:

- 20 (1) Acetylmethadol
- 21 (2) Allylprodine
- 22 (3) Alphacetylmethadol
- 23 (4) Alphameprodine
- 24 (5) Alphamethadol
- 25 (6) Benzethidine
- 26 (7) Betacetylmethadol
- 27 (8) Betameprodine
- 28 (9) Betamethadol
- 29 (10) Betaprodine
- 30 (11) Clonitazene
- 31 (12) Dextromoramide
- 32 (13) Dextrorphan
- 33 (14) Diampromide
- 34 (15) Diethylthiambutene
- 35 (16) Dimenoxadol
- 36 (17) Dimepheptanol
- 37 (18) Dimethylthiambutene
- 38 (19) Dioxaphetyl butyrate
- 39 (20) Dipipanone
- 40 (21) Ethylmethylthiambutene
- 41 (22) Etonitazene
- 42 (23) Etoxeridine
- 43 (24) Furethidine
- 44 (25) Hydroxypethidine
- 45 (26) Ketobemidone
- 46 (27) Levomoramide
- 47 (28) Levophenacilmorphan
- 48 (29) Morpheridine

- 1 (30) Noracymethadol
- 2 (31) Norlevorphanol
- 3 (32) Normethadone
- 4 (33) Norpipanone
- 5 (34) Phenadoxone
- 6 (35) Phenampromide
- 7 (36) Phenomorphan
- 8 (37) Phenoperidine
- 9 (38) Piritramide
- 10 (39) Proheptazine
- 11 (40) Properidine
- 12 (41) Racemoramide
- 13 (42) Trimeperidine.

14 d. Any of the following narcotic substances, their salts, isomers
15 and salts of isomers, unless specifically excepted, whenever the
16 existence of such salts, isomers and salts of isomers is possible within
17 the specific chemical designation:

- 18 (1) Acetorphine
- 19 (2) Acetylcodone
- 20 (3) Acetyldihydrocodeine
- 21 (4) Benzylmorphine
- 22 (5) Codeine methylbromide
- 23 (6) Codeine-N-Oxide
- 24 (7) Cyprenorphine
- 25 (8) Desomorphine
- 26 (9) Dihydromorphine
- 27 (10) Etorphine
- 28 (11) Heroin
- 29 (12) Hydromorphenol
- 30 (13) Methyldesorphine
- 31 (14) Methylhydromorphine
- 32 (15) Morphine methylbromide
- 33 (16) Morphine methylsulfonate
- 34 (17) Morphine-N-Oxide
- 35 (18) Myrophine
- 36 (19) Nicocodeine
- 37 (20) Nicomorphine
- 38 (21) Normorphine
- 39 (22) Phoclodine
- 40 (23) Thebacon.

41 e. Any material, compound, mixture or preparation which
42 contains any quantity of the following hallucinogenic substances, their
43 salts, isomers and salts of isomers, unless specifically excepted,
44 whenever the existence of such salts, isomers, and salts of isomers is
45 possible within the specific chemical designation:

- 46 (1) 3,4-methylenedioxy amphetamine
- 47 (2) 5-methoxy-3,4-methylenedioxy amphetamine
- 48 (3) 3,4,5-trimethoxy amphetamine

- 1 (4) Bufotenine
- 2 (5) Diethyltryptamine
- 3 (6) Dimethyltryptamine
- 4 (7) 4-methyl-2,5-dimethoxylamphetamine
- 5 (8) Ibogaine
- 6 (9) Lysergic acid diethylamide
- 7 (10) Marihuana; except that on and after the effective date of the
- 8 “New Jersey Cannabis Regulatory, Enforcement Assistance, and
- 9 Marketplace Modernization Act,” P.L. , c. (C.) (pending
- 10 before the Legislature as this bill), marihuana shall no longer be
- 11 included in Schedule I, and shall not be designated or rescheduled and
- 12 included in any other schedule by the director pursuant to the
- 13 director’s designation and rescheduling authority set forth in section 3
- 14 of P.L.1970, c.226 (C.24:21-3).
- 15 (11) Mescaline
- 16 (12) Peyote
- 17 (13) N-ethyl-3-piperidyl benzilate
- 18 (14) N-methyl-3-piperidyl benzilate
- 19 (15) Psilocybin
- 20 (16) Psilocyn
- 21 (17) Tetrahydrocannabinols, except when found in hemp or a hemp
- 22 product cultivated, handled, processed, transported, or sold pursuant to
- 23 the “New Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et
- 24 al.), or a cannabis item as defined in section 3 of P.L. , c. (C.)
- 25 (pending before the Legislature as this bill) that is grown, cultivated,
- 26 produced, or processed in accordance with the “New Jersey Cannabis
- 27 Regulatory, Enforcement Assistance, and Marketplace Modernization
- 28 Act,” P.L. , c. (C.) (pending before the Legislature as this bill).
- 29 (cf: P.L.2019, c.238, s.12)
- 30
- 31 43. R.S.24:5-18 is amended to read as follows:
- 32 24:5-18. For the purposes of this subtitle a drug or device shall
- 33 also be deemed to be misbranded:
- 34 a. If its labeling is false or misleading in any particular.
- 35 b. If in package form unless it bears a label containing the
- 36 name and place of business of the manufacturer, packer, or
- 37 distributor.
- 38 c. If any word, statement or other information required by or
- 39 under authority of this subtitle to appear on the label or labeling is
- 40 not prominently placed thereon with such conspicuousness (as
- 41 compared with other words, statements or designs in the labeling)
- 42 and in such terms as to render it likely to be read and understood by
- 43 the ordinary individual under customary conditions of purchase and
- 44 use.
- 45 d. If it is for use by man and contains any quantity of the
- 46 narcotic or hypnotic substance alpha-eucaine, barbituric acid, beta-
- 47 eucaine, bromal, cannabis other than as defined in section 3 of
- 48 P.L. , c. (C.) (pending before the Legislature as this bill),

1 carbromal, chloral, coca, cocaine, codeine, heroin, marihuana,
2 morphine, opium, paraldehyde, peyote, or sulphonmethane; or any
3 chemical derivative of such substance, which derivative has been by
4 the Department of Health of the State of New Jersey after
5 investigation found to be, and by regulations under this subtitle
6 designated as, habit forming; unless its label bears the name and
7 quantity or proportion of such substance, or derivative and in
8 juxtaposition therewith, the statement "Warning--May be habit
9 forming."

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

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

35 g. If it purports to be a drug the name of which is recognized in
36 an official compendium, unless it is packaged and labeled as
37 prescribed therein; provided, that the method of packing may be
38 modified with the consent of the State department. Whenever a
39 drug is recognized in both the United States Pharmacopoeia and the
40 Homeopathic Pharmacopoeia of the United States it shall be subject
41 to the requirements of the United States Pharmacopoeia unless it is
42 labeled and offered for sale as a homeopathic drug, in which case it
43 shall be subject to the provisions of the Homeopathic
44 Pharmacopoeia of the United States and not to those of the United
45 States Pharmacopoeia.

46 h. If it has been found by the Department of Health of the State
47 of New Jersey to be a drug liable to deterioration, unless it is
48 packaged in such form and manner, and its label bears a statement

1 of such precautions, as the Department of Health of the State of
2 New Jersey may by regulations require as necessary for the
3 protection of the public health. No such regulation shall be
4 established for any drug recognized in an official compendium until
5 the State department shall have informed the appropriate body
6 charged with the revision of such compendium of the need for such
7 packaging or labeling requirements and such body shall have failed
8 within a reasonable time to prescribe such requirements.

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

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

15 k. If it is a depressant or stimulant drug as defined pursuant to
16 law and not in the possession or control of a person specified by
17 law as entitled to possession or control of such depressant or
18 stimulant drug. Any depressant or stimulant drug misbranded under
19 the preceding sentence shall be deemed dangerous or fraudulent for
20 purposes of marking and detaining under the provisions of section
21 24:4-12 of this Title.

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

23
24 44. (New section) Personal Use of Cannabis or Cannabis Resin.

25 Notwithstanding any other provision of law, the following acts
26 are not unlawful and shall not be an offense or a basis for seizure or
27 forfeiture of assets under N.J.S.2C:64-1 et seq. or other applicable
28 law for persons 21 years of age or older, provided the acts are
29 consistent with the relevant definitions set forth in section 3 of
30 P.L. , c. (C.) (pending before the Legislature as this bill),
31 and when an act involves cannabis or a cannabis item, it was first
32 obtained from a licensed cannabis retailer, evidenced by it being in
33 its original packaging or by a sales slip, invoice, receipt, or other
34 statement or memorandum:

35 a. Possessing, displaying, purchasing, or transporting: cannabis
36 paraphernalia; one ounce (28.35 grams) or less of cannabis; the
37 equivalent of one ounce (28.35 grams) or less of cannabis infused
38 product in solid, liquid, or concentrate form, based upon an
39 equivalency calculation for different product forms set by the
40 Cannabis Regulatory Commission, established pursuant to section
41 31 of P.L.2019, c.153 (C.24:6I-24), in its regulations, and for which
42 the commission may utilize research conducted in other states on
43 the issue of product equivalency calculations when setting this
44 equivalency; or 5 grams (0.176 ounce) or less of cannabis resin.
45 Possessing, displaying, purchasing, or transporting at any one time
46 any amount of cannabis or cannabis resin in an amount greater than
47 as permitted pursuant to this subsection, or an infused product in
48 solid, liquid, or concentrate form with more than the equivalency

1 permitted pursuant to this subsection shall be considered a violation
2 of the “Comprehensive Drug Reform Act of 1987,” P.L.1987, c.106
3 (N.J.S.2C:35-1 et al.), and subject the person to a civil penalty or
4 prosecution as if the person possessed, displayed, purchased, or
5 transported marijuana or hashish in violation of that act;

6 b. Transferring without remuneration: one ounce (28.35 grams)
7 or less of cannabis; the equivalent of one ounce (28.35 grams) or
8 less of cannabis infused product in solid, liquid, or concentrate
9 form, based upon the equivalency calculation for different product
10 forms set by the commission pursuant to subsection a. of this
11 section; or five grams (0.176 ounce) or less of cannabis resin to a
12 person who is of legal age for purchasing cannabis items, provided
13 that such transfer is for non-promotional, non-business purposes.
14 Transferring at any one time any amount of cannabis or cannabis
15 resin in an amount greater than as permitted pursuant to this
16 subsection, or an infused product in solid, liquid, or concentrate
17 form with more than the equivalency permitted pursuant to this
18 subsection, or to a person who is not of legal age to purchase
19 cannabis items, shall be considered a violation of the
20 “Comprehensive Drug Reform Act of 1987,” P.L.1987, c.106
21 (N.J.S.2C:35-1 et al.), and subject the person to prosecution as if
22 the person distributed marijuana or hashish in violation of that act,
23 unless the transfer to a person who is not of legal age was done by a
24 cannabis establishment licensed pursuant to P.L. , c. (C.)
25 (pending before the Legislature as this bill), or an employee or
26 agent thereof, in which case it is a civil violation and the civil
27 penalty set forth in subsection b. of section 57 of P.L. ,
28 c. (C.) (pending before the Legislature as this bill) shall
29 apply;

30 c. Taking delivery of or consuming a lawfully possessed
31 cannabis item, provided that nothing in this section shall permit a
32 person to smoke, vape, or aerosolize any cannabis item in a public
33 place. This prohibition includes the smoking, vaping, or
34 aerosolizing of a cannabis item in any public place pursuant to law
35 that prohibits the smoking of tobacco, including N.J.S.2C:33-13 and
36 the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-
37 55 et seq.), and any indoor public place, as that term is defined in
38 section 3 of P.L.2005, c.383 (C.26:3D-57), or portion thereof, even
39 if the smoking of tobacco is otherwise permitted in that place or
40 portion thereof pursuant to the “New Jersey Smoke-Free Air Act”;
41 except that the smoking, vaping, or aerosolizing of a cannabis item
42 shall be permitted in a cannabis consumption area as set forth in
43 section 28 of P.L.2019, c.153 (C.24:6I-21), and may be permitted by
44 the person or entity that owns or controls a hotel, motel, or other
45 lodging establishment as defined in section 1 of P.L.1967, c.95
46 (C.29:4-5) in up to 20 percent of its guest rooms. The smoking,
47 vaping, or aerosolizing of a cannabis item may also be prohibited or
48 otherwise regulated in multifamily housing that is a multiple

1 dwelling as defined in section 3 of P.L.1967, c.76 (C.55:13A-3), as
2 decided by the person or entity that owns or controls the
3 multifamily housing, or prohibited or otherwise regulated in the
4 units of a condominium, as those terms are defined by section 3 of
5 P.L.1969, c.257 (C.46:8B-3), if approved by the association for the
6 condominium and a majority of all of the condominium's unit
7 owners, as those terms are defined in that section. Except as
8 otherwise provided by P.L. , c. (C.) (pending before the
9 Legislature as this bill), any penalties that may be assessed for the
10 smoking of tobacco where prohibited under the "New Jersey
11 Smoke-Free Air Act" shall be applicable to the smoking, vaping, or
12 aerosolizing of cannabis where prohibited. Concerning the
13 consumption of any cannabis item, other than by smoking, vaping,
14 or aerosolizing: a person or entity that owns or controls a property,
15 other than multifamily housing that is a multiple dwelling as
16 defined in section 3 of P.L.1967, c.76 (C.55:13A-3), a unit of a
17 condominium, as those terms are defined by section 3 of P.L.1969,
18 c.257 (C.46:8B-3), or a site in a mobile home park as defined in
19 section 3 of P.L.1983, c.386 (C.40:55D-102), which site is leased to
20 the owner of a manufactured home, as defined in that section, that is
21 installed thereon, may prohibit or otherwise regulate the
22 consumption of cannabis items on or in that property, including a
23 casino hotel facility as defined in section 19 of P.L.1977, c.110
24 (C.5:12-19) with respect to a hotel property, a casino as defined in
25 section 6 of P.L.1977, c.110 (C.5:12-6), or casino simulcasting
26 facility authorized pursuant to the "Casino Simulcasting Act,"
27 P.L.1992, c.19 (C.5:12-191 et al.); and a municipality may enact an
28 ordinance making it an unlawful act for any person 21 years of age
29 or older to consume, other than by smoking, vaping, or
30 aerosolizing, any cannabis item in a public place, including any
31 indoor public place as that term is defined in section 3 of P.L.2005,
32 c.383 (C.26:3D-57), or portion thereof, and providing a civil
33 penalty for a violation in accordance with section 70 of P.L. ,
34 c. (C.) (pending before the Legislature as this bill); and

35 d. Assisting another person to engage in any of the acts
36 described in subsections a. through c. of this section, provided that
37 the person being assisted is of legal age to purchase cannabis items and
38 the assistance being provided is without remuneration.

39

40 45. (New section) Licensee and Consumer Protections.

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

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

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

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

13 (3) with respect to a parent or legal guardian of a child or
14 newborn infant, or a pregnant woman shall not form the sole or
15 primary basis for any action or proceeding by the Division of Child
16 Protection and Permanency, or any successor agencies; provided,
17 however, that nothing in this paragraph shall preclude any action or
18 proceeding by the division based on harm or risk of harm to a child or
19 the use of information on the presence of cannabinoid metabolites in
20 the bodily fluids of any person in any action or proceeding.

21

22 46. (New section) Employers, Driving, Minors and Control of
23 Property.

24 a. No employer shall refuse to hire or employ any person or
25 shall discharge from employment or take any adverse action against
26 any employee with respect to compensation, terms, conditions, or
27 other privileges of employment because that person does or does
28 not smoke, vape, aerosolize or otherwise use cannabis items, unless
29 the employer has a rational basis for doing so which is reasonably
30 related to the employment, including the responsibilities of the
31 employee or prospective employee.

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

34 (1) Requires an employer to amend or repeal, or affect, restrict
35 or preempt the rights and obligations of employers to maintain a
36 drug and alcohol free workplace or require an employer to permit or
37 accommodate the use, consumption, being under the influence,
38 possession, transfer, display, transportation, sale, or growth of
39 cannabis or cannabis items in the workplace, or to affect the ability
40 of employers to have policies prohibiting cannabis use or
41 intoxication by employees during work hours.

42 (2) Is intended to allow driving under the influence of cannabis
43 items or driving while impaired by cannabis items or to supersede
44 laws related to driving under the influence of marijuana or cannabis
45 items or driving while impaired by marijuana or cannabis items.

46 (3) Is intended to permit the transfer of cannabis items, with or
47 without remuneration, to a person under the age of 21 or to allow a
48 person under the age of 21 to purchase, possess, use, transport,

1 grow, or consume cannabis items, unless the person is under the age
2 of 21, but at least 18 years of age, and an employee of a cannabis
3 establishment, distributor, or delivery service acting in the person's
4 employment capacity.

5 (4) Shall, consistent with subsection c. of section 44 of P.L. ,
6 c. (C.) (pending before the Legislature as this bill), prohibit
7 a person or entity that owns or controls a property from prohibiting
8 or otherwise regulating the consumption, use, display, transfer,
9 distribution, sale, or transportation of cannabis items on or in that
10 property, or portion thereof, including a hotel property that is a
11 casino hotel facility as defined in section 19 of P.L.1977, c.110
12 (C.5:12-19), a casino as defined in section 6 of P.L.1977, c.110
13 (C.5:12-6), or casino simulcasting facility authorized pursuant to
14 the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.),
15 provided that a person or entity that owns or controls multifamily
16 housing that is a multiple dwelling as defined in section 3 of
17 P.L.1967, c.76 (C.55:13A-3), a unit of a condominium as defined in
18 section 3 of P.L.1969, c.257 (C.46:8B-3), or a site in a mobile home
19 park as defined in section 3 of P.L.1983, c.386 (C.40:55D-102), which
20 site is leased to the owner of a manufactured home, as defined in that
21 section, that is installed thereon, may only prohibit or otherwise
22 regulate the smoking, vaping, or aerosolizing, but not other
23 consumption, of cannabis items, and further provided that
24 municipalities may not prohibit delivery, possession, or
25 consumption of cannabis items by a person 21 years of age or older
26 as permitted by section 44 of P.L. , c. (C.) (pending
27 before the Legislature as this bill).

28 (5) Is intended to permit any person to possess, consume, use,
29 display, transfer, distribute, sell, transport, or grow cannabis items
30 in a school, hospital, detention facility, adult correctional facility, or
31 youth correction facility.

32 (6) Is intended to permit the smoking, vaping, or aerosolizing of
33 cannabis items in any place that any other law prohibits the
34 smoking of tobacco, including N.J.S.2C:33-13 and the "New Jersey
35 Smoke-Free Air Act," P.L.2005, c.383 (C.26:3D-55 et seq.). Except
36 as otherwise provided by P.L. , c. (C.) (pending before the
37 Legislature as this bill), any fines or civil penalties that may be
38 assessed for the smoking of tobacco in designated places shall be
39 applicable to the smoking, vaping, or aerosolizing of cannabis
40 items.

41

42 47. (New section) Consuming, including by smoking, vaping, or
43 aerosolizing, any cannabis item available for lawful consumption
44 pursuant to the "New Jersey Cannabis Regulatory, Enforcement
45 Assistance, and Marketplace Modernization Act," P.L. ,
46 c. (C.) (pending before the Legislature as this bill), is
47 prohibited in any area of any building of, on the grounds of, or in
48 any facility owned, leased, or controlled by, any public or private

1 institution of higher education or a related entity thereof, regardless
2 of whether the area or facility is an indoor place or is outdoors. As
3 used in this section “related entity” includes, but is not limited to,
4 the foundation, auxiliary services corporation, or alumni
5 association, or any subsidiary thereof, of an institution of higher
6 learning. Any penalties that may be assessed for the smoking of
7 tobacco where prohibited under the “New Jersey Smoke-Free Air
8 Act,” P.L.2005, c.383 (C.26:3D-55 et seq.), shall be applicable to
9 the consumption of cannabis items where prohibited by this section.

10

11 48. (New section) Lawful Operation of Cannabis Establishments,
12 Distributors, and Delivery Services.

13 Notwithstanding any other provision of law, the following acts
14 are not unlawful and shall not be a criminal offense or a basis for
15 seizure or forfeiture of assets under N.J.S.2C:64-1 et seq. or other
16 applicable law, provided the acts are undertaken by a person 21 years
17 of age or older while acting within the scope of authority provided by
18 a license, or are undertaken by a person 18 years of age or older while
19 acting within the scope of authority as an employee of a licensed
20 cannabis establishment, distributor, or delivery service, or provided by
21 a cannabis handler certification issued pursuant to P.L. , c. (C.)
22 (pending before the Legislature as this bill) and are consistent with
23 the relevant definitions set forth in section 3 of P.L. , c. (C.)
24 (pending before the Legislature as this bill):

25 a. manufacturing, possessing, or purchasing cannabis
26 paraphernalia or the sale of cannabis paraphernalia to a person who
27 is 21 years of age or older;

28 b. possessing, displaying, transporting, or delivering cannabis
29 items; purchasing cannabis from a cannabis cultivation facility;
30 purchasing cannabis items from a cannabis product manufacturing
31 facility; or selling cannabis items to consumers, if the person
32 conducting the activities described in this subsection has obtained a
33 current, valid license to operate as a cannabis retailer or is acting in
34 his capacity as an owner, employee, or agent of a licensed cannabis
35 retailer;

36 c. cultivating, harvesting, processing, packaging, transporting,
37 displaying, or possessing cannabis; delivering or transferring
38 cannabis to a cannabis testing facility; selling cannabis to a cannabis
39 cultivation facility, a cannabis product manufacturing facility, or a
40 cannabis retailer; or purchasing cannabis from a cannabis cultivation
41 facility, if the person conducting the activities described in this
42 subsection has obtained a current, valid license to operate a cannabis
43 cultivation facility or is acting in his capacity as an owner,
44 employee, or agent of a licensed cannabis cultivation facility;

45 d. packaging, processing, transporting, manufacturing,
46 displaying, or possessing cannabis items; delivering or transferring
47 cannabis items to a cannabis testing facility; selling cannabis items
48 to a cannabis retailer or a cannabis product manufacturing facility;

1 purchasing cannabis from a cannabis cultivation facility; or
2 purchasing cannabis items from a cannabis product manufacturing
3 facility, if the person conducting the activities described in this
4 subsection has obtained a current, valid license to operate a cannabis
5 product manufacturing facility or is acting in his capacity as an
6 owner, employee, or agent of a licensed cannabis product
7 manufacturing facility;

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

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

17

18 49. (New section) Contract Enforceability.

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

29

30 50. (New section) Federal and Interstate Relations.

31 a. Law enforcement agencies in this State shall not cooperate
32 with or provide assistance to the government of the United States or
33 any agency thereof in enforcing the “Controlled Substances Act,”
34 21 U.S.C. 801 et seq., solely for actions consistent with P.L. ,

35 c. (C.) (pending before the Legislature as this bill), except
36 pursuant to a valid court order.

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

42 c. The commission may not revoke or refuse to issue or renew
43 a license or certification pursuant to section 20, 22, 23, 24, 25, or 26
44 of P.L. , c. (C.) (pending before the Legislature as this bill) on
45 the basis that manufacturing, transporting, distributing, dispensing,
46 delivering, possessing, or using any cannabis item or marijuana is
47 prohibited by federal law.

1 d. Nothing in this section shall be construed to limit the authority
2 of an agency or subdivision of any agency of this State to cooperate
3 with or assist the government of the United States or any agency
4 thereof, or the government of another state or agency thereof, in
5 matters pertaining to illegal interstate trafficking of marijuana, hashish,
6 or cannabis items.

7
8 51. (New section) Limitations.

9 The provisions of P.L. , c. (C.) (pending before the
10 Legislature as this bill) concerning the development, regulation, and
11 enforcement of activities associated with personal use cannabis, as
12 well as acts involving personal use cannabis or cannabis resin, shall
13 not be construed:

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

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

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

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

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

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

31
32 52. N.J.S.2C:35-2 is amended to read as follows:

33 2C:35-2. As used in this chapter:

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

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

45 "Controlled dangerous substance" means a drug, substance, or
46 immediate precursor in Schedules I through V, marijuana and
47 hashish as defined in this section, any substance the distribution of
48 which is specifically prohibited in N.J.S.2C:35-3, in section 3 of

1 P.L.1997, c.194 (C.2C:35-5.2), in section 5 of P.L.1997, c.194
2 (C.2C:35-5.3), in section 2 of P.L.2011, c.120 (C.2C:35-5.3a), or in
3 section 2 of P.L.2013, c.35 (C.2C:35-5.3b), and any drug or
4 substance which, when ingested, is metabolized or otherwise
5 becomes a controlled dangerous substance in the human body.
6 When any statute refers to controlled dangerous substances, or to a
7 specific controlled dangerous substance, it shall also be deemed to
8 refer to any drug or substance which, when ingested, is metabolized
9 or otherwise becomes a controlled dangerous substance or the
10 specific controlled dangerous substance, and to any substance that
11 is an immediate precursor of a controlled dangerous substance or
12 the specific controlled dangerous substance. The term shall not
13 include distilled spirits, wine, malt beverages, as those terms are
14 defined or used in R.S.33:1-1 et seq., **[or]** tobacco and tobacco
15 products, or cannabis or cannabis resin as defined in section 3 of
16 P.L. , c. (C.) (pending before the Legislature as this bill).

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

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

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

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

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

1 "Distribute" means to deliver other than by administering or
2 dispensing a controlled dangerous substance or controlled substance
3 analog. "Distributor" means a person who distributes.

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

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

24 "Hashish" means the resin extracted from any part of the plant
25 **【Genus】** *Cannabis sativa* L. and any compound, manufacture, salt,
26 derivative, mixture, or preparation of such resin. "Hashish" shall
27 not mean: hemp or a hemp product cultivated, handled, processed,
28 transported, or sold pursuant to the "New Jersey Hemp Farming
29 Act," P.L.2019, c.238 (C.4:28-6 et al.); or cannabis resin as defined
30 in section 3 of P.L. , c. (C.) (pending before the Legislature as
31 this bill) which is extracted for use in a cannabis item, as defined in
32 that section, in accordance with the "New Jersey Cannabis
33 Regulatory, Enforcement Assistance, and Marketplace Modernization
34 Act," P.L. , c. (C.) (pending before the Legislature as this
35 bill).

36 "Manufacture" means the production, preparation, propagation,
37 compounding, conversion, or processing of a controlled dangerous
38 substance or controlled substance analog, either directly or by
39 extraction from substances of natural origin, or independently by
40 means of chemical synthesis, or by a combination of extraction and
41 chemical synthesis, and includes any packaging or repackaging of
42 the substance or labeling or relabeling of its container, except that
43 this term does not include the preparation or compounding of a
44 controlled dangerous substance or controlled substance analog by
45 an individual for his own use or the preparation, compounding,
46 packaging, or labeling of a controlled dangerous substance: (1) by
47 a practitioner as an incident to his administering or dispensing of a
48 controlled dangerous substance or controlled substance analog in

1 the course of his professional practice, or (2) by a practitioner (or
2 under his supervision) for the purpose of, or as an incident to,
3 research, teaching, or chemical analysis and not for sale.

4 "Marijuana" means all parts of the plant **【Genus】** *Cannabis*
5 *sativa* L., whether growing or not; the seeds thereof, and every
6 compound, manufacture, salt, derivative, mixture, or preparation of
7 the plant or its seeds, except those containing resin extracted from
8 the plant **【**; but shall not include the mature stalks of the plant, fiber
9 produced from the stalks, oil, or cake made from the seeds of the
10 plant, any other compound, manufacture, salt, derivative, mixture,
11 or preparation of mature stalks, fiber, oil, or cake, or the sterilized
12 seed of the plant which is incapable of germination**】**. "Marijuana"
13 shall not mean: hemp or a hemp product cultivated, handled,
14 processed, transported, or sold pursuant to the "New Jersey Hemp
15 Farming Act," P.L.2019, c.238 (C.4:28-6 et al.); or cannabis as
16 defined in section 3 of P.L. , c. (C.) (pending before the
17 Legislature as this bill) which is cultivated and processed for use in
18 a cannabis item, as defined in that section, in accordance with the
19 "New Jersey Cannabis Regulatory, Enforcement Assistance, and
20 Marketplace Modernization Act," P.L. , c. (C.) (pending
21 before the Legislature as this bill).

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

26 (a) Opium, coca leaves, and opiates;

27 (b) A compound, manufacture, salt, derivative, or preparation of
28 opium, coca leaves, or opiates;

29 (c) A substance (and any compound, manufacture, salt,
30 derivative, or preparation thereof) which is chemically identical
31 with any of the substances referred to in subsections (a) and (b),
32 except that the words "narcotic drug" as used in this act shall not
33 include decocainized coca leaves or extracts of coca leaves, which
34 extracts do not contain cocaine or ecogine.

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

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

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

1 "Plant" means an organism having leaves and a readily
2 observable root formation, including, but not limited to, a cutting
3 having roots, a rootball or root hairs.

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

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

12 (a) "Physician" means a physician authorized by law to practice
13 medicine in this or any other state and any other person authorized
14 by law to treat sick and injured human beings in this or any other
15 state.

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

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

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

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

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

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

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

45 "Schedules I, II, III, IV, and V" are the schedules set forth in
46 sections 5 through 8 of P.L.1970, c.226 (C.24:21-5 through 24:21-
47 8) and in section 4 of P.L.1971, c.3 (C.24:21-8.1) and as modified
48 by any regulations issued by the Director of the Division of

1 Consumer Affairs in the Department of Law and Public Safety
2 pursuant to the director's authority as provided in section 3 of
3 P.L.1970, c.226 (C.24:21-3).

4 "State" means the State of New Jersey.

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

10 "Prescription legend drug" means any drug which under federal
11 or State law requires dispensing by prescription or order of a
12 licensed physician, veterinarian, or dentist and is required to bear
13 the statement "Rx only" or similar wording indicating that such
14 drug may be sold or dispensed only upon the prescription of a
15 licensed medical practitioner and is not a controlled dangerous
16 substance or stramonium preparation.

17 "Stramonium preparation" means a substance prepared from any
18 part of the stramonium plant in the form of a powder, pipe mixture,
19 cigarette, or any other form with or without other ingredients.

20 "Stramonium plant" means the plant *Datura Stramonium* Linne,
21 including *Datura Tatula* Linne.

22 (cf: P.L.2019, c.238, s.10)

23

24 53. (New section) Criminal Investigation.

25 None of the following shall, individually or collectively,
26 constitute reasonable articulable suspicion of a crime, unless on
27 property used for school purposes which is owned by a school or
28 school board, or at any detention facility, adult correctional facility, or
29 youth correction facility:

30 a. The odor of cannabis or burnt cannabis;

31 b. The possession of or the suspicion of possession of
32 marijuana or hashish without evidence of quantity in excess of any
33 amount that would exceed the amount of cannabis or cannabis resin
34 which may be lawfully possessed pursuant to section 44 of P.L. ,

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

36 c. The possession of marijuana or hashish without evidence of
37 quantity in excess of any amount that would exceed the amount of
38 cannabis or cannabis resin which may be lawfully possessed
39 pursuant to section 44 of P.L. , c. (C.) (pending before the
40 Legislature as this bill), in proximity to any amount of cash or
41 currency.

42

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

44 2C:36-1. Drug paraphernalia, defined; determination.

45 a. As used in this act, "drug paraphernalia" means all
46 equipment, products and materials of any kind which are used or
47 intended for use in planting, propagating, cultivating, growing,
48 harvesting, manufacturing, compounding, converting, producing,

1 processing, preparing, testing, analyzing, packaging, repackaging,
2 storing, containing, concealing, ingesting, inhaling, or otherwise
3 introducing into the human body a controlled dangerous substance,
4 controlled substance analog or toxic chemical in violation of the
5 provisions of chapter 35 of this title. It shall include, but not be
6 limited to:

7 **【a.】** (1) kits used or intended for use in planting, propagating,
8 cultivating, growing or harvesting of any species of plant which is a
9 controlled dangerous substance or from which a controlled
10 dangerous substance can be derived;

11 **【b.】** (2) kits used or intended for use in manufacturing,
12 compounding, converting, producing, processing, or preparing
13 controlled dangerous substances or controlled substance analogs;

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

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

20 **【e.】** (5) scales and balances used or intended for use in weighing
21 or measuring controlled dangerous substances or controlled
22 substance analogs;

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

27 **【g.】** (7) separation gins and sifters used or intended for use in
28 removing twigs and seeds from, or in otherwise cleaning or
29 refining, **【marihuana】** marijuana;

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

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

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

39 **【k.】** (11) objects used or intended for use in ingesting, inhaling,
40 or otherwise introducing **【marihuana】** marijuana, cocaine, hashish,
41 hashish oil, nitrous oxide or the fumes of a toxic chemical into the
42 human body, such as **【(1)】** (a) metal, wooden, acrylic, glass, stone,
43 plastic, or ceramic pipes with or without screens, permanent
44 screens, hashish heads, or punctured metal bowls; **【(2)】** (b) water
45 pipes; **【(3)】** (c) carburetion tubes and devices; **【(4)】** (d) smoking
46 and carburetion masks; **【(5)】** (e) roach clips, meaning objects used

1 to hold burning material, such as a marihuana cigarette, that has
2 become too small or too short to be held in the hand; **[(6)]** (f)
3 miniature cocaine spoons, and cocaine vials; **[(7)]** (g) chamber
4 pipes; **[(8)]** (h) carburetor pipes; **[(9)]** (i) electric pipes; **[(10)]** (j)
5 air-driven pipes; **[(11)]** (k) chillums; **[(12)]** (l) bonges; **[(13)]** (m)
6 ice pipes or chillers; **[(14)]** (n) compressed gas containers, such as
7 tanks, cartridges or canisters, that contain food grade or
8 pharmaceutical grade nitrous oxide as a principal ingredient; **[(15)]**
9 (o) chargers or charging bottles, meaning metal, ceramic or plastic
10 devices that contain an interior pin that may be used to expel
11 compressed gas from a cartridge or canister; and **[(16)]** (p) tubes,
12 balloons, bags, fabrics, bottles or other containers used to
13 concentrate or hold in suspension a toxic chemical or the fumes of a
14 toxic chemical.

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

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

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

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

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

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

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

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

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

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

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

43 (2) If an object appears to be for use, intended for use, or
44 designed for use with cannabis or cannabis items in accordance with
45 the “New Jersey Cannabis Regulatory, Enforcement Assistance, and
46 Marketplace Modernization Act,” P.L. , c. (C.) (pending

1 before the Legislature as this bill), the object is presumed to be a
2 lawful cannabis paraphernalia as defined in section 3 of that act
3 (C.), and does not alone constitute reasonable articulable
4 suspicion that the object is a drug paraphernalia, notwithstanding
5 that the object could also be used with marijuana, hashish, or
6 another illegal controlled substance or controlled substance analog,
7 unless the owner or any other person in proximity to or in control of
8 the object was in possession of marijuana, hashish, or another
9 illegal controlled dangerous substance or controlled substance
10 analog, or the object was in proximity of marijuana, hashish, or
11 another illegally possessed controlled dangerous substance or
12 controlled substance analog to indicate its use, intended use, or
13 design for use with that controlled dangerous substance or
14 controlled substance analog.
15 (cf: P.L.2007, c.31, s.2)

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

18 2C:35-16. a. In addition to any disposition authorized by this
19 title, the provisions of section 24 of P.L.1982, c.77 (C.2A:4A-43),
20 or any other statute indicating the dispositions that can be ordered
21 for an adjudication of delinquency, and notwithstanding the
22 provisions of subsection c. of N.J.S.2C:43-2, a person convicted of
23 or adjudicated delinquent for a violation of any offense defined in
24 this chapter or chapter 36 of this title shall forthwith forfeit his right
25 to operate a motor vehicle over the highways of this State for a
26 period to be fixed by the court at not less than six months or more
27 than two years which shall commence on the day the sentence is
28 imposed unless the court finds compelling circumstances
29 warranting an exception or except as provided in subsection e. of
30 this section. For the purposes of this section, compelling
31 circumstances warranting an exception exist if the forfeiture of the
32 person's right to operate a motor vehicle over the highways of this
33 State will result in extreme hardship and alternative means of
34 transportation are not available. In the case of a person who at the
35 time of the imposition of sentence is less than 17 years of age, the
36 period of any suspension of driving privileges authorized herein,
37 including a suspension of the privilege of operating a motorized
38 bicycle, shall commence on the day the sentence is imposed and
39 shall run for a period as fixed by the court of not less than six
40 months or more than two years after the day the person reaches the
41 age of 17 years. If the driving privilege of any person is under
42 revocation, suspension, or postponement for a violation of any
43 provision of this title or Title 39 of the Revised Statutes at the time
44 of any conviction or adjudication of delinquency for a violation of
45 any offense defined in this chapter or chapter 36 of this title, any
46 revocation, suspension, or postponement period imposed herein
47 shall commence as of the date of termination of the existing
48 revocation, suspension, or postponement.

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

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

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

42 e. Provided that the person was not convicted of or adjudicated
43 delinquent for a violation of any offense defined in this chapter or
44 chapter 36 of this title other than those enumerated in this
45 subsection, the forfeiture or postponement of driving privileges set
46 forth in subsection a. of this section shall not apply to any person
47 convicted of or adjudicated delinquent for an offense which if
48 committed by an adult would constitute:

1 (1) distribution of, or possessing or having under control with
2 intent to distribute, marijuana or hashish in violation of paragraph
3 (11) of subsection b. of N.J.S.2C:35-5, or a lesser amount of
4 marijuana or hashish in violation of paragraph (12) of subsection b.
5 that section, or a violation of either of those paragraphs based on an
6 amount of marijuana or hashish described herein and a violation of
7 subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection
8 a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or
9 possessing or having under control with intent to distribute, on or
10 within 1,000 feet of any school property, or on or within 500 feet of
11 the real property comprising a public housing facility, public park, or
12 public building;

13 (2) using, being under the influence of, or failing to make lawful
14 disposition of marijuana or hashish in violation of paragraph (3) of
15 subsection a., or subsection b. or subsection c. of N.J.S.2C:35-10; or

16 (3) a violation involving marijuana or hashish as described in
17 paragraph (1) or (2) of this subsection and using or possessing with
18 intent to use drug paraphernalia with that marijuana or hashish in
19 violation of N.J.S.2C:36-2.

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

21

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

23 2B:12-31. Suspension of driving privileges.

24 a. (1) If a defendant charged with a disorderly persons offense,
25 a petty disorderly persons offense, a violation of a municipal
26 ordinance, or a violation of any other law of this State for which a
27 penalty may be imposed fails to appear at any scheduled court
28 proceeding after written notice has been given to said defendant
29 pursuant to the Rules of Court, a municipal court may order the
30 suspension of the person's driving privileges or nonresident
31 reciprocity privilege or prohibit the person from receiving or
32 obtaining driving privileges until the pending matter is adjudicated
33 or otherwise disposed of, except by dismissal for failure of
34 defendant to appear.

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

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

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

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

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

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

13 (a) A fee of \$3.00 which shall be transferred to the **[Division**
14 **of] New Jersey Motor [Vehicles] Vehicle Commission**;

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

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

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

20
21 57. (New section) Prohibition of Persons Under the Legal Age
22 Purchasing Cannabis or Cannabis Resin.

23 Consistent with the relevant definitions set forth in section 3 of
24 P.L. , c. (C.) (pending before the Legislature as this bill):

25 a. A cannabis establishment licensee, cannabis distributor
26 licensee, or cannabis delivery service licensee, either directly or
27 indirectly by an agent or employee, shall not sell, offer for sale,
28 distribute for commercial purpose at no cost or minimal cost, or
29 give or furnish for consumption, any cannabis items to a person
30 under 21 years of age.

31 b. Any licensee or employee or agent of a licensee who allows
32 a person under the age of 21 to procure cannabis items which,
33 pursuant to section 44 of P.L. , c. (C.) (pending before the
34 Legislature as this bill) are not unlawful for persons 21 years of age
35 or older to procure for personal use, shall be subject to a civil
36 penalty of not less than \$250 for the first violation; \$500 for the
37 second violation; and \$1,000 for the third and each subsequent
38 violation; in addition, subject to a hearing, a licensee's license may
39 be revoked, suspended, or otherwise limited. The penalties provided
40 for in this subsection shall be recovered by a summary proceeding
41 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274
42 (C.2A:58-10 et seq.).

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

47 (1) That the purchaser of the cannabis item falsely represented
48 that the person was of legal age to make the purchase, by producing

1 either a United States passport; driver's license or non-driver
2 identification card issued by the New Jersey Motor Vehicle
3 Commission; a driver's license issued pursuant to the laws of
4 another state; or any other identification card issued by a state or the
5 United States that bears a picture of the person, the name of the
6 person, the person's date of birth, and a physical description of the
7 person; and

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

12 d. It shall be unlawful for a person under the age of 21 to
13 purchase, acquire, or attempt to purchase or acquire a cannabis item,
14 even if the cannabis item may be legally purchased by persons at or
15 above the legal age for purchasing cannabis items.

16 For purposes of this subsection, purchasing a cannabis item
17 includes accepting a cannabis item, and acquiring a cannabis item
18 includes consuming a cannabis item.

19 e. It shall be unlawful for a person under the age of 21 to
20 present or offer to a cannabis establishment, distributor, or delivery
21 service, or the cannabis establishment's, distributor's, or delivery
22 service's agent or employee, any written or oral evidence of age or
23 other personal identifying information that is false, fraudulent, or not
24 actually the person's own, including the use of a driver's license or
25 other government-issued form of identification in violation of section
26 1 of P.L.1983, c.565 (C.2C:21-2.1), N.J.S.2C:21-17, section 5 of
27 P.L.2003, c.184 (C.2C:21-17.2), or section 6 of P.L.1968, c.313
28 (C.33:1-81.7), for the purpose of:

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

31 (2) Gaining access to a cannabis establishment's, distributor's,
32 or delivery service's premises.

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

40 g. Any person under the legal age to purchase cannabis, who
41 knowingly possesses without legal authority or who knowingly
42 consumes any cannabis item, in any school, public conveyance,
43 public place, place of public assembly, or motor vehicle, shall be
44 guilty of an offense as set forth in section 1 of P.L.1979, c.264
45 (C.2C:33-15). Any person under the legal age to purchase
46 cannabis, who knowingly possesses without legal authority or who
47 knowingly consumes, any cannabis item on private property shall

1 be guilty of a municipal violation as set forth in section 1 of
2 P.L.2000, c.33 (C.40:48-1.2).

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

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

16

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

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

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

33 c. A person who knowingly exhibits, displays or utters a
34 document or other writing which falsely purports to be a driver's
35 license, birth certificate or other document issued by a
36 governmental agency and which could be used as a means of
37 verifying a person's identity or age or any other personal identifying
38 information is guilty of a crime of the third degree. A violation of
39 N.J.S.2C:28-7, constituting a disorderly persons offense, section 1
40 of P.L.1979, c.264 (C.2C:33-15), R.S.33:1-81 or section 6 of
41 P.L.1968, c.313 (C.33:1-81.7) in a case where the person uses the
42 personal identifying information of another to illegally purchase an
43 alcoholic beverage or for using the personal identifying information
44 of another to misrepresent **【his】** the person's age for the purpose of
45 obtaining tobacco or other consumer product denied to persons
46 under **【18】** 21 years of age shall not, except as otherwise set forth
47 in this subsection, constitute an offense under this subsection if the
48 actor received only that benefit or service and did not perpetrate or

1 attempt to perpetrate any additional injury or fraud on another. If a
2 person used the personal identifying information of another to
3 misrepresent the person's age for the purpose of illegally obtaining
4 any cannabis item available for lawful consumption pursuant to the
5 "New Jersey Cannabis Regulatory, Enforcement Assistance, and
6 Marketplace Modernization Act," P.L. , c. (C.) (pending
7 before the Legislature as this bill), the person shall be subject to a
8 civil penalty of \$50. The civil penalty provided for in this
9 subsection shall be collected pursuant to the "Penalty Enforcement
10 Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary
11 proceeding before the municipal court having jurisdiction. A civil
12 penalty recovered under the provisions of this subsection shall be
13 recovered by and in the name of the State by the local municipality.
14 The penalty shall be paid into the treasury of the municipality in
15 which the violation occurred for the general use of the municipality.

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

46 e. In addition to any other disposition authorized by this Title,
47 the provisions of section 24 of P.L.1982, c.77 (C.2A:4A-43), or any
48 other statute indicating the dispositions that may be ordered for an

1 adjudication of delinquency, and, notwithstanding the provisions of
2 subsection c. of N.J.S.2C:43-2, every person convicted of₂ or
3 adjudicated delinquent or penalized for a violation of any offense
4 defined in this section shall forthwith forfeit his right to operate a
5 motor vehicle over the highways of this State for a period to be
6 fixed by the court at not less than six months or more than two
7 years which shall commence on the day the sentence is imposed. In
8 the case of any person who at the time of the imposition of the
9 sentence is less than 17 years of age, the period of the suspension of
10 driving privileges authorized herein, including a suspension of the
11 privilege of operating a motorized bicycle, shall commence on the
12 day the sentence is imposed and shall run for a period as fixed by
13 the court of not less than six months or more than two years after
14 the day the person reaches the age of 17 years. If the driving
15 privilege of any person is under revocation, suspension, or
16 postponement for a violation of any provision of this Title or Title
17 39 of the Revised Statutes at the time of any conviction or
18 adjudication of delinquency for a violation of any offense defined in
19 this chapter or chapter 36 of this Title, the revocation, suspension,
20 or postponement period imposed herein shall commence as of the
21 date of termination of the existing revocation, suspension or
22 postponement.

23 The court before whom any person is convicted of₂ or
24 adjudicated delinquent or penalized for a violation of any offense
25 defined in this section shall collect forthwith the New Jersey
26 driver's license or licenses of that person and forward the license or
27 licenses to the Chief Administrator of the New Jersey Motor
28 Vehicle Commission along with a report indicating the first and last
29 day of the suspension or postponement period imposed by the court
30 pursuant to this section. If the court is for any reason unable to
31 collect the license or licenses of the person, the court shall cause a
32 report of the conviction or adjudication of delinquency to be filed
33 with the director. The report shall include the complete name,
34 address, date of birth, eye color and sex of the person and shall
35 indicate the first and last day of the suspension or postponement
36 period imposed by the court pursuant to this section. The court
37 shall inform the person orally and in writing that if the person is
38 convicted of personally operating a motor vehicle during the period
39 of license suspension or postponement imposed pursuant to this
40 section, the person shall, upon conviction, be subject to the
41 penalties set forth in R.S.39:3-40. A person shall be required to
42 acknowledge receipt of the written notice in writing. Failure to
43 receive a written notice or failure to acknowledge in writing the
44 receipt of a written notice shall not be a defense to a subsequent
45 charge of a violation of R.S.39:3-40. If the person is the holder of a
46 driver's license from another jurisdiction, the court shall not collect
47 the license, but shall notify forthwith the director who shall notify
48 the appropriate officials in that licensing jurisdiction. The court

1 shall, however, in accordance with the provisions of this section,
2 revoke the person's non-resident driving privileges in this State.

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

8

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

10 2C:21-17. Impersonation; Theft of identity; crime.

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

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

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

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

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

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

44 As used in this section:

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

1 b. (Deleted by amendment, P.L.2005, c.224).

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

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

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

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

17 d. A violation of N.J.S.2C:28-7, constituting a disorderly
18 persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15),
19 R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case
20 where the person uses the personal identifying information of
21 another to illegally purchase an alcoholic beverage or for using the
22 personal identifying information of another to misrepresent **[his]**
23 the person's age for the purpose of obtaining tobacco or other
24 consumer product denied to persons under **[19]** 21 years of age
25 shall not, except as otherwise set forth in this subsection, constitute
26 an offense under this section if the actor received only that benefit
27 or service and did not perpetrate or attempt to perpetrate any
28 additional injury or fraud on another. If a person used the personal
29 identifying information of another to misrepresent the person's age
30 for the purpose of illegally obtaining any cannabis item available for
31 lawful consumption pursuant to the "New Jersey Cannabis
32 Regulatory, Enforcement Assistance, and Marketplace Modernization
33 Act," P.L. , c. (C.) (pending before the Legislature as this
34 bill), the person shall be subject to a civil penalty of \$50. The civil
35 penalty provided for in this subsection shall be collected pursuant to
36 the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-
37 10 et seq.), in a summary proceeding before the municipal court
38 having jurisdiction. A civil penalty recovered under the provisions
39 of this subsection shall be recovered by and in the name of the State
40 by the local municipality. The penalty shall be paid into the
41 treasury of the municipality in which the violation occurred for the
42 general use of the municipality.

43 e. The sentencing court shall issue such orders as are necessary
44 to correct any public record or government document that contains
45 false information as a result of a theft of identity. The sentencing
46 court may provide restitution to the victim in accordance with the
47 provisions of section 4 of P.L.2002, c.85 (C.2C:21-17.1).

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

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

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

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

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

43 (cf: P.L.2005, c.224, s.4)

44

45 61. The title of P.L.1968, c.313 is amended to read as follows:
46 **AN ACT** relating to the establishing of proof of age for purposes of

1 purchasing alcoholic beverages or cannabis items in certain
2 cases.

3 (cf: P.L.1968, c.313, title)

4

5 62. Section 6 of P.L.1968, c.313 (C.33:1-81.7) is amended to
6 read as follows:

7 6. It shall be unlawful for the owner of an identification card,
8 as defined by this act, to transfer said card to any other person for
9 the purpose of aiding such person to secure alcoholic beverages or
10 cannabis items available for lawful consumption pursuant to the
11 “New Jersey Cannabis Regulatory, Enforcement Assistance, and
12 Marketplace Modernization Act,” P.L. , c. (C.) (pending
13 before the Legislature as this bill). Any person who shall transfer
14 such identification card for the purpose of aiding such transferee to
15 obtain alcoholic beverages shall be guilty of a **[misdemeanor]**
16 disorderly persons offense and, upon conviction thereof, shall be
17 sentenced to pay a fine of not more than \$300.00, or undergo
18 imprisonment for not more than 60 days. Any person not entitled
19 thereto who shall have unlawfully procured or have issued or
20 transferred to him, as aforesaid, identification card or any person
21 who shall make any false statement on any card required by
22 subsection (c) hereof to be signed by him shall be guilty of a
23 **[misdemeanor]** disorderly persons offense and, upon conviction
24 thereof, shall be sentenced to pay a fine of not more than \$300.00,
25 or undergo imprisonment for not more than 60 days.

26 (cf: P.L.1968, c.313, s.6)

27

28 63. The title of P.L.1991, c.169 is amended to read as follows:

29 **AN ACT** concerning the retail sale of alcoholic beverages or
30 cannabis items, amending R.S.33:1-81 and P.L.1979, c.264 and
31 supplementing chapter 1 of Title 33 of the Revised Statutes.

32 (cf: P.L.1991, c.169, title)

33

34 64. Section 3 of P.L.1991, c.169 (C.33:1-81.1a) is amended to
35 read as follows:

36 3. A parent, guardian or other person having legal custody of a
37 person under 18 years of age found in violation of R.S.33:1-81 or
38 section 1 of P.L.1979, c.264 (C.2C:33-15) with respect to
39 purchasing, possessing, or consuming any alcoholic beverage or
40 cannabis item 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) shall be notified of the violation
44 in writing. The parent, guardian or other person having legal
45 custody of a person under 18 years of age shall be subject to a fine
46 in the amount of \$500.00 upon any subsequent violation of
47 R.S.33:1-81 or section 1 of P.L.1979, c.264 (C.2C:33-15) on the
48 part of such person if it is shown that the parent, guardian or other

1 person having legal custody failed or neglected to exercise
2 reasonable supervision or control over the conduct of the person
3 under 18 years of age.
4 (cf: P.L.1991, c.169, s.3)

5
6 65. The title of P.L.1979, c.264 is amended to read as follows:
7 **AN ACT** concerning certain alcoholic beverage and cannabis item
8 offenses by persons under the legal age to purchase alcoholic
9 beverages and cannabis items, and supplementing chapter 33 of
10 Title 2C of the New Jersey Statutes.
11 (cf: P.L.1979, c.264, title)

12
13 66. Section 1 of P.L.1979, c.264 (C.2C:33-15) is amended to
14 read as follows:

15 1. a. (1) Any person under the legal age to purchase alcoholic
16 beverages who knowingly possesses without legal authority or who
17 knowingly consumes any alcoholic beverage in any school, public
18 conveyance, public place, or place of public assembly, or motor
19 vehicle, is guilty of a petty disorderly persons offense, and shall be
20 fined not less than **[\$500]** \$250.

21 (2) (a) Any person under the legal age to purchase cannabis
22 items who knowingly possesses without legal authority any
23 cannabis item, the amount of which may be lawfully possessed by a
24 person of the legal age to purchase cannabis items pursuant to
25 section 44 of P.L. , c. (C.) (pending before the Legislature
26 as this bill), in any school, public conveyance, public place, or
27 place of public assembly, or motor vehicle, is guilty of a petty
28 disorderly persons offense, and shall be fined not less than \$250.

29 (b) Any person under the legal age to purchase cannabis items
30 who knowingly possesses without legal authority any cannabis
31 item, the amount of which exceeds what may be lawfully possessed
32 by a person of the legal age to purchase cannabis items pursuant to
33 section 44 of P.L. , c. (C.) (pending before the Legislature
34 as this bill), or who knowingly consumes any cannabis item in any
35 school, public conveyance, public place, or place of public
36 assembly, or motor vehicle, is guilty of a disorderly persons
37 offense, and shall be fined not less than \$500.

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

1 imposed and shall run for a period of six months after the person
2 reaches the age of 17 years.

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

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

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

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

34 d. Nothing in this act shall apply to possession of alcoholic
35 beverages by any such person while actually engaged in the
36 performance of employment pursuant to an employment permit
37 issued by the Director of the Division of Alcoholic Beverage
38 Control, or for a bona fide hotel or restaurant, in accordance with
39 the provisions of R.S.33:1-26, or while actively engaged in the
40 preparation of food while enrolled in a culinary arts or hotel
41 management program at a county vocational school or **post**
42 **secondary** post-secondary educational institution; and nothing in
43 this section shall apply to possession of cannabis items by any such
44 person while actually engaged in the performance of employment
45 by a cannabis establishment, distributor, or delivery service as
46 permitted pursuant to the "New Jersey Cannabis Regulatory,
47 Enforcement Assistance, and Marketplace Modernization Act,"
48 P.L. , c. (C.) (pending before the Legislature as this bill).

1 e. The provisions of section 3 of P.L.1991, c.169 (C.33:1-
2 81.1a) shall apply to a parent, guardian or other person with legal
3 custody of a person under 18 years of age who is found to be in
4 violation of this section.

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

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

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

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

16 (4) the underage person and, if applicable, one or two other
17 persons acting in concert with the underage person who made the 9-
18 1-1 call remained on the scene with the person under the legal age
19 in need of medical assistance until assistance arrived and
20 cooperated with medical assistance and law enforcement personnel
21 on the scene.

22 The underage person who received medical assistance also shall
23 be immune from prosecution under this section.

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

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

31

32 67. The title of P.L.1981, c.197 is amended to read as follows:

33 **AN ACT** concerning the unauthorized bringing of alcoholic
34 beverages or cannabis items onto school premises, and
35 supplementing chapter 33 of Title 2C of the New Jersey Statutes.

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

37

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

40 1. Any person of legal age to purchase alcoholic beverages or
41 cannabis items, who, in the case of alcoholic beverages, knowingly
42 and without the express written permission of the school board, its
43 delegated authority, or any school principal, brings or possesses any
44 alcoholic beverages, or in the case of cannabis items, brings,
45 possesses, or consumes, including by smoking, vaping, or
46 aerosolizing, any cannabis items, on any property used for school
47 purposes which is owned by any school or school board, is guilty
48 of a disorderly persons offense. For purposes of this section, an

1 alcoholic beverage includes powdered alcohol as defined by
2 R.S.33:1-1, and a cannabis item includes any item available for
3 lawful consumption pursuant to the “New Jersey Cannabis
4 Regulatory, Enforcement Assistance, and Marketplace Modernization
5 Act,” P.L. , c. (C.) (pending before the Legislature as this
6 bill).
7 (cf: P.L.1981, c.197, s.1)

8
9 69. R.S.40:48-1 is amended to read as follows:

10 40:48-1. Ordinances; general purpose. The governing body of
11 every municipality may make, amend, repeal and enforce
12 ordinances to:

13 Finances and property. 1. Manage, regulate and control the
14 finances and property, real and personal, of the municipality;

15 Contracts and contractor's bonds. 2. Prescribe the form and
16 manner of execution and approval of all contracts to be executed by
17 the municipality and of all bonds to be given to it;

18 Officers and employees; duties, terms and salaries. 3. Prescribe
19 and define, except as otherwise provided by law, the duties and
20 terms of office or employment, of all officers and employees; and to
21 provide for the employment and compensation of such officials and
22 employees, in addition to those provided for by statute, as may be
23 deemed necessary for the efficient conduct of the affairs of the
24 municipality;

25 Fees. 4. Fix the fees of any officer or employee of the
26 municipality for any service rendered in connection with his office
27 or position, for which no specific fee or compensation is provided.
28 In the case of salaried officers or employees, such fee shall be paid
29 into the municipal treasury;

30 Salaries instead of fees; disposition of fees. 5. Provide that any
31 officer or employee receiving compensation for his services, in
32 whole or in part by fees, whether paid by the municipality or
33 otherwise, shall be paid a salary to be fixed in the ordinance, and
34 thereafter all fees received by such officer or employee shall be
35 paid into the municipal treasury;

36 Maintain order. 6. Prevent vice, drunkenness and immorality; to
37 preserve the public peace and order; to prevent and quell riots,
38 disturbances and disorderly assemblages; to prohibit the
39 consumption of alcoholic beverages or cannabis items by underage
40 persons on private property pursuant to section 1 of P.L.2000, c.33
41 (C.40:48-1.2);

42 Punish beggars; prevention of loitering. 7. Restrain and punish
43 drunkards, vagrants, mendicants and street beggars; to prevent
44 loitering, lounging or sleeping in the streets, parks or public places;

45 Auctions and noises. 8. Regulate the ringing of bells and the
46 crying of goods and other commodities for sale at auction or
47 otherwise, and to prevent disturbing noises;

1 Swimming; bathing costume; prohibition of public nudity. 9.
2 Regulate or prohibit swimming or bathing in the waters of, in, or
3 bounding the municipality, and to regulate or prohibit persons from
4 appearing upon the public streets, parks and places clad in bathing
5 costumes or robes, or costumes of a similar character; regulate or
6 prohibit persons from appearing in a state of nudity upon all lands
7 within its borders which are under the jurisdiction of the State
8 including, without limitation, all lands owned by, controlled by,
9 managed by or leased by the State;

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

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

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

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

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

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

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

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

47 Firearms and fireworks. 18. Regulate and prohibit the sale and
48 use of guns, pistols, firearms, and fireworks of all descriptions;

1 Soft coal. 19. Regulate the use of soft coal in locomotives,
2 factories, power houses and other places;

3 Theaters, schools, churches and public places. 20. Regulate the
4 use of theaters, cinema houses, public halls, schools, churches, and
5 other places where numbers of people assemble, and the exits
6 therefrom, so that escape therefrom may be easily and safely made
7 in case of fire or panic; and to regulate any machinery, scenery,
8 lights, wires and other apparatus, equipment or appliances used in
9 all places of public amusement;

10 Excavations. 21. Regulate excavations below the established
11 grade or curb line of any street, not greater than eight feet, which
12 the owner of any land may make, in the erection of any building
13 upon his own property; and to provide for the giving of notice, in
14 writing, of such intended excavation to any adjoining owner or
15 owners, and that they will be required to protect and care for their
16 several foundation walls that may be endangered by such
17 excavation; and to provide that in case of the neglect or refusal, for
18 10 days, of such adjoining owner or owners to take proper action to
19 secure and protect the foundations of any adjacent building or other
20 structure, that the party or parties giving such notice, or their
21 agents, contractors or employees, may enter into and upon such
22 adjoining property and do all necessary work to make such
23 foundations secure, and may recover the cost of such work and
24 labor in so protecting such adjacent property; and to make such
25 further and other provisions in relation to the proper conduct and
26 performance of said work as the governing body or board of the
27 municipality may deem necessary and proper;

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

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

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

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

47 Bulkheads and other structures. 26. Fix and determine the lines
48 of bulkheads or other works or structures to be erected, constructed

1 or maintained by the owners of lands facing upon any navigable
2 water in front of their lands, and in front of or along any highway or
3 public lands of said municipality, and to designate the materials to
4 be used, and the type, height and dimensions thereof;

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

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

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

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

34 Government Energy Aggregation Programs. 31. Establish
35 programs and procedures pursuant to which the municipality may
36 act as a government aggregator pursuant to sections 40 through 43
37 of P.L.1999, c.23 (C.48:3-89 through C.48:3-92), section 45 of
38 P.L.1999, c.23 (C.48:3-94), and sections 1, 2 and 6 of P.L.2003,
39 c.24 (C.48:3-93.1 through C.48:3-93.3). Notwithstanding the
40 provisions of any other law, rule or regulation to the contrary, a
41 municipality acting as a government aggregator pursuant to
42 P.L.1999, c.23 (C.48:3-49 et al.) shall not be deemed to be a public
43 utility pursuant to R.S.40:62-24 or R.S.48:1-1 et seq. or be deemed
44 to be operating any form of public utility service pursuant to
45 R.S.40:62-1 et seq., to the extent such municipality is solely
46 engaged in the provision of such aggregation service and not
47 otherwise owning or operating any plant or facility for the

1 production or distribution of gas, electricity, steam or other product
2 as provided in R.S.40:62-12;

3 Joint municipal action on consent for the provision of cable
4 television service. 32. Establish programs and procedures pursuant
5 to which a municipality may act together with one or more
6 municipalities in granting municipal consent for the provision of
7 cable television service pursuant to the provisions of the "Cable
8 Television Act," P.L.1972, c.186 (C.48:5A-1 et seq.) as amended
9 and supplemented. Notwithstanding the provisions of any other
10 law, rule or regulation to the contrary, two or more municipalities
11 acting jointly pursuant to the provisions of P.L.1972, c.186
12 (C.48:5A-1 et seq.) shall not be deemed a public utility pursuant to
13 R.S.48:1-1 et seq., to the extent those municipalities are solely
14 engaged in granting municipal consent jointly and are not otherwise
15 owning or operating any facility for the provision of cable
16 television service as provided in P.L.1972, c.186 (C.48:5A-1 et
17 seq.);

18 Private cable television service aggregation programs. 33.
19 Establish programs and procedures pursuant to which a
20 municipality may employ the services of a private aggregator for
21 the purpose of facilitating the joint action of two or more
22 municipalities in granting municipal consent for the provision of
23 cable television service provided that any such municipality shall
24 adhere to the provisions of the "Cable Television Act," P.L.1972,
25 c.186 (C.48:5A-1 et seq.) as amended and supplemented, and to the
26 provisions of the "Local Public Contracts Law," P.L.1971, c.198
27 (C.40A:11-1 et seq.) as amended and supplemented.
28 Notwithstanding the provisions of any other law, rule or regulation
29 to the contrary, a municipality that employs the services of a private
30 aggregator pursuant to the provisions of P.L.1972, c.186 (C.48:5A-
31 1 et seq.) shall not be deemed a public utility pursuant to R.S.48:1-
32 1 et seq., to the extent that the municipality is solely engaged in
33 employing the services of a private aggregator for the purpose of
34 facilitating the joint action of two or more municipalities in
35 granting municipal consent and is not otherwise owning or
36 operating any facility for the provision of cable television service as
37 provided in P.L.1972, c.186 (C.48:5A-1 et seq.);

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

45 Private Outdoor Video Surveillance Camera Registry. 35.
46 Establish a private outdoor video surveillance camera registry and

1 allow voluntary registration of private outdoor video surveillance
2 cameras as provided in P.L.2015, c.142 (C.40:48-1.6 et al.).
3 (cf: P.L.2015, c.142, s.3)

4
5 70. (New section) A municipality may enact an ordinance
6 making it unlawful for any person who is of legal age to consume,
7 other than by smoking, vaping, or aerosolizing, a cannabis item
8 available for lawful consumption pursuant to the "New Jersey
9 Cannabis Regulatory, Enforcement Assistance, and Marketplace
10 Modernization Act," P.L. , c. (C.) (pending before the
11 Legislature as this bill), in any public place as defined in section 3
12 of that act (C.), other than school property described in section 1
13 of P.L.1981, c.197 (C.2C:33-16) for which unlawful consumption is
14 a disorderly persons offense, or when not prohibited by the owner or
15 person responsible for the operation of that public place. A person
16 may be subject to a civil penalty of up to \$200, which shall be
17 recovered in a civil action by a summary proceeding in the name of
18 the municipality pursuant to the "Penalty Enforcement Law of
19 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The municipal court
20 and the Superior Court shall have jurisdiction of proceedings for the
21 enforcement of the penalty provided by this section.

22
23 71. The title of P.L.2000, c.33 is amended to read as follows:
24 **AN ACT** concerning possession and consumption of alcoholic
25 beverages or cannabis items by underaged persons,
26 supplementing Title 40 of the Revised Statutes and amending
27 R.S.40:48-1.
28 (cf: P.L.2000, c.33, title)

29
30 72. Section 1 of P.L.2000, c.33 (C.40:48-1.2) is amended to read
31 as follows:

32 1. a. A municipality may enact an ordinance making it
33 unlawful for any person under the legal age who, without legal
34 authority, knowingly possesses or knowingly consumes an alcoholic
35 beverage or a cannabis item, other than by smoking, vaping, or
36 aerosolizing, on private property.

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

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

42 (a) If the cannabis item possessed is an amount which may be
43 lawfully possessed by a person of the legal age to purchase cannabis
44 items pursuant to section 44 of P.L. , c. (C.) (pending
45 before the Legislature as this bill): for a first offense, a civil
46 penalty of \$100; for a second offense, a civil penalty of \$200; and
47 for a third or subsequent offense, a fine of \$350. The civil penalties
48 provided for in this subparagraph shall be collected pursuant to the

1 “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10
2 et seq.), in a summary proceeding before the municipal court having
3 jurisdiction. A penalty recovered under the provisions of this
4 subparagraph shall be recovered by and in the name of the
5 municipality.

6 (b) If the cannabis item possessed is an amount that exceeds
7 what may be lawfully possessed by a person of the legal age to
8 purchase cannabis items pursuant to section 44 of P.L. _____,
9 c. (C. _____) (pending before the Legislature as this bill), or if any
10 cannabis item is consumed: for a first offense, a fine of \$250; and
11 for a second or subsequent offense, a fine of \$350.

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

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

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

41 If the person convicted under such an ordinance is not a New
42 Jersey resident, the court shall suspend or postpone, as appropriate,
43 the non-resident driving privilege of the person based on the age of
44 the person and submit to the **【division】 commission** the required
45 report. The court shall not collect the license of a non-resident
46 convicted under this section. Upon receipt of a report by the court,

1 the **【division】** commission shall notify the appropriate officials in
2 the licensing jurisdiction of the suspension or postponement.

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

9 (2) As used in this section:

10 “Alcoholic beverage” includes powdered alcohol as defined by
11 R.S.33:1-1.

12 “Guardian” means a person who has qualified as a guardian of
13 the underaged person pursuant to testamentary or court
14 appointment.

15 “Cannabis items” includes any item available for lawful
16 consumption pursuant to the “New Jersey Cannabis Regulatory,
17 Enforcement Assistance, and Marketplace Modernization Act,”
18 P.L. , c. (C.) (pending before the Legislature as this bill).

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

21 d. No ordinance shall prohibit possession of alcoholic
22 beverages by any such person while actually engaged in the
23 performance of employment by a person who is licensed under Title
24 33 of the Revised Statutes, or while actively engaged in the
25 preparation of food while enrolled in a culinary arts or hotel
26 management program at a county vocational school or **【post**
27 **secondary】** post-secondary educational institution, and no
28 ordinance shall prohibit possession of cannabis items by any such
29 person while actually engaged in the performance of employment
30 by a cannabis establishment, distributor, or delivery service as
31 permitted pursuant to the “New Jersey Cannabis Regulatory,
32 Enforcement Assistance, and Marketplace Modernization Act,”
33 P.L. , c. (C.) (pending before the Legislature as this bill);
34 however, no ordinance enacted pursuant to this section shall be
35 construed to preclude the imposition of a penalty under this section,
36 R.S.33:1-81, or any other section of law against a person who is
37 convicted of unlawful alcoholic beverage activity or unlawful
38 cannabis activity on or at premises licensed for the sale of alcoholic
39 beverages or cannabis items.

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

41

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

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

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

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

3 2. a. An underage person and one or two other persons shall be
4 immune from prosecution under an ordinance authorized by section
5 1 of P.L.2000, c.33 (C.40:48-1.2) prohibiting any person under the
6 legal age who, without legal authority, knowingly possesses or
7 knowingly consumes an alcoholic beverage or cannabis item on
8 private property if:

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

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

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

18 (4) the underage person and, if applicable, one or two other
19 persons acting in concert with the underage person who made the 9-
20 1-1 call remained on the scene with the person under the legal age
21 in need of medical assistance until assistance arrived and
22 cooperated with medical assistance and law enforcement personnel
23 on the scene.

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

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

29

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

32 2. a. The municipal court shall order any person who, after
33 being arrested for a violation of R.S.39:4-50 or section 1 of
34 P.L.1992, c.189 (C.39:4-50.14), refuses to submit, upon request, to
35 a test provided for in section 2 of P.L.1966, c.142 (C.39:4-50.2):

36 (1) if the refusal was in connection with a first offense under this
37 section, to forfeit the right to operate a motor vehicle over the
38 highways of this State until the person installs 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 (2) if the refusal was in connection with a second offense under
44 this section, to forfeit the right to operate a motor vehicle over the
45 highways of this State for a period of not less than one year or more
46 than two years following the installation of an ignition interlock
47 device in one motor vehicle owned, leased, or principally operated
48 by the person, whichever the person most often operates, for the

1 purpose of complying with the provisions of P.L.1999, c.417
2 (C.39:4-50.16 et al.);

3 (3) if the refusal was in connection with a third or subsequent
4 offense under this section, to forfeit the right to operate a motor
5 vehicle over the highways of this State for a period of eight years
6 following the installation of an ignition interlock device in one
7 motor vehicle owned, leased, or principally operated by the person,
8 whichever the person most often operates, for the purpose of
9 complying with the provisions of P.L.1999, c.417 (C.39:4-50.16 et
10 al.). A conviction or administrative determination of a violation of
11 a law of a substantially similar nature in another jurisdiction,
12 regardless of whether that jurisdiction is a signatory to the Interstate
13 Driver License Compact pursuant to P.L.1966, c.73 (C.39:5D-1 et
14 seq.), shall constitute a prior conviction under this section.

15 The municipal court shall determine by a preponderance of the
16 evidence whether the arresting officer had probable cause to believe
17 that the person had been driving or was in actual physical control of
18 a motor vehicle on the public highways or quasi-public areas of this
19 State while the person was under the influence of intoxicating
20 liquor or a narcotic, hallucinogenic, or habit-producing drug, or
21 marijuana or cannabis item as defined in section 3 of P.L. _____,
22 c. (C. _____) (pending before the Legislature as this bill); whether
23 the person was placed under arrest, if appropriate, and whether he
24 refused to submit to the test upon request of the officer; and if these
25 elements of the violation are not established, no conviction shall
26 issue. In addition to any other requirements provided by law, a
27 person whose operator's license is revoked for refusing to submit to
28 a test shall be referred to an Intoxicated Driver Resource Center
29 established by subsection (f) of R.S.39:4-50 and shall satisfy the
30 same requirements of the center for refusal to submit to a test as
31 provided for in section 2 of P.L.1966, c.142 (C.39:4-50.2) in
32 connection with a first, second, third or subsequent offense under
33 this section that must be satisfied by a person convicted of a
34 commensurate violation of this section, or be subject to the same
35 penalties as such a person for failure to do so. For a first offense,
36 the revocation may be concurrent with or consecutive to any
37 revocation imposed for a conviction under the provisions of
38 R.S.39:4-50 arising out of the same incident. For a second or
39 subsequent offense, the revocation shall be consecutive to any
40 revocation imposed for a conviction under the provisions of
41 R.S.39:4-50. In addition to issuing a revocation, the municipal
42 court shall fine a person convicted under this section, a fine of not
43 less than \$300 or more than \$500 for a first offense; a fine of not
44 less than \$500 or more than \$1,000 for a second offense; and a fine
45 of \$1,000 for a third or subsequent offense.

46 b. (Deleted by amendment, P.L.2019, c.248)
47 (cf: P.L.2019, c.248, s.3)

1 76. Section 1 of P.L.1983, c.307 (C.39:4-51a) is amended to
2 read as follows:
3 1. a. A person shall not consume an alcoholic beverage or
4 cannabis item as defined in section 3 of P.L. , c. (C.)
5 (pending before the Legislature as this bill) while operating a motor
6 vehicle. A passenger in a motor vehicle shall not consume an
7 alcoholic beverage, and shall not consume by means of smoking,
8 vaping, or aerosolizing a cannabis item, while the motor vehicle is
9 being operated. This subsection shall not apply, with respect to the
10 consumption of an alcoholic beverage, to a passenger of a charter or
11 special bus operated as defined under R.S.48:4-1 or a limousine
12 service.
13 b. A person shall be presumed to have consumed an alcoholic
14 beverage in violation of this section if an unsealed container of an
15 alcoholic beverage is located in the passenger compartment of the
16 motor vehicle, the contents of the alcoholic beverage have been
17 partially consumed and the physical appearance or conduct of the
18 operator of the motor vehicle or a passenger may be associated with
19 the consumption of an alcoholic beverage. For the purposes of this
20 section, the term "unsealed" shall mean a container with its original
21 seal broken, or a container such as a glass or cup.
22 c. For the first offense, a person convicted of violating this
23 section shall be fined **[\$200.00]** \$200 and shall be informed by the
24 court of the penalties for a second or subsequent violation of this
25 section. For a second or subsequent offense, a person convicted of
26 violating this section shall be fined **[\$250.00]** \$250 or shall be
27 ordered by the court to perform community service for a period of
28 10 days in such form and on such terms as the court shall deem
29 appropriate under the circumstances.
30 (cf: P.L.1999, c.356, s.20)

31
32 77. Section 6 of P.L.2000, c.83 (C.39:4-51b) is amended to read
33 as follows:
34 6. a. All occupants of a motor vehicle located on a public
35 highway, or the right-of-way of a public highway, shall be
36 prohibited from possessing any open or unsealed alcoholic beverage
37 container or unsealed cannabis item as defined in section 3 of
38 P.L. , c. (C.) (pending before the Legislature as this bill)
39 that is intended to be consumed by means of smoking, vaping, or
40 aerosolizing. This subsection shall not apply, with respect to the
41 possession of an alcoholic beverage, to a passenger of a charter or
42 special bus operated as defined under R.S.48:4-1 or a limousine
43 service.
44 b. A person shall not be deemed to be in possession of an
45 opened or unsealed alcoholic beverage container or unsealed
46 cannabis item pursuant to this section if such container or unsealed
47 cannabis item is located in the trunk of a motor vehicle, behind the
48 last upright seat in a trunkless vehicle, or in the living quarters of a

1 motor home or house trailer. For the purposes of this section, the
2 term "open or unsealed" shall mean **[a]** an alcoholic beverage
3 container with its original seal broken, or a container or package
4 that is not the original container or package such as a glass **[or]** ,
5 cup, box, bag, or wrapping.

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

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

15

16 78. This act shall take effect as follows:

17 a. (1) Sections 1 through 18, 31 and 32, 38 through 43, 51
18 through 56, and 69 through 74 shall take effect immediately; and

19 (2) Sections 19 through 30, 33 through 37, 44 through 50, 57
20 through 68, and 75 through 77 shall take effect immediately, but
21 shall only become operative upon adoption of the commission's
22 initial rules and regulations pursuant to subparagraph (a) of
23 paragraph (1) of subsection d. of section 6 of P.L. , c. (C.)
24 (pending before the Legislature as this bill).

25 b. The Attorney General, State Treasurer, Commissioner of
26 Health, Commissioner of Banking and Insurance, and the
27 Administrative Director of the Courts, and once constituted and
28 organized, the Cannabis Regulatory Commission, may take such
29 anticipatory administrative action as may be necessary to effectuate
30 the provisions of P.L. , c. (C.) (pending before the
31 Legislature as this bill).

32

33

34

STATEMENT

35

36 This bill, titled the "New Jersey Cannabis Regulatory, Enforcement
37 Assistance, and Marketplace Modernization Act," primarily concerns
38 the development, regulation, and enforcement of activities associated
39 with the personal use, by persons 21 years of age or older, of legal
40 cannabis or cannabis resin (the terms provided to distinguish the
41 legalized products from unlawful marijuana or hashish). This would
42 be accomplished through the expansion of the scope and duties of the
43 Cannabis Regulatory Commission, created by P.L.2019, c.153
44 (C.24:6I-5.1 et al.) to oversee the State's medical cannabis program,
45 which is primarily set forth in the "Jake Honig Compassionate Use
46 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.).

47

Cannabis Regulatory Commission

1 With respect to the personal use of cannabis, the general duties,
2 functions, and powers of the commission would include:

3 (1) Regulating the purchase, sale, production, processing,
4 packaging, transportation, and delivery of cannabis items – a broadly
5 defined term which incorporates all cannabis, cannabis resin, cannabis
6 products, and cannabis extracts;

7 (2) Granting, refusing, suspending, revoking, cancelling, or
8 otherwise limiting licenses or conditional licenses for the production,
9 processing, warehousing, transportation, sale, and delivery of cannabis
10 items. As further detailed below with respect to licensing activities, a
11 “conditional license” is a type of license that would be issued by the
12 commission pursuant to an abbreviated application process, after
13 which the conditional license holder has a limited period of time in
14 which to become fully licensed by satisfying all of the remaining
15 conditions for full licensure which were not required for the issuance
16 of the conditional license;

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

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

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

25 The commission’s Office of Minority, Disabled Veterans, and
26 Women Medical Cannabis Business Development would be re-titled
27 by removing the reference to “medical,” and this office would
28 establish and administer, under the direction of the commission,
29 unified practices and procedures for promoting participation in the
30 lawful operation of personal use cannabis businesses by persons from
31 socially and economically disadvantaged communities, including by
32 prospective and existing minority owned and women’s owned
33 businesses, as these terms are defined in section 2 of P.L.1986, c.195
34 (C.52:27H-21.18), and disabled veterans’ businesses as defined in
35 section 2 of P.L.2015, c.116 (C.52:32-31.2), which could be licensed
36 as personal use cannabis growers, processors, wholesalers,
37 distributors, retailers, delivery services, or testing facilities under the
38 bill. These unified practices and procedures would include a business’
39 certification and subsequent recertification at regular intervals as a
40 minority owned or women’s owned business, or a disabled veterans’
41 business, in accordance with eligibility criteria and a certification
42 application process established by the commission in consultation with
43 the office.

44 The effectiveness of the office’s methods would be measured by
45 whether the office’s actions resulted in not less than 30 percent of the
46 total number of cannabis licenses issued by the commission being
47 issued to businesses certified by the office; their effectiveness would
48 be further assessed by considering whether the actions resulted in not

1 less than 15 percent of licenses being issued to certified minority
2 owned businesses, and not less than 15 percent of licenses being issued
3 to certified women's owned and disabled veterans' businesses. The
4 office, in support of these efforts, would conduct advertising and
5 promotional campaigns, as well as sponsor seminars and informational
6 programs, directed toward those persons and prospective and existing
7 certified businesses, which would address personal use cannabis
8 business management, marketing, and other practical business matters.

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

11 The members of the five-person commission and all commission
12 employees would be subject to ethical and conflicts-of-interest
13 restrictions concerning the regulation of personal use cannabis,
14 addressing activities engaged in prior to, during, and following service
15 with the commission. For instance, a person generally could not be an
16 appointed member or employee of the commission if, during the
17 period commencing three years prior to appointment or employment,
18 the person held any direct or indirect interest in, or any employment
19 by, a holder of or applicant for a personal use cannabis license, unless
20 the person's prior interest would not, in the opinion of the commission,
21 interfere with the person's obligations of appointment or employment;
22 and generally, for a period of two years commencing from the date
23 that a member's or employee's service terminates, that former member
24 or employee would not be permitted to hold any direct or indirect
25 interest in, or any employment by, a holder of or applicant for a
26 cannabis license (this two-year post-service restriction would not apply
27 to secretarial or clerical employees).

28 The bill also expands the "New Jersey Conflicts of Interest Law,"
29 P.L.1971, c.182 (C.52:13D-12 et seq.), as well as the scope of the
30 Code of Ethics promulgated by the commission, which applies to all
31 commission members and employees with respect to medical cannabis
32 licensing and other activities, and incorporates similar provisions to
33 address personal use cannabis licensing and other activities. Per the
34 existing law, all members and employees would be prohibited from
35 using any official authority to interfere with or affect the result of an
36 election or nomination for office, coerce or advise any person to
37 contribute anything of value to another person or organization for
38 political purposes, or take active part in any political campaign. For
39 the commission members, the executive director of the commission,
40 and any other employee holding a supervisory or policy-making
41 management position, the law also provides a prohibition on making
42 any political contributions to candidates or campaigns, as that term is
43 defined in "The New Jersey Campaign Contributions and Expenditures
44 Reporting Act," P.L.1973, c.83 (C.19:44A-1 et seq.).

45 The "New Jersey Conflicts of Interest Law," P.L.1971, c.182
46 (C.52:13D-12 et seq.), is also amended to establish restrictions on
47 various State officers or employees, the Governor and full-time
48 professionals employed in the Governor's Office, full-time members

1 of the Judiciary, and various municipal officers in which licensed or
2 permitted personal use cannabis entities are located. These restrictions
3 concern not only their own activities, but the activities of their
4 associated partnerships, firms, or corporations, and their family
5 members in connection with either employment or another interest in,
6 or representation of, current license holders or applicants. The
7 restrictions are similar to the restrictions on these people and
8 businesses under the current law concerning casino and medical
9 cannabis licensees and applicants, and casino-related and medical
10 cannabis activities, and include a general prohibition on employment,
11 representation, appearance for, or negotiation on behalf of, any license
12 holder or applicant in connection with any cause, application, or
13 matter, and these restrictions can carry over into the post-employment
14 or post-service period following the departure of a person from State
15 or local employment or office.

16 As per existing law, the ethical and conflicts-of-interest restrictions
17 would be enforced by the State Ethics Commission, and any person
18 found to have committed a violation would be subject to a civil penalty
19 of not less than \$500 or more than \$10,000. Additionally, any willful
20 violation of the restrictions similar to the restrictions concerning
21 casino and medical cannabis licensees and applicants that are
22 applicable to the above State or municipal elected, appointed, or
23 employed persons, their associated partnerships, firms, or
24 corporations, and their family members, would be considered a
25 disorderly persons offense, punishable by a term of imprisonment of
26 up to six months, a fine of up to \$1,000, or both.

27 If a license holder or applicant for a license commits a violation
28 involving a commission member or employee with respect to the
29 above described pre-service activities, activities during service, or
30 post-service activities, that license holder or applicant could have their
31 license revoked or suspended, or application denied by the
32 commission.

33 Licensing of Cannabis Businesses; Updating Certain Medical
34 Cannabis Alternative Treatment Centers' Permitted Operations

35 The bill would establish six "marketplace" classes of licensed
36 businesses: a Class 1 Cannabis Grower license, for facilities involved
37 in growing and cultivating cannabis; a Class 2 Cannabis Processor
38 license, for facilities involved in the manufacturing, preparation, and
39 packaging of cannabis items; a Class 3 Cannabis Wholesaler license,
40 for facilities involved in obtaining and selling cannabis items for later
41 resale by other licensees; a Class 4 Cannabis Distributor license, for
42 businesses involved in transporting cannabis items in bulk intrastate,
43 from one licensed cannabis establishment to another; a Class 5
44 Cannabis Retailer license, for locations at which cannabis items and
45 paraphernalia are sold to consumers; and a Class 6 Cannabis Delivery
46 license, for business providing courier services for a licensed
47 cannabis retailer in order to make deliveries of cannabis items and
48 related supplies to a consumer.

1 Except with respect to an initial period in which the number of
2 cannabis grower licenses would be capped, as further explained below,
3 the commission would determine the maximum number of licenses for
4 each class based upon market demands, and would be authorized to
5 make requests for new license applications as it deemed necessary to
6 meet those demands.

7 The commission would be responsible for reviewing each
8 application for a full, annual license, or application for a conditional
9 license, intended to be issued and then subsequently replaced with a
10 full license. Applications would be scored and reviewed based upon a
11 point scale with the commission determining the amount of points, the
12 point categories, and system of point distribution by regulation, subject
13 to some required criteria for consideration in the point scale, such as
14 an analysis of an applicant's: operating plan; environmental plan; and
15 safety and security plans. This point system could be adjusted, or a
16 separate point system used for any application for which a conditional
17 license is sought. Further, in ranking applications, in addition to the
18 awarding of points, the commission would prioritize applications for
19 licensure using two other factors.

20 One prioritizing factor would be based on "impact zones," which
21 are identified under the bill as any municipality that: (1) has a
22 population of 120,000 or more according to the most recently
23 compiled federal decennial census as of the bill taking effect; or (2)
24 ranks in the top 40 percent of municipalities in the State for small
25 amount marijuana possession arrests in the calendar year next
26 preceding the bill taking effect; has a crime index total of 825 or
27 higher based upon the indexes listed in the most recently issued annual
28 Uniform Crime Report by the Division of State Police, as of the bill
29 taking effect; and has an annual average unemployment rate that ranks
30 in the top 15 percent of all municipalities in the State in the calendar
31 year next preceding the bill taking effect. Concerning applications
32 involving impact zones, the commission would not only prioritize
33 applications for at least two licensed businesses in such zones, but
34 would also prioritize applications: that included a person who is a
35 current resident of an impact zone and had resided therein for three or
36 more consecutive years at the time of making the application (to the
37 extent possible the commission would grant at least 25 percent of the
38 total licenses issued, regardless of license class and location of the
39 business, to such applicants); or that included a plan to employ 25
40 percent of employees who reside in an impact zone.

41 The second prioritization would be based upon a point system used
42 to rank applications, which gave higher rankings to an applicant which
43 included an in-State resident of at least five years who was a
44 "significantly involved person," being someone who holds at least a
45 five percent investment interest or is a member of a group who holds
46 at least a 20 percent investment interest and would have authority to
47 make controlling decisions about the cannabis business, or an
48 applicant that met one of the following conditions for its labor

1 environment: being a party to a collective bargaining agreement with a
2 labor organization that currently represents, or is actively seeking to
3 represent, cannabis workers in New Jersey; being a party to a
4 collective bargaining agreement with a labor organization that
5 currently represents cannabis workers in another state; submitting an
6 attestation affirming that the applicant will use best efforts to utilize
7 building trades labor organizations in the construction or retrofit of
8 the facilities associated with the cannabis establishment or distributor;
9 or submitting an attestation affirming that they have a project labor
10 agreement, or will utilize a project labor agreement, which is a form
11 of pre-hire collective bargaining agreement covering terms and
12 conditions, including labor issues and worker grievances, associated
13 with any applicable project.

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

20 In accordance with the bill, at least 35 percent of the total licenses
21 issued for each class would be conditional licenses. Either a full
22 license or conditional license would only be issued for applications
23 which presented an ownership structure that included an in-State
24 resident of at least two years who was a “significantly involved
25 person.” Another requirement, applicable only to a conditional
26 license, would be that the significantly involved person and any other
27 person with a financial interest who also has decision making authority
28 for a proposed cannabis business could only have, for the immediately
29 preceding taxable year, an adjusted gross income of no more than
30 \$200,000 or no more than \$400,000 if filing jointly with another. For
31 purposes of calculating the 35 percent figure for conditional licenses,
32 the figure would include any conditional license issued to an applicant
33 that was subsequently replaced with a full, annual license (which
34 process is further detailed below).

35 Additionally, at least 10 percent of the total licenses issued for
36 each license class, and at least 25 percent of the overall total number of
37 licenses issued would be designated for and only issued to
38 “microbusinesses.” A microbusiness is described in the bill as
39 employing no more than 10 employees, and: possessing no more than
40 1,000 cannabis plants each month, except that a cannabis distributor’s
41 possession of cannabis plants for transportation would not be subject
42 to this limit; operating an establishment occupying an area of no more
43 than 2,500 square feet, and in the case of a cannabis grower, growing
44 on an area no more than 2,500 square feet measured on a horizontal
45 plane and growing above that plane not higher than 24 feet; in the case
46 of a cannabis processor, acquiring and processing no more than 1,000
47 pounds of cannabis in dried form each month; in the case of a cannabis
48 wholesaler, acquiring for resale no more than 1,000 pounds of

1 cannabis in dried form, or the equivalent amount in any other form, or
2 any combination thereof, each month; and in the case of a cannabis
3 retailer, acquiring for retail sale no more than 1,000 pounds of
4 cannabis in dried form, or the equivalent amount in any other form, or
5 any combination thereof, each month. For this subset of the five
6 classes of cannabis businesses, 100 percent of the ownership would
7 have to involve New Jersey residents who have resided in the State for
8 at least two years.

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

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

26 Any applicant for a license or conditional license would have to
27 provide proof for each person with any investment interest as being 21
28 years of age or older, and each of the following persons associated
29 with the cannabis business for which licensure is sought would be
30 subject to a criminal history record background check: any owner,
31 other than an owner who holds less than a five percent investment
32 interest or who is a member of a group that holds less than a 20
33 percent investment interest, and who has no authority for making
34 controlling business decisions; any director; any officer; and any
35 employee. With respect to qualification or disqualification for
36 licensure based on the background check, the commission would be
37 prohibited from considering any convictions for an offense that
38 occurred prior to the bill's effective date involving the manufacturing,
39 distribution or possession with intent to distribute, less than five
40 pounds of marijuana or less than one pound of hashish, or simple
41 possession of any amount of marijuana or hashish, whether convicted
42 under the laws of this or another state, or under federal law, or any
43 other prior conviction, unless less than five years have passed since
44 convicted, or since completing probation, parole, or a term of
45 imprisonment, and the conviction involved fraud, deceit,
46 embezzlement, employing a minor in a drug distribution scheme, or
47 some other conviction "substantially related to the qualifications,
48 functions, or duties for which the license is required," as determined

1 by the commission. Such a conviction would not be an automatic
2 disqualifier, as the commission would still have the authority to issue a
3 license or conditional license to an applicant which included a person
4 with a “substantially related” conviction, after examining the nature of
5 the offense associated with the conviction, the circumstances at the
6 time of committing the offense, and evidence of rehabilitation since
7 conviction.

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

20 With respect to the application for a conditional license, the
21 commission would complete an expedited review for approval or
22 denial within 30 days, unless the commission determined that more
23 time is required. If approved, a conditional license would be issued by
24 the commission not later than 30 days after it gave notice of the
25 approval, unless the applicant was subsequently found to not be in
26 compliance with relevant regulations or local regulating ordinances
27 applicable to conditionally licensed operations. The applicant would
28 not need to be in compliance with every aspect of the regulatory
29 requirements expected for full licensure in order to obtain a
30 conditional license, but would need to provide sufficient plans for
31 actions to be taken to eventually achieve compliance for full licensure.
32 During a 120-day period following issuance of the conditional license,
33 which period could be extended for an additional period of up to 45
34 days at the discretion of the commission, if it determined that the
35 conditional licensee was in compliance with all plans and other
36 measures necessary to achieve full licensure, it would replace the
37 conditional license with a full, annual license, dated to expire one year
38 from its date of issuance and which could be subsequently renewed; if
39 the conditional licensee was not in compliance as needed for full
40 licensure, the conditional license would automatically expire at the end
41 of the 120-day (or extended) review period.

42 Additionally, the bill would create a license for cannabis testing
43 facilities, which could test samples of both personal use cannabis and
44 medical cannabis products for compliance with health, safety, and
45 potency standards. The above described licensing efforts developed
46 by the Office of Minority, Disabled Veterans, and Women Cannabis
47 Business Development designed to promote the formulation and
48 participation in the lawful operation of cannabis businesses by persons

1 from socially and economically disadvantaged communities would
2 apply to the licensing of testing facilities. The bill would also permit
3 laboratories newly licensed to test batches of medical cannabis
4 products pursuant to section 25 of P.L.2019, c.153 (C.24:6I-18) to
5 also test personal use cannabis products. Any existing laboratory
6 licensed only to test batches of medical cannabis products would be
7 authorized to test personal use cannabis products under an existing
8 license, if the laboratory certifies to the commission that its facility,
9 and the condition and calibration of any equipment used for testing
10 meet the commission's new accreditation requirements for licensure
11 as a personal use cannabis testing facility.

12 Finally, concerning any alternative treatment center that was
13 issued a permit prior to the effective date of P.L.2019, c.153
14 (C.24:6I-5.1 et al.), any such center would be permitted to cultivate
15 from up to two physical locations, provided that the alternative
16 treatment center's combined mature cannabis plant grow canopy
17 between both locations shall not exceed 150,000 square feet of
18 bloom space or the square footage of canopy permitted under the
19 largest tier in the tiered system adopted by the commission pursuant
20 to paragraph (2) of subsection b. of section 21 of P.L. ,
21 c. (C.) (pending before the Legislature as this bill).

22 Certification of Cannabis Handlers

23 In addition to the above described licensing requirements, any
24 individual who performed work for or on behalf of any class of
25 licensee (or conditional licensee) would need to have a valid
26 certification issued by the commission, in order to participate in: the
27 possession, securing, or selling of cannabis items at the licensed
28 premises; the recording of the possession, securing, or selling of
29 cannabis items at that premises; or the transportation of cannabis items
30 to and from licensed establishments, or home delivery of cannabis
31 items and related supplies to a retail consumer. The commission could
32 require that anyone applying for a handler certification successfully
33 complete a one-time course which provides training on checking
34 identification, detecting intoxication, the proper handling of cannabis
35 items, and statutory and regulatory provisions relating to cannabis. A
36 person seeking a certification would also be subject to a criminal
37 history record background check, and subject to the same potential
38 disqualifying standards as applicable to applicants for licenses.

39 Transition to Full Legal Market for Cannabis Items

40 Within 180 days after the bill is signed into law, or within 45 days
41 of all five members of the commission being duly appointed in
42 accordance with the appointment process set forth in paragraph (2) of
43 subsection b. of section 31 of P.L.2019, c.153 (C.24:6I-24),
44 whichever date is later (at present the initial appoint process is not
45 complete), and after consultation with the Attorney General, State
46 Treasurer, Commissioner of Health, and Commissioner of Banking
47 and Insurance, the commission would, upon filing proper notice with
48 the Office of Administrative Law, and notwithstanding the provisions

1 of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1
2 et seq.), immediately adopt rules and regulations it prepared that are
3 necessary and proper to enable it to carry out the commission’s duties,
4 functions, and powers with respect to activities associated with the
5 personal use of cannabis or cannabis resin. These initial rules and
6 regulations would be in effect for a period not to exceed one year after
7 the date of filing, and thereafter be adopted, amended, or readopted,
8 and any subsequent rules and regulations adopted, amended, or
9 readopted, in accordance with the “Administrative Procedure Act.”

10 The commission would begin accepting and processing
11 applications for licenses and conditional licenses within 30 days after
12 the commission’s initial rules and regulations have been adopted.
13 Also, at the time of initial adoption, provisions of the bill concerning
14 the lawful operations of licensed cannabis growers, processors,
15 wholesalers, distributors, retailers, and delivery services would
16 become operative to permit those cannabis businesses issued licenses
17 by the commission to commence work in growing, cultivating,
18 processing, packaging, and transporting cannabis and cannabis items
19 for future retail sales, which would not yet be authorized by licensed
20 cannabis retailers.

21 Also becoming operative at this time would be provisions which
22 would deem the following medical cannabis alternative treatment
23 centers to either concurrently hold a Class 1 Cannabis Grower license,
24 a Class 2 Cannabis Processor license, and a Class 5 Cannabis Retailer
25 license (and any of their satellite dispensaries would also be deemed to
26 hold a Class 5 retailer license), or alternatively to hold only a Class 3
27 Cannabis Wholesaler license:

28 - any alternative treatment center that was issued a permit prior
29 to the effective date of the 2019 medical cannabis reform and
30 expansion by P.L.2019, c.153 (C.24:6I-5.1 et al.), or any alternative
31 treatment center that was issued a permit subsequent to that act’s
32 effective date pursuant to an application submitted prior to that
33 effective date;

34 - the one alternative treatment center, out of four, issued a permit
35 pursuant to an application submitted after the effective date of
36 P.L.2019, c.153 (C.24:6I-5.1 et al.) based on a request for applications
37 published in the New Jersey Register prior to that effective date, that is
38 expressly exempt, pursuant to subsection a. of section 11 of
39 P.L.2019, c.153 (C.24:6I-7.1), from statutory provisions prohibiting
40 the holding of concurrent medical cannabis permits, and this
41 alternative treatment center was deemed pursuant to section 7 of
42 P.L.2009, c.307 (C.24:6I-7) to concurrently hold more than one such
43 permit; and

44 - the one other alternative treatment center, out of three, issued a
45 permit pursuant to an application submitted on or after the effective
46 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that is expressly
47 exempt, pursuant to subsection a. of section 11 of P.L.2019,
48 c.153 (C.24:6I-7.1), from statutory provisions prohibiting the

1 holding of concurrent medical cannabis permits, and this other
2 alternative treatment center was deemed pursuant to section 7 of
3 P.L.2009, c.307 (C.24:6I-7) to concurrently hold more than one such
4 permit.

5 However, any such alternative treatment center deemed to have
6 cannabis licenses, directly or through a satellite dispensary, could not
7 engage in any preparatory work to incorporate personal use cannabis
8 items into its operations, and thus simultaneously function as personal
9 use cannabis businesses, until it submitted written approval to the
10 commission to operate as one or more classes of a cannabis business,
11 received from the municipality in which the business is to be located,
12 and the commission in turn issues an actual license or licenses.

13 Notwithstanding the date determined by the commission to be the
14 first date on which cannabis retailers issued licenses and conditional
15 licenses begin retail sales of personal use cannabis items, discussed
16 below, an alternate treatment center with a locally approved Class 5
17 Retailer license could begin to engage in the retail sale of cannabis
18 items on any date after the date that the commission adopts its initial
19 rules and regulations, and could be legally consumed by persons 21
20 years of age or older, so long as it has certified to the commission, and
21 to the municipality in which it is located and intends to engage in retail
22 sales, that it has sufficient quantities of medical cannabis and medical
23 cannabis products available to meet the reasonably anticipated need of
24 registered qualifying patients.

25 Prior to and during this transition phase leading up to eventual
26 retail sales of cannabis items, every municipality would have the
27 option to authorize and regulate the times of operation, place, manner,
28 and number of licensed cannabis businesses operating within its
29 jurisdiction, in a manner consistent with the bill's regulation of such
30 businesses. Alternatively, but only during a 180-day period following
31 the bill's enactment, a municipality could enact an ordinance to
32 prohibit such operations by any one or more classes of business, other
33 than business operations by a cannabis delivery service making
34 deliveries to consumers. Only an ordinance to prohibit operations by
35 one or more license classes enacted pursuant to the specific authority
36 to do so by the bill would be valid and enforceable; any ordinance
37 enacted prior to the bill's effective date addressing the issue of
38 prohibition within the jurisdiction of a municipality would be null and
39 void, and that municipality could only prohibit the operation of one or
40 more classes of cannabis business by enactment of a new ordinance in
41 accordance with the bill's provisions.

42 The failure of a municipality to timely enact an ordinance
43 prohibiting such operations would result in any class of cannabis
44 business that is not prohibited from operating within the local
45 jurisdiction as being permitted to operate therein for a period of five
46 years as follows: the growing, cultivating, processing, and selling and
47 reselling, and transporting of cannabis and cannabis items by a
48 cannabis grower, cannabis processor, cannabis wholesaler, or cannabis

1 distributor would be permitted uses in all industrial zones of the
2 municipality; and the selling of cannabis items to consumers from a
3 retail store by a cannabis retailer would be a conditional use in all
4 commercial zones or retail zones, subject to meeting the conditions set
5 forth in any applicable zoning ordinance or receiving a variance from
6 one or more of those conditions in accordance with the “Municipal
7 Land Use Law,” P.L.1975, c.291 (C.40:55D-1 et seq.). At the end of
8 any five-year period following a failure to enact a local ordinance, the
9 municipality could revisit the issue of prohibition, but any ordinance
10 would be prospective only and not apply to any cannabis business
11 already operating within the local jurisdiction subject to the ordinance.

12 If a municipality allowed the operation of cannabis businesses, a
13 copy of each license application submitted to the commission for a
14 business to be located within that local jurisdiction would be provided
15 to the municipality, which in turn would inform the commission
16 whether the application complies with its local regulatory scheme, and
17 the local review could be the basis for a denial of an application if it is
18 not in compliance.

19 Lastly, during the transition phrase when applications are being
20 processed and licensed cannabis businesses starting operations or
21 medical alternative treatment centers starting preparatory work or
22 actually incorporating personal use cannabis items into their
23 operations, the commission would determine the first date on which
24 cannabis retailers issued licenses and conditional licenses may begin
25 retail sales of personal use cannabis items. This date would be no
26 more than 180 days after the adoption of the commission’s initial rules
27 and regulations, and the commission would provide at least 30 days’
28 notice of the date to every licensed cannabis establishment and
29 alternative treatment center deemed to be a licensed cannabis
30 establishment, even if that center was already engaging in retail sales.
31 On that date and thereafter, legal retail sales and consumption of
32 personal use cannabis items sold by licensed cannabis retailers would
33 begin.

34 Once retail sales by licensed cannabis retailers have begun, there
35 would be a limitation, for a period of 18 months, on the number and
36 classes of licenses any one licensee could hold. During this time, the
37 bill would not permit a licensed grower, processor, wholesaler,
38 distributor, or delivery service to also be a licensed retailer, and vice
39 versa, plus a grower or processor could only concurrently hold two
40 licenses (either another grower or processor license), and a wholesaler
41 would be limited to just the one wholesaler license; these restrictions
42 would not apply to a medical alternative treatment center deemed to
43 concurrently possess one of each type of cannabis license class as
44 described above. Additionally, throughout this 18-month period, the
45 commission would not allow more than 28 cannabis growers to be
46 simultaneously licensed and engaging in personal use cannabis
47 activities, which number would include any alternative treatment

1 centers deemed to be licensed as cannabis growers who are issued
2 licenses by the commission.

3 Following the 18-month period, a license holder could hold:

4 - a Class 1 Cannabis Grower license, a Class 2 Cannabis
5 Processor license, and a Class 5 Cannabis Retailer license
6 concurrently, provided that no license holder would be authorized
7 to concurrently hold more than one license of each class, except for
8 an alternative treatment center that was deemed, during the 18-
9 month period, to have an additional Class 5 Cannabis Retailer
10 license for each satellite dispensary as described above; or

11 - a Class 3 Cannabis Wholesaler license; in no case could a
12 holder of a Class 3 Cannabis Wholesaler license concurrently hold a
13 license of any other class of listed above.

14 Concerning the above described alternative treatment centers
15 deemed from the onset to hold cannabis licenses and actually issued
16 licenses based upon local approval, after a period no greater than one
17 year from the date that retail sales by licensed cannabis retailers have
18 begun, all such centers, in order to continue their operations
19 concerning personal use cannabis, would be required to submit a
20 certification, prior to the date that a cannabis license was set to expire,
21 as to the continued material accuracy of their previously approved
22 medical permit application to either the Department of Health or the
23 commission, and their compliance with the provisions of this bill as
24 required by the commission. The certification would also need to be
25 supported by a new written approval from the municipality in order for
26 the commission to renew a license for continued personal use
27 operations.

28 Cannabis Consumption Areas

29 A licensed cannabis retailer, medical cannabis dispensary or
30 clinical registrant properly permitted, or an alternative treatment center
31 that has a permit to dispense medical cannabis pursuant to the “Jake
32 Honig Compassionate Use Medical Cannabis Act,” may apply to the
33 commission seeking an endorsement to operate a cannabis
34 consumption area at which the on-premises consumption of personal
35 use or medical cannabis could occur. Along with the commission’s
36 endorsement, the municipality in which the consumption area would
37 operate would also review the application and have to provide a local
38 endorsement.

39 An endorsed cannabis retailer could only allow the consumption of
40 personal use cannabis at its consumption area. Any other endorsed
41 party involved in the medical cannabis marketplace could only allow
42 the consumption of medical cannabis at its consumption area, unless it
43 was also deemed during the transition period to the legal cannabis
44 market (see above) to have one or more Class 5 Cannabis Retailer
45 licenses and was actually issued such a license or licenses, or had
46 otherwise been issued such a license by the commission, in which case
47 both personal use and medical cannabis could be consumed.

1 An on-premises consumption area could either be indoors or
2 outdoors. An indoor consumption area would be a structurally
3 enclosed area within a cannabis retailer, medical cannabis dispensary,
4 clinical registrant facility, or alternative treatment center that is
5 separated by solid walls or windows from the area in which retail sales
6 of cannabis, or retail sales along with the dispensing of medical
7 cannabis occurs, would only be accessible through an interior door
8 after first entering the facility, and, in the case of a personal use
9 consumption area, would need to comply with all ventilation
10 requirements applicable to cigar lounges under the “New Jersey
11 Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.); the
12 smoking of medical cannabis would not be permitted in an indoor
13 consumption area. An outdoor consumption area would be an exterior
14 structure on the same premises as the cannabis retailer, medical
15 cannabis dispensary, clinical registrant facility, or alternative treatment
16 center, that is either separate from or connected to the facility and that
17 is not required to be completely enclosed, but would need to have
18 enough walls, fences, or other barriers to prevent any view of persons
19 consuming personal use cannabis items or medical cannabis from any
20 sidewalk or other pedestrian or non-motorist right-of-way; and with
21 respect to any consumption by smoking, vaping, or aerosolizing at an
22 outdoor area, the facility would need to ensure that any such activity
23 does not result in migration, seepage, or recirculation of smoke or
24 other exhaled material to any indoor public place or workplace.

25 Business Treatment of Cannabis Licensees

26 Concerning the business treatment of any licensee:

27 A financial institution, as defined by section 2 of P.L.1983,
28 c.466 (C.17:16K-2), would not be permitted to engage in any
29 discriminatory activities with respect to the banking activities of a
30 cannabis business, or the banking activities of a person associated
31 with a cannabis business. Any such activities could result in the
32 suspension or revocation of a financial institution’s charter or other
33 available enforcement action by the Commissioner of Banking and
34 Insurance. Additionally,

35 (1) A cannabis grower would be prohibited from operating or
36 being located on any land that is valued, assessed, or taxed as an
37 agricultural or horticultural use pursuant to the “Farmland Assessment
38 Act of 1964,” P.L.1964, c.48 (C.54:4-23.1 et seq.);

39 (2) A person or entity issued any class of license to operate a
40 cannabis business would not be eligible for a State or local economic
41 incentive during the period of time that the economic incentive is in
42 effect;

43 (3) The issuance of a license to operate as any class of cannabis
44 business to a person or entity that has been awarded a State or local
45 economic incentive would invalidate the right of the person or entity to
46 benefit from the economic incentive as of the date of issuance of the
47 license;

1 (4) A property owner, developer, or operator of a project to be
2 used, in whole or in part, as a cannabis business would not be eligible
3 for a State or local economic incentive during the period of time that
4 the economic incentive is in effect; and

5 (5) The issuance of a license to operate as any class of cannabis
6 business at a location that is the subject of a State or local economic
7 incentive would invalidate the right of a property owner, developer, or
8 operator to benefit from the economic incentive as of the date of
9 issuance of the license.

10 New Jersey Cannabis Regulatory, Enforcement Assistance, and
11 Marketplace Modernization Fund

12 All license fees and licensee penalties would be deposited into a
13 new fund, referred to as the “Cannabis Regulatory, Enforcement
14 Assistance and Marketplace Modernization Fund.” This fund would
15 also receive deposits from the tax revenues collected on medical
16 cannabis transactions pursuant to the “Jake Honig Compassionate
17 Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), as
18 well as tax revenues on personal use cannabis retail sales, which tax
19 is mandated by paragraph 13 of Section VII of Article IV of the
20 New Jersey Constitution legalizing and permitting the State’s
21 regulation of cannabis. Monies in this fund would be used for
22 several purposes, including: to pay for the operational costs of the
23 commission; and reimburse expenses incurred by any county or
24 municipality for the training costs associated with the attendance and
25 participation of a police officer in a Drug Recognition Expert program
26 for detecting, identifying, and apprehending drug-impaired motor
27 vehicle operators.

28 Optional Municipal-Level Taxation

29 The bill would also permit any municipality to adopt an ordinance
30 that authorized a local transfer tax. This transfer tax could be imposed
31 on sales that occur within the municipality: between a cannabis
32 business that holds a grower, processor, wholesaler, or retail cannabis
33 license and another such licensed cannabis business; between cannabis
34 retailers and customers; or any combination thereof. This local tax
35 would not be imposed on transfers involving distributors for purposes
36 of the bulk transportation of cannabis items, or delivery services for
37 purposes of delivering cannabis items to consumers. The municipality
38 would have discretion to set the rate or rates of the transfer tax, but a
39 rate could not exceed: two percent of the receipts from each sale by a
40 cannabis grower; two percent of the receipts from each sale by a
41 cannabis processor; one percent of the receipts from each sale by a
42 cannabis wholesaler; and two percent of the receipts from each sale by
43 a cannabis retailer. This tax would be applied in the form of an
44 equivalent user tax on non-sale transactions between cannabis
45 businesses operated by the same license holder. The local transfer tax
46 or user tax would be collected by cannabis businesses and forwarded
47 to the chief financial officer of the municipality for use by that
48 municipality.

1 Legalized and Prohibited Activities Concerning Personal Use
2 Cannabis Items

3 Once the provisions for the lawful personal use of cannabis items
4 become operative and retail sales of cannabis items have begun, the
5 following acts would not be an offense under the “New Jersey Code of
6 Criminal Justice,” Title 2C of the New Jersey Statutes, for a person 21
7 years of age or older:

8 (1) Possessing, purchasing, or transporting: cannabis
9 paraphernalia; one ounce or less of cannabis; the equivalent of one
10 ounces or less of cannabis infused product in solid, liquid, or
11 concentrate form, based upon an equivalency calculation for different
12 product forms set by the commission in its regulations; or five grams
13 or less of cannabis resin;

14 (2) Transferring any cannabis item in any amount described above
15 to another person 21 years of age or older, so long as the transfer is for
16 non-promotional, non-business purposes; and

17 (3) Taking delivery of or consuming any lawfully acquired
18 cannabis item, provided that nothing in the bill is intended to permit a
19 person to smoke, vape, aerosolize a cannabis item in a public place,
20 other than a designated consumption area as detailed above.

21 A person possessing, purchasing, transporting, or transferring to
22 another at any one time any cannabis or resin in an amount greater
23 than as permitted, or an infused product in solid, liquid, or concentrate
24 form with more than the equivalency permitted would generally be
25 considered a violation of the “Comprehensive Drug Reform Act of
26 1987,” P.L.1987, c.106 (N.J.S.2C:35-1 et al.), and would subject the
27 person to a civil penalty or prosecution as if the person possessed,
28 purchased, transported, or transferred illegal marijuana or hashish in
29 violation of that act.

30 With respect to consumption, the smoking, vaping, or aerosolizing
31 of a cannabis item would be prohibited in any place pursuant to law
32 that prohibits the smoking of tobacco, including the “New Jersey
33 Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.), as well as
34 any “indoor public place” as defined in that act (even if such a place is
35 otherwise permitted to allow the smoking of tobacco), except that
36 smoking, vaping, or aerosolizing would be permitted in a designated
37 consumption area or in up to 20 percent of the guest rooms of a hotel,
38 motel, or other lodging establishment as permitted by the person or
39 entity that owns or controls that establishment. The smoking, vaping,
40 or aerosolizing of cannabis items could also be prohibited in private
41 multifamily housing, as decided by the person or entity that owns or
42 controls the housing, and prohibited in the units of a condominium, if
43 approved by its association and a majority of all of the unit owners.
44 Any fines or civil penalties that could be assessed for the smoking of
45 tobacco where prohibited under the “New Jersey Smoke-Free Air Act”
46 would be applicable to the smoking, vaping, or aerosolizing of
47 cannabis where prohibited under this bill, other than smoking, vaping,
48 or aerosolizing on elementary or secondary school property, which

1 would be classified as a disorderly persons offense (punishable by
2 imprisonment for up to six months, a fine of up to \$1,000, or both).

3 As to consumption other than by smoking, vaping, or aerosolizing:
4 a person or entity that owns or controls a property, except for
5 multifamily housing, a unit of a condominium, or a site in a mobile
6 home park on which a manufactured home is located, could prohibit or
7 otherwise regulate consumption on or in that property; and a
8 municipality would be empowered to enact an ordinance making it
9 unlawful for any person 21 years of age or older to consume any
10 cannabis item in a public place, other than school property (which
11 would be punishable as a disorderly persons offense), and the
12 ordinance could provide for a civil penalty of up to \$200 per violation.
13 The bill would also prohibit consumption in any area of any building
14 of, on the grounds of, or in any facility owned, leased, or controlled
15 by, any public or private institution of higher education or a related
16 entity thereof, regardless of whether the area or facility is an indoor
17 place or outdoors, and the penalty provisions of the “New Jersey
18 Smoke-Free Air Act” would be applicable for a violation.

19 Mere possession of a cannabis item (in addition to consuming such
20 item) on elementary or secondary school property by a person of legal
21 age to purchase such item would be a disorderly persons offense, as is
22 the case currently with respect to the unauthorized possession of
23 alcohol on such property (punishable by imprisonment for up to six
24 months, a fine of up to \$1,000, or both). Additionally, similar to the
25 statutory law’s treatment of the possession of an “open container” of
26 alcohol, or consumption of alcohol, while operating a motor vehicle,
27 the bill would amend relevant laws in Title 39 of the Revised Statutes
28 to make it a motor vehicle offense for the motor vehicle operator to
29 possess an “open container” or “open package” of a cannabis item. A
30 first offense would be subject to a fine of \$200, and a subsequent
31 offense would be subject to a fine of \$250 or alternatively imposition
32 of a period of community service, the same penalties applied to
33 violations involving an alcoholic beverage. Passengers in motor
34 vehicles would be permitted to possess and consume cannabis items,
35 other than such items intended for smoking, vaping, or aerosolizing.

36 Regarding the possession or consumption of a cannabis item by a
37 person under the legal age to purchase cannabis, the bill expands the
38 current laws addressing underage possession or consumption of
39 alcoholic beverages to include cannabis items:

40 -for possession, in a public place, of an amount that may be
41 lawfully possessed by a person of legal age to purchase cannabis
42 items, a first offense would be a petty disorderly persons offense,
43 subject to a fine of not less than \$250;

44 -for possession, on private property, of an amount that may be
45 lawfully possessed by a person of legal age to purchase cannabis
46 items, a first offense would be a civil penalty of \$100, and a second
47 offense would be a civil penalty of \$200; a third or subsequent offense
48 would be a municipal fine of \$350, which is the same as a subsequent

1 offense for possession of an alcoholic beverage on private property;
2 for possession, on private property, of an amount of cannabis items
3 that exceeds what may be lawfully possessed, or consumption on
4 private property, a first offense would be a municipal fine of \$250, and
5 a second or subsequent offense would be a municipal fine of \$350 (the
6 same penalties as applicable to possession or consumption of an
7 alcoholic beverage).

8 Finally, it would also be unlawful, generally punishable as a \$50
9 civil penalty, for an underage person to present a false identification in
10 order to enter a cannabis establishment or obtain cannabis items; this
11 would differ than using a false identification with respect to alcoholic
12 beverages, which is expressly noted in State law as not constituting an
13 offense and therefore carries with it no statutory punishment.

14 De-scheduling Marijuana as a Schedule I Controlled Dangerous
15 Substance

16 On and after the effective date of the bill, marijuana would no
17 longer be included as a Schedule I controlled dangerous substance,
18 which are substances considered to have a high potential for abuse and
19 no accepted medical use, as described in the “New Jersey Controlled
20 Dangerous Substances Act,” P.L.1970, c.226 (C.24:21-1 et al.). The
21 bill also expressly states that marijuana may not be designated or
22 rescheduled and included in any other schedule by the Director of the
23 Division of Consumer Affairs in the Department of Law and Public
24 Safety pursuant to the director’s designation and rescheduling
25 authority set forth in section 3 of P.L.1970, c.226 (C.24:21-3).

26 Sentencing Relief for Certain Marijuana and Hashish Offenses

27 As part of a court sentence or adjudication of delinquency imposed
28 after the bill’s effective date, a person would not be subject to a
29 forfeiture or postponement of the person’s driving privileges based on
30 a conviction or finding of delinquency for any of the following
31 offenses:

32 - unlawful distribution of, or possessing or having under control
33 with intent to distribute, less than five pounds of marijuana, or less
34 than one pound of hashish, in violation of paragraph (11) or (12) of
35 subsection b. of N.J.S.2C:35-5, or a violation of either of those
36 paragraphs and a violation of subsection a. of section 1 of P.L.1987,
37 c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327
38 (C.2C:35-7.1), for distributing, or possessing or having under control
39 with intent to distribute, on or within 1,000 feet of any school
40 property, or on or within 500 feet of the real property comprising a
41 public housing facility, public park, or public building;

42 - obtaining, possessing, using, being under the influence of, or
43 failing to make lawful disposition of any amount of marijuana or
44 hashish in violation of paragraph (3) or (4) of subsection a., subsection
45 b., or subsection c. of N.J.S.2C:35-10; or

46 - a violation involving any of the aforementioned offenses and
47 using or possessing with intent to use drug paraphernalia with that
48 marijuana or hashish in violation of N.J.S.2C:36-2.

1 Reporting Requirements by the Commission

2 Lastly, the commission would annually report to the Governor and
3 Legislature regarding the commission’s regulation and enforcement
4 activities associated with the personal use of cannabis pursuant to the
5 bill (and the medical use of cannabis pursuant to the “Jake Honig
6 Compassionate Use Medical Cannabis Act”). The annual report would
7 include information on: the number of criminal arrests or charges for
8 small amount marijuana or hashish possession or distribution,
9 cataloged by the jurisdictions in which the acts resulting in the
10 citations, arrests, or charges occurred, and the race, ethnicity, gender,
11 and age of the persons cited, arrested, or charged; the number of
12 motor vehicle stops by law enforcement, cataloged in the same
13 manner; the total number of personal use cannabis licenses issued
14 since the distribution of the previous report to the Governor and
15 Legislature, as well as the number for each class of license issued; the
16 total number and type of applicants that submitted applications for
17 licenses and whether they were approved, reapproved, or denied, plus
18 data compiled by the Office of Minority, Disabled Veterans, and
19 Women Cannabis Business Development about participation in the
20 lawful operation of cannabis businesses by persons from socially and
21 economically disadvantaged communities, as well as minority owned,
22 disabled veterans’ owned, and women’s owned business development
23 in the personal use cannabis marketplace.