

[First Reprint]
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 reported by the Senate Budget and Appropriations Committee on November 19, 2020, with amendments.



1 AN ACT concerning the regulation and use of cannabis, and amending
2 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 provisions
17 of this act will prevent the sale or distribution of cannabis to persons
18 under 21 years of age;

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

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

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

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

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

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

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

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

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

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted November 19, 2020.

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

4 m. The regulated cannabis system in New Jersey must be
5 regulated so as to prevent persons younger than 21 years of age from
6 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 context
18 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)
25 to 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, ¹**[processed]**
33 manufactured¹ in accordance with P.L. , c. (C.) (pending
34 before the Legislature as this bill) for use in cannabis ¹**[items]**
35 products¹ as set forth in this act, but shall not include the weight of
36 any other ingredient combined with cannabis to prepare topical or
37 oral administrations, food, drink, or other product. "Cannabis" does
38 not include: medical cannabis dispensed to registered qualifying
39 patients pursuant to the "Jake Honig Compassionate Use Medical
40 Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015,
41 c.158 (C.18A:40-12.22 et al.); marijuana as defined in N.J.S.2C:35-
42 2 and applied to any offense ¹**[or civil violation]**¹ set forth in
43 chapters 35, 35A, and 36 of Title 2C of the New Jersey Statutes, or
44 P.L.2001, c.114 (C.2C:35B-1 et seq.), or marihuana as defined in
45 section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense
46 set forth in the "New Jersey Controlled Dangerous Substances Act,"
47 P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

44 “Cannabis testing facility” means an independent, third-party
45 entity meeting accreditation requirements established by the
46 Cannabis Regulatory Commission that is licensed to analyze and

1 certify cannabis items and medical cannabis for compliance with
2 applicable health, safety, and potency standards.

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

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

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

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

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

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

40 “Department” means the Department of Health.

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

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

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

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

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

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

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

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

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

1 intend to only apply to a person or entity that holds a license and not
2 a conditional license.

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

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

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

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

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

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

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

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

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

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

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

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

32 “Significantly involved person” means a person or entity who
33 holds at least a five percent investment interest in a proposed or
34 licensed cannabis ¹**[grower]** cultivator¹, cannabis ¹**[processor]**
35 manufacturer¹, cannabis wholesaler, cannabis distributor, ¹**[or]**¹
36 cannabis retailer, ¹or cannabis delivery service,¹ or who is a decision
37 making member of a group that holds at least a 20 percent investment
38 interest in a proposed or licensed cannabis ¹**[grower]** cultivator¹,
39 cannabis ¹**[processor]** manufacturer¹, cannabis wholesaler, cannabis
40 distributor, ¹**[or]**¹ cannabis retailer ¹, or cannabis delivery service,¹
41 in which no member of that group holds more than a five percent
42 interest in the total group investment interest, and the person or entity
43 makes controlling decisions regarding the proposed or licensed
44 cannabis ¹**[grower]** cultivator¹, cannabis ¹**[processor]**
45 manufacturer¹, cannabis wholesaler, cannabis distributor, ¹**[or]**¹
46 cannabis retailer ¹, or cannabis delivery service¹ operations.

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

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

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

11

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

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

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

32 (2) an accredited school of ¹**medicine or**¹ osteopathic medicine
33 that ¹:¹ is located in a state that shares a common border with this
34 State; has an articulation agreement or similar memorandum of
35 understanding ¹, plus an agreement to establish and maintain an
36 apprenticeship program in this State to train workers in the cannabis
37 industry, which training would earn college credit,¹ with any State
38 college or university ¹located in a county of the first class¹ with a
39 college of nursing or nursing degree program accredited by the
40 Commission on Collegiate Nursing Education ¹on the effective date
41 of P.L. , c. (C.) (pending before the Legislature as this bill)¹
42 ; and has an institutional review board that has, on the effective date
43 of P.L. , c. (C.) (pending before the Legislature as this bill),
44 previously approved a clinical research study ¹in this State¹
45 involving medical cannabis; and has the ability and will conduct all

1 research and development in ¹[this State] the county in which the
2 partner State college or university is located¹.

3 "Adverse employment action" means refusing to hire or employ
4 an individual, barring or discharging an individual from employment,
5 requiring an individual to retire from employment, or discriminating
6 against an individual in compensation or in any terms, conditions, or
7 privileges of employment.

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

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

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

21 "Commissioner" means the Commissioner of Health.

22 "Common ownership or control" means:

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

25 (2) between a nonprofit entity and a for-profit entity, a majority
26 of the directors, trustees, or members of the governing body of the
27 nonprofit entity directly or indirectly own and control more than 50
28 percent of the for-profit entity; and

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

32 "Department" means the Department of Health.

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

34 (1) is at least 18 years old;

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

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

46 (4) has registered with the commission pursuant to section 4 of
47 P.L.2009, c.307 (C.24:6I-4), and, except in the case of a designated
48 caregiver who is an immediate family member of the patient, has

1 satisfied the criminal history record background check requirement
2 of section 4 of P.L.2009, c.307 (C.24:6I-4); and

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

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

16 "Health care facility" means a general acute care hospital, nursing
17 home, long term care facility, hospice care facility, group home,
18 facility that provides services to persons with developmental
19 disabilities, behavioral health care facility, or rehabilitation center.

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

23 (1) possesses active registrations to prescribe controlled
24 dangerous substances issued by the United States Drug Enforcement
25 Administration and the Division of Consumer Affairs in the
26 Department of Law and Public Safety;

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

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

34 "Immediate family" means the spouse, domestic partner, civil
35 union partner, child, sibling, or parent of an individual, and shall
36 include the siblings, parents, and children of the individual's spouse,
37 domestic partner, or civil union partner, and the parents, spouses,
38 domestic partners, or civil union partners of the individual's parents,
39 siblings, and children.

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

41 (1) is at least 18 years old;

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

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

47 (4) is authorized by the health care facility employing the person
48 to assist registered qualifying patients who are patients or residents

1 of the facility with the medical use of cannabis, including, but not
2 limited to, obtaining medical cannabis for registered qualifying
3 patients and assisting registered qualifying patients with the
4 administration of medical cannabis;

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

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

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

27 "Integrated curriculum permit" or "IC permit" means a permit
28 issued to a medical cannabis cultivator, medical cannabis
29 manufacturer, or medical cannabis dispensary that includes an
30 integrated curriculum approved by the commission and the Office of
31 the Secretary of Higher Education.

32 "Medical cannabis alternative treatment center" or "alternative
33 treatment center" means an organization issued a permit, including a
34 conditional permit, by the commission to operate as a medical
35 cannabis cultivator, medical cannabis manufacturer, medical
36 cannabis dispensary, or clinical registrant. This term shall include the
37 organization's officers, directors, board members, and employees.

38 "Medical cannabis cultivator" means an organization holding a
39 permit issued by the commission that authorizes the organization to:
40 possess and cultivate cannabis and deliver, transfer, transport,
41 distribute, supply, and sell medical cannabis and related supplies to
42 other medical cannabis cultivators and to medical cannabis
43 manufacturers, clinical registrants, and medical cannabis
44 dispensaries, as well as to plant, cultivate, grow, and harvest medical
45 cannabis for research purposes. A medical cannabis cultivator permit
46 shall not authorize the permit holder to manufacture, produce, or
47 otherwise create medical cannabis products, or to deliver, transfer,
48 transport, distribute, supply, sell, or dispense medical cannabis,

1 medical cannabis products, paraphernalia, or related supplies to
2 qualifying patients, designated caregivers, or institutional caregivers.

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

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

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

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

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

1 "Pediatric specialist" means a physician who is a board-certified
2 pediatrician or pediatric specialist, or an advanced practice nurse or
3 physician assistant who is certified as a pediatric specialist by an
4 appropriate professional certification or licensing entity.

5 "Primary care" means the practice of family medicine, general
6 internal medicine, general pediatrics, general obstetrics, or
7 gynecology.

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

18 "Qualifying patient" or "patient" means a resident of the State who
19 has been authorized for the medical use of cannabis by a health care
20 practitioner.

21 "Registration with the commission" means a person has met the
22 qualification requirements for, and has been registered by the
23 commission as, a registered qualifying patient, designated caregiver,
24 or institutional caregiver. The commission shall establish
25 appropriate means for health care practitioners, health care facilities,
26 medical cannabis dispensaries, law enforcement, schools, facilities
27 providing behavioral health services or services for persons with
28 developmental disabilities, and other appropriate entities to verify an
29 individual's status as a registrant with the commission.

30 "Significantly involved person" means a person or entity who
31 holds at least a five percent investment interest in an entity issued, or
32 applying for a permit to operate as, a medical cannabis cultivator,
33 medical cannabis manufacturer, medical cannabis dispensary, or
34 clinical registrant, or who is a decision making member of a group
35 that holds at least a 20 percent investment interest in an entity issued,
36 or applying for a permit to operate as, a medical cannabis cultivator,
37 medical cannabis manufacturer, medical cannabis dispensary, or
38 clinical registrant, in which no member of that group holds more than
39 a five percent interest in the total group investment interest, and the
40 person or entity makes controlling decisions regarding the operations
41 of the entity issued, or applying for a permit to operate as, a medical
42 cannabis cultivator, medical cannabis manufacturer, medical
43 cannabis dispensary, or clinical registrant.

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

46 "Usable cannabis" means the dried leaves and flowers of cannabis,

1 and any mixture or preparation thereof, and does not include the
2 seeds, stems, stalks, or roots of the plant.

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

4

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

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

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

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

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

35 (a) One member shall be appointed upon recommendation of the
36 Senate President;

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

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

41 (3) Initial appointments of commission members pursuant to
42 paragraph (2) of this subsection shall not require the advice and consent
43 of the Senate. Subsequent appointments made pursuant to subparagraph
44 (c) of paragraph (2) of this subsection, including reappointments of
45 members initially appointed, shall be made with the advice and consent
46 of the Senate. Subsequent appointments made pursuant to
47 subparagraphs (a) and (b) of paragraph (2) of this subsection shall be
48 made in the same manner as the original appointment.

1 (4) All five members shall be residents of this State. At least one
2 member shall be a State representative of a national organization or
3 State branch of a national organization with a stated mission of studying,
4 advocating, or adjudicating against minority historical oppression, past
5 and present discrimination, unemployment, poverty and income
6 inequality, and other forms of social injustice or inequality, and all five
7 members shall possess education, training, or experience with legal,
8 policy, or criminal justice issues, corporate or industry management,
9 finance, securities, or production or distribution, medicine or
10 pharmacology, or public health, mental health, or substance use
11 disorders.

12 (5) The chair and the other members shall serve for terms of five
13 years; provided that, for the two other members initially appointed by
14 the Governor without any needed recommendation, one shall be
15 appointed for a term of four years, and one shall be appointed for a term
16 of three years. The chair and the other members shall serve in their
17 respective capacities throughout their entire term and until their
18 successors shall have been duly appointed and qualified. Any vacancy
19 in the commission occurring for any reason other than the expiration of
20 a term, including a vacancy occurring during the term of the initial chair
21 or another initial member, shall be filled in accordance with the
22 requirements for subsequent appointments set forth in paragraph (3) of
23 this subsection for the remainder of the unexpired term only.

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

30 (7) The members of the commission, at the commission's first
31 meeting when called by the chair, shall elect, by a majority of the total
32 authorized membership of the commission, one of the members who is
33 appointed based upon the recommendation of the Senate President or
34 Speaker of the General Assembly as set forth in paragraph (2) of this
35 subsection to serve as vice-chair during that member's term. A new
36 vice-chair shall be elected upon the expiration of the current vice-chair's
37 term, even if that member remains on the commission until that
38 member's successor is duly appointed and qualified. The vice-chair
39 shall be empowered to carry out all of the responsibilities of the chair
40 during the chair's absence, disqualification, or inability to serve.

41 (8) A majority of the total authorized membership of the
42 commission shall be required to establish a quorum, and a majority of
43 the total authorized membership of the commission shall be required to
44 exercise its powers at any meeting thereof. However, only if all five
45 commissioners have been duly appointed in accordance with the
46 appointment process set forth in paragraph (2) of this subsection, and
47 five appointed commissioners are present at a meeting, may a majority
48 of the total authorized membership act to assume the powers, duties, and

1 responsibilities with regard to the regulation and oversight of activities
2 authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) from the
3 Department of Health; and similarly, only if all five appointed
4 commissioners are present at a meeting, may a majority of the total
5 authorized membership act to adopt the commission's initial rules and
6 regulations concerning personal use cannabis pursuant to subparagraph
7 (a) of paragraph (1) of subsection d. of section 6 of P.L. , c. (C.)
8 (pending before the Legislature as this bill), by which the licensing of
9 cannabis establishments, and the lawfully permitted licensing activities
10 of those establishments, may begin.

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

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

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

24 (a) The initial executive director shall be appointed by the
25 Governor, and thereafter every subsequent executive director shall be
26 appointed by the Governor with the advice and consent of the Senate.
27 The executive director shall serve at the pleasure of the appointing
28 Governor during the Governor's term of office and until a successor has
29 been duly appointed and qualified. Any vacancy in the office occurring
30 for any reason other than the expiration of a term, including a vacancy
31 occurring during the term of the initial executive director, shall be filled
32 for the unexpired term only in the same manner as the appointment of
33 any subsequent executive director as set forth herein. The executive
34 director shall receive an annual salary to be fixed and established by the
35 Governor, which shall not exceed \$141,000.

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

42 (ii) If, as a result of transferring powers, duties, and responsibilities
43 with regard to the regulation and oversight of activities authorized
44 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of
45 Health to the commission pursuant to subsection a. of this section, the
46 commission needs to employ an individual to fill a position, employees
47 of the department who performed the duties of the position to be filled
48 shall be given a one-time right of first refusal offer of employment with

1 the commission, and such employees may be removed by the
2 commission for cause or if deemed unqualified to hold the position,
3 notwithstanding any other provision of law to the contrary. A
4 department employee who becomes employed by the commission shall
5 retain as an employee of the commission the seniority, and all rights
6 related to seniority, that the employee had with the department as of the
7 last day of employment with the department; provided, however, that
8 such seniority and seniority rights shall be retained only by an employee
9 who was transferred from employment with the department to
10 employment with the commission, and shall not be retained by an
11 employee who was removed from employment with the department due
12 to layoff procedures or who resigned from a position with the
13 department prior to being hired by the commission.

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

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

24 d. With respect to the activities of the commission, neither the
25 President of the Senate or the Speaker of the General Assembly shall be
26 permitted to appear or practice or act in any capacity whatsoever before
27 the commission regarding any matter whatsoever, nor shall any member
28 of the immediate family of the Governor, President of the Senate, or
29 Speaker of the General Assembly be permitted to so practice or appear
30 in any capacity whatsoever before the commission regarding any matter
31 whatsoever. As used in this subsection, "immediate family" means the
32 spouse, domestic partner, or civil union partner, and any dependent
33 child or stepchild, recognized by blood or by law, of the Governor,
34 President of the Senate, or Speaker of the General Assembly, or of the
35 spouse, domestic partner, or civil union partner residing in the same
36 household as the Governor, President of the Senate, or Speaker of the
37 General Assembly.

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

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

46 (1) the commission's organization;

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

1 (3) the overall effectiveness of the commission as a full time entity;
2 and

3 (4) whether the regulation and oversight of medical cannabis or
4 personal use cannabis could be more effectively and efficiently
5 managed through a reorganization of the commission, consolidation of
6 the commission within the Department of Health or another Executive
7 Branch department, conversion to a part-time commission, or the
8 transfer of some or all of the commission's operations elsewhere within
9 the Executive Branch.

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

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

16

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

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

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

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

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

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

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

44 (5) To exercise all powers incidental, convenient, or necessary to
45 enable the commission to administer or carry out the provisions of
46 P.L. , c. (C.) (pending before the Legislature as this bill), or any
47 other law of this State that charges the commission with a duty,

1 function, or power related to personal use cannabis. Powers described
2 in this paragraph include, but are not limited to:

- 3 (a) Issuing subpoenas;
- 4 (b) Compelling attendance of witnesses;
- 5 (c) Administering oaths;
- 6 (d) Certifying official acts;
- 7 (e) Taking depositions as provided by law;
- 8 (f) Compelling the production of books, payrolls, accounts,
9 papers, records, documents, and testimony; and
- 10 (g) Establishing fees in addition to the application, licensing, and
11 renewal fees, provided that any fee established by the commission is
12 reasonably calculated not to exceed the cost of the activity for which
13 the fee is charged;
- 14 (6) To adopt rules regulating and prohibiting the advertising of
15 cannabis items in a manner that is appealing to minors; that promotes
16 excessive use; that promotes illegal activity; or that otherwise
17 presents a significant risk to public health and safety; and
- 18 (7) To regulate the use of cannabis items for scientific,
19 pharmaceutical, manufacturing, mechanical, industrial, and other
20 purposes.

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

38 d. (1) (a) Within 180 days after the effective date of this section,
39 which takes effect immediately upon enactment of P.L. ,
40 c. (C.) (pending before the Legislature as this bill), or within
41 45 days of all five members of the commission being duly appointed
42 in accordance with the appointment process set forth in paragraph (2)
43 of subsection b. of section 31 of P.L.2019, c.153 (C.24:6I-24),
44 whichever date is later, and notwithstanding the provisions of the
45 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
46 seq.), to the contrary, the commission, after consultation with the
47 Attorney General, State Treasurer, Commissioner of Health, and
48 Commissioner of Banking and Insurance, shall, immediately upon

1 filing proper notice with the Office of Administrative Law, adopt
2 rules and regulations prepared by the commission necessary or proper
3 to enable it to carry out the commission's duties, functions, and
4 powers with respect to overseeing the development, regulation, and
5 enforcement of activities associated with the personal use of cannabis
6 pursuant to P.L. , c. (C.).

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

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

37
38 7. Section 14 of P.L.2009, c.307 (C.24:6I-12) is amended to read
39 as follows:

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

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

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

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

41 (a) the number of civil penalty citations or arrests or charges for
42 manufacturing, distributing, or possessing or having under control
43 with the intent to distribute marijuana or hashish in violation of
44 paragraph (12) of subsection b. of N.J.S.2C:35-5, or for obtaining or
45 possessing marijuana or hashish in violation of paragraph (4) of
46 subsection a. of N.J.S.2C:35-10, cataloged by the jurisdictions in

1 which the acts resulting in the citations, arrests, or charges occurred,
2 and the race, ethnicity, gender, and age of the persons cited, arrested,
3 or charged;

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

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

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

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

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

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

7 (2) The commission, beginning no later than one year after the
8 effective date of P.L. , c. (C.) (pending before the Legislature
9 as this bill), may also include in its reports information concerning
10 its periodic evaluation of whether the existing numbers of cannabis
11 '[growers] cultivators' , cannabis '[processors] manufacturers' ,
12 cannabis wholesalers, cannabis distributors, cannabis retailers, and
13 cannabis delivery services are sufficient to meet the personal use
14 cannabis market demands of the State, and actions the commission
15 may take to issue additional cannabis licenses as authorized by
16 paragraph (1) of subsection a. of section 18 of P.L. , c. (C.)
17 (pending before the Legislature as this bill), or if there is an
18 oversupply of licenses, as well as information about any increase in
19 the rates of use of marijuana and cannabis by persons under 21 years
20 of age.

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

22

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

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

1 constituted a controlling interest in that permit holder, license holder,
2 entity, or applicant; and provided further, however, that
3 notwithstanding any other provision of law to the contrary, any such
4 person may be employed by the commission in a secretarial or
5 clerical position if, in the opinion of the commission, the person's
6 previous employment by, or interest in, any permit holder, license
7 holder, entity, or applicant would not interfere with the objective
8 discharge of the person's employment obligations.

9 b. Prior to appointment or employment, each member of the
10 commission and each employee of the commission shall swear or
11 affirm that the member or employee, as applicable, possesses no
12 interest in any business or organization issued a medical cannabis
13 cultivator, medical cannabis manufacturer, medical cannabis
14 dispensary, or clinical registrant permit, or cannabis ¹**[grower]**
15 cultivator¹, cannabis ¹**[processor]** manufacturer¹, cannabis
16 wholesaler, cannabis distributor, cannabis retailer, or cannabis
17 delivery service license by the commission, or in any entity that
18 employs or uses a certified personal use cannabis handler to perform
19 work for or on behalf of a licensed cannabis establishment,
20 distributor, or delivery service.

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

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

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

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

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

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

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

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

19 (1) No commission member or employee shall be permitted to
20 enter and engage in any activities, nor have any interest, directly or
21 indirectly, in any medical cannabis cultivator, medical cannabis
22 manufacturer, medical cannabis dispensary, or clinical registrant
23 issued a permit by the commission in accordance with P.L.2009,
24 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
25 medical cannabis handler to perform transfers or deliveries of
26 medical cannabis, or any cannabis ¹【grower】 cultivator¹, cannabis
27 ¹【processor】 manufacturer¹, cannabis wholesaler, cannabis
28 distributor, cannabis retailer, or cannabis delivery service issued a
29 license by the commission in accordance with P.L. , c. (C.)
30 (pending before the Legislature as this bill) or any entity that employs
31 or uses a certified personal use cannabis handler to perform work for
32 or on behalf of a licensed cannabis establishment, distributor, or
33 delivery service, except in the course of the member’s or employee’s
34 duties; provided that nothing in this paragraph shall be construed to
35 prohibit a member or employee who is a registered qualifying patient,
36 or who is serving as a designated caregiver or institutional caregiver
37 for a registered qualifying patient, from being dispensed medical
38 cannabis consistent with the requirements of P.L.2009, c.307
39 (C.24:6I-1 et al.) ¹; and further provided that nothing in this
40 paragraph shall be construed to prohibit a member or employee from
41 being sold cannabis items by a cannabis retailer as a consumer as
42 authorized by P.L. , c. (C.) (pending before the Legislature
43 as this bill)¹.

44 (2) No commission member or employee shall solicit or accept
45 employment from any holder of, or applicant for, a medical cannabis
46 cultivator, medical cannabis manufacturer, medical cannabis

1 dispensary, or clinical registrant permit or any entity that employs
2 any certified medical cannabis handler to perform transfers or
3 deliveries of medical cannabis, or any cannabis ¹grower cultivator¹
4 , cannabis ¹processor manufacturer¹ , cannabis wholesaler,
5 cannabis distributor, cannabis retailer, or cannabis delivery service
6 issued a license by the commission in accordance with P.L. _____,
7 c. (C. _____) (pending before the Legislature as this bill) or any entity
8 that employs or uses a certified personal use cannabis handler to
9 perform work for or on behalf of a licensed cannabis establishment,
10 distributor, or delivery service, for a period of two years after
11 termination of service with the commission, except as otherwise
12 provided in section 35 of P.L.2019, c.153 (C.24:6I-28).

13 (3) No commission member or employee shall act in the
14 member's or employee's official capacity in any matter wherein the
15 member, employee, or the member's or employee's spouse, domestic
16 partner, or partner in a civil union couple, or child, parent, or sibling
17 has a direct or indirect personal financial interest that might
18 reasonably be expected to impair the member's or employee's
19 objectivity or independence of judgment.

20 (4) No commission member or employee shall act in the
21 member's or employee's official capacity in a matter concerning any
22 holder of, or applicant for, a medical cannabis cultivator, medical
23 cannabis manufacturer, medical cannabis dispensary, or clinical
24 registrant permit or any entity that employs any certified medical
25 cannabis handler to perform transfers or deliveries of medical
26 cannabis, or a cannabis ¹grower cultivator¹ , cannabis
27 ¹processor manufacturer¹ , cannabis wholesaler, cannabis
28 distributor, cannabis retailer license, or cannabis delivery service or
29 any entity that employs or uses a certified personal use cannabis
30 handler to perform work for or on behalf of a licensed cannabis
31 establishment, distributor, or delivery service, who is the employer
32 of a spouse, domestic partner, or partner in a civil union couple, or
33 child, parent, or sibling of the commission member or employee
34 when the fact of the employment of the spouse, domestic partner, or
35 partner in a civil union couple, or child, parent, or sibling might
36 reasonably be expected to impair the objectivity and independence of
37 judgment of the commission member or employee.

38 (5) No spouse, domestic partner, or partner in a civil union
39 couple, or child, parent, or sibling of a commission member shall be
40 employed in any capacity by any holder of, or applicant for, a medical
41 cannabis cultivator, medical cannabis manufacturer, medical
42 cannabis dispensary, or clinical registrant permit, or any entity that
43 employs any certified medical cannabis handler to perform transfers
44 or deliveries of medical cannabis, or a cannabis ¹grower
45 cultivator¹ , cannabis ¹processor manufacturer¹ , cannabis

1 wholesaler, cannabis distributor, cannabis retailer, or cannabis
2 delivery service license or any entity that employs or uses a certified
3 personal use cannabis handler to perform work for or on behalf of a
4 licensed cannabis establishment, distributor, or delivery service, nor
5 by any holding, intermediary, or subsidiary company thereof.

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

19 d. No commission member or employee shall have any interest,
20 direct or indirect, in any holder of, or applicant for, a medical
21 cannabis cultivator, medical cannabis manufacturer, medical
22 cannabis dispensary, or clinical registrant permit or **[in]** any entity
23 that employs any certified medical cannabis handler to perform
24 transfers or deliveries of medical cannabis, or a cannabis **1[grower]**
25 **cultivator**¹ , cannabis **1[processor]** **manufacturer**¹ , cannabis
26 wholesaler, cannabis distributor, cannabis retailer, or cannabis
27 delivery service license or any entity that employs or uses a certified
28 personal use cannabis handler to perform work for or on behalf of a
29 licensed cannabis establishment, distributor, or delivery service,
30 during the member's term of office or employee's term of
31 employment.

32 e. Each commission member and employee shall devote the
33 member's or employee's entire time and attention to the member's or
34 employee's duties, as applicable, and shall not pursue any other
35 business or occupation or other gainful employment; provided,
36 however, that secretarial and clerical personnel may engage in such
37 other gainful employment as shall not interfere with their duties to
38 the commission, unless otherwise directed; and provided further,
39 however, that other employees of the commission may engage in
40 such other gainful employment as shall not interfere or be in conflict
41 with their duties to the commission **[or division,]** upon approval by
42 the commission **[, as the case may be].**

43 f. (1) A member of the commission and the executive director or
44 any other employee of the commission holding a supervisory or
45 policy-making management position shall not make any contribution
46 as that term is defined in "The New Jersey Campaign Contributions

1 and Expenditures Reporting Act,” P.L.1973, c.83 (C.19:44A-1 et
2 seq.).

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

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

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

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

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

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

25

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

28 35. a. No member of the commission shall hold any direct or
29 indirect interest in, or be employed by, any holder of, or applicant
30 for, a medical cannabis cultivator, medical cannabis manufacturer,
31 medical cannabis dispensary, or clinical registrant permit issued
32 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or **[in]** any entity that
33 employs any certified medical cannabis handler to perform transfers
34 or deliveries of medical cannabis, or a cannabis ¹**[grower]**
35 cultivator¹ , cannabis ¹**[processor]** manufacturer¹ , cannabis
36 wholesaler, cannabis distributor, cannabis retailer, or cannabis
37 delivery service license issued pursuant to P.L. , c. (C.)
38 (pending before the Legislature as this bill) or any entity that employs
39 or uses a certified personal use cannabis handler to perform work for
40 or on behalf of a licensed cannabis establishment, distributor, or
41 delivery service, for a period of two years commencing on the date
42 that membership on the commission terminates.

43 b. (1) No employee of the commission may acquire any direct or
44 indirect interest in, or accept employment with, any holder of, or
45 applicant for, a medical cannabis cultivator, medical cannabis
46 manufacturer, medical cannabis dispensary, or clinical registrant

1 permit or **[in]** any entity that employs any certified medical cannabis
2 handler to perform transfers or deliveries of medical cannabis, or a
3 cannabis ¹**[grower]** manufacturer¹ , cannabis ¹**[processor]**
4 manufacturer¹ , cannabis wholesaler, cannabis distributor, cannabis
5 retailer, or cannabis delivery service license or any 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,
8 distributor, or delivery service, for a period of two years commencing
9 at the termination of employment with the commission, except that a
10 secretarial or clerical employee of the commission may accept such
11 employment at any time after the termination of employment with
12 the commission. At the end of two years and for a period of two
13 years thereafter, a former employee who held a policy-making
14 management position at any time during the five years prior to
15 termination of employment may acquire an interest in, or accept
16 employment with, any holder of, or applicant for, a medical cannabis
17 cultivator, medical cannabis manufacturer, medical cannabis
18 dispensary, or clinical registrant permit or **[in]** any entity that
19 employs any certified medical cannabis handler to perform transfers
20 or deliveries of medical cannabis, or a cannabis ¹**[grower]**
21 cultivator¹ , cannabis ¹**[processor]** manufacturer¹ , cannabis
22 wholesaler, cannabis distributor, cannabis retailer, or cannabis
23 delivery service license or any entity that employs or uses a certified
24 personal use cannabis handler to perform work for or on behalf of a
25 licensed cannabis establishment, distributor, or delivery service,
26 upon application to, and the approval of, the commission, upon a
27 finding that the interest to be acquired or the employment will not
28 create the appearance of a conflict of interest and does not evidence
29 a conflict of interest in fact.

30 (2) Notwithstanding the provisions of this subsection, if the
31 employment of a commission employee, other than an employee who
32 held a policy-making management position at any time during the
33 five years prior to termination of employment, is terminated as a
34 result of a reduction in the workforce at the commission, the
35 employee may, at any time prior to the end of the two-year period,
36 accept employment with any holder of, or applicant for, a medical
37 cannabis cultivator, medical cannabis manufacturer, medical
38 cannabis dispensary, or clinical registrant permit or any entity that
39 employs any certified medical cannabis handler to perform transfers
40 or deliveries of medical cannabis, or a cannabis ¹**[grower]**
41 cultivator¹ , cannabis ¹**[processor]** manufacturer¹ , cannabis
42 wholesaler, ¹**[or]** cannabis distributor,¹ cannabis retailer ¹, or
43 cannabis delivery service¹ license or any entity that employs or uses
44 a certified personal use cannabis handler to perform work for or on
45 behalf of a licensed cannabis establishment, ¹distributor, or delivery

1 service.¹ upon application to, and the approval of, the commission,
2 upon a finding that the employment will not create the appearance of
3 a conflict of interest and does not evidence a conflict of interest in
4 fact. The commission shall take action on an application within 30
5 days of receipt and an application may be submitted to the
6 commission prior to or after the commencement of the employment.

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

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

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

17

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

20 36. a. (1) No holder of, or applicant for, a medical cannabis
21 cultivator, medical cannabis manufacturer, medical cannabis
22 dispensary, or clinical registrant permit issued pursuant to P.L.2009,
23 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
24 medical cannabis handler to perform transfers or deliveries of
25 medical cannabis, or a cannabis ¹**[grower]** cultivator¹, cannabis
26 ¹**[processor]** manufacturer¹ , cannabis wholesaler, cannabis
27 distributor, cannabis retailer, or cannabis delivery service license
28 issued pursuant to P.L. , c. (C.) (pending before the
29 Legislature as this bill) or any entity that employs or uses a certified
30 personal use cannabis handler to perform work for or on behalf of a
31 licensed cannabis establishment, distributor, or delivery service,
32 shall employ or offer to employ, or provide, transfer, or sell, or offer
33 to provide, transfer, or sell any interest, direct or indirect, in any
34 medical cannabis cultivator, medical cannabis manufacturer, medical
35 cannabis dispensary, or clinical registrant permit holder, or any
36 cannabis ¹**[grower]** cultivator¹ , cannabis ¹**[processor]**
37 manufacturer¹ , cannabis wholesaler, cannabis distributor, cannabis
38 retailer, or cannabis delivery service license holder, to any person
39 restricted from such transactions by the provisions of sections 33
40 through 35 of P.L.2019, c.153 (C.24:6I-26 through C.24:6I-28).

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

45 b. (1) A member or employee of the commission who makes or
46 causes to be made a political contribution prohibited under

1 subsection f. of section 34 of P.L.2019, c.153 (C.24:6I-27) is guilty
2 of a crime of the fourth degree, but notwithstanding the provisions of
3 subsection b. of N.J.S.2C:43-3, a fine not to exceed \$200,000 may be
4 imposed.

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

9 c. The State Ethics Commission, established pursuant to the
10 "New Jersey Conflicts of Interest Law," P.L.1971, c.182 (C.52:13D-
11 12 et seq.), shall enforce the provisions of sections 33 through 36 of
12 P.L.2019, c.153 (C.24:6I-26 through C.24:6I-29), and upon a finding
13 of a violation, impose a civil penalty of not less than \$500 nor more
14 than \$10,000, which penalty may be collected in a summary
15 proceeding pursuant to the "Penalty Enforcement Law of 1999,"
16 P.L.1999, c.274 (C.2A:58-10 et seq.). If a violation also represents
17 a crime or disorderly persons offense as set forth in subsection b. of
18 this section, the State Ethics Commission shall also refer the matter
19 to the Attorney General or appropriate county prosecutor for further
20 investigation and prosecution.

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

22

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

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

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

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

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

44 d. "Head of a State agency" means: (1) in the case of the
45 Executive Branch of government, except with respect to interstate
46 agencies, the department head or, if the agency is not assigned to a

1 department, the Governor; and (2) in the case of the Legislative
2 Branch, the chief presiding officer of each House of the Legislature.

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

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

15 g. "Interest" means: (1) the ownership or control of more than
16 10 percent of the profits or assets of a firm, association, or
17 partnership, or more than 10 percent of the stock in a corporation for
18 profit other than a professional service corporation organized under
19 the "Professional Service Corporation Act," P.L.1969, c.232
20 (C.14A:17-1 et seq.); or (2) the ownership or control of more than
21 one percent of the profits of a firm, association, or partnership, or
22 more than one percent of the stock in any corporation, (a) which is
23 the holder of, or an applicant for, a casino license or in any holding
24 or intermediary company with respect thereto, as defined by the
25 "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.), **[or]** (b)
26 which is the holder of, or an applicant for, a medical cannabis
27 cultivator, medical cannabis manufacturer, medical cannabis
28 dispensary, or clinical registrant permit issued pursuant to P.L.2009,
29 c.307 (C.24:6I-1 et al.), or any holding or intermediary company with
30 respect thereto, or (c) which is the holder of, or an applicant for, a
31 cannabis **[grower]** cultivator¹, cannabis **[processor]**
32 manufacturer¹, cannabis wholesaler, cannabis distributor, cannabis
33 retailer, or cannabis delivery service license issued pursuant to
34 P.L. , c. (C.) (pending before the Legislature as this bill), or
35 which is an entity that employs or uses a certified personal use
36 cannabis handler to perform work for or on behalf of a licensed
37 cannabis establishment, distributor, or delivery service, or any
38 holding or intermediary company with respect to thereto. The
39 provisions of this act governing the conduct of individuals are
40 applicable to shareholders, associates or professional employees of a
41 professional service corporation regardless of the extent or amount
42 of their shareholder interest in such a corporation.

43 h. "Cause, proceeding, application or other matter" means a
44 specific cause, proceeding or matter and does not mean or include
45 determinations of general applicability or the preparation or review

1 of legislation which is no longer pending before the Legislature or
2 the Governor.

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

6 (cf: P.L.2019, c.153, s.37)

7

8 13. The title of P.L.1981, c.142 is amended to read as follows:

9 **AN ACT concerning casino activity, and personal use and medical**
10 **cannabis activities**, and the conduct of certain elected and appointed
11 public officers and employees as it relates thereto, amending and
12 supplementing P.L.1971, c.182, amending P.L.1977, c.110,
13 P.L.1980, c.28 and P.L.1980, c.69 , and repealing section 2 of
14 P.L.1980, c.79.

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

16

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

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

20 (1) (a) with respect to casino activity **[and]** , activity related to
21 medical cannabis authorized pursuant to P.L.2009, c.307 (C.24:6I-1
22 et al.), and activity related to personal use cannabis authorized
23 pursuant to P.L. , c. (C.) (pending before the Legislature as
24 this bill): the Governor; the President of the Senate; the Speaker of
25 the General Assembly; any full-time member of the Judiciary; any
26 full-time professional employee of the Office of the Governor; the
27 head of a principal department; the assistant or deputy heads of a
28 principal department, including all assistant and deputy
29 commissioners; the head of any division of a principal department;

30 (b) with respect to casino activity **[,]** ; any State officer or
31 employee subject to financial disclosure by law or executive order
32 and any other State officer or employee with responsibility for
33 matters affecting casino activity; any special State officer or
34 employee with responsibility for matters affecting casino activity;
35 any member of the Legislature; any full-time professional employee
36 of the Legislature; members of the Casino Reinvestment
37 Development Authority; or

38 (c) with respect to activity related to medical cannabis authorized
39 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) **[,]** and activity related
40 to personal use cannabis authorized pursuant to P.L. , c. (C.)
41 (pending before the Legislature as this bill); any State officer or
42 employee subject to financial disclosure by law or executive order
43 and any other State officer or employee with responsibility for
44 matters affecting medical cannabis activity or personal use cannabis
45 activity; any special State officer or employee with responsibility for

1 matters affecting medical cannabis activity or personal use cannabis
2 activity; members of the Cannabis Regulatory Commission; or

3 (2) (a) any member of the governing body, or the municipal judge
4 or the municipal attorney of a municipality wherein a casino is
5 located; any member of or attorney for the planning board or zoning
6 board of adjustment of a municipality wherein a casino is located, or
7 any professional planner, or consultant regularly employed or
8 retained by such planning board or zoning board of adjustment; or

9 (b) any member of the governing body or the municipal judge of
10 a municipality, any member of the planning board or zoning board of
11 adjustment, or any professional planner, or consultant regularly
12 employed or retained by such planning board or zoning board of
13 adjustment, of a municipality wherein a medical cannabis cultivator,
14 medical cannabis manufacturer, medical cannabis dispensary, or
15 clinical registrant issued a permit pursuant to P.L.2009, c.307
16 (C.24:6I-1 et al.), or wherein a cannabis 'grower' cultivator' ,
17 cannabis 'processor' manufacturer' , cannabis wholesaler, cannabis
18 distributor, cannabis retailer, cannabis delivery service issued a
19 license pursuant to P.L. , c. (C.) (pending before the
20 Legislature as this bill), is located.

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

1 interest in, or represent, appear for, or negotiate on behalf of, any
2 holder of, or applicant for, a casino license, or any holding or
3 intermediary company with respect thereto, in connection with any
4 cause, application, or matter. However, a special State officer or
5 employee without responsibility for matters affecting casino activity
6 may hold employment directly with any holder of or applicant for a
7 casino license or any holding or intermediary company thereof and if
8 so employed may hold, directly or indirectly, an interest in, or
9 represent, appear for, or negotiate on behalf of, that employer, except
10 as otherwise prohibited by law.

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

1 (3) No State officer or employee, nor any person, nor any member
2 of the immediate family of any State officer or employee, or person,
3 nor any partnership, firm, or corporation with which any such State
4 officer or employee or person is associated or in which he has an
5 interest, nor any partner, officer, director, or employee while he is
6 associated with such partnership, firm, or corporation, shall hold,
7 directly or indirectly, an interest in, or hold employment with, or
8 represent, appear for, or negotiate on behalf of, any holder of, or
9 applicant for, a medical cannabis cultivator, medical cannabis
10 manufacturer, medical cannabis dispensary, or clinical registrant
11 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or **[in]**
12 any entity that employs any certified medical cannabis handler to
13 perform transfers or deliveries of medical cannabis, or any holding
14 or intermediary company with respect thereto, or a cannabis
15 '**[grower]** cultivator' , cannabis '**[processor]** manufacturer' ,
16 cannabis wholesaler, cannabis distributor, cannabis retailer, or
17 cannabis delivery service license issued pursuant to P.L. ,
18 c. (C.) (pending before the Legislature as this bill), or which is
19 an entity that employs or uses a certified personal use cannabis
20 handler to perform work for or on behalf of a licensed cannabis
21 establishment, distributor, or delivery service or any holding or
22 intermediary company with respect thereto, in connection with any
23 cause, application, or matter, except as provided in section 3 of
24 P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State officer or
25 employee other than a State officer or employee included in the
26 definition of person, and (b) a member of the immediate family of a
27 State officer or employee, or of a person, may hold employment with
28 the holder of, or applicant for, a medical cannabis cultivator, medical
29 cannabis manufacturer, medical cannabis dispensary, or clinical
30 registrant permit or any entity that employs any certified medical
31 cannabis handler to perform transfers or deliveries of medical
32 cannabis, or a cannabis '**[grower]** cultivator' , cannabis
33 '**[processor]** manufacturer' , cannabis wholesaler, cannabis
34 distributor, cannabis retailer, cannabis delivery service license or any
35 entity that employs or uses a certified personal use cannabis handler
36 to perform work for or on behalf of a licensed cannabis
37 establishment, distributor, or delivery service, if, in the judgment of
38 the State Ethics Commission, the Joint Legislative Committee on
39 Ethical Standards, or the Supreme Court, as appropriate, such
40 employment will not interfere with the responsibilities of the State
41 officer or employee, or person, and will not create a conflict of
42 interest, or reasonable risk of the public perception of a conflict of
43 interest, on the part of the State officer or employee, or person. No
44 special State officer or employee without responsibility for matters
45 affecting medical cannabis activity or personal use cannabis activity,
46 excluding those serving in the Departments of Education, Health, and

1 Human Services and the Office of the Secretary of Higher Education,
2 shall hold, directly or indirectly, an interest in, or represent, appear
3 for, or negotiate on behalf of, any holder of, or applicant for, a
4 medical cannabis cultivator, medical cannabis manufacturer, medical
5 cannabis dispensary, or clinical registrant permit or any entity that
6 employs any certified medical cannabis handler to perform transfers
7 or deliveries of medical cannabis, or any holding or intermediary
8 company with respect thereto, or a cannabis 'grower' cultivator¹ ,
9 cannabis 'processor' manufacturer¹ , cannabis wholesaler, cannabis
10 distributor, cannabis retailer, or cannabis delivery service license or
11 any entity that employs or uses a certified personal use cannabis
12 handler to perform work for or on behalf of a licensed cannabis
13 establishment, distributor, or delivery service or any holding or
14 intermediary company with respect thereto, in connection with any
15 cause, application, or matter. However, a special State officer or
16 employee without responsibility for matters affecting medical
17 cannabis activity or personal use cannabis activity may hold
18 employment directly with any holder of or applicant for a medical
19 cannabis cultivator, medical cannabis manufacturer, medical
20 cannabis dispensary, or clinical registrant permit, or any entity that
21 employs any certified medical cannabis handler to perform transfers
22 or deliveries of medical cannabis, or any holding or intermediary
23 company thereof, or a cannabis 'grower' cultivator¹ , cannabis
24 'processor' manufacture¹ , cannabis wholesaler, cannabis
25 distributor, cannabis retailer, or cannabis delivery service license or
26 any entity that employs or uses a certified personal use cannabis
27 handler to perform work for or on behalf of a licensed cannabis
28 establishment, distributor, or delivery service or any holding or
29 intermediary company with respect thereto, and if so employed
30 may hold, directly or indirectly, an interest in, or represent, appear
31 for, or negotiate on behalf of, that employer, except as otherwise
32 prohibited by law.

33 c. (1) No person or any member of his immediate family, nor any
34 partnership, firm, or corporation with which such person is associated
35 or in which he has an interest, nor any partner, officer, director, or
36 employee while he is associated with such partnership, firm or
37 corporation, shall, within two years next subsequent to the
38 termination of the office or employment of such person, hold, directly
39 or indirectly, an interest in, or hold employment with, or represent,
40 appear for, or negotiate on behalf of, any holder of, or applicant for,
41 a casino license in connection with any cause, application or matter,
42 or any holding or intermediary company with respect to such holder
43 of, or applicant for, a casino license in connection with any phase of
44 casino development, permitting, licensure, or any other matter
45 whatsoever related to casino activity, except as provided in section 3
46 of P.L.2009, c.26 (C.52:13D-17.3), and except that:

1 (a) a member of the immediate family of a person may hold
2 employment with the holder of, or applicant for, a casino license if,
3 in the judgment of the State Ethics Commission, the Joint Legislative
4 Committee on Ethical Standards, or the Supreme Court, as
5 appropriate, such employment will not interfere with the
6 responsibilities of the person and will not create a conflict of interest,
7 or reasonable risk of the public perception of a conflict of interest, on
8 the part of the person;

9 (b) an employee who is terminated as a result of a reduction in
10 the workforce at the agency where employed, other than an employee
11 who held a policy-making management position at any time during
12 the five years prior to termination of employment, may, at any time
13 prior to the end of the two-year period, accept employment with the
14 holder of, or applicant for, a casino license if, in the judgment of the
15 State Ethics Commission, the Joint Legislative Committee on Ethical
16 Standards, or the Supreme Court, as appropriate, such employment
17 will not create a conflict of interest, or reasonable risk of the public
18 perception of a conflict of interest, on the part of the employee. In no
19 case shall the restrictions of this subsection apply to a secretarial or
20 clerical employee.

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

27 (c) any partnership, firm, or corporation engaged in the practice
28 of law or in providing any other professional services with which any
29 person included in subparagraphs (a) and (b) of paragraph (1) of
30 subsection a. of this section, or a member of the immediate family of
31 that person, is associated, and any partner, officer, director, or
32 employee thereof, other than that person, or immediate family
33 member, may represent, appear for or negotiate on behalf of any
34 holder of, or applicant for, a casino license in connection with any
35 cause, application or matter or any holding company or intermediary
36 company with respect to such holder of, or applicant for, a casino
37 license in connection with any phase of casino development,
38 permitting, licensure or any other matter whatsoever related to casino
39 activity, and that person or immediate family member shall not be
40 barred from association with such partnership, firm or corporation, if
41 for a period of two years next subsequent to the termination of the
42 person's office or employment, the person or immediate family
43 member (i) is screened from personal participation in any such
44 representation, appearance or negotiation; and (ii) is associated with
45 the partnership, firm or corporation in a position which does not
46 entail any equity interest in the partnership, firm or corporation. The

1 exception provided in this **[paragraph]** subparagraph shall not apply
2 to a former Governor, Lieutenant Governor, Attorney General,
3 member of the Legislature, person included in subparagraph (a) of
4 paragraph (2) of subsection a. of this section, or to the members of
5 their immediate families.

6 (2) No person or any member of the person's immediate family,
7 nor any partnership, firm, or corporation with which such person is
8 associated or in which the person has an interest, nor any partner,
9 officer, director, or employee while the person is associated with
10 such partnership, firm, or corporation, shall, within two years next
11 subsequent to the termination of the office or employment of such
12 person, hold, directly or indirectly, an interest in, or hold employment
13 with, or represent, appear for, or negotiate on behalf of, any holder
14 of, or applicant for, a medical cannabis cultivator, medical cannabis
15 manufacturer, medical cannabis dispensary, or clinical registrant
16 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or **[in]**
17 any entity that employs any certified medical cannabis handler to
18 perform transfers or deliveries of medical cannabis **[**, or any holding
19 or intermediary company with respect thereto**]** , or a cannabis
20 '**[grower]** cultivator¹ , cannabis '**[processor]** manufacturer¹ ,
21 cannabis wholesaler, cannabis distributor, cannabis retailer, or
22 cannabis delivery service license issued pursuant to P.L. _____,
23 c. (C. _____) (pending before the Legislature as this bill) or any
24 entity that employs or uses a certified personal use cannabis handler
25 to perform work for or on behalf of a licensed cannabis
26 establishment, distributor, or delivery service in connection with any
27 cause, application, or matter, or any holding or intermediary
28 company with respect to such holder of, or applicant for, a medical
29 cannabis cultivator, medical cannabis manufacturer, medical
30 cannabis dispensary, or clinical registrant permit or entity that
31 employs any certified medical cannabis handler to perform transfers
32 or deliveries of medical cannabis, or a cannabis '**[grower]**
33 cultivator¹ , cannabis '**[processor]** manufacturer¹ , cannabis
34 wholesaler, cannabis distributor, cannabis retailer, or cannabis
35 delivery service license or any entity that employs or uses a certified
36 personal use cannabis handler to perform work for or on behalf of a
37 licensed cannabis establishment, distributor, or delivery service in
38 connection with any phase of development, permitting, licensure, or
39 any other matter whatsoever related to medical cannabis activity or
40 personal use cannabis activity, except as provided in section 3 of
41 P.L.2009, c.26 (C.52:13D-17.3), and except that:

42 (a) a member of the immediate family of a person may hold
43 employment with the holder of, or applicant for, a medical cannabis
44 cultivator, medical cannabis manufacturer, medical cannabis
45 dispensary, or clinical registrant permit issued pursuant to P.L.2009,

1 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
2 medical cannabis handler to perform transfers or deliveries of
3 medical cannabis, or a cannabis ¹grower cultivator¹, cannabis
4 ¹processor manufacturer¹, cannabis wholesaler, cannabis
5 distributor, cannabis retailer, or cannabis delivery service license
6 issued pursuant to P.L. , c. (C.) (pending before the Legislature
7 as this bill) or any entity that employs or uses a certified personal use
8 cannabis handler to perform work for or on behalf of a licensed
9 cannabis establishment, distributor, or delivery service if, in the
10 judgment of the State Ethics Commission, the Joint Legislative
11 Committee on Ethical Standards, or the Supreme Court, as
12 appropriate, such employment will not interfere with the
13 responsibilities of the person and will not create a conflict of interest,
14 or reasonable risk of the public perception of a conflict of interest, on
15 the part of the person;

16 (b) an employee who is terminated as a result of a reduction in
17 the workforce at the agency where employed, other than an employee
18 who held a policy-making management position at any time during
19 the five years prior to termination of employment, may, at any time
20 prior to the end of the two-year period, accept employment with the
21 holder of, or applicant for, a medical cannabis cultivator, medical
22 cannabis manufacturer, medical cannabis dispensary, or clinical
23 registrant permit or any entity that employs any certified medical
24 cannabis handler to perform transfers or deliveries of medical
25 cannabis, or a cannabis ¹grower cultivator¹, cannabis
26 ¹processor manufacturer¹, cannabis wholesaler, cannabis
27 distributor, cannabis retailer, or cannabis delivery service license or
28 any entity that employs or uses a certified personal use cannabis
29 handler to perform work for or on behalf of a licensed cannabis
30 establishment, distributor, or delivery service if, in the judgment of
31 the State Ethics Commission, the Joint Legislative Committee on
32 Ethical Standards, or the Supreme Court, as appropriate, such
33 employment will not create a conflict of interest, or reasonable risk
34 of the public perception of a conflict of interest, on the part of the
35 employee. In no case shall the restrictions of this subsection apply
36 to a secretarial or clerical employee. Nothing herein contained shall
37 alter or amend the post-service or post-employment restrictions
38 applicable to members and employees of the Cannabis Regulatory
39 Commission pursuant to paragraph (2) of subsection c. of section 34
40 and section 35 of P.L.2019, c.153 (C.24:6I-27 and C.24:6I-28); and

41 (c) any partnership, firm, or corporation engaged in the practice
42 of law or in providing any other professional services with which any
43 person included in subparagraphs (a) and (c) of paragraph (1) of
44 subsection a. of this section, or a member of the immediate family of
45 that person, is associated, and any partner, officer, director, or
46 employee thereof, other than that person, or immediate family

1 member, may represent, appear for, or negotiate on behalf of any
2 holder of, or applicant for, a medical cannabis cultivator, medical
3 cannabis manufacturer, medical cannabis dispensary, or clinical
4 registrant permit or any entity that employs any certified medical
5 cannabis handler to perform transfers or deliveries of medical
6 cannabis, or a cannabis ¹**[grower]** cultivator¹ , cannabis
7 ¹**[processor]** manufacturer¹ , cannabis wholesaler, cannabis
8 distributor, cannabis retailer, or cannabis delivery service license or
9 any entity that employs or uses a certified personal use cannabis
10 handler to perform work for or on behalf of a licensed cannabis
11 establishment, distributor, or delivery service in connection with any
12 cause, application, or matter or any holding company or intermediary
13 company with respect to such holder of, or applicant for, a medical
14 cannabis cultivator, medical cannabis manufacturer, medical
15 cannabis dispensary, or clinical registrant permit or entity that
16 employs any certified medical cannabis handler to perform transfers
17 or deliveries of medical cannabis, or a cannabis ¹**[grower]**
18 cultivator¹ , cannabis ¹**[processor]** manufacturer¹ , cannabis
19 wholesaler, cannabis distributor, cannabis retailer, or cannabis
20 delivery service license or entity that employs or uses a certified
21 personal use cannabis handler to perform work for or on behalf of a
22 licensed cannabis establishment, distributor, or delivery service in
23 connection with any phase of development, permitting, licensing, or
24 any other matter whatsoever related to medical cannabis activity or
25 personal use activity, and that person or immediate family member
26 shall not be barred from association with such partnership, firm, or
27 corporation, if for a period of two years next subsequent to the
28 termination of the person's office or employment, the person or
29 immediate family member (i) is screened from personal participation
30 in any such representation, appearance or negotiation; and (ii) is
31 associated with the partnership, firm, or corporation in a position
32 which does not entail any equity interest in the partnership, firm, or
33 corporation. The exception provided in this **[paragraph]**
34 subparagraph shall not apply to a former Governor, Lieutenant
35 Governor, Attorney General, the President of the Senate, the Speaker
36 of the General Assembly, to a person included in subparagraph (b) of
37 paragraph (2) of subsection a. of this section, or to the members of
38 their immediate families.

39 d. This section shall not apply to the spouse of a State officer or
40 employee, which State officer or employee is without responsibility
41 for matters affecting casino **[or]** , medical cannabis, or personal use
42 cannabis activity, who becomes the spouse subsequent to the State
43 officer's or employee's appointment or employment as a State officer
44 or employee and who is not individually or directly employed by a
45 holder of, or applicant for, a casino license **[or]** , medical cannabis

1 permit, personal use cannabis license, or any entity that employs or
2 uses a certified personal use cannabis handler to perform work for or
3 on behalf of a licensed cannabis establishment, distributor, or
4 delivery service or any holding or intermediary company thereof.

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

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

15 (2) No person shall solicit or accept, directly or indirectly, any
16 complimentary service or discount from 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 any entity that
20 employs any certified medical cannabis handler to perform transfers
21 or deliveries of medical cannabis, or a cannabis ¹**[grower]**
22 cultivator¹ , cannabis ¹**[processor]** manufacturer¹ , cannabis
23 wholesaler, cannabis distributor, cannabis retailer, or cannabis
24 delivery service license issued pursuant to P.L. _____ ,
25 c. (C. _____) (pending before the Legislature as this bill) or any
26 entity that employs or uses a certified personal use cannabis handler
27 to perform work for or on behalf of a licensed cannabis
28 establishment, distributor, or delivery service which the person
29 knows or has reason to know is other than a service or discount that
30 is offered to members of the general public in like circumstance.

31 g. (1) No person shall influence, or attempt to influence, by use
32 of his official authority, the decision of the Casino Control
33 Commission or the investigation of the Division of Gaming
34 Enforcement in any application for casino licensure or in any
35 proceeding to enforce the provisions of this act or the regulations of
36 the commission. Any such attempt shall be promptly reported to the
37 Attorney General; provided, however, that nothing in this section
38 shall be deemed to proscribe a request for information by any person
39 concerning the status of any application for licensure or any
40 proceeding to enforce the provisions of this act or the regulations of
41 the commission.

42 (2) No person shall influence, or attempt to influence, by use of
43 the person's official authority, the decision of the Cannabis
44 Regulatory Commission in any application for a medical cannabis
45 cultivator, medical cannabis manufacturer, medical cannabis
46 dispensary, or clinical registrant permit, or a cannabis ¹**[grower]**

1 cultivator¹ , cannabis ¹**[processor]** manufacturer¹ , cannabis
2 wholesaler, cannabis distributor, cannabis retailer, or cannabis
3 delivery service license, or in any proceeding to enforce the
4 provisions of P.L.1981, c.142 (C.52:13D-17.2 et al.), P.L.2009, c.307
5 (C.24:6I-1 et al.), or the regulations of the Cannabis Regulatory
6 Commission. Any such attempt shall be promptly reported to the
7 Attorney General; provided, however, that nothing in this section
8 shall be deemed to proscribe a request for information by any person
9 concerning the status of any permit or license application, or any
10 proceeding to enforce the provisions of P.L.1981, c.142 (C.52:13D-
11 17.2 et al.), P.L.2009, c.307 (C.24:6I-1 et al.), P.L. , c. (C.)
12 (pending before the Legislature as this bill), or the regulations of the
13 Cannabis Regulatory Commission.

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

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

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

28 32. a. There is hereby established in the commission an Office of
29 Minority, Disabled Veterans, and Women **[Medical]** Cannabis
30 Business Development. The office shall be under the immediate
31 supervision of a director. The director of the office shall be appointed
32 by the Governor, and shall serve at the pleasure of the appointing
33 Governor during the Governor's term of office and until a successor
34 has been duly appointed and qualified. Any vacancy in the
35 directorship occurring for any reason other than the expiration of the
36 director's term of office shall be filled for the unexpired term only in
37 the same manner as the original appointment. The director shall
38 receive an annual salary as provided by law which shall be at an
39 amount not to exceed the annual salary of the executive director of
40 the commission.

41 b. (1) The office shall establish and administer, under the
42 direction of the commission, unified practices and procedures for
43 promoting participation in the medical cannabis **[industry]** and
44 personal use cannabis industries by persons from socially and
45 economically disadvantaged communities, including by prospective
46 and existing ownership of minority businesses and women's

1 businesses, as these terms are defined in section 2 of P.L.1986, c.195
2 (C.52:27H-21.18), and disabled veterans' businesses as defined in
3 section 2 of P.L.2015, c.116 (C.52:32-31.2), to be issued medical
4 cannabis cultivator, medical cannabis manufacturer, medical
5 cannabis dispensary, and clinical registrant permits, or cannabis
6 '[grower] cultivator', cannabis '[processor] manufacturer',
7 cannabis wholesaler, cannabis distributor, cannabis retailer, and
8 cannabis delivery service licenses. These unified practices and
9 procedures shall include the certification and subsequent
10 recertification at regular intervals of a business as a minority or
11 women's business, or a disabled veterans' business, in accordance
12 with eligibility criteria and a certification application process
13 established by the commission through regulation in consultation
14 with the office.

15 (2) The office shall conduct advertising and promotional
16 campaigns, and shall disseminate information to the public, to
17 increase awareness for participation in the medical cannabis
18 **[industry]** and personal use cannabis industries by persons from
19 socially and economically disadvantaged communities. To this end,
20 the office shall sponsor seminars and informational programs, and
21 shall provide information on its Internet website, providing practical
22 information concerning the medical cannabis **[industry]** and
23 personal use cannabis industries, including information on business
24 management, marketing, and other related matters.

25 c. (1) The office shall develop, recommend, and implement
26 policies, practices, protocols, standards, and criteria designed to
27 promote the formulation of medical cannabis business entities and
28 personal use cannabis establishments, distributors, and delivery
29 services and participation in the medical cannabis **[industry]** and
30 personal use cannabis industries by persons from socially and
31 economically disadvantaged communities, including by promoting
32 applications for, and the issuance of, medical cannabis cultivator,
33 medical cannabis manufacturer, medical cannabis dispensary, and
34 clinical registrant permits, and cannabis '[grower] cultivator',
35 cannabis '[processor] manufacturer', cannabis wholesaler, cannabis
36 distributor, cannabis retailer, and cannabis delivery services licenses,
37 to certified minority, women's, and disabled veterans' businesses.

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

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

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

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

4 **e.** The office shall prepare information regarding its activities pursuant to this section concerning participation in the medical cannabis **industry** and personal use cannabis industries by persons from socially and economically disadvantaged communities, including medical cannabis and personal use cannabis business

1 development initiatives for minority, women's, and disabled
2 veterans' businesses participating in the medical cannabis
3 marketplace, to be incorporated by the commission into its annual
4 report submitted to the Governor and to the Legislature pursuant to
5 section 14 of P.L.2009, c.307 (C.24:6I-12).

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

7

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

10 12. a. Each application for a medical cannabis cultivator permit,
11 medical cannabis manufacturer permit, and medical cannabis
12 dispensary permit, and each application for annual renewal of such
13 permit, including permit and renewal applications for
14 microbusinesses that meet the requirements of subsection e. of
15 section 11 of P.L.2019, c.153 (C.24:6I-7.1), shall be submitted to the
16 commission. A full, separate application shall be required for each
17 initial permit requested by the applicant and for each location at
18 which an applicant seeks to operate, regardless of whether the
19 applicant was previously issued a medical cannabis cultivator,
20 medical cannabis manufacturer, medical cannabis dispensary, or
21 clinical registrant permit, and regardless of whether the applicant
22 currently holds a medical cannabis cultivator, medical cannabis
23 manufacturer, or medical cannabis dispensary permit. Renewal
24 applications shall be submitted to the commission on a form and in a
25 manner as shall be specified by the commission no later than 90 days
26 before the date the current permit will expire.

27 b. An initial permit application shall be evaluated according to
28 criteria to be developed by the commission. The commission shall
29 determine the point values to be assigned to each criterion, which
30 shall include bonus points for applicants who are residents of New
31 Jersey.

32 c. The criteria to be developed by the commission pursuant to
33 subsection b. of this section shall include, in addition to the criteria
34 set forth in subsections d. and e. of this section and any other criteria
35 developed by the commission, an analysis of the applicant's
36 operating plan, excluding safety and security criteria, which shall
37 include the following:

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

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

43 (b) conventional horticulture or agriculture, familiarity with good
44 agricultural practices, and any relevant certifications or degrees;

45 (c) quality control and quality assurance;

46 (d) recall plans;

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

- 1 description concerning the applicant's qualifications for, experience
2 in, and knowledge of each of the following topics:
- 3 (a) State-authorized dispensation of medical cannabis to
4 qualifying patients;
 - 5 (b) healthcare, medicine, and treatment of patients with
6 qualifying medical conditions;
 - 7 (c) medical cannabis product evaluation procedures;
 - 8 (d) recall plans;
 - 9 (e) packaging and labeling;
 - 10 (f) inventory control and point-of-sale software or systems for
11 the sale of medical cannabis;
 - 12 (g) patient counseling procedures;
 - 13 (h) the routes of administration, strains, varieties, and
14 cannabinoid profiles of medical cannabis and medical cannabis
15 products;
 - 16 (i) odor mitigation practices;
 - 17 (j) onsite and offsite recordkeeping;
 - 18 (k) compliance with State and federal patient privacy rules;
 - 19 (l) waste disposal plans; and
 - 20 (m) compliance with applicable laws and regulations.
- 21 d. The criteria to be developed by the commission pursuant to
22 subsection b. of this section shall include, in addition to the criteria
23 set forth in subsections c. and e. of this section and any other criteria
24 developed by the commission, an analysis of the following factors, if
25 applicable:
- 26 (1) The applicant's environmental impact plan.
 - 27 (2) A summary of the applicant's safety and security plans and
28 procedures, which shall include descriptions of the following:
 - 29 (a) plans for the use of security personnel, including contractors;
 - 30 (b) the experience or qualifications of security personnel and
31 proposed contractors;
 - 32 (c) security and surveillance features, including descriptions of
33 any alarm systems, video surveillance systems, and access and visitor
34 management systems, along with drawings identifying the proposed
35 locations for surveillance cameras and other security features;
 - 36 (d) plans for the storage of medical cannabis and medical
37 cannabis products, including any safes, vaults, and climate control
38 systems that will be utilized for this purpose;
 - 39 (e) a diversion prevention plan;
 - 40 (f) an emergency management plan;
 - 41 (g) procedures for screening, monitoring, and performing
42 criminal history record background checks of employees;
 - 43 (h) cybersecurity procedures, including, in the case of an
44 applicant for a medical cannabis dispensary permit, procedures for
45 collecting, processing, and storing patient data, and the applicant's
46 familiarity with State and federal privacy laws;

1 (i) workplace safety plans and the applicant's familiarity with
2 federal Occupational Safety and Health Administration regulations;

3 (j) the applicant's history of workers' compensation claims and
4 safety assessments;

5 (k) procedures for reporting adverse events; and

6 (l) a sanitation practices plan.

7 (3) A summary of the applicant's business experience, including
8 the following, if applicable:

9 (a) the applicant's experience operating businesses in highly-
10 regulated industries;

11 (b) the applicant's experience in operating alternative treatment
12 centers and related medical cannabis production and dispensation
13 entities under the laws of New Jersey or any other state or jurisdiction
14 within the United States; and

15 (c) 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 subparagraphs (a),
20 (b), and (c) of this paragraph, the commission shall afford the greatest
21 weight to the experience of the applicant itself, controlling owners,
22 and 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 significantly involved persons in the applicant's organization;
26 followed by other officers, directors, and current and prospective
27 employees of the applicant who have a bona fide relationship with
28 the applicant's organization as of the submission date of the
29 application.

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

32 (a) the proposed location, the surrounding area, and the
33 suitability or advantages of the proposed location, along with a floor
34 plan and optional renderings or architectural or engineering plans;

35 (b) the submission of zoning approvals for the proposed location,
36 which shall consist of a letter or affidavit from appropriate municipal
37 officials that the location will conform to municipal zoning
38 requirements allowing for such activities related to the cultivation,
39 manufacturing, or dispensing of medical cannabis, cannabis
40 products, and related supplies as will be conducted at the proposed
41 facility; and

42 (c) the submission of proof of local support for the suitability of
43 the location, which may be demonstrated by a resolution adopted by
44 the municipality's governing body indicating that the intended
45 location is appropriately located or otherwise suitable for such
46 activities related to the cultivation, manufacturing, or dispensing of

1 medical cannabis, cannabis products, and related supplies as will be
2 conducted at the proposed facility.

3 Notwithstanding any other provision of this subsection, an
4 application shall be disqualified from consideration unless it includes
5 documentation demonstrating that the applicant will have final
6 control of the premises upon approval of the application, including,
7 but not limited to, a lease agreement, contract for sale, title, deed, or
8 similar documentation. In addition, if the applicant will lease the
9 premises, the application will be disqualified from consideration
10 unless it includes certification from the landlord that the landlord is
11 aware that the tenant's use of the premises will involve activities
12 related to the cultivation, manufacturing, or dispensing of medical
13 cannabis and medical cannabis products. An application shall not be
14 disqualified from consideration if the application does not include the
15 materials described in subparagraph (b) or (c) of this paragraph.

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

19 (a) a community impact plan summarizing how the applicant
20 intends to have a positive impact on the community in which the
21 proposed entity is to be located, which shall include an economic
22 impact plan, a description of outreach activities, and any financial
23 assistance or discount plans the applicant will provide to qualifying
24 patients and designated caregivers;

25 (b) a written description of the applicant's record of social
26 responsibility, philanthropy, and ties to the proposed host
27 community;

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

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

36 In evaluating the information submitted pursuant to subparagraphs
37 (b) and (c) of this paragraph, the commission shall afford the greatest
38 weight to responses pertaining to the applicant itself, controlling
39 owners, and entities with common ownership or control with the
40 applicant; followed by responses pertaining to those with a 15 percent
41 or greater ownership interest in the applicant's organization;
42 followed by significantly involved persons in the applicant's
43 organization; followed by other officers, directors, and current and
44 prospective employees of the applicant who have a bona fide
45 relationship with the applicant's organization as of the submission
46 date of the application.

1 (6) A workforce development and job creation plan, which may
2 include, but shall not be limited to a description of the applicant's
3 workforce development and job creation plan, which may include
4 information on the applicant's history of job creation and planned job
5 creation at the proposed facility; education, training, and resources to
6 be made available for employees; any relevant certifications; and a
7 diversity plan.

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

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

11 (b) a demonstration of the applicant's financial ability to
12 implement its business plan, which may include, but shall not be
13 limited to, bank statements, business and individual financial
14 statements, net worth statements, and debt and equity financing
15 statements; and

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

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

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

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

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

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

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

12 (11) Whether the applicant intends to or has entered into a
13 partnership with a prisoner re-entry program for the purpose of
14 identifying and promoting employment opportunities at the
15 applicant's organization for former inmates and current inmates
16 leaving the corrections system. If so, the applicant shall provide
17 details concerning the name of the re-entry program, the employment
18 opportunities at the applicant's organization that will be made
19 available to the re-entry population, and any other initiatives the
20 applicant's organization will undertake to provide support and
21 assistance to the re-entry population.

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

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

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

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

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

10 (4) Applicants that submit '[an attestation affirming that they
11 will use best efforts to utilize]' [union] 'a signed project labor
12 agreement with a bona fide' building trades labor '[organizations
13 in] organization, which is a form of pre-hire collective bargaining
14 agreement covering terms and conditions of a specific project,
15 including labor issues and worker grievances associated with that
16 project, for' the construction or retrofit of the facilities associated
17 with the permitted entity.

18 (5) Applicants that submit '[an attestation affirming that they
19 have a project labor agreement, or will utilize]' a 'signed' project
20 labor agreement '[, which is a form of pre-hire collective bargaining
21 agreement covering terms and conditions of a specific project,
22 including labor issues and worker grievances associated with any
23 construction or retrofit of facilities, or] with a bona fide labor
24 organization for any' other applicable project '[.]' associated with
25 the '[licensed] permitted' entity.

26 The requirements of this subsection shall not apply to a
27 microbusiness applying for a conditional or annual permit of any
28 type.

29 f. In reviewing an initial permit application, unless the
30 information is otherwise solicited by the commission in a specific
31 application question, the commission's evaluation of the application
32 shall be limited to the experience and qualifications of the applicant's
33 organization, including any entities with common ownership or
34 control of the applicant's organization, controlling owners or interest
35 holders in the applicant's organization, the officers, directors, and
36 current or prospective employees of the applicant's organization who
37 have a bona fide relationship with the applicant's organization as of
38 the date of the application, and consultants and independent
39 contractors who have a bona fide relationship with the applicant as
40 of the date of the application. Responses pertaining to applicants
41 who are exempt from the criminal history record background check
42 requirements of section 7 of P.L.2009, c.307 (C.24:6I-7) shall not be
43 considered. Each applicant shall certify as to the status of the
44 individuals and entities included in the application.

1 g. The commission shall conduct a disparity study to determine
2 whether race-based measures should be considered when issuing
3 permits pursuant to this section, and shall incorporate the policies,
4 practices, protocols, standards, and criteria developed by the Office
5 of Minority, Disabled Veterans, and Women **【Medical】** Cannabis
6 Business Development pursuant to section 32 of P.L.2019, c.153
7 (C.24:6I-25) to promote participation in the medical cannabis
8 industry by persons from socially and economically disadvantaged
9 communities, including promoting applications for, and the issuance
10 of, medical cannabis cultivator, medical cannabis manufacturer, and
11 medical cannabis dispensary permits to certified minority, women's,
12 and disabled veterans' businesses. To this end, the commission shall
13 seek to issue at least 30 percent of the total number of new medical
14 cannabis cultivator permits, medical cannabis manufacturer permits,
15 and medical cannabis dispensary permits issued on or after the
16 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) as follows:

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

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

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

34 h. The commission shall give special consideration to any
35 applicant that has entered into an agreement with an institution of
36 higher education to create an integrated curriculum involving the
37 cultivation, manufacturing, dispensing or delivery of medical
38 cannabis, provided that the curriculum is approved by both the
39 commission and the Office of the Secretary of Higher Education and
40 the applicant agrees to maintain the integrated curriculum in
41 perpetuity. An integrated curriculum permit shall be subject to
42 revocation if the IC permit holder fails to maintain or continue the
43 integrated curriculum. In the event that, because of circumstances
44 outside an IC permit holder's control, the IC permit holder will no
45 longer be able to continue an integrated curriculum, the IC permit
46 holder shall notify the commission and shall make reasonable efforts

1 to establish a new integrated curriculum with an institution of higher
2 education, subject to approval by the commission and the Office of
3 the Secretary of Higher Education. If the IC permit holder is unable
4 to establish a new integrated curriculum within six months after the
5 date the current integrated curriculum arrangement ends, the
6 commission shall revoke the entity's IC permit, unless the
7 commission finds there are extraordinary circumstances that justify
8 allowing the permit holder to retain the permit without an integrated
9 curriculum and the commission finds that allowing the permit holder
10 to retain the permit would be consistent with the purposes of
11 P.L.2009, c.307 (C.24:6I-1 et al.), in which case the IC permit shall
12 convert to a regular permit of the same type. The commission may
13 revise the application and permit fees or other conditions for an IC
14 permit as may be necessary to encourage applications for IC permits.

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

19 j. If the commission notifies an applicant that it has performed
20 sufficiently well on multiple applications to be awarded more than
21 one medical cannabis cultivator permit, more than one medical
22 cannabis manufacturer permit, or more than one medical cannabis
23 dispensary permit by the commission, the applicant shall notify the
24 commission, within seven business days after receiving such notice,
25 as to which permit it will accept. For any permit award declined by
26 an applicant pursuant to this subsection, the commission shall, upon
27 receiving notice from the applicant of the declination, award the
28 permit to the applicant for that permit type who, in the determination
29 of the commission, best satisfies the commission's criteria while
30 meeting the commission's determination of Statewide need. If an
31 applicant fails to notify the commission as to which permit it will
32 accept, the commission shall have the discretion to determine which
33 permit it will award to the applicant, based on the commission's
34 determination of Statewide need and other applications submitted for
35 facilities to be located in the affected regions.

36 k. The provisions of this section shall not apply to any permit
37 applications submitted pursuant to a request for applications
38 published in the New Jersey Register prior to the effective date of
39 P.L.2019, c.153 (C.24:6I-5.1 et al.).

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

41

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

44 13. a. The commission shall issue clinical registrant permits to
45 qualified applicants that meet the requirements of this section. In
46 addition to any other requirements as the commission establishes by

1 regulation regarding application for and issuance of a clinical
2 registrant permit, each clinical registrant applicant shall:

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

6 (2) submit to the commission any required application and permit
7 fees;

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

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

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

37 c. A contract between a clinical registrant and an academic
38 medical center shall include a commitment by the academic medical
39 center, or its affiliate, to engage in or oversee clinical research related
40 to the use or adverse effects of **[medical]** cannabis in order to advise
41 the clinical registrant concerning patient health and safety, medical
42 applications, **[and]** dispensing and management of controlled
43 substances, and ways to mitigate adverse health or societal effects of
44 adult, personal use legalization, among other areas. A clinical
45 registrant issued a permit pursuant to this section shall have a written

1 contractual relationship with no more than one academic medical
2 center.

3 d. A clinical registrant issued a permit pursuant to this section
4 shall be authorized to engage in all conduct involving the cultivation,
5 manufacturing, and dispensing of medical cannabis as is authorized
6 for an entity holding medical cannabis cultivator, medical cannabis
7 manufacturer, and medical cannabis dispensary permits pursuant to
8 P.L.2009, c.307 (C.24:6I-1 et al.), including dispensing medical
9 cannabis and medical cannabis products to qualifying patients and
10 designated and institutional caregivers. The clinical registrant shall
11 additionally be authorized to engage in clinical research involving
12 medical cannabis using qualifying patients who consent to being part
13 of such research, subject to any restrictions established by the
14 commission.

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

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

30 (3) The commission may authorize a clinical registrant to
31 dispense medical cannabis and medical cannabis products from more
32 than one physical location if the commission determines that
33 authorizing additional dispensing locations is necessary for the
34 clinical registrant to best serve and treat qualifying patients and
35 clinical trial participants.

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

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

42 g. Clinical registrant permits shall be valid for the term of the
43 contractual relationship between the academic medical center and the
44 clinical registrant. The commission may renew a clinical registrant
45 permit to correspond to any renewal of the contractual relationship
46 between the academic medical center and the clinical registrant.

1 h. Each clinical registrant shall submit the results of the clinical
2 research obtained through an approved clinical registrant permit to
3 the commission no later than one year following the conclusion of
4 the research study or publication of the research study in a peer-
5 reviewed medical journal. Nothing in this subsection shall be
6 deemed to require the disclosure of any clinical research that would
7 infringe on the intellectual property of the clinical registrant or on the
8 confidentiality of patient information.

9 i. Application materials submitted to the commission pursuant
10 to this section shall not be considered a public record pursuant to
11 P.L.1963, c.73 (C.47:1A-1 et seq.) or P.L.2001, c.404 (C.47:1A-5 et
12 al.).
13 (cf: P.L.2019, c.153, s.13)

14
15 18. (New section) Regulation of Cannabis.

16 a. The commission shall adopt rules and regulations, pursuant to
17 subsection d. of section 6 of P.L. , c. (C.) (pending before the
18 Legislature as this bill), which shall be consistent with the intent of
19 P.L. , c. (C.) (pending before the Legislature as this bill). The
20 commission may create an expert task force to make
21 recommendations to the commission about the content of such
22 regulations. Such regulations shall include:

23 (1) Procedures for the application, issuance, denial, renewal,
24 suspension, and revocation of a license or conditional license to
25 operate as a cannabis establishment, distributor, or delivery service.
26 Such procedures shall include a periodic evaluation of whether the
27 number of each class of cannabis establishment, or cannabis
28 distributors or cannabis delivery services, is sufficient to meet the
29 market demands of the State, a result of which is the commission's
30 authority to ¹**make requests for** accept¹ new applications and issue
31 additional licenses as it deems necessary to meet those demands ¹**,**
32 except as otherwise provided in section 33 of P.L. , c. (C.)
33 (pending before the Legislature as this bill) regarding an initial period
34 during which the number of Class 1 Cannabis Grower licenses is
35 capped¹;

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

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

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

12 (b) Procedures, to monitor the incorporated licensing measures
13 established by the Office of Minority, Disabled Veterans, and
14 Women Cannabis Business Development, which shall include a
15 verification, as part of the application process for licensure or license
16 renewal, of a minority, women's, or disabled veterans' business
17 certification provided to that business by the office pursuant to
18 paragraph (1) of subsection b. of section 32 of P.L.2019, c.153
19 (C.24:6I-25), or verification of an application for certification under
20 review by the office pursuant to that paragraph, which review is
21 occurring simultaneous to the application for licensure or license
22 renewal;

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

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

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

32 (i) The person's United States passport ¹, or other country's
33 passport or proper government-issued documentation for
34 international travel if a citizen or other lawfully recognized resident
35 of that county, who is lawfully permitted to possess and use that
36 country's passport or government-issued documentation for purposes
37 of identification in the United States¹ ;

38 (ii) The person's motor vehicle driver's license, whether issued
39 by New Jersey or by any other state, ¹territory, or possession of the
40 United States, or the District of Columbia,¹ provided the license
41 displays a picture of the person;

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

44 (iv) Any other identification card issued by a state ¹, territory, or
45 possession of the United States, the District of Columbia,¹ or the
46 United States that bears a picture of the person, the name of the

- 1 person, the person's date of birth, and a physical description of the
2 person;
- 3 (b) No cannabis establishment, distributor, or delivery service
4 shall employ persons under 18 years of age nor shall any cannabis
5 retailer allow persons under the legal age to purchase cannabis items,
6 other than a person employed by the retailer, to enter or remain on
7 the premises of a cannabis retailer unless accompanied by a parent or
8 legal guardian;
- 9 (c) Packaging and branding regulations to prevent the marketing
10 of cannabis items and cannabis paraphernalia to people under the
11 legal age to purchase cannabis items;
- 12 (d) No edible cannabis ¹**[items]** products¹ shall be ¹**[produced]**
13 manufactured¹, marketed, or sold that are in the shape of, or a shape
14 bearing the likeness or containing characteristics of, a realistic or
15 fictional human, animal, or fruit, or part thereof, including artistic,
16 caricature, or cartoon renderings;
- 17 (7) Labeling and packaging requirements for cannabis items sold
18 or distributed by a cannabis establishment, including, but not limited
19 to, the affixing of a tracking stamp to containers or packaging as set
20 forth in section 29 of P.L.2019, c.153 (C.24:6I-22) and requirements
21 that:
- 22 (a) Cannabis items and cannabis paraphernalia are not packaged,
23 branded, or marketed using any statement, illustration, or image that:
- 24 (i) Includes false, deceptive, or misleading statements;
- 25 (ii) Promotes over-consumption;
- 26 (iii) Depicts a child or other person under legal age consuming
27 cannabis items; or
- 28 (iv) Includes objects, such as toys, characters, or cartoon
29 characters suggesting the presence of a person under the legal age to
30 purchase cannabis items, or any other depiction designed in any
31 manner to be especially appealing to persons under the legal age to
32 purchase cannabis items;
- 33 (b) Ensure cannabis items are packaged in opaque, child-resistant
34 special packaging, or if applicable to a particular cannabis item, child
35 resistant special packaging for liquid nicotine containers, in
36 accordance with the "Poison Prevention Packaging Act of 1970," 15
37 U.S.C. s.1471 et seq., and the associated regulations promulgated
38 thereunder, except that these child-resistant packaging requirements
39 shall not apply to any cannabis item obtained from a cannabis retailer
40 or alternative treatment center for immediate, on-premises
41 consumption at that retailer's or center's cannabis consumption area
42 as permitted pursuant to section 28 of P.L.2019, c.153 (C.24:6I-21);
- 43 (c) Cannabis items warning labels adequately inform consumers
44 about safe cannabis use and warn of the consequences of misuse or
45 overuse;
- 46 (d) Labeling rules that mandate clear identification of health and
47 safety information, including, but not limited to:
- 48 (i) Net weight;

- 1 (ii) Production date and expiration date;
- 2 (iii) ¹**[An]** For a cannabis product, cannabis extract, or other
3 cannabis resin, an¹ ingredient list that includes, but is not limited to,
4 all ingredients used to manufacture the cannabis product ¹, any other
5 inactive or excipient ingredients besides cannabis,¹ and a list of all
6 potential allergens contained within the product;
- 7 (iv) Strain or type of cannabis, listed by scientific terms, if
8 available, and generic or “slang” names;
- 9 (v) Whether the product requires refrigeration;
- 10 (vi) Growth method (whether dirt grown, hydroponic, or
11 otherwise) and an indication whether the cannabis was grown using
12 all-organic materials, and a complete list of any nonorganic
13 pesticides, fungicides and herbicides used during the cultivation of
14 the cannabis;
- 15 (vii) ¹**[Serving]** For a cannabis product, serving¹ size, the total
16 number of servings, and a statement regarding the percentage of THC
17 contained in the cannabis product and in each serving. For example:
18 “The serving size of active THC in this product is X mg. This product
19 contains X servings of cannabis, and the total amount of active THC
20 in this product is X mg.”;
- 21 (viii) Warning labels that include the nationwide toll-free
22 telephone number used to access poison control centers that is
23 maintained in accordance with 42 U.S.C. s.300d-71, as well as
24 include, but are not limited to, one or more of the following ¹, if
25 applicable to a particular cannabis item¹:
- 26 -- “This product contains cannabis”;
- 27 -- “This product is infused with cannabis”;
- 28 -- “This product is intended for use by adults 21 years of age or
29 older. Keep out of the reach of children”;
- 30 -- “The intoxicating effects of this product may be delayed by two
31 or more hours”;
- 32 -- “There may be health risks associated with the consumption of
33 this product, including for women who are pregnant, breastfeeding,
34 or planning on becoming pregnant”;
- 35 -- “Do not drive a motor vehicle or operate heavy machinery while
36 using cannabis”;
- 37 (e) Labeling rules that mandate the source of the cannabis items,
38 including, but not limited to, the license number of the cannabis
39 ¹**[cultivation facility]** cultivator¹ where the ¹usable¹ cannabis used
40 to produce the cannabis item was grown, the license number of the
41 cannabis ¹**[product manufacturing facility]** manufacturer¹ that
42 ¹**[produced]** manufactured¹ the cannabis item, and the license
43 number of the cannabis retailer that sold the cannabis item and the
44 production batch and lot numbers of the cannabis items;
- 45 (8) Health and safety regulations and standards for the
46 manufacture and sale of cannabis ¹**[products]** items¹ and the

1 cultivation of cannabis, including, but not limited to, requirements
2 that:

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

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

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

44 (c) Every licensed cannabis ¹【cultivation facility】cultivator¹ and
45 cannabis ¹【product manufacturing facility】manufacturer¹ shall
46 permit representatives of cannabis testing facilities to make
47 scheduled and unscheduled visits to facilities in order to obtain
48 random samples of cannabis items, in a quantity established by the

1 commission, to be transported to cannabis testing facilities for
2 inspection and testing to certify compliance with health, safety, and
3 potency standards adopted by the commission;

4 (d) Prescribe methods of producing 'cannabis' , **'[processing,]**
5 and manufacturing' and packaging cannabis items; conditions of
6 sanitation; safe handling requirements; approved pesticides and
7 pesticide testing requirements, to the extent not inconsistent with
8 approved pesticides and requirements otherwise established under
9 federal and State law; and standards of ingredients, quality, and
10 identity of cannabis items produced, **'[processed]** , manufactured',
11 packaged, or sold by cannabis establishments;

12 (e) Establish accreditation and licensing criteria for responsible
13 cannabis server and seller training and certification programs for
14 cannabis retailer employees;

15 (f) Provide that no licensed cannabis establishment, distributor,
16 or delivery service, or employee of a cannabis establishment **'[or]** ,
17 distributor, 'or delivery service.' shall consume, or allow to be
18 consumed, any cannabis items on the establishment's, distributor's,
19 or delivery service's premises, except as permitted in a cannabis
20 consumption area or 'premises' private area 'for employees' as set
21 forth in section 28 of P.L.2019, c.153 (C.24:6I-21);

22 (g) (i) Set appropriate dosage, potency, and serving size limits for
23 **'[cannabis and other]'** cannabis items, provided that a standardized
24 serving of 'a' cannabis 'product' shall be no more than 10 milligrams
25 of active THC and no individual edible **'[retail] cannabis'** product
26 **'[unit]'** for sale shall contain more than 100 milligrams of active
27 THC;

28 (ii) Require that each single standardized serving of 'a' cannabis
29 'product' in a multiple-serving edible **'[cannabis]'** product is
30 physically demarked in a way that enables a reasonable person to
31 determine how much of the product constitutes a single serving of
32 active THC, and that each standardized serving of 'the' cannabis
33 'product' shall be easily separable to allow an average person 21
34 years of age or older to physically separate, with minimal effort,
35 individual servings of the product;

36 (iii) Require that, if it is impracticable to clearly demark every
37 standardized serving of cannabis 'product' or to make each
38 standardized serving easily separable in an edible cannabis product,
39 the product shall contain no more than 10 milligrams of active THC
40 per unit of sale;

41 (h) Establish a universal symbol to indicate that a cannabis item
42 contains cannabis, which shall be marked, stamped, or imprinted
43 directly on an edible retail cannabis **'[item] product'**, or on each
44 single standardized serving in a multiple-serving edible cannabis
45 **'[item] product'** , unless the item is a loose bulk good such as

- 1 granola or cereal, a powder, a liquid-infused item, or another form
2 too impractical to be marked, stamped, or imprinted;
- 3 (i) Prohibit the use of a commercially manufactured or
4 trademarked food product as an edible retail cannabis '[item]
5 product¹, provided that a commercially manufactured or
6 trademarked food product may be used as a component of an edible
7 retail cannabis '[item] product¹ or part of '[an item's] a product's¹
8 recipe so long as the commercially manufactured or trademarked
9 food product is used in a way that renders it unrecognizable in the
10 final edible '[retail]¹ cannabis '[item] product¹ and the '[item]
11 product¹ is not advertised as containing the commercially
12 manufactured or trademarked food product;
- 13 (j) Establish screening, hiring, training, and supervising
14 requirements for '[retail store] cannabis retailer¹ employees and
15 others who manufacture or handle cannabis items;
- 16 (k) Promote general sanitary requirements for the handling,
17 storage, and disposal of cannabis items, and the maintenance of
18 cannabis establishments ¹, and cannabis distribution and cannabis
19 delivery service premises¹ ;
- 20 (l) Provide for rigorous auditing, inspection, and monitoring of
21 cannabis establishments, distributors, and delivery services for
22 compliance with health and safety rules and regulations;
- 23 (m) Require the implementation of security requirements for
24 '[retail outlets] cannabis retailers¹ and premises where cannabis
25 items are produced or '[processed] manufactured¹, and safety
26 protocols for cannabis establishments, distributors, and delivery
27 services, and their employees;
- 28 (n) Prescribe reasonable restrictions on the manner, methods, and
29 means by which 'cannabis cultivators shall transport cannabis within
30 the State, and all¹ licensees shall transport cannabis items within the
31 State; and
- 32 (o) Establish procedures for identification, seizure, confiscation,
33 destruction, or donation to law enforcement for training purposes of
34 all cannabis or cannabis '[products] items¹ produced, processed,
35 sold, or offered for sale within this State which do not conform in all
36 respects to the standards prescribed by P.L. , c. (C.) (pending
37 before the Legislature as this bill);
- 38 (9) Restrictions on the advertising and display of cannabis items
39 and cannabis paraphernalia, including, but not limited to,
40 requirements that:
- 41 (a) Restrict advertising of cannabis items and cannabis
42 paraphernalia in ways that target or are designed to appeal to
43 individuals under the legal age to purchase cannabis items, including,
44 but not limited to depictions of a person under 21 years of age
45 consuming cannabis 'items¹, or, includes objects, such as toys,
46 characters, or cartoon characters suggesting the presence of a person

1 under 21 years of age, or any other depiction designed in any manner
2 to be especially appealing to a person under 21 years of age;

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

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

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

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

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

25 (g) Prohibit the advertising of cannabis items or cannabis
26 paraphernalia in any form or through any medium whatsoever within
27 200 feet of an elementary or secondary school grounds.

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

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

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

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

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

1 with P.L. , c. (C.) (pending before the Legislature as this bill)
2 and the rules of the commission. The commission shall not require
3 the books of any licensee to be maintained on the premises of the
4 licensee;

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

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

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

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

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

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

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

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

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

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

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

34 (14) Establishing the number of cannabis retailers:

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

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

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

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

1 identification ¹as set forth in subparagraph (a) of paragraph (6) of
2 subsection a. of this section in order¹ to determine the consumer's
3 ¹identity and¹ age, and a cannabis retailer shall not collect and retain
4 any personal information about consumers other than information
5 typically acquired in a financial transaction conducted by the holder
6 of a Class C retail license concerning alcoholic beverages as set forth
7 in R.S.33:1-12.

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

21 d. The commission shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 the commission finds by clear and convincing evidence that the
2 applicant would be manifestly unsuitable to perform the activities for
3 the applicable license class for which licensure is sought.

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

44 (ii) If the application is denied, the commission shall notify the
45 applicant in writing of the specific reason for its denial, provide with
46 this written notice a refund of 80 percent of the application fee
47 submitted with the application, and provide the applicant with the

1 opportunity for a hearing in accordance with the “Administrative
2 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.);

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

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

42 (a) An initial application for licensure shall be evaluated
43 according to criteria to be developed by the commission. ¹~~For the~~
44 point values assigned to each criterion, there ¹There¹ shall be
45 included bonus points for applicants who are residents of New Jersey.

46 (b) The criteria to be developed by the commission pursuant to
47 subparagraph (a) this paragraph shall include, in addition to the

1 criteria set forth in subparagraphs (c) and (d) of this paragraph and
2 any other criteria developed by the commission, an analysis of the
3 applicant's operating plan, excluding safety and security criteria,
4 which shall include the following:

5 (i) In the case of an applicant for a cannabis ¹**[grower]**
6 cultivator¹ license, the operating plan summary shall include a
7 written description concerning the applicant's qualifications for,
8 experience in, and knowledge of each of the following topics:

- 9 - ¹**[State-authorized]**¹ cultivation of ¹**[personal use]**¹ cannabis;
10 - conventional horticulture or agriculture, familiarity with good
11 agricultural practices, and any relevant certifications or degrees;
12 - quality control and quality assurance;
13 - recall plans;
14 - packaging and labeling;
15 - inventory control and tracking software or systems for the
16 production of personal use cannabis;
17 - analytical chemistry and testing of personal use cannabis;
18 - water management practices;
19 - odor mitigation practices;
20 - onsite and offsite recordkeeping;
21 - strain variety and plant genetics;
22 - pest control and disease management practices, including plans
23 for the use of pesticides, nutrients, and additives;
24 - waste disposal plans; and
25 - compliance with applicable laws and regulations.

26 (ii) In the case of an applicant for a cannabis ¹**[processor]**
27 manufacturer¹ license, or, as applicable, a cannabis wholesaler
28 license, cannabis distributor license, or cannabis delivery service
29 license, the operating plan summary shall include a written
30 description concerning the applicant's qualifications for, experience
31 in, and knowledge of each of the following topics:

- 32 - ¹**[State-authorize]**¹ manufacture ¹**[, production,]**¹ and creation
33 of cannabis products using appropriate extraction methods, including
34 intended use and sourcing of extraction equipment and associated
35 solvents or intended methods and equipment for non-solvent
36 extraction;
37 - quality control and quality assurance;
38 - recall plans;
39 - packaging and labeling;
40 - inventory control and tracking software or systems for the
41 production of personal use cannabis and cannabis items;
42 - analytical chemistry and testing of personal use cannabis and
43 cannabis items;
44 - water management practices;
45 - odor mitigation practices;
46 - onsite and offsite recordkeeping;

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

- 1 - workplace safety plans and the applicant's familiarity with
2 federal Occupational Safety and Health Administration regulations;
3 - the applicant's history of workers' compensation claims and
4 safety assessments;
5 - procedures for reporting adverse events; and
6 - a sanitation practices plan.
- 7 (iii) A summary of the applicant's business experience, including
8 the following, if applicable:
9 - the applicant's experience operating businesses in highly-
10 regulated industries;
11 - the applicant's experience in operating cannabis establishments
12 or alternative treatment centers and related ¹["personal use or
13 medical"]¹ cannabis production and dispensation entities, or
14 experience in operating cannabis distributors or delivery services,
15 under the laws of New Jersey or any other state or jurisdiction within
16 the United States; and
17 - the applicant's plan to comply with and mitigate the effects of
18 26 U.S.C. s.280E on cannabis businesses, and for evidence that the
19 applicant is not in arrears with respect to any tax obligation to the
20 State.
- 21 In evaluating the experience described under this
22 subparagraph, the commission shall afford the greatest weight to
23 the experience of the applicant itself, controlling owners, and entities
24 with common ownership or control with the applicant; followed by
25 the experience of those with a 15 percent or greater ownership
26 interest in the applicant's organization; followed by interest holders
27 in the applicant's organization; followed by other officers, directors,
28 and bona fide full-time employees of the applicant as of the
29 submission date of the application.
- 30 (iv) A description of the proposed location for the applicant's site,
31 including the following, if applicable:
32 - the proposed location, the surrounding area, and the suitability
33 or advantages of the proposed location, along with a floor plan and
34 optional renderings or architectural or engineering plans;
35 - the submission of zoning approvals for the proposed location,
36 which shall consist of a letter or affidavit from appropriate officials
37 of the municipality that the location will conform to local zoning
38 requirements allowing for activities related to the operations of the
39 proposed cannabis ¹["grower"] cultivator¹ , cannabis ¹["processor"]
40 manufacturer¹ , cannabis wholesaler, cannabis distributor, cannabis
41 retailer, or cannabis delivery service and related supplies as will be
42 conducted at the proposed facility; and
43 - the submission of proof of local support for the suitability of the
44 location, which may be demonstrated by a resolution adopted by the
45 municipality's governing body indicating that the intended location
46 is appropriately located or otherwise suitable for activities related to
47 the operations of the proposed cannabis ¹["grower"] cultivator¹ ,

1 cannabis ¹**[processor]** manufacturer¹, cannabis wholesaler, cannabis
2 distributor, cannabis retailer, or cannabis delivery service.

3 Notwithstanding any other provision of this subsubparagraph, an
4 application shall be disqualified from consideration unless it includes
5 documentation demonstrating that the applicant will have final
6 control of the premises upon approval of the application, including,
7 but not limited to, a lease agreement, contract for sale, title, deed, or
8 similar documentation. In addition, if the applicant will lease the
9 premises, the application will be disqualified from consideration
10 unless it includes certification from the landlord that the landlord is
11 aware that the tenant's use of the premises will involve operations as
12 a cannabis ¹**[grower]** cultivator¹, cannabis ¹**[processor]**
13 manufacturer¹, cannabis wholesaler, cannabis distributor, cannabis
14 retailer, or cannabis delivery service. ¹**[An application shall not be**
15 **disqualified from consideration if the application does not include the**
16 **materials described in this subsubparagraph.]**¹

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

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

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

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

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

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

45 (vi) A workforce development and job creation plan, which may
46 include ¹**[**, but shall not be limited to a description of the applicant's
47 workforce development and job creation plan, which may include **]**¹

1 information on the applicant’s history of job creation and planned job
2 creation at the proposed cannabis establishment, distributor, or
3 delivery service; education, training, and resources to be made
4 available for employees; any relevant certifications; and an optional
5 diversity plan.

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

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

13 - a description of the applicant’s ¹**[experience complying]** plan to
14 comply¹ with guidance pertaining to cannabis issued by the Financial
15 Crimes Enforcement Network under 31 U.S.C. s.5311 et seq., the
16 federal “Bank Secrecy Act,” which may be demonstrated by
17 submitting letters regarding the applicant’s banking history from
18 banks or credit unions that certify they are aware of the business
19 activities of the applicant, or entities with common ownership or
20 control of the applicant’s organization, in any state where the
21 applicant has operated a business related to personal use or medical
22 cannabis. For the purposes of this subparagraph, the commission
23 shall consider only bank references involving accounts in the name
24 of the applicant or of an entity with common ownership or control of
25 the applicant’s organization. An applicant who does not submit the
26 information described in this subparagraph shall not be disqualified
27 from consideration.

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

34 (ix) ¹**[Whether the applicant can demonstrate that its governance**
35 **structure includes the involvement of a school of medicine or**
36 **osteopathic medicine licensed and accredited in the United States, or**
37 **a general acute care hospital, ambulatory care facility, adult day care**
38 **services program, or pharmacy licensed in New Jersey, provided that:**

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

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

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

5 (x)]¹ 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 ¹[regardless of]¹ 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 agreement
16 with a 'bona fide' 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 agreement
19 with a 'bona finde' labor organization that currently represents
20 cannabis workers in another state.

21 (d) Applicants that submit ¹[an attestation affirming that they
22 will use best efforts to utilize] a signed project labor agreement with
23 a bona fide' building trades labor ¹[organizations in] organization,
24 which is a form of pre-hire collective bargaining agreement covering
25 terms and conditions of a specific project, including labor issues and
26 worker grievances associated with that project, for¹ the construction
27 or retrofit of the facilities associated with the licensed entity.

28 (e) Applicants that submit ¹[an attestation affirming that they
29 have]¹ a 'signed' project labor agreement ¹[,], or will utilize a project
30 labor agreement, which is a form of pre-hire collective bargaining
31 agreement covering terms and conditions of a specific project,
32 including labor issues and worker grievances associated with any
33 construction or retrofit of facilities, or] with a bona fide labor
34 organization for any¹ other applicable project ¹[,]¹ associated with
35 the licensed entity.

36 (3) In reviewing an initial application, unless the information is
37 otherwise solicited by the commission in a specific application
38 question, the commission's evaluation of the application shall be
39 limited to the experience and qualifications of the applicant's
40 organization, including any entities with common ownership or
41 control of the applicant's organization, controlling owners or interest
42 holders in the applicant's organization, and the officers, directors,
43 and current full-time existing employees of the applicant's
44 organization. Responses pertaining to consultants, independent
45 contractors, applicants who are exempt from the criminal history
46 record background check requirements of P.L. , c. (C.)
47 (pending before the Legislature as this bill), and prospective or part-

1 time employees of the entity shall not be considered. Each applicant
2 shall certify as to the status of the individuals and entities included
3 in the application.

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

31 (5) Application materials submitted to the commission pursuant
32 to this section shall not be considered a public record pursuant to
33 P.L.1963, c.73 (C.47:1A-1 et seq.) ¹, P.L.2001, c.404 (C.47:1A-5 et
34 al.), or the common law concerning access to government records¹.

35 (6) If the commission notifies an applicant that it has performed
36 sufficiently well on multiple applications to be awarded more than
37 one cannabis ¹**[grower]** cultivator¹ license, cannabis ¹**[processor]**
38 manufacturer¹ license, cannabis wholesaler license, cannabis
39 distributor license, cannabis retailer license, or cannabis delivery
40 service license, the applicant shall notify the commission, within
41 seven business days after receiving such notice, as to which license
42 it will accept. For any license award that is declined by an applicant
43 pursuant to this paragraph, the commission shall, upon receiving
44 notice from the applicant of the declination, award the license to the
45 applicant for that license class who, in the determination of the
46 commission, best satisfies the commission's criteria while meeting
47 the commission's determination of Statewide marketplace need. If
48 an applicant fails to notify the commission as to which license it will

1 accept, the commission shall have the discretion to determine which
2 license it will award to the applicant, based on the commission's
3 determination of Statewide marketplace need and other applications
4 submitted for cannabis establishments, distributors, or delivery
5 services to be located in the affected regions.

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

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

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

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

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

26 (iii) has a local average annual unemployment rate that ranks in
27 the top 15 percent of all municipalities in the State ¹**for the calendar**
28 **year next preceding that effective date]**¹, 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 (2) In ranking applications with respect to impact zones, the
33 commission shall give priority to the following:

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

39 (b) An applicant who is a current resident of an impact zone and
40 has resided therein for three or more consecutive years at the time of
41 making the application. To the extent reasonably practicable, at least
42 25 percent of the total licenses issued to applicants for a cannabis
43 establishment, distributor, or delivery service license shall be
44 awarded to applicants who have resided in an impact zone for three
45 or more consecutive years at the time of making the application,
46 regardless of where the cannabis establishment, distributor, or
47 delivery service is, or is intended to be, located.

1 (c) An applicant who presents a plan, attested to, to employ ¹at
2 least¹ 25 percent of employees who reside in an impact zone, of
3 whom at least 25 percent shall reside in the impact zone nearest to
4 the location, or intended location, of the cannabis establishment,
5 distributor, or delivery service; failure to meet the requisite
6 percentages of employees from an impact zone within 90 days of the
7 opening of a licensed cannabis establishment, distributor, or delivery
8 service shall result in the suspension or revocation of a license or
9 conditional license, as applicable, issued based on an application with
10 an impact zone employment plan.

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

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

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

33 (b) at least 51 percent of the owners, directors, officers, or
34 employees of the microbusiness shall be residents of the municipality
35 in which the microbusiness is located, or to be located, or a
36 municipality bordering the municipality in which the microbusiness
37 is located, or to be located;

38 (c) concerning business operations, and capacity and quantity
39 restrictions:

40 (i) employ no more than 10 employees;

41 (ii) operate a cannabis establishment occupying an area of no
42 more than 2,500 square feet, and in the case of a cannabis ¹**[grower]**
43 cultivator¹, grow cannabis on an area no more than 2,500 square feet
44 measured on a horizontal plane and grow above that plane not higher
45 than 24 feet; provided, that a cannabis grower's grow space may, if
46 approved by the commission, be part of a larger premises that is
47 owned or operated by a cannabis ¹**[grower]** cultivator¹ that is not a

1 licensed microbusiness, allowing for the sharing of physical facilities
 2 and certain business operations, but only the microbusiness cannabis
 3 **1**[grower] cultivator¹ shall grow cannabis on and above the
 4 **1**[grower's] cultivator's¹ grow space.

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

8 (iv) in the case of a cannabis **1**[processor] manufacturer¹, acquire
 9 and process no more than 1,000 pounds of ¹usable¹ cannabis **1**[in
 10 dried form]¹ each month;

11 (v) in the case of a cannabis wholesaler, acquire for resale no more
 12 than 1,000 pounds of ¹usable¹ cannabis **1**[in dried form]¹, or the
 13 equivalent amount in any **1**[other]¹ form ¹of manufactured cannabis
 14 product or cannabis resin¹, or any combination thereof, each month;
 15 and

16 (vi) in the case of a cannabis retailer, acquire for retail sale no
 17 more than 1,000 pounds of ¹usable¹ cannabis **1**[in dried form]¹, or
 18 the equivalent amount in any **1**[other]¹ form ¹of manufactured
 19 cannabis product or cannabis resin¹, or any combination thereof,
 20 each month.

21 (d) no owner, director, officer, or other person with a financial
 22 interest who also has decision making authority for the microbusiness
 23 shall hold any financial interest in any other licensed cannabis
 24 establishment, distributor, or delivery service, whether or not a
 25 microbusiness;

26 (e) no owner, director, officer, or other person with a financial
 27 interest who also has decision making authority for a licensed
 28 cannabis establishment, distributor, or delivery service, whether or
 29 not a microbusiness, shall hold any financial interest in a
 30 microbusiness;

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

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

35
 36 20. (New section) Class 1 Cannabis **1**[Grower] Cultivator¹
 37 license.

38 A cannabis **1**[grower] cultivator¹ shall have a Class 1 Cannabis
 39 **1**[Grower] Cultivator¹ license issued by the commission for the
 40 premises at which the cannabis is grown or cultivated. ¹[Except for
 41 an initial period during which the number of licenses is capped
 42 pursuant to section 33 of P.L. , c. (C.) (pending before the
 43 Legislature as this bill), the] The¹ commission shall determine the
 44 maximum number of licenses, of which at least 35 percent shall be
 45 conditional licenses issued pursuant to subparagraph (a) of paragraph
 46 (2) of subsection b. of section **1**[18] 19¹ of P.L. , c. (C.)

1 (pending before the Legislature as this bill), and at least 25 percent
2 of the total number of licenses and conditional licenses shall be
3 designated for and only issued to microbusinesses pursuant
4 subsection f. of that section. ¹【After the initial period during which
5 the number of licenses is capped pursuant to section 33 of P.L. , c.
6 (C.) (pending before the Legislature as this bill), the commission
7 shall review the current number of licenses issued and, providing】
8 Provided¹ there exist qualified applicants, ¹the commission shall
9 issue a sufficient number of licenses to meet the market demands of
10 the State, and¹ may, as authorized by paragraph (1) of subsection a.
11 of section 18 of P.L. , c. (C.) (pending before the Legislature
12 as this bill), ¹【make requests for】 accept¹ new applications for
13 additional licenses as it deems necessary to meet ¹【the market】
14 those¹ demands ¹【of the State】¹.

15 a. To hold a Class 1 Cannabis ¹【Grower】 Cultivator¹ license
16 under this section, an applicant:

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

20 (2) Shall have at least one significantly involved person who has
21 resided in this State for at least two years as of the date of the
22 application, and provide proof that this person and any other person
23 with ¹【an investment】 financial¹ interest who also has decision
24 making authority for the cannabis ¹【grower】 cultivator¹ listed on an
25 application submitted under section 18 of P.L. , c. (C.)
26 (pending before the Legislature as this bill) is 21 years of age or
27 older;

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

30 (4) Shall provide for each of the following persons to undergo a
31 criminal history record background check: any owner, other than an
32 owner who holds less than a five percent investment interest in the
33 cannabis ¹【grower】 cultivator¹ or who is a member of a group that
34 holds less than a 20 percent investment interest in the cannabis
35 ¹【grower】 cultivator¹ and no member of that group holds more than
36 a five percent interest in the total group investment, and who lacks
37 the authority to make controlling decisions regarding the cannabis
38 ¹【grower's】 cultivator's¹ operations; any director; any officer; and
39 any employee.

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

1 (b) Each person shall submit to being fingerprinted in accordance
2 with applicable State and federal laws, rules, and regulations. No
3 check of criminal history record background information shall be
4 performed pursuant to this section unless a person has furnished his
5 written consent to that check. A person who refuses to consent to, or
6 cooperate in, the securing of a check of criminal history record
7 background information shall not be considered for licensure as a
8 **1[grower] cultivator**¹. Each person shall bear the cost for the
9 criminal history record background check, including all costs of
10 administering and processing the check;

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

43 (ii) The commission may approve an applicant for a Class 1
44 Cannabis **1[Grower] Cultivation**¹ license after conducting a
45 thorough review of any previous conviction of a person that
46 substantially related to the qualifications, functions, or duties for
47 which the license is required that is contained in the criminal history

1 record background information, and this review shall include
2 examining the nature of the indictable offense, the circumstances at
3 the time of committing the offense, and evidence of rehabilitation
4 since conviction. If the commission determines that the reviewed
5 conviction should not disqualify the applicant, the applicant may be
6 approved so long as the applicant is otherwise qualified to be issued
7 the license; and

8 (d) Upon receipt and review of the criminal history record
9 background information from the Division of State Police and the
10 Federal Bureau of Investigation, the commission shall provide
11 written notification to the applicant of the qualification for or
12 disqualification for a Class 1 Cannabis ¹**【Grower】** Cultivator¹
13 license.

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

18 (e) The Division of State Police shall promptly notify the
19 commission in the event that a person who was the subject of a
20 criminal history record background check conducted pursuant to this
21 section is convicted of a crime or offense in this State after the date
22 the background check was performed. Upon receipt of that
23 notification, the commission shall make a determination regarding
24 the continued eligibility for the applicant, or following application,
25 for the licensee, to hold a Class 1 Cannabis ¹**【Grower】** Cultivator¹
26 license.

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

28 (1) Provide for the annual renewal of the Class 1 Cannabis
29 ¹**【Grower】** Cultivator¹ license;

30 (2) Establish application, licensure, and renewal of licensure fees
31 for cannabis ¹**【growers】** cultivators¹ in accordance with paragraph
32 (2) of subsection a. of section 18 of P.L. , c. (C.) (pending
33 before the Legislature as this bill);

34 (3) Require ¹usable¹ cannabis produced by cannabis ¹**【growers】**
35 cultivators¹ to be tested in accordance with P.L. , c. (C.)
36 (pending before the Legislature as this bill);

37 (4) Require cannabis ¹**【growers】** cultivators¹ to submit, at the
38 time of applying for or renewing a license under P.L. ,
39 c. (C.) (pending before the Legislature as this bill), a report
40 describing the applicant's or licensee's electrical and water usage;
41 and

42 (5) Require a cannabis ¹**【grower】** cultivator¹ to meet any public
43 health and safety standards, industry best practices, and all applicable
44 regulations established by the commission by rule or regulation
45 related to the production of cannabis or the propagation of immature
46 cannabis plants and the seeds of the plant *Cannabis sativa* L. within
47 the plant family Cannabaceae. The commission may regulate the

1 number of immature cannabis plants that may be possessed by a
2 cannabis ¹**grower** cultivator¹ licensed under this section; the size
3 of the grow canopy a cannabis ¹**grower** cultivator¹ licensed under
4 this section uses to grow immature cannabis plants; and the weight
5 or size of shipments of immature cannabis plants made by a cannabis
6 ¹**grower** cultiavtor¹ licensed under this section.

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 or on which more mature
10 cannabis plants are grown; and

11 (2) Shall be deposited in the “Cannabis Regulatory, Enforcement
12 Assistance, and Marketplace Modernization Fund” established under
13 section ¹**[40]** 41¹ of P.L. , c. (C.) (pending before the
14 Legislature as this bill).

15 d. (1) The commission shall issue or deny issuance of a Class 1
16 Cannabis ¹**Grower** Cultivator¹ license or conditional license in
17 accordance with the procedures set forth in section 18 of P.L. ,
18 c. (C.) (pending before the Legislature as this bill).

19 (2) The commission may suspend or revoke a Class 1 Cannabis
20 ¹**Grower** Cultivator¹ license or conditional license to operate as a
21 cannabis ¹**[cultivation facility]** cultivator¹ for cause, which shall be
22 considered a final agency action for the purposes of the
23 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
24 seq.) and shall be subject only to judicial review as provided in the
25 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 premises at all
28 times when cannabis is being produced.

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

33

34 21. (New section) Grow Canopies for Licensed Cannabis
35 ¹**Growers** Cultivators¹.

36 a. Subject to subsection b. of this section, the commission shall
37 adopt rules or regulations restricting the size of mature cannabis plant
38 grow canopies at premises for which a license has been issued to a
39 cannabis ¹**grower** cultivator¹ pursuant to P.L. , c. (C.)
40 (pending before the Legislature as this bill).

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

43 (1) Limit the size of mature cannabis plant grow canopies for
44 premises where cannabis is grown outdoors and for premises where
45 cannabis is grown indoors in a manner calculated to result in
46 premises that produce the same amount of harvested cannabis leaves

1 and harvested cannabis flowers, regardless of whether the cannabis
2 is grown outdoors or indoors;

3 (2) Adopt a tiered system under which the permitted size of a
4 cannabis **1[growers'] cultivators'** mature cannabis plant grow
5 canopy **1[increases] may increase or decrease¹** at the time of
6 licensure renewal, **1[in accordance with that tiered system,¹** except
7 that the permitted size of a cannabis **1[grower's] cultivator's** mature
8 cannabis plant grow canopy may not increase following any year
9 during which the commission disciplined the cannabis **1[grower]**
10 **cultivator¹** for violating a provision of or a rule adopted under a
11 provision of P.L. , c. (C.) (pending before the Legislature
12 as this bill); provided, that at the time of adoption, any growing or
13 cultivation square footage previously approved or authorized for an
14 alternative treatment center that was issued a permit prior to the
15 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was
16 issued a permit on or after that effective date pursuant to an
17 application submitted prior to that effective date, shall not be
18 reduced, but the commission's adopted **1[tier] tiered¹** system shall
19 apply to the growing or cultivation square footage of that alternative
20 treatment center thereafter;

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

28 c. This section shall not apply to premises for which a license
29 has been issued to a cannabis **1[grower] cultivator¹** pursuant to
30 section 20 of P.L. , c. (C.) (pending before the Legislature
31 as this bill), if the premises is used only to propagate immature
32 cannabis plants.

33

34 22. (New section) Class 2 Cannabis **1[Processor] Manufacturer¹**
35 license.

36 A cannabis **1[processor] manufacturer¹** shall have a Class 2
37 Cannabis **1[Processor] Manufacturer¹** license issued by the
38 commission for the premises at which the cannabis **1[product is**
39 **produced] items are manufactured¹**. The commission shall
40 determine the maximum number of licenses, of which at least 35
41 percent shall be conditional licenses issued pursuant to subparagraph
42 (a) of paragraph (2) of subsection b. of section 18 of P.L. ,
43 c (C.) (pending before the Legislature as this bill), and at least
44 25 percent of the total number of licenses and conditional licenses
45 shall be designated for and only issued to microbusinesses pursuant
46 to subsection f. of that section. Providing there exist qualified
47 applicants, the commission shall issue a sufficient number of licenses

1 to meet the market demands of the State, and may, as authorized by
2 paragraph (1) of subsection a. of section 18 of P.L. , c. (C.)
3 (pending before the Legislature as this bill), ¹【make requests for】
4 accept¹ new applications for additional licenses as it deems necessary
5 to meet those demands.

6 a. To hold a Class 2 Cannabis ¹【Processor】 Manufacturer¹
7 license under this section, an applicant:

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

11 (2) Shall have at least one significantly involved person who has
12 resided in this State for at least two years as of the date of the
13 application, and provide proof that this person and any other person
14 with ¹【an investment】 a financial¹ interest who also has decision
15 making authority for the cannabis ¹【processor】 manufacturer¹ listed
16 on an application submitted under section 18 of P.L. ,
17 c. (C.) (pending before the Legislature as this bill) is 21
18 years of age or older;

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

21 (4) Shall provide for each of the following persons to undergo a
22 criminal history record background check: any owner, other than an
23 owner who holds less than a five percent investment interest in the
24 cannabis ¹【processor】 manufacturer¹ or who is a member of a group
25 that holds less than a 20 percent investment interest in the cannabis
26 ¹【processor】 manufacturer¹ and no member of that group holds more
27 than a five percent interest in the total group investment, and who
28 lacks the authority to make controlling decisions regarding the
29 cannabis ¹【processor's】 manufacturer's¹ operations; any director;
30 any officer; and any employee.

31 (a) Pursuant to this provision, the commission is authorized to
32 exchange 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 when
38 requested pursuant to the provisions of this section;

39 (b) Each person shall submit to being fingerprinted in accordance
40 with applicable State and federal laws, rules, and regulations. No
41 check of criminal history record background information shall be
42 performed pursuant to this section unless a person has furnished his
43 written consent to that check. A person who refuses to consent to, or
44 cooperate in, the securing of a check of criminal history record
45 background information shall not be considered for licensure as a
46 ¹【processor】 manufacturer¹. Each person shall bear the cost for the

1 criminal history record background check, including all costs of
2 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 2 Cannabis **1[Processor]**
6 **Manufacturer**¹ license, the commission shall not take into
7 consideration any conviction for a crime or offense that occurred
8 prior to the effective date of P.L. , c. (C.) (pending before the
9 Legislature as this bill) involving a controlled dangerous substance
10 or controlled substance analog as set forth in paragraph (11) or (12)
11 of subsection b., or subparagraph (b) of paragraph (10) of subsection
12 b. of 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 **1a**¹ cannabis **1[resin]**
16 **item**¹ that is authorized by P.L. , c. (C.) (pending before the
17 Legislature as this bill). Additionally, the commission shall not take
18 into consideration any other prior conviction, unless that conviction
19 is for an indictable offense under federal law, other than a conviction
20 for conduct involving cannabis or **1a**¹ cannabis **1[resin]** **item**¹ that is
21 authorized by P.L. , c. (C.) (pending before the Legislature
22 as this bill), 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 the
33 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 2
36 Cannabis **1[Processor]** **Manufacturer**¹ license after conducting a
37 thorough review of any previous conviction of a person that
38 substantially related to the qualifications, functions, or duties for
39 which the license is required that is contained in the criminal history
40 record background information, and this review shall include
41 examining the nature of the indictable offense, the circumstances at
42 the time of committing the offense, and evidence of rehabilitation
43 since conviction. If the commission determines that the reviewed
44 conviction should not disqualify the applicant, the applicant may be
45 approved so long as the applicant is otherwise qualified to be issued
46 the license; and

1 (d) Upon receipt and review of the criminal history record
2 background information from the Division of State Police and the
3 Federal Bureau of Investigation, the commission shall provide
4 written notification to the applicant of the qualification for or
5 disqualification for a Class 2 Cannabis ¹**【Processor】** Manufacturer¹
6 license.

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

11 (e) The Division of State Police shall promptly notify the
12 commission in the event that an individual who was the subject of a
13 criminal history record background check conducted pursuant to this
14 section is convicted of a crime or offense in this State after the date
15 the background check was performed. Upon receipt of that
16 notification, the commission shall make a determination regarding
17 the continued eligibility for the applicant, or following application,
18 for the licensee, to hold a Class 2 Cannabis ¹**【Processor】**
19 Manufacturer¹ license.

20 b. The commission shall adopt rules that:

21 (1) Provide for the annual renewal of the Class 2 Cannabis
22 ¹**【Processor】** Manufacturer¹ license;

23 (2) Establish application, licensure, and renewal of licensure fees
24 for cannabis ¹**【processors】** manufacturers¹ in accordance with
25 paragraph (2) of subsection a. of section 18 of P.L. , c. (C.)
26 (pending before the Legislature as this bill);

27 (3) Require cannabis ¹**【produced】** manufactured¹ by cannabis
28 ¹**【processors】** manufactures¹ to be tested in accordance with P.L. ,
29 c. (C.) (pending before the Legislature as this bill); and

30 (4) Require a cannabis ¹**【processor】** manufacturer¹ to meet any
31 public health and safety standards, industry best practices, and all
32 applicable regulations established by the commission by rule or
33 regulation related to the ¹**【processing】** manufacturing¹ of cannabis
34 items¹.

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

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

38 (2) Shall be deposited in the “Cannabis Regulatory, Enforcement
39 Assistance, and Marketplace Modernization Fund” established under
40 section ¹**【40】** 41¹ of P.L. , c. (C.) (pending before the
41 Legislature as this bill).

42 d. (1) The commission shall issue or deny issuance of a Class 2
43 Cannabis ¹**【Processor】** Manufacturer¹ license or conditional license
44 in accordance with the procedures set forth in section 18 of P.L. ,
45 c. (C.) (pending before the Legislature as this bill).

46 (2) The commission may suspend or revoke a Class 2 Cannabis
47 ¹**【Processor】** Manufacturer¹ license or conditional license to operate

1 as a cannabis ¹**[production facility]** manufacturer¹ for cause, which
2 shall be considered a final agency action for the purposes of the
3 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
4 seq.) and shall be subject only to judicial review as provided in the
5 Rules of Court.

6 e. A person who has been issued a license or conditional license
7 shall display the license or conditional license at the premises at all
8 times when cannabis ¹**[is]** products or cannabis extracts are¹ being
9 ¹**[processed]** manufactured¹.

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

14

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

16 A cannabis wholesaler shall have a Class 3 Cannabis Wholesaler
17 license issued by the commission for the premises at which ¹**[the]**¹
18 cannabis ¹**[is]** items are¹ warehoused. The commission shall
19 determine the maximum number of licenses, of which at least 35
20 percent shall be conditional licenses issued pursuant to subparagraph
21 (a) of paragraph (2) of subsection b. of section 18 of P.L. ,
22 c. (C.) (pending before the Legislature as this bill), and at least
23 25 percent of the total number of licenses and conditional licenses
24 shall be designated for and only issued to microbusinesses pursuant
25 subsection f. of that section. Providing there exist qualified
26 applicants, the commission shall issue a sufficient number of licenses
27 to meet the market demands of the State, and may, as authorized by
28 paragraph (1) of subsection a. of section 18 of P.L. , c. (C.)
29 (pending before the Legislature as this bill), ¹**[make requests for]**
30 accept¹ new applications for additional licenses as it deems necessary
31 to meet those demands.

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

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

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

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

46 (4) Shall provide for each of the following persons to undergo a
47 criminal history record background check: any owner, other than an

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

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

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

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

1 probation or parole, or release from incarceration, whichever is later.
2 In determining which indictable offenses are substantially related to
3 the qualifications, functions, or duties for which the license is
4 required, the commission shall at least consider any conviction
5 involving fraud, deceit, or embezzlement, and any conviction for
6 N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or
7 similar indictable offense in this or another jurisdiction involving the
8 use of a minor to dispense or distribute a controlled dangerous
9 substance or controlled substance analog;

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

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

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

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

38 b. The commission shall adopt rules that:

39 (1) Provide for the annual renewal of the Class 3 Cannabis
40 Wholesaler license;

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

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

- 1 c. Fees adopted under subsection b. of this section:
- 2 (1) Shall be in the form of a schedule that imposes a greater fee
- 3 for premises with more square footage; and
- 4 (2) Shall be deposited in the “Cannabis Regulatory, Enforcement
- 5 Assistance, and Marketplace Modernization Fund” established under
- 6 section ~~1~~**[40]** ~~41~~¹ of P.L. , c. (C.) (pending before the
- 7 Legislature as this bill).
- 8 d. (1) The commission shall issue or deny issuance of a Class 3
- 9 Cannabis Wholesaler license or conditional license in accordance
- 10 with the procedures set forth in section 18 of P.L. , c. (C.)
- 11 (pending before the Legislature as this bill).
- 12 (2) The commission may suspend or revoke a Class 3 Cannabis
- 13 Wholesaler license or conditional license to operate as a cannabis
- 14 wholesaler for cause, which shall be considered a final agency action
- 15 for the purposes of the "Administrative Procedure Act," P.L.1968,
- 16 c.410 (C.52:14B-1 et seq.) and shall be subject only to judicial review
- 17 as provided in the Rules of Court.
- 18 e. A person who has been issued a license or conditional license
- 19 shall display the license or conditional license at the premises at all
- 20 times when cannabis is being warehoused.
- 21 f. As required by the commission in regulation, a licensee or
- 22 conditional licensee shall report required changes in information
- 23 about the licensee to the commission within the time specified by the
- 24 commission.
- 25
- 26 24. (New section) Class 4 Cannabis Distributor license.
- 27 A cannabis distributor shall have a Class 4 Cannabis Distributor
- 28 license issued by the commission for the premises from which the
- 29 cannabis distributor will conduct operations to transport cannabis
- 30 items in bulk. The commission shall determine the maximum number
- 31 of licenses, of which at least 35 percent shall be conditional licenses
- 32 issued pursuant to subparagraph (a) of paragraph (2) of subsection b.
- 33 of section 18 of P.L. , c. (C.) (pending before the Legislature
- 34 as this bill), and at least 25 percent of the total number of licenses
- 35 and conditional licenses shall be designated for and only issued to
- 36 microbusinesses pursuant subsection f. of that section. Providing
- 37 there exist qualified applicants, the commission shall issue a
- 38 sufficient number of licenses to meet the market demands of the
- 39 State, and may, as authorized by paragraph (1) of subsection a. of
- 40 section 18 of P.L. , c. (C.) (pending before the Legislature as
- 41 this bill), ~~1~~**[make requests for]** accept¹ new applications for
- 42 additional licenses as it deems necessary to meet those demands.
- 43 a. To hold a Class 4 Cannabis Distributor license under this
- 44 section, an applicant:
- 45 (1) Shall apply for a license in the manner described in section 18
- 46 of P.L. , c. (C.) (pending before the Legislature as this
- 47 bill);

1 (2) Shall have at least one significantly involved person who has
2 resided in this State for at least two years as of the date of the
3 application, and provide proof that this person and any other person
4 with ¹an investment¹ a financial¹ interest who also has decision
5 making authority for the cannabis distributor listed on an application
6 submitted under section 18 of P.L. , c. (C.) (pending before
7 the Legislature as this bill) is 21 years of age or older;

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

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

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

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

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

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

21 (ii) The commission may approve an applicant for a Class 4
22 Cannabis ¹[Disrtibutor] Distributor¹ license after conducting a
23 thorough review of any previous conviction of a person that
24 substantially related to the qualifications, functions, or duties for
25 which the license is required that is contained in the criminal history
26 record background information, and this review shall include
27 examining the nature of the indictable offense, the circumstances at
28 the time of committing the offense, and evidence of rehabilitation
29 since conviction. If the commission determines that the reviewed
30 conviction should not disqualify the applicant, the applicant may be
31 approved so long as the applicant is otherwise qualified to be issued
32 the license; and

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

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

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

- 1 the continued eligibility for the applicant, or following application,
2 for the licensee to hold a Class 4 Cannabis Distributor license.
- 3 b. The commission shall adopt rules that:
- 4 (1) Provide for the annual renewal of the Class 4 Cannabis
5 Distributor license;
- 6 (2) Establish application, licensure, and renewal of licensure fees
7 for cannabis distributors in accordance with paragraph (2) of
8 subsection a. of section 18 of P.L. , c. (C.) (pending before
9 the Legislature as this bill); and
- 10 (3) Require a cannabis distributor to meet any public health and
11 safety standards, industry best practices, and all applicable
12 regulations established by the commission by rule or regulation
13 related to the bulk transportation of cannabis items.
- 14 c. Fees adopted under subsection b. of this section:
- 15 (1) Shall be in the form of a schedule that imposes a greater fee
16 for larger transportation operations; and
- 17 (2) Shall be deposited in the “Cannabis Regulatory, Enforcement
18 Assistance, and Marketplace Modernization Fund” established under
19 section ¹~~40~~ 41¹ of P.L. , c. (C.) (pending before the
20 Legislature as this bill).
- 21 d. (1) The commission shall issue or deny issuance of a Class 4
22 Cannabis Distributor license or conditional license in accordance
23 with the procedures set forth in section 18 of P.L. , c. (C.)
24 (pending before the Legislature as this bill).
- 25 (2) The commission may suspend or revoke a Class 4 Cannabis
26 Distributor license or conditional license to operate as a cannabis
27 distributor for cause, which shall be considered a final agency action
28 for the purposes of the "Administrative Procedure Act," P.L.1968,
29 c.410 (C.52:14B-1 et seq.) and shall be subject only to judicial review
30 as provided in the Rules of Court.
- 31 e. A person who has been issued a license or conditional license
32 shall display the license or conditional license at the distributor’s
33 premises at all times when cannabis is being transported.
- 34 f. As required by the commission in regulation, a licensee or
35 conditional licensee shall report required changes in information
36 about the licensee to the commission within the time specified by the
37 commission.
- 38
- 39 25. (New section) Class 5 Cannabis Retailer license.
- 40 A cannabis retailer shall have a Class 5 Cannabis Retailer license
41 issued by the commission for the premises at which ¹~~the~~ ¹ cannabis
42 ¹~~is~~ items are¹ retailed ¹, which may include purchase orders for
43 off-premises delivery by a certified cannabis handler working for or
44 on behalf of the cannabis retailer, or consumer purchases to be
45 fulfilled from the retail premises that are presented by a cannabis
46 delivery service with a Class 6 Cannabis Delivery Service license and
47 which will be delivered by the cannabis delivery service to that
48 consumer¹. The commission shall determine the maximum number

1 of licenses, of which at least 35 percent shall be conditional licenses
2 issued pursuant to subparagraph (a) of paragraph (2) of subsection b.
3 of section 18 of P.L. , c. (C.) (pending before the Legislature
4 as this bill), and at least 25 percent of the total number of licenses
5 and conditional licenses shall be designated for and only issued to
6 microbusinesses pursuant subsection f. of that section. Providing
7 there exist qualified applicants, the commission shall issue a
8 sufficient number of licenses to meet the market demands of the
9 State, and may, as authorized by paragraph (1) of subsection a. of
10 section 18 of P.L. , c. (C.) (pending before the Legislature as
11 this bill), ¹make requests for accept¹ new applications for
12 additional licenses as it deems necessary to meet those demands.

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

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

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

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

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

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

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

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

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

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

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

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

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

18 b. The commission shall adopt rules that:

19 (1) Provide for the annual renewal of the Class 5 Cannabis
20 Retailer license;

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

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

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

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

32 (2) Shall be deposited in the "Cannabis Regulatory, Enforcement
33 Assistance, and Marketplace Modernization Fund" established under
34 section ¹[40] ¹41¹ of P.L. , c. (C.) (pending before the
35 Legislature as this bill).

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

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

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

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

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

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

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

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

18 (4) A Class 5 Cannabis Retailer licensee that has been approved
19 for a cannabis consumption area endorsement may transfer cannabis
20 items purchased by a person in its retail establishment to the person
21 in its cannabis consumption area. The Class 4 Cannabis Retailer
22 licensee shall not transfer to the consumption area an amount of
23 cannabis items that exceed the limits established by the commission.
24

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

26 A cannabis delivery service shall have a Class 6 Cannabis
27 Delivery license issued by the commission for the premises from
28 which the cannabis delivery service will conduct operations to
29 provide courier services for consumer purchases of cannabis items
30 and related supplies fulfilled by¹ a cannabis retailer in order to make
31 deliveries of the¹ cannabis items and related supplies to [a] that¹
32 consumer¹, and which services include the ability of a consumer to
33 purchase the cannabis items directly through the cannabis delivery
34 service, which after presenting the purchase order to the cannabis
35 retailer for fulfillment, is delivered to that consumer¹. The
36 commission shall determine the maximum number of licenses, of
37 which at least 35 percent shall be conditional licenses issued pursuant
38 to subparagraph (a) of paragraph (2) of subsection b. of section 18 of
39 P.L. , c. (C.) (pending before the Legislature as this bill), and
40 at least 25 percent of the total number of licenses and conditional
41 licenses shall be designated for and only issued to microbusinesses
42 pursuant subsection f. of that section. Providing there exist qualified
43 applicants, the commission shall issue a sufficient number of licenses
44 to meet the market demands of the State, and may, as authorized by
45 paragraph (1) of subsection a. of section 18 of P.L. , c. (C.)
46 (pending before the Legislature as this bill), **1[make requests for]**

1 accept¹ new applications for additional licenses as it deems necessary
2 to meet those demands.

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

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

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

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

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

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

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

44 (c) (i) With respect to determining whether any conviction of a
45 person contained in the criminal history record background check
46 should disqualify an applicant for a Class 6 Cannabis Delivery
47 license, the commission shall not take into consideration any
48 conviction for a crime or offense that occurred prior to the effective

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

28 (ii) The commission may approve an applicant for a Class ¹**4**
29 ⁶ Cannabis ¹**Disrtibutor** Delivery¹ license after conducting a
30 thorough review of any previous conviction of a person that
31 substantially related to the qualifications, functions, or duties for
32 which the license is required that is contained in the criminal history
33 record background information, and this review shall include
34 examining the nature of the indictable offense, the circumstances at
35 the time of committing the offense, and evidence of rehabilitation
36 since conviction. If the commission determines that the reviewed
37 conviction should not disqualify the applicant, the applicant may be
38 approved so long as the applicant is otherwise qualified to be issued
39 the license; and

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

45 If the applicant is disqualified because the commission determined
46 that a person has a disqualifying conviction pursuant to the

1 provisions of this section, the conviction that constitutes the basis for
2 the disqualification shall be identified in the written notice.

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

11 b. The commission shall adopt rules that:

12 (1) Provide for the annual renewal of the Class 6 Cannabis
13 Delivery license;

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

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

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

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

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

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

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

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

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

47

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

1 a. ¹(1)¹ An individual who performs work for or on behalf of a
2 person who holds a license classified pursuant to section 20, 22, 23,
3 24, 25, or 26 of P.L. , c. (C.) (pending before the
4 Legislature as this bill) shall have a valid certification issued by the
5 commission under this section if the individual participates in:

6 ¹**[(1)]** (a)¹ the possession, securing, or selling of cannabis items
7 at the premises for which the license has been issued; or

8 ¹**[(2)]** (b)¹ the recording of the possession, securing, or selling of
9 cannabis items at the premises for which the license has been issued;
10 or

11 ¹**[(3)]** (c)¹ the transportation or delivery of cannabis items.

12 ¹(2) An individual who has a valid certification as a personal use
13 cannabis handler issued under this section may also simultaneously
14 have a valid certification as a medical cannabis handler issued under
15 section 27 of P.L.2019, c.153 (C.24:6I-20) to perform work for or on
16 behalf of entities issued medical cannabis permits or licenses as
17 described in subsection a. of that section.¹

18 b. A person who holds a license classified pursuant to section
19 20, 22, 23, 24, 25, or 26 of P.L. , c. (C.) (pending before
20 the Legislature as this bill) shall verify that an individual has a valid
21 certification issued under this section before allowing the individual
22 to perform any work described in subsection a. of this section at the
23 premises for which the license has been issued.

24 c. The commission shall issue certifications to qualified
25 applicants to perform work described in this section. The commission
26 shall adopt rules and regulations establishing: the qualifications for
27 performing work described in this section; the terms of a certification
28 issued under this section; procedures for applying for and renewing
29 a certification issued under this section; and reasonable application,
30 issuance, and renewal fees for a certification issued under this
31 section.

32 d. The commission may require an individual applying for a
33 certification under this section to successfully complete a course,
34 made available by or through the commission, in which the individual
35 receives training on: checking identification; detecting intoxication;
36 handling cannabis items; statutory and regulatory provisions relating
37 to cannabis; and any matter deemed necessary by the commission to
38 protect the public health and safety. The commission or other
39 provider may charge a reasonable fee for the course.

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

44 As part of a final order suspending a certification issued under this
45 section, the commission may require a holder of a certification to
46 successfully complete the course as a condition of lifting the
47 suspension and as part of a final order revoking a certification issued

1 under this section, the commission shall require an individual to
2 successfully complete the course prior to applying for a new
3 certification.

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

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

24 (3) Upon receipt and review of the criminal history record
25 background information from the Division of State Police and the
26 Federal Bureau of Investigation, the commission shall provide
27 written notification to the individual of the qualification for or
28 disqualification for a certification. If the individual is disqualified
29 because of a disqualifying conviction as set forth in subsection f. of
30 this section, the conviction that constitutes the basis for the
31 disqualification shall be identified 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 this
35 subsection is convicted of a crime in this State after the date the
36 background check was performed. Upon receipt of that notification,
37 the commission shall make a determination regarding the continued
38 eligibility to hold a certification.

39 f. (1) (a) With respect to determining whether any conviction
40 of an individual contained in the criminal history record background
41 check should disqualify an applicant for a certification, the
42 commission shall not take into consideration any conviction for a
43 crime or offense that occurred prior to the effective date of P.L. ,
44 c. (C.) (pending before the Legislature as this bill) involving a
45 controlled dangerous substance or controlled substance analog as set
46 forth in paragraph (11) or (12) of subsection b., or subparagraph (b)
47 of paragraph (10) of subsection b. of N.J.S.2C:35-5, or paragraph (3)
48 or (4) of subsection a. of N.J.S.2C:35-10, or any similar indictable

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

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

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

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

- 1 i. A certification issued under this section is a personal privilege
2 and permits work described under this section only for the individual
3 who holds the certification.
- 4 j. In addition to the requirements for regulations set forth in
5 paragraph (1) of subsection d. of section 6 of P.L. , c. (C.)
6 (pending before the Legislature as this bill) the commission shall
7 enact regulations to allow for a cannabis ¹~~retailer to engage in~~
8 delivery ~~retailer's customer orders~~¹ of cannabis items ¹and related
9 supplies to be delivered off-premises¹ by a certified cannabis handler
10 performing work for or on behalf of a cannabis retailer, ¹~~including~~
11 as well as¹ a certified cannabis handler employed by a cannabis
12 delivery service providing courier ¹~~service~~ services¹ for
13 consumer purchases of cannabis items and related supplies fulfilled
14 by¹ the cannabis retailer, and which regulations shall include, but not
15 be limited to, the following requirements:
- 16 (1) ¹~~A cannabis retailer may only deliver cannabis items~~
17 Deliveries shall be made only¹ to a residence, including a temporary
18 residence, in this State.
- 19 (2) Deliveries shall be made only to a legal consumer by a
20 certified cannabis handler who is an employee of a cannabis retailer,
21 cannabis delivery service, or an approved contractor vender for a
22 cannabis retailer.
- 23 (3) ¹~~A cannabis retailer shall not deliver~~ Deliveries shall not be
24 made¹ to a residence located on land owned by the federal
25 government or any residence on land or in a building leased by the
26 federal government.
- 27 (4) ¹~~A cannabis retailer shall staff each~~ Each¹ delivery vehicle
28 ¹~~with~~ shall be staffed by¹ a certified cannabis handler who is an
29 employee of the cannabis retailer ¹or cannabis delivery service¹ who
30 shall be at least 18 years of age, or use ¹~~a cannabis delivery service~~
31 or¹ an approved contract vendor whose ¹certified cannabis handler¹
32 delivery employees shall be at least 18 years of age.
- 33 (5) All deliveries of cannabis items shall be made in person. A
34 delivery of cannabis items shall not be made through the use of an
35 unmanned vehicle.
- 36 (6) Each certified cannabis handler shall carry a copy of the
37 cannabis employee, cannabis delivery service, or contract vendor
38 identification card. The cannabis handler shall present the
39 identification card upon request to State and local law enforcement,
40 and State and local regulatory authorities and agencies.
- 41 (7) Each certified cannabis handler shall have access to a secure
42 form of communication with the cannabis retailer ¹or cannabis
43 delivery service making a customer delivery of a purchase order
44 fulfilled by the cannabis retailer¹ , such as a cellular telephone, at all
45 times that a delivery vehicle contains cannabis items.

1 (8) During delivery, the certified cannabis handler shall maintain
2 a physical or electronic copy of the ¹customer's¹ delivery request and
3 shall make it available upon request to State and local law
4 enforcement, and State and local regulatory authorities and agencies.

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

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

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

23 (12) Upon request, a cannabis retailer ¹or cannabis delivery
24 service¹ shall provide the commission with information regarding
25 any vehicles used for delivery, including the vehicle's make, model,
26 color, Vehicle Identification Number, license plate number, and
27 vehicle registration.

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

33 (14) Each cannabis retailer ¹and cannabis delivery service¹ shall
34 ensure that vehicles used to deliver cannabis ¹items¹ bear no
35 markings that would either identify or indicate that the vehicle is used
36 to deliver cannabis items.

37 (15) Each cannabis retailer ¹and cannabis delivery service¹ shall
38 ensure that deliveries are completed in a timely and efficient manner.

39 (16) While making residential deliveries, a certified cannabis
40 handler shall only travel from the cannabis retailer's licensed
41 premises, or as part of a cannabis delivery service or contract vendor
42 deliveries, between multiple cannabis retailers, then to a residence
43 for delivery; from one residential delivery to another residence for
44 residential delivery; or from a residential delivery back to the
45 cannabis retailer's ¹or cannabis delivery services¹ licensed
46 premises. A cannabis handler shall not deviate from the delivery path
47 described in this paragraph, except in the event of emergency or as

1 necessary for rest, fuel, or vehicle repair stops, or because road
2 conditions make continued use of the route or operation of the vehicle
3 unsafe, impossible, or impracticable.

4 (17) The process of delivery begins when the certified cannabis
5 handler leaves the cannabis retailer licensed premises with the
6 'customer's purchase order of' cannabis items for delivery. The
7 process of delivering ends when the cannabis handler returns to the
8 cannabis retailer's licensed premises, or delivery service's or
9 contract vendor's premises, after delivering the cannabis item to the
10 consumer.

11 (18) Each cannabis retailer 'and cannabis delivery service' shall
12 maintain a record of each delivery of cannabis items in a delivery log,
13 which may be written or electronic. For each delivery, the log shall
14 record:

15 (a) The date and time that the delivery began and ended;

16 (b) The name of the certified cannabis handler;

17 (c) The cannabis items delivered;

18 (d) The 'batch or' lot number of the cannabis 'item'; and

19 (e) The signature of the consumer who accepted delivery.

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

24

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

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

39 (2) Each representative sample of 'personal use' cannabis
40 'items' from a 'cannabis cultivation facility and each representative
41 sample of a personal use cannabis item from a cannabis product
42 manufacturing facility] cultivator or cannabis manufacturer' shall be
43 tested in accordance with the provisions of section 18 of P.L. ,
44 c. (C.) (pending before the Legislature as this bill) by a
45 laboratory licensed pursuant to section 25 of P.L.2019, c.153
46 (C.24:6I-18).

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

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

10
11 29. Section 25 of P.L.2019, c.153 (C.24:6I-18) is amended to read
12 as follows:

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

30 (2) Any laboratory licensed pursuant to this section prior to the
31 effective date of P.L. _____, c. (C. _____) to only test medical cannabis
32 and medical cannabis products shall be authorized to test 'personal
33 use' usable cannabis 'and personal use' , ' cannabis 'items'
34 product, cannabis extract, or any other cannabis resin' under an
35 existing license in good standing, if the laboratory certifies to the
36 commission that its facility, and the condition and calibration of any
37 equipment used for testing meet the commission's accreditation
38 requirements for licensure as a cannabis testing facility, and its
39 testing procedures will be performed in accordance with the
40 requirements of section 18 of P.L. _____, c. (C. _____) (pending before
41 the Legislature as this bill). The commission shall acknowledge
42 receipt of the laboratory's certification in writing to that laboratory,
43 which shall serve as notice and recognition that the laboratory may
44 test 'personal use' usable cannabis 'and personal use' , '
45 cannabis 'items' product, cannabis extract, or any other cannabis
46 resin' under the existing license.

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

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

14 d. (1) The commission shall require each applicant for licensure
15 as a medical cannabis testing laboratory to undergo a criminal history
16 record background check, except that no criminal history record
17 background check shall be required for an applicant who completed
18 a criminal history record background check as a condition of
19 professional licensure or certification.

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

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

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

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

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

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

19 (5) Notwithstanding the provisions of subsection c. of this section
20 to the contrary, the commission may offer provisional authority for
21 an applicant to be an owner, director, officer, or employee of a
22 medical cannabis testing laboratory for a period not to exceed three
23 months if the applicant submits to the commission a sworn statement
24 attesting that the person has not been convicted of any disqualifying
25 conviction pursuant to this section.

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

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

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

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

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

40 (e) the age of the individual when the crime or offense was
41 committed;

42 (f) whether the crime or offense was an isolated or repeated
43 incident;

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

46 (h) any evidence of rehabilitation, including good conduct in
47 prison or in the community, counseling or psychiatric treatment
48 received, acquisition of additional academic or vocational schooling,

1 successful participation in correctional work-release programs, or the
2 recommendation of those who have had the individual under their
3 supervision.

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

5

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

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

14 (1) to serve as designated caregivers or institutional caregivers
15 pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4), for licenses to
16 operate as, or to be a director, officer, or employee of, medical
17 cannabis testing laboratories pursuant to section 25 of P.L.2019,
18 c.153 (C.24:6I-18), for permits to operate as, or to be a director,
19 officer, or employee of, or a significantly involved person in, clinical
20 registrants pursuant to section 13 of P.L.2019, c.153 (C.24:6I-7.3),
21 and for permits to operate as, or to be a director, officer, or employee
22 of, or a significantly involved person in, medical cannabis
23 cultivators, medical cannabis manufacturers, and medical cannabis
24 dispensaries pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7); or

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

32 b. The Division of State Police shall promptly notify the
33 Cannabis Regulatory Commission in the event an applicant **[**seeking
34 to serve as a designated or institutional caregiver, an applicant for a
35 license to operate as, or to be a director, officer, or employee of, a
36 medical cannabis testing laboratory, an applicant for a permit to
37 operate as, or to be a director, officer, or employee of, or a
38 significantly involved person in, a clinical registrant, or an applicant
39 for a permit to operate as, or to be a director, officer, or employee of,
40 or a significantly involved person in, a medical cannabis cultivator,
41 medical cannabis manufacturer, or medical cannabis dispensary**]**,
42 who was the subject of a criminal history record background check
43 conducted pursuant to subsection a. of this section, is convicted of a
44 crime involving possession or sale of a controlled dangerous
45 substance.

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

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

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

5 (1) governing the times of operation, location, manner, and
6 number of cannabis establishments, distributors, or delivery services;
7 and

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

12 b. A municipality may prohibit the operation of any one or more
13 classes of cannabis establishment or cannabis distributors, but not
14 cannabis delivery services, within the jurisdiction of the municipality
15 through the enactment of an ordinance, and this prohibiting ordinance
16 shall apply throughout the municipality, even if that municipality or
17 parts thereof fall within any district, area, or other geographical
18 jurisdiction for which land use planning, site planning, zoning
19 requirements or other development authority is exercised by an
20 independent State authority, commission, instrumentality, or agency
21 pursuant to the enabling legislation that governs its duties, functions,
22 and powers, even if this development authority is expressly stated or
23 interpreted to be exclusive thereunder; the local prohibiting
24 ordinance applies, notwithstanding the provisions of any independent
25 State authority law to the contrary. Only an ordinance to prohibit one
26 or more classes of cannabis establishment or cannabis distributors
27 enacted pursuant to the specific authority to do so by this section shall
28 be valid and enforceable; any ordinance enacted by a municipality
29 prior to the effective date of this section addressing the issue of
30 prohibiting one or more types of cannabis-related activities within
31 the jurisdiction of the municipality is null and void, and that entity
32 may only prohibit the operation of one or more classes of cannabis
33 establishment or cannabis distributors by enactment of a new
34 ordinance based upon the specific authority to do so by this section.
35 The failure of a municipality to enact an ordinance prohibiting the
36 operation of one or more classes of cannabis establishment or
37 cannabis distributors within 180 days after the effective date of
38 P.L. , c. (C.) (pending before the Legislature as this bill),
39 shall result in any class of cannabis establishment or a cannabis
40 distributor that is not prohibited from operating within the
41 municipality as being permitted to operate therein as follows: the
42 growing, cultivating, ¹**【processing】** manufacturing¹, and selling and
43 reselling of ¹**【cannabis and】**¹ cannabis items, and operations to
44 transport in bulk cannabis items by a cannabis ¹**【grower】** cultivator¹,
45 cannabis ¹**【processor】** manufacturer¹, cannabis wholesaler, or
46 cannabis distributor shall be permitted uses in all industrial zones of
47 the municipality; and the selling of cannabis items to consumers from
48 a retail store by a cannabis retailer shall be a conditional use in all

1 commercial zones or retail zones, subject to meeting the conditions
2 set forth in any applicable zoning ordinance or receiving a variance
3 from one or more of those conditions in accordance with the
4 “Municipal Land Use Law,” P.L.1975, c.291 (C.40:55D-1 et seq.).
5 At the end of a five-year period following the initial failure of a
6 municipality to enact an ordinance prohibiting the operation of one
7 or more classes of cannabis establishment or cannabis distributors,
8 and every five-year period thereafter following a failure to enact a
9 prohibiting ordinance, the municipality shall again be permitted to
10 prohibit the future operation of any one or more classes of cannabis
11 establishment or cannabis distributors through the enactment of an
12 ordinance, but this ordinance shall be prospective only and not apply
13 to any cannabis establishment or distributor operating in the
14 municipality prior to the enactment of the ordinance.

15 c. (1) When the commission receives an application for initial
16 licensing or renewal of an existing license for any cannabis
17 establishment, distributor, or delivery service pursuant to section 19
18 of P.L. , c. (C.) (pending before the Legislature as this bill),
19 or endorsement for a cannabis consumption area pursuant to section
20 28 of P.L.2019, c.153 (C.24:6I-21), the commission shall provide,
21 within ~~‘[seven]’~~ 14¹ days, a copy of the application to the
22 municipality in which the establishment, distributor, delivery service,
23 or consumption area is to be located, unless the municipality has
24 prohibited the operation of the particular class of business for which
25 licensure is sought pursuant to subsection b. of this section, or in the
26 case of an application seeking a consumption area endorsement,
27 prohibited the operation of cannabis retailers. The local jurisdiction
28 shall determine whether the application complies with local
29 restrictions on times of operation, location, manner, and the number
30 of cannabis businesses. The local jurisdiction shall inform the
31 commission whether the application complies with local restrictions
32 on times of operation, location, manner, and the number of cannabis
33 businesses.

34 (2) A municipality may impose a separate local licensing or
35 endorsement requirement as a part of its restrictions on times of
36 operation, location, manner, and the number of cannabis businesses.
37 A municipality may decline to impose any local licensing or
38 endorsement requirements, but a local jurisdiction shall notify the
39 commission that it either approves or denies each application
40 forwarded to it.

41

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

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

47 (1) operated by medical cannabis dispensaries , including any
48 alternative treatment centers deemed to hold a medical cannabis

1 dispensary permit pursuant to section 7 of P.L.2009, c.307 (C.24:6I-
2 7), and clinical registrants within its jurisdiction, at which areas the
3 on-premises consumption of medical cannabis may occur;

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

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

22 b. Applications for an endorsement pursuant to this section shall
23 be made to the commission in a form and manner as shall be
24 prescribed by the commission and shall set forth such information as
25 the commission may require. Each application shall be verified by
26 the oath or affirmation of such persons as the commission may
27 prescribe. The endorsement shall be conditioned upon approval by a
28 municipality. An applicant is prohibited from operating a cannabis
29 consumption area without State and local approval. If the applicant
30 does not receive approval from the municipality within one year after
31 the date of State approval, the State endorsement shall expire and
32 may not be renewed. If an application is denied by the municipality
33 or the approval of the municipality is revoked, the commission shall
34 revoke the State endorsement. Any person aggrieved by the local
35 denial of an endorsement application may request a hearing in the
36 Superior Court of the county in which the application was filed. The
37 request for a hearing shall be filed within 30 days after the date the
38 application was denied. The person shall serve a copy of the person's
39 request for a hearing upon the appropriate officer for the municipality
40 that denied the application. The hearing shall be held and a record
41 made thereof within 30 days after the receipt of the application for a
42 hearing. No formal pleading and no filing fee shall be required for
43 the hearing.

44 c. (1) The commission shall deny a State endorsement if the
45 premises on which the applicant proposes to conduct its business
46 does not meet the requirements of P.L.2009, c.307 (C.24:6I-1 et al.) ,

1 P.L. , c. (C.) (pending before the Legislature as this bill), or for
2 reasons set forth in this section. The commission may revoke or deny
3 an endorsement renewal, or reinstatement, or an initial endorsement
4 for good cause.

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

6 (a) the endorsed permit holder , license holder, or applicant has
7 violated, does not meet, or has failed to comply with, any of the
8 terms, conditions, or provisions of this section, any rules
9 promulgated pursuant to this section, or any supplemental local laws,
10 rules, or regulations;

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

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

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

22 d. A **【medical】** cannabis consumption area endorsement shall be
23 valid for one year and may be renewed annually, subject to the
24 approval of the commission and the municipality as set forth in this
25 section. The commission shall establish by rule the amount of the
26 application fee and renewal fee for the endorsement, which shall not
27 exceed the administrative cost for processing and reviewing the
28 application.

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

32 f. A **【medical】** cannabis consumption area shall be located on
33 the premises of a medical cannabis dispensary **【or】** , clinical
34 registrant, or cannabis retailer, may be indoors or outdoors, and shall
35 be designated by conspicuous signage. The signage shall also indicate
36 whether the cannabis consumption area may be used for the on-premises
37 consumption of medical cannabis, personal use cannabis, or both.

38 (1) (a) An indoor **【medical】** cannabis consumption area in which
39 medical cannabis may be consumed, or both medical cannabis and
40 personal use cannabis may be consumed, shall be a structurally
41 enclosed area within a medical cannabis dispensary or clinical
42 registrant facility that is separated by solid walls or windows from
43 the area in which medical cannabis is dispensed **【and】** , or in which
44 retail sales of cannabis items occur if the dispensary or facility is also
45 licensed as a cannabis retailer, shall only be accessible through an

1 interior door after first entering the facility , and for a dispensary or
2 facility that is also licensed as a cannabis retailer, with respect to any
3 smoking, vaping, or aerosolizing of personal use cannabis, the
4 consumption area shall comply with all ventilation requirements
5 applicable to cigar lounges, as that term is defined in section 3 of
6 P.L.2005, c.383 (C.26:3D-57), in order to permit indoor smoking,
7 vaping, or aerosolizing that is the equivalent of smoking tobacco not
8 in violation of the “New Jersey Smoke-Free Air Act,” P.L.2005,
9 c.383 (C.26:3D-55 et seq.). Nothing in this subparagraph shall be
10 construed to authorize the consumption of medical cannabis by
11 smoking, vaping, or aerosolizing in this or any other indoor public place
12 or workplace, as those terms are defined in section 3 of P.L.2005, c.383
13 (C.26:3D-57).

14 (b) An indoor cannabis consumption area in which only personal use
15 cannabis may be consumed shall be a structurally enclosed area within
16 a cannabis retailer that is separated by solid walls or windows from
17 the area in which retail sales of cannabis items occur, shall only be
18 accessible through an interior door after first entering the retailer, and
19 shall comply with all ventilation requirements applicable to cigar
20 lounges, as that term is defined in section 3 of P.L.2005, c.383
21 (C.26:3D-57), in order to permit indoor smoking, vaping, or
22 aerosolizing that is the equivalent of smoking tobacco not in violation
23 of the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-
24 55 et seq.).

25 (2) An outdoor **【medical】** cannabis consumption area shall be an
26 exterior structure on the same premises as the medical cannabis
27 dispensary **【or】** , clinical registrant facility, or cannabis retailer, that
28 is either separate from or connected to the dispensary, facility, or
29 retailer, and that is not required to be completely enclosed, but shall
30 have sufficient walls, fences, or other barriers to prevent any view of
31 patients consuming medical cannabis or persons consuming personal
32 use cannabis from any sidewalk or other pedestrian or non-motorist
33 right-of-way, as the case may be, within the consumption area.

34 **【(3) Nothing in this subsection shall be construed to authorize the**
35 **consumption of medical cannabis by smoking in any indoor public**
36 **place or workplace, as those terms are defined in subsection 3 of**
37 **P.L.2005, c.383 (C.26:3D-57), and the】 A** medical cannabis
38 dispensary **【or】** , clinical registrant , or cannabis retailer operating
39 **【the】 a** consumption area shall ensure that any smoking, vaping, or
40 aerosolizing of medical cannabis or personal use cannabis that occurs
41 in an outdoor **【medical】** cannabis consumption area does not result
42 in migration, seepage, or recirculation of smoke or other exhaled
43 material to any indoor public place or workplace as those terms are
44 defined in section 3 of P.L.2005, c.383 (C.26:3D-57). The commission
45 may require **【a】 an outdoor** consumption area to include any

1 ventilation features as the commission deems necessary and
2 appropriate.

3 g. (1) A medical cannabis dispensary **[or]** , clinical registrant , or
4 cannabis retailer holding a **[medical]** cannabis consumption area
5 endorsement, and the employees **[of the dispensary or clinical**
6 **registrant]** thereof, subject to any regulations for **[medical]** cannabis
7 consumption areas promulgated by the commission, may permit a
8 person to bring medical cannabis or personal use cannabis into a
9 **[medical]** cannabis consumption area , so long as the on-premises
10 consumption of that cannabis is authorized by the endorsement .

11 (2) A medical cannabis dispensary **[or]**, clinical registrant , or
12 cannabis retailer holding a **[medical]** cannabis consumption area
13 endorsement shall not sell alcohol, including fermented malt
14 beverages or malt, vinous, or spirituous liquor, sell tobacco or
15 nicotine products, or allow the consumption of alcohol, tobacco, or
16 nicotine products on premises, or operate as a retail food
17 establishment.

18 (3) A medical cannabis dispensary **[or]** , clinical registrant , or
19 cannabis retailer holding a **[medical]** cannabis consumption area
20 endorsement shall not allow on-duty employees of the establishment
21 to consume any medical cannabis or personal use cannabis items in
22 the consumption area, other than an on-duty employee who is a
23 registered qualifying patient with a valid authorization for the use of
24 medical cannabis, if the medical cannabis dispensary, clinical
25 registrant, or cannabis retailer does not otherwise provide a private
26 area, that is separate from the area in which medical cannabis is
27 dispensed or in which retail sales of cannabis items occur, for that
28 employee to use medical cannabis.

29 (4) (a) A cannabis retailer, or medical cannabis dispensary or
30 clinical registrant that is also licensed to simultaneously operate as a
31 cannabis retailer, shall limit the amount of personal use cannabis sold
32 to a person to be consumed in its consumption area, or brought into
33 its consumption area if permitted pursuant to paragraph (1) of this
34 subsection, to no more than the sales limit set by the commission.
35 The cannabis retailer, medical cannabis dispensary, or clinical
36 registrant shall not engage in multiple sales transactions of personal
37 use cannabis to the same person during the same business day when
38 an establishment's employee knows or reasonably should have
39 known that the sales transaction would result in the person possessing
40 more than the sales limit established by the commission. The
41 cannabis retailer, medical cannabis dispensary, or clinical registrant
42 shall provide, if required by the commission, information regarding
43 the safe consumption of personal use cannabis at the point of sale to
44 all persons who make a purchase

1 **(b)** All employees of a cannabis retailer, or medical cannabis
2 dispensary or clinical registrant that is also licensed to
3 simultaneously operate as a cannabis retailer, shall complete any
4 responsible vendor training program established in regulation by the
5 commission concerning consumption areas in which personal use
6 cannabis may be consumed.

7 **h.** **(1)** Access to a **【medical】** cannabis consumption area in
8 which medical cannabis may be consumed shall be restricted to
9 employees of the medical cannabis dispensary or clinical registrant
10 and to registered **【qualified】** qualifying patients and their designated
11 caregivers.

12 **(2)** Access to a cannabis consumption area in which personal use
13 cannabis may be consumed, or both medical cannabis and personal
14 use cannabis may be consumed, shall be restricted to employees of
15 the cannabis retailer, or medical cannabis dispensary or clinical
16 registrant that is also licensed to simultaneously operate as a cannabis
17 retailer, and to registered qualifying patients, their designated
18 caregivers, and other persons who are at least 21 years of age. Each
19 person shall be required to produce a form of government-issued
20 identification that may be accepted, pursuant to subparagraph (a) of
21 paragraph (6) of subsection a. of section 18 of P.L. , c. (C.)
22 (pending before the Legislature as this bill), in order to enter the
23 consumption area for purposes of consuming any cannabis.

24 **i.** When a patient or other person leaves a **【medical】** cannabis
25 consumption area, the establishment shall ensure any remaining
26 unconsumed medical cannabis or personal use cannabis item that is
27 not taken by the patient **【or】** , the patient's designated caregiver , or
28 other person is destroyed.

29 **j.** A medical cannabis dispensary, clinical registrant, or cannabis
30 retailer operating a cannabis consumption area and its employees:

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

33 **(2)** may remove an individual from the establishment for any
34 reason;

35 **(3)** shall not knowingly permit any activity or acts of disorderly
36 conduct; and

37 **(4)** shall not permit rowdiness, undue noise, or other disturbances
38 or activity offensive to the average citizen or to the residents of the
39 neighborhood in which the consumption area is located.

40 **k.** If an emergency requires law enforcement, firefighters,
41 emergency medical services providers, or other public safety
42 personnel to enter a medical cannabis consumption area, employees
43 of the establishment shall prohibit on-site consumption of medical
44 cannabis until such personnel have completed their investigation or
45 services and have left the premises.

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

1 33. (New section) Marketplace Regulation.

2 a. (1) ¹[(a)]¹ For a period of ¹[18] 24¹ months after the date
3 determined by the commission pursuant to paragraph (2) of
4 subsection d. of section 6 of P.L. , c. (C.) (pending before
5 the Legislature as this bill), to be the first date on which cannabis
6 retailers issued licenses and conditional licenses begin retail sales of
7 ¹[personal use]¹ cannabis items, it shall be unlawful for any owner,
8 part owner, stockholder, officer, or director of any corporation, or
9 any other person interested in any cannabis¹[cultivation facility]
10 cultivator¹, cannabis testing facility, cannabis ¹[product
11 manufacturing facility] manufacturer¹, cannabis wholesaler,
12 cannabis distributor, or cannabis delivery service to engage in the
13 retailing of any cannabis items in this State, or to own, either in whole
14 or in part, or be directly or indirectly interested in a cannabis retailer,
15 and such interest shall include any payments or delivery of money or
16 property by way of loan or otherwise accompanied by an agreement
17 to sell the product of said cannabis ¹[cultivation facility] cultivator¹
18 , cannabis testing facility, cannabis ¹[product manufacturing
19 facility] manufacturer¹ , cannabis wholesaler, or cannabis
20 distributor, but does not include any arrangement between a cannabis
21 delivery service and a cannabis retailer for making deliveries of
22 cannabis items to consumers. During this ¹[18-month] 24-month¹
23 period, the holder of a Class 1 Cannabis ¹[Grower] Cultivator¹
24 license to operate ¹as¹ a cannabis ¹[cultivation facility] cultivator¹
25 or a Class 2 Cannabis ¹[Processor] Manufacturer¹ license to operate
26 ¹as¹ a cannabis ¹[product manufacturing facility] manufacturer¹ may
27 hold one other license to operate another cannabis establishment,
28 other than a Class 3 Cannabis Wholesaler license to operate a
29 cannabis wholesaler or a Class 5 Cannabis Retailer license to operate
30 a cannabis retailer; and the holder of a Class 3 Cannabis Wholesaler
31 license to operate a cannabis wholesaler shall be limited to just that
32 one license.

33 ¹[(b) Throughout the 18-month period set forth in subparagraph
34 (a) of this paragraph, the commission, except as authorized by
35 paragraph (2) of subsection b. of this section, shall not allow,
36 providing there exist qualified applicants, more than 28 cannabis
37 growers to be simultaneously licensed and engaging in personal use
38 cannabis activities, which number shall include any alternative
39 treatment centers deemed to be licensed as cannabis growers who are
40 issued licenses by the commission pursuant to paragraph (3) of this
41 subsection.]¹

42 (2) For a period of ¹[18 months] 24 months¹ after the date
43 determined by the commission pursuant to paragraph (2) of
44 subsection d. of section 6 of P.L. , c. (C.) (pending before
45 the Legislature as this bill), to be the first date on which cannabis
46 retailers issued licenses and conditional licenses begin retail sales of

1 ~~1~~ **personal use** cannabis items, it shall be unlawful for any owner,
2 part owner, stockholder, officer, or director of any corporation, or
3 any other person engaged in any retailing of any cannabis items to
4 engage in the growing of, testing of, ~~1~~ **processing** manufacturing¹
5 of, wholesaling of, or transporting in bulk any cannabis items, or to
6 own either whole or in part, or to be a shareholder, officer or director
7 of a corporation or association, directly or indirectly, interested in
8 any cannabis ~~1~~ **cultivation** cultivatory¹ facility, cannabis testing
9 facility, cannabis ~~1~~ **product manufacturing facility** manufacturer¹,
10 cannabis wholesaler, cannabis distributor, or cannabis delivery
11 service.

12 (3) (a) (i) ~~1~~ **Except with respect to the cap on the number of**
13 **cannabis grower licenses set forth in subparagraph (b) of paragraph**
14 **(1) of this subsection, the** The¹ provisions of paragraphs (1) and (2)
15 of this subsection shall not apply

16 to any alternative treatment center that was issued a permit prior
17 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or to any
18 alternative treatment center that was issued a permit subsequent to
19 that effective date pursuant to an application submitted prior to that
20 effective date,

21 to the one alternative treatment center, out of four, issued a permit
22 pursuant to an application submitted after the effective date of
23 P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to a request for
24 applications published in the New Jersey Register prior to that
25 effective date, that is expressly exempt, pursuant to subsection a. of
26 section 11 of P.L.2019, c.153 (C.24:6I-7.1), from the provisions of
27 subparagraph (i) of subparagraph (a) of paragraph (2) of
28 subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7), which
29 exemption permits the alternative treatment center to concurrently
30 hold more than one medical cannabis permit, and that one alternative
31 treatment center is deemed pursuant to that section 7 (C.24:6I-7) to
32 concurrently hold more than one permit, and

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

43 and which alternative treatment center is also deemed, pursuant to
44 subparagraph (ii) of subparagraph (c) of paragraph (2) of section
45 7 of P.L.2009, c.307 (C.24:6I-7), to either concurrently hold a Class
46 1 Cannabis ~~1~~ **Grower** Cultivator¹ license, a Class 2 Cannabis
47 ~~1~~ **Processor** Manufacturer¹ license, ~~1~~ **and**¹ a Class 5 Cannabis

1 Retailer license, plus an additional Class 5 Cannabis Retailer license
2 for each satellite dispensary authorized and established by an
3 alternative treatment center pursuant to subparagraph (d) of
4 paragraph (2) of subsection a. of section 7 of P.L.2009, c.307
5 (C.24:6I-7), ¹and a Class 6 Cannabis Delivery license,¹ or
6 alternatively to hold a Class 3 Cannabis Wholesaler license.

7 (ii) For each alternative treatment center deemed to have licenses
8 pursuant to subparagraph (i) of this subparagraph, the
9 commission shall not require the submission of an application for
10 licensure, as the application requirement is deemed satisfied by the
11 alternative treatment center's previously approved permit application
12 that was submitted to the Department of Health or to the commission
13 pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), but the
14 alternative treatment center shall not begin to operate as any class of
15 cannabis establishment until the alternative treatment center has
16 submitted a written approval for a proposed cannabis establishment
17 from the municipality in which the proposed establishment is to be
18 located, which approval is based on a determination that the proposed
19 establishment complies with the municipality's restrictions on the
20 time, location, manner, and number of establishments enacted
21 pursuant to section 31 of P.L. of P.L. , c. (C.) (pending before
22 the Legislature as this bill). The commission shall ¹thereafter only¹
23 issue the initial license to the alternative treatment center for a
24 cannabis establishment of the appropriate class ¹upon receipt of the
25 municipality's approval ¹once the commission certifies that it has
26 sufficient quantities of medical cannabis and medical cannabis
27 products available to meet the reasonably anticipated need of
28 registered qualifying patients in accordance with subparagraph
29 (iii) of this subparagraph¹ . The commission shall begin accepting
30 municipal approvals from alternative treatment centers beginning on
31 the date of adoption of the commission's initial rules and regulations
32 pursuant to subparagraph (a) of paragraph (1) of subsection d. of
33 section 6 of P.L. , c. (C.) (pending before the Legislature as
34 this bill).

35 (iii) An alternative treatment center ¹issued an initial license
36 following ¹with¹ approval ¹by ¹from¹ a municipality pursuant to
37 subparagraph (ii) of this subparagraph shall not engage in
38 activities related to the growing, ¹producing ¹manufacturing¹ , or
39 wholesaling of ¹personal use¹ cannabis ¹or cannabis items¹ until it
40 has certified to the commission that that it has sufficient quantities of
41 medical cannabis and medical cannabis products available to meet
42 the reasonably anticipated need of registered qualifying patients, and
43 the commission has accepted the alternative treatment center's
44 certification ¹which acceptance is conditioned on the commission's
45 review of the alternative treatment center as set forth in
46 subsubparagrph (iv) of this subparagraph. Upon acceptance of the
47 certification, the commission shall issue the initial license to the

1 alternative treatment center for a cannabis establishment of the
2 appropriate class¹.

3 Notwithstanding the date determined by the commission pursuant
4 to paragraph (2) of subsection d. of section 6 of P.L. , c. (C.)
5 (pending before the Legislature as this bill) to be the first date on
6 which cannabis retailers issued licenses and conditional licenses
7 begin retail sales of personal use cannabis items, an alternate
8 treatment center, if approved by a municipality to operate as a
9 cannabis retailer, may begin to engage in the retail sale of cannabis
10 items on any date after the date that the commission adopts its initial
11 rules and regulations pursuant to subparagraph (a) of paragraph (1)
12 of subsection d. of section 6 of that act (C.), so long as it has
13 certified to the commission ¹["], and to the municipality in which it is
14 located and intends to engage in retail sales,¹ that it has sufficient
15 quantities of medical cannabis and, if applicable, medical cannabis
16 products available to meet the reasonably anticipated need of
17 registered qualifying patients, and ¹["both"]¹ the commission ¹["and
18 municipality have"] has¹ accepted the alternative treatment center's
19 certification ¹, which acceptance is conditioned on the commission's
20 review of the alternative treatment center as set forth in
21 subsubparagrph (iv) of this subparagraph. Upon acceptance of the
22 certification, the commission shall issue the initial cannabis retailer
23 license to the alternative treatment center for engaging in the retail
24 sale of cannabis items¹.

25 (iv) An alternative treatment center issued a license for a cannabis
26 establishment shall be authorized to use the same premises for all
27 activities authorized under P.L. , c. (C.) (pending before the
28 Legislature as this bill) and the "Jake Honig Compassionate Use
29 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), without
30 being required to establish or maintain any physical barriers or
31 separations between operations related to the medical use of cannabis
32 and operations related to personal use ¹of¹ cannabis ¹items¹,
33 provided that the alternative treatment center shall be required to
34 certify that it has sufficient quantities of medical cannabis and, if
35 applicable, medical cannabis products available to meet the
36 reasonably anticipated treatment needs of registered qualifying
37 patients, as set forth in subsubparagraph ¹(ii) or¹ (iii) of this
38 subparagraph, ¹["as"] and only if accepted by the commission, which
39 is¹ as a condition ¹["of selling personal use cannabis at retail"] for
40 licensure as a cannabis establishment of the appropriate class¹ .

41 In determining whether to accept, pursuant to this subparagraph,
42 an alternative treatment center's certification that it has sufficient
43 quantities of medical cannabis or medical cannabis products
44 available to meet the reasonably anticipated needs of registered
45 qualifying patients, the commission ¹["], and if applicable a
46 municipality in consultation with the commission,¹ shall
47 assess patient enrollment, inventory, sales of medical cannabis and

1 medical cannabis products, and any other factors determined by the
2 commission through regulation.

3 ¹As a condition of licensure following acceptance of a
4 certification, an alternative treatment center shall meet the
5 anticipated treatment needs of registered qualifying patients before
6 meeting the retail needs of cannabis consumers, and the alternative
7 treatment center shall not make operational changes that reduce
8 access to medical cannabis for registered qualifying patients in order
9 to operate a cannabis establishment.¹ If an alternative treatment
10 center is found by the commission to not have sufficient quantities of
11 medical cannabis or medical cannabis products available to meet the
12 reasonably anticipated needs of qualified patients, the commission
13 may issue fines, limit retail ¹or other¹ sales, temporarily suspend the
14 alternative treatment center's cannabis establishment license, or issue
15 any other penalties determined by the commission through
16 regulation.

17 (b) Beginning on a date determined by the commission, to be not
18 later than one year from the date determined by the commission
19 pursuant to paragraph (2) of subsection d. of section 6 of P.L. ,
20 c. (C.) (pending before the Legislature as this bill) to be the
21 first date on which cannabis retailers issued licenses and conditional
22 licenses begin retail sales of personal use cannabis items, an
23 alternative treatment center deemed to have licenses and issued initial
24 licenses pursuant to subparagraph (a) of this paragraph shall certify
25 to the commission, within a period of time, as determined by the
26 commission, prior to the date on which a license issued to the
27 alternative treatment center is set to expire, the continued material
28 accuracy of the alternative treatment center's previously approved
29 permit application to the Department of Health or to the commission
30 pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), and its
31 compliance with the provisions of P.L. , c. (C.) (pending before
32 the Legislature as this bill) as required by the commission for its
33 operations concerning ¹personal use¹ cannabis ¹or cannabis items¹
34 , and this certification shall be supplemented with a new written
35 approval from the municipality in which the alternative treatment
36 center is operating as a cannabis establishment for which the initial
37 license was issued, approving the continued operations as a cannabis
38 establishment. The commission shall renew the license of the
39 alternative treatment center based upon a review of the certification
40 and supporting municipality's continued approval. This license
41 renewal process shall thereafter be followed for each expiring license
42 issued to the alternative treatment center.

43 b. Following the ¹18¹ ~~24~~¹ month period set forth in subsection
44 a. of this section, a cannabis ¹establishment¹ license holder shall
45 be authorized to hold:

46 (1) (a) a Class 1 Cannabis ¹Grower¹ ~~Cultivator~~¹ license, a Class
47 2 Cannabis ¹Processor¹ ~~Manufacturer~~¹ license, ¹and¹ a Class 5

1 Cannabis Retailer license ¹, and a Class 6 Cannabis Delivery license¹
2 concurrently, provided that no license holder shall be authorized to
3 concurrently hold more than one license of each class, except for an
4 alternative treatment center that was deemed, during the ¹[18] 24¹
5 month period, to have an additional Class 5 Cannabis Retailer license
6 for each satellite dispensary that was authorized and established by
7 the alternative treatment center pursuant to subparagraph (d) of
8 paragraph (2) of subsection a. of section 7 of P.L.2009, c.307
9 (C.24:6I-7). These additional retailer licenses only permit the retail
10 operation of each satellite dispensary, and shall not be replaced by
11 any other class of cannabis establishment license; or

12 (b) a Class 3 Cannabis Wholesaler license. In no case may a
13 holder of a Class 3 Cannabis Wholesaler license concurrently holder
14 a license of any other class or cannabis establishment.

15 (2) The commission, pursuant to its authority under paragraph (1)
16 of subsection a. of section 18 of P.L. , c. (C.) (pending before
17 the Legislature as this bill) for making periodic evaluations of
18 whether the number of each class of cannabis establishment, or
19 number of cannabis distributors or delivery services, is sufficient to
20 meet the market demands of the State, shall review the limit on the
21 number of cannabis ¹[grower] cultivator¹ licenses set forth in
22 subparagraph (b) of paragraph (1) of subsection a. of this section, and
23 providing there exist qualified applicants, ¹[may make requests for]
24 accept¹ new applications for additional licenses as it deems
25 necessary.

26 (3) A license holder may submit an application for a license of
27 any type that the license holder does not currently hold prior to the
28 expiration of the ¹[18] 24¹ month period set forth in subsection a. of
29 this section, or thereafter, does not currently hold pursuant to
30 paragraph (1) of this subsection, provided that no license shall be
31 awarded to the license holder during the ¹[18] 24¹ month period, or
32 thereafter, if issuance of the license would violate the restrictions set
33 forth in subsection a. of this section concerning the classes of licenses
34 that may be concurrently held during that ¹[18] 24¹ month period,
35 or the restrictions set forth in paragraph (1) of this subsection ¹;

36
37 34. Section 7 of P.L.2009, c.307 (C.24:6I-7) is amended to read
38 as follows:

39 7. a. (1) The commission shall accept applications from entities
40 for permits to operate as medical cannabis cultivators, medical
41 cannabis manufacturers, and medical cannabis dispensaries. For the
42 purposes of this section, the term “permit” shall be deemed to include
43 a conditional permit issued pursuant to subsection d. of section 11 of
44 P.L.2019, c.153 (C.24:6I-7.1) and any permit issued to a
45 microbusiness pursuant to subsection e. of section 11 of P.L.2019,
46 c.153 (C.24:6I-7.1).

1 (2) (a) For a period of 18 months after the effective date of
2 P.L.2019, c.153 (C.24:6I-5.1 et al.):

3 (i) no applicant may concurrently hold more than one permit
4 issued by the commission pursuant to this section, regardless of type;
5 and

6 (ii) there shall be no more than 28 active medical cannabis
7 cultivator permits, including medical cannabis cultivator permits
8 deemed to be held by alternative treatment centers issued a permit
9 prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) and
10 medical cannabis cultivator permits deemed to be held by alternative
11 treatment centers issued a permit subsequent to the effective date of
12 P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an application
13 submitted prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1
14 et al.); provided that medical cannabis cultivator permits issued to
15 microbusinesses pursuant to subsection e. of section 11 of P.L.2019,
16 c.153 (C.24:6I-7.1) shall not count toward this limit.

17 (b) Commencing 18 months after the effective date of P.L.2019,
18 c.153 (C.24:6I-5.1 et al.), a permit holder shall be authorized to
19 concurrently hold a medical cannabis cultivator permit, a medical
20 cannabis manufacturer permit, and a medical cannabis dispensary
21 permit, provided that no permit holder shall be authorized to
22 concurrently hold more than one permit of each type. The permit
23 holder may submit an application for a permit of any type that the
24 permit holder does not currently hold prior to the expiration of the
25 18-month period described in subparagraph (a) of this paragraph,
26 provided that no additional permit shall be awarded to the permit
27 holder during the 18 month period.

28 (c) (i) The provisions of subparagraph (a) of this paragraph shall
29 not apply to any alternative treatment center that was issued a permit
30 prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), to
31 any alternative treatment center that was issued a permit after the
32 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an
33 application submitted prior to the effective date of P.L.2019, c.153
34 (C.24:6I-5.1 et al.), to one of the four alternative treatment centers
35 issued a permit pursuant to an application submitted after the
36 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to a
37 request for applications published in the New Jersey Register prior to
38 the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) that are
39 expressly exempt from the provisions of subsubparagraph (i) of
40 subparagraph (a) of this paragraph, or to one of the three alternative
41 treatment centers issued a permit pursuant to section 11 of P.L.2019,
42 c.153 (C.24:6I-7.1) that are expressly exempt from the provisions of
43 subsubparagraph (i) of subparagraph (a) of this paragraph, which
44 alternative treatment centers shall be deemed to concurrently hold a
45 medical cannabis cultivator permit, a medical cannabis manufacturer
46 permit, and a medical cannabis dispensary permit, and shall be

1 authorized to engage in any conduct authorized pursuant to those
2 permits in relation to the cultivation, manufacturing, and dispensing
3 of medical cannabis.

4 (ii) In addition, each of the alternative treatment centers described
5 in subparagraph (i) of this subparagraph, to which the provisions
6 of subparagraph (a) of this paragraph ~~shall~~ shall not apply . shall,
7 upon the adoption of the initial rules and regulations by the
8 commission pursuant to subparagraph (a) of paragraph (1) of
9 subsection d. of section 6 of P.L. , c. (C.) (pending before
10 the Legislature as this bill), be deemed to either concurrently hold a
11 Class 1 Cannabis ~~Grower~~ Cultivator¹ license, a Class 2 Cannabis
12 ~~Processor~~ Manufacturer¹ License, ~~and~~¹ a Class 5 Cannabis
13 Retailer license, plus an additional Class 5 Cannabis Retailer license
14 for each satellite dispensary authorized and established by the
15 alternative treatment center pursuant to subparagraph (d) of this
16 paragraph, ¹and a Class 6 Cannabis Delivery license,¹ or hold a Class
17 3 Cannabis Wholesaler license. Any alternative treatment center
18 deemed to hold one or more licenses as described in this
19 subsubparagraph may begin to operate as any authorized class of
20 cannabis establishment upon receipt of written approval from the
21 municipality in which the proposed establishment is to be located and
22 obtaining an initial license or licenses, as applicable, issued by the
23 commission pursuant to paragraph (3) of subsection a. of section 33
24 of P.L. , c. (C.) (pending before the Legislature as this bill).

25 (d) No entity may be issued or concurrently hold more than one
26 medical cannabis cultivator permit, one medical cannabis
27 manufacturer permit, or one medical cannabis dispensary permit at
28 one time, and no medical cannabis dispensary shall be authorized to
29 establish a satellite location on or after the effective date of P.L.2019,
30 c.153 (C.24:6I-5.1 et al.), except that an alternative treatment center
31 that was issued a permit prior to the effective date of P.L.2019, c.153
32 (C.24:6I-5.1 et al.) or that was issued a permit after the effective date
33 of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an application
34 submitted prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1
35 et al.) shall be authorized to maintain up to two satellite dispensaries,
36 including any satellite dispensary that was approved pursuant to an
37 application submitted prior to or within 18 months after the effective
38 date of P.L.2019, c.153 (C.24:6I-5.1 et al.). The three alternative
39 treatment centers issued permits pursuant to section 11 of P.L.2019,
40 c.153 (C.24:6I-7.1) that are expressly exempt from the provisions of
41 subparagraph (i) of subparagraph (a) of this paragraph shall be
42 authorized to establish and maintain up to one satellite dispensary
43 location, provided that the satellite dispensary was approved pursuant
44 to an application submitted within 18 months after the effective date
45 of P.L.2019, c.153 (C.24:6I-5.1 et al.).

1 (e) No entity issued a medical cannabis cultivator, medical
2 cannabis manufacturer, or medical cannabis dispensary permit may
3 concurrently hold a clinical registrant permit issued pursuant to
4 section 13 of P.L.2019, c.153 (C.24:6I-7.3), and no entity issued a
5 clinical registrant permit pursuant to section 13 of P.L.2019, c.153
6 (C.24:6I-7.3) may concurrently hold a medical cannabis cultivator
7 permit, a medical cannabis manufacturer permit, or a medical
8 cannabis dispensary permit.

9 (f) Any medical cannabis dispensary permit holder may be
10 approved by the commission to operate a **【medical】** cannabis
11 consumption area, provided that the permit holder otherwise meets
12 the requirements of section 28 of P.L.2019, c.153 (C.24:6I-21).

13 (g) An alternative treatment center that was issued a permit prior
14 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that was
15 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
16 5.1 et al.) pursuant to an application submitted pursuant to a request
17 for applications published in the New Jersey Register prior to the
18 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was
19 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
20 5.1 et al.) pursuant to an application submitted prior to the effective
21 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), shall be required to
22 submit an attestation signed by a bona fide labor organization stating
23 that the alternative treatment center has entered into a labor peace
24 agreement with such bona fide labor organization no later than 100
25 days after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) or
26 no later than 100 days after the date the alternative treatment center
27 first opens, whichever date is later. The maintenance of a labor peace
28 agreement with a bona fide labor organization shall be an ongoing
29 material condition of maintaining the alternative treatment center's
30 permit. The failure to submit an attestation as required pursuant to
31 this subparagraph within 100 days after the effective date of
32 P.L.2019, c.153 (C.24:6I-5.1 et al.) or within 100 days after the
33 alternative treatment center first opens, as applicable, shall result in
34 the suspension or revocation of the alternative treatment center's
35 permit, provided that the commission may grant an extension to this
36 deadline to the alternative treatment center based upon extenuating
37 circumstances or for good cause shown.

38 (h) An alternative treatment center that was issued a permit prior
39 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)¹, that was
40 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
41 5.1 et al.) pursuant to an application submitted pursuant to a request
42 for applications published in the New Jersey Register prior to the
43 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was
44 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
45 5.1 et al.) pursuant to an application submitted prior to the effective
46 date of P.L.2019, c.153 (C.24:6I-5.1 et al.),¹ shall be permitted to

1 cultivate from up to two physical locations, provided that the
2 alternative treatment center's combined mature cannabis plant grow
3 canopy between both locations shall not exceed 150,000 square feet
4 of bloom space or the square footage of canopy permitted under the
5 largest tier in the tiered system adopted by the commission pursuant
6 to paragraph (2) of subsection b. of section 21 of P.L. , c. (C.)
7 (pending before the Legislature as this bill).

8 (3) The commission shall seek to ensure the availability of a
9 sufficient number of medical cannabis cultivators, medical cannabis
10 manufacturers, and medical cannabis dispensaries throughout the
11 State, pursuant to need, including at least two each in the northern,
12 central, and southern regions of the State. Medical cannabis
13 cultivators, medical cannabis manufacturers, and medical cannabis
14 dispensaries issued permits pursuant to this section may be nonprofit
15 or for-profit entities.

16 (4) The commission shall periodically evaluate whether the
17 number of medical cannabis cultivator, medical cannabis
18 manufacturer, and medical cannabis dispensary permits issued are
19 sufficient to meet the needs of qualifying patients in the State, and
20 shall make requests for applications and issue such additional permits
21 as shall be necessary to meet those needs. The types of permits
22 requested and issued, and the locations of any additional permits that
23 are authorized, shall be in the discretion of the commission based on
24 the needs of qualifying patients in the State.

25 (5) (a) A medical cannabis cultivator shall be authorized to:
26 acquire a reasonable initial and ongoing inventory, as determined by
27 the commission, of cannabis seeds or seedlings and paraphernalia;
28 possess, cultivate, plant, grow, harvest, and package medical
29 cannabis, including prerolled forms, for any authorized purpose,
30 including, but not limited to, research purposes; and deliver, transfer,
31 transport, distribute, supply, or sell medical cannabis and related
32 supplies to any medical cannabis cultivator, medical cannabis
33 manufacturer, medical cannabis dispensary, or clinical registrant in
34 the State. In no case shall a medical cannabis cultivator operate or
35 be located on land that is valued, assessed or taxed as an agricultural
36 or horticultural use pursuant to the "Farmland Assessment Act of
37 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

38 (b) A medical cannabis manufacturer shall be authorized to:
39 purchase or acquire medical cannabis from any medical cannabis
40 cultivator, medical cannabis manufacturer, or clinical registrant in
41 the State; possess and utilize medical cannabis in the manufacture,
42 production, and creation of medical cannabis products; and deliver,
43 transfer, transport, supply, or sell medical cannabis products and
44 related supplies to any medical cannabis manufacturer, medical
45 cannabis dispensary, or clinical registrant in the State.

1 (c) A medical cannabis dispensary shall be authorized to:
2 purchase or acquire medical cannabis from any medical cannabis
3 cultivator, medical cannabis dispensary, or clinical registrant in the
4 State and medical cannabis products and related supplies from any
5 medical cannabis manufacturer, medical cannabis dispensary, or
6 clinical registrant in the State; purchase or acquire paraphernalia
7 from any legal source; and distribute, supply, sell, or dispense
8 medical cannabis, medical cannabis products, paraphernalia, and
9 related supplies to qualifying patients or their designated or
10 institutional caregivers who are registered with the commission
11 pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4). A medical
12 cannabis dispensary may furnish medical cannabis, medical cannabis
13 products, paraphernalia, and related supplies to a medical cannabis
14 handler for delivery to a registered qualifying patient, designated
15 caregiver, or institutional caregiver consistent with the requirements
16 of subsection i. of section 27 of P.L.2019, c.153 (C.24:6I-20).

17 (6) A medical cannabis cultivator shall not be limited in the
18 number of strains of medical cannabis cultivated, and a medical
19 cannabis manufacturer shall not be limited in the number or type of
20 medical cannabis products manufactured, produced, or created. A
21 medical cannabis manufacturer may package, and a medical cannabis
22 dispensary may directly dispense medical cannabis and medical
23 cannabis products to qualifying patients and their designated and
24 institutional caregivers in any authorized form. Authorized forms
25 shall include dried form, oral lozenges, topical formulations,
26 transdermal form, sublingual form, tincture form, or edible form, or
27 any other form as authorized by the commission. Edible form shall
28 include pills, tablets, capsules, drops or syrups, oils, chewable forms,
29 and any other form as authorized by the commission, except that the
30 edible forms made available to minor patients shall be limited to
31 forms that are medically appropriate for children, including pills,
32 tablets, capsules, chewable forms, and drops, oils, syrups, and other
33 liquids.

34 (7) Nonprofit medical cannabis cultivators, medical cannabis
35 manufacturers, and medical cannabis dispensaries need not be
36 recognized as a 501(c)(3) organization by the federal Internal
37 Revenue Service.

38 b. The commission shall require that an applicant provide such
39 information as the commission determines to be necessary pursuant
40 to regulations adopted pursuant to P.L.2009, c.307 (C.24:6I-1 et al.).

41 c. A person who has been convicted of a crime of the first,
42 second, or third degree under New Jersey law or of a crime involving
43 any controlled dangerous substance or controlled substance analog as
44 set forth in chapter 35 of Title 2C of the New Jersey Statutes except
45 paragraph (11) or (12) of subsection b. of N.J.S.2C:35-5, or
46 paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar

1 law of the United States or any other state shall not be issued a permit
2 to operate as a medical cannabis cultivator, medical cannabis
3 manufacturer, medical cannabis dispensary, or clinical registrant or
4 be a director, officer, or employee of a medical cannabis cultivator,
5 medical cannabis manufacturer, medical cannabis dispensary, or
6 clinical registrant, unless such conviction occurred after the effective
7 date of P.L.2009, c.307 (C.24:6I-1 et al.) and was for a violation of
8 federal law relating to possession or sale of cannabis for conduct that
9 is authorized under P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015,
10 c.158 (C.18A:40-12.22 et al.).

11 d. (1) The commission shall require each applicant seeking a
12 permit to operate as, to be a director, officer, or employee of, or to be
13 a significantly involved person in, a medical cannabis cultivator,
14 medical cannabis manufacturer, medical cannabis dispensary, or
15 clinical registrant to undergo a criminal history record background
16 check.

17 Any individual seeking to become a director, officer, or employee
18 of a medical cannabis cultivator, medical cannabis manufacturer,
19 medical cannabis dispensary, or clinical registrant, after issuance of
20 an initial permit shall notify the commission and shall complete a
21 criminal history record background check and provide all
22 information as may be required by the commission as a condition of
23 assuming a position as director, officer, or employee of the permitted
24 entity. An individual who incurs an investment interest or gains the
25 authority to make controlling decisions in a permitted entity that
26 makes the individual a significantly involved person shall notify the
27 commission, complete a criminal history record background check,
28 and provide all information as may be required by the commission
29 no later than 30 days after the date the individual becomes a
30 significantly involved person, or any permit issued to the individual
31 or group of which the significantly involved person is a member shall
32 be revoked and the individual or group shall be deemed ineligible to
33 hold any ownership or investment interest in a medical cannabis
34 cultivator, medical cannabis manufacturer, medical cannabis
35 dispensary, or clinical registrant for a period of at least two years,
36 commencing from the date of revocation, and for such additional
37 period of time as the commission deems appropriate, based on the
38 duration of the nondisclosure, the size of the individual's or group's
39 investment interest in the permitted entity, the amount of profits,
40 revenue, or income realized by the individual or group from the
41 permitted entity during the period of nondisclosure, and whether the
42 individual had a disqualifying conviction or would otherwise have
43 been deemed ineligible to be a significantly involved person in a
44 medical cannabis cultivator, medical cannabis manufacturer, medical
45 cannabis dispensary, or clinical registrant.

1 For purposes of this section, the term "applicant" shall include any
2 owner, director, officer, or employee of, and any significantly
3 involved person in, a medical cannabis cultivator, medical cannabis
4 manufacturer, medical cannabis dispensary, or clinical registrant.
5 The commission is authorized to exchange fingerprint data with and
6 receive criminal history record background information from the
7 Division of State Police and the Federal Bureau of Investigation
8 consistent with the provisions of applicable federal and State laws,
9 rules, and regulations. The Division of State Police shall forward
10 criminal history record background information to the commission in
11 a timely manner when requested pursuant to the provisions of this
12 section.

13 An applicant who is required to undergo a criminal history record
14 background check pursuant to this section shall submit to being
15 fingerprinted in accordance with applicable State and federal laws,
16 rules, and regulations. No check of criminal history record
17 background information shall be performed pursuant to this section
18 unless the applicant has furnished the applicant's written consent to
19 that check. An applicant who is required to undergo a criminal history
20 record background check pursuant to this section who refuses to
21 consent to, or cooperate in, the securing of a check of criminal history
22 record background information shall not be considered for a permit
23 to operate, or authorization to be employed at or to be a significantly
24 involved person in, a medical cannabis cultivator, medical cannabis
25 manufacturer, medical cannabis dispensary, or clinical registrant. An
26 applicant shall bear the cost for the criminal history record
27 background check, including all costs of administering and
28 processing the check.

29 (2) The commission shall not approve an applicant for a permit
30 to operate, or authorization to be employed at or to be a significantly
31 involved person in, a medical cannabis cultivator, medical cannabis
32 manufacturer, medical cannabis dispensary, or clinical registrant if
33 the criminal history record background information of the applicant
34 reveals a disqualifying conviction as set forth in subsection c. of this
35 section.

36 (3) Upon receipt of the criminal history record background
37 information from the Division of State Police and the Federal Bureau
38 of Investigation, the commission shall provide written notification to
39 the applicant of the applicant's qualification for or disqualification
40 for a permit to operate or be a director, officer, or employee of, or a
41 significantly involved person in, a medical cannabis cultivator,
42 medical cannabis manufacturer, medical cannabis dispensary, or
43 clinical registrant.

44 If the applicant is disqualified because of a disqualifying
45 conviction pursuant to the provisions of this section, the conviction

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

3 (4) The Division of State Police shall promptly notify the
4 commission in the event that an individual who was the subject of a
5 criminal history record background check conducted pursuant to this
6 section is convicted of a crime or offense in this State after the date
7 the background check was performed. Upon receipt of that
8 notification, the commission shall make a determination regarding
9 the continued eligibility to operate or be a director, officer, or
10 employee of, or a significantly involved person in, a medical
11 cannabis cultivator, medical cannabis manufacturer, medical
12 cannabis dispensary, or clinical registrant.

13 (5) Notwithstanding the provisions of subsection c. of this section
14 to the contrary, the commission may offer provisional authority for
15 an applicant to be an owner, director, officer, or employee of, or a
16 significantly involved person in, a medical cannabis cultivator,
17 medical cannabis manufacturer, medical cannabis dispensary, or
18 clinical registrant for a period not to exceed three months if the
19 applicant submits to the commission a sworn statement attesting that
20 the person has not been convicted of any disqualifying conviction
21 pursuant to this section.

22 (6) Notwithstanding the provisions of subsection c. of this section
23 to the contrary, no applicant to be an owner, director, officer, or
24 employee of, or a significantly involved person in, a medical
25 cannabis cultivator, medical cannabis manufacturer, medical
26 cannabis dispensary, or clinical registrant shall be disqualified on the
27 basis of any conviction disclosed by a criminal history record
28 background check conducted pursuant to this section if the individual
29 has affirmatively demonstrated to the commission clear and
30 convincing evidence of rehabilitation. In determining whether clear
31 and convincing evidence of rehabilitation has been demonstrated, the
32 following factors shall be considered:

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

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

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

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

38 (e) the age of the individual when the crime or offense was
39 committed;

40 (f) whether the crime or offense was an isolated or repeated
41 incident;

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

44 (h) any evidence of rehabilitation, including good conduct in
45 prison or in the community, counseling or psychiatric treatment
46 received, acquisition of additional academic or vocational schooling,

1 successful participation in correctional work-release programs, or the
2 recommendation of those who have had the individual under their
3 supervision.

4 e. The commission shall issue a permit to operate or be an
5 owner, director, officer, or employee of, or a significantly involved
6 person in, a medical cannabis cultivator, medical cannabis
7 manufacturer, or medical cannabis dispensary if the commission
8 finds that issuing such a permit would be consistent with the purposes
9 of P.L.2009, c.307 (C.24:6I-1 et al.) and the requirements of this
10 section and section 11 of P.L.2019, c.153 (C.24:6I-7.1) are met. The
11 denial of an application shall be considered a final agency decision,
12 subject to review by the Appellate Division of the Superior Court. A
13 permit to operate a medical cannabis cultivator, medical cannabis
14 manufacturer, or medical cannabis dispensary issued on or after the
15 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) shall be valid
16 for one year and shall be renewable annually.

17 f. A person who has been issued a permit pursuant to this
18 section or a clinical registrant permit pursuant to section 13 of
19 P.L.2019, c.153 (C.24:6I-7.3) shall display the permit at the front
20 entrance to the premises of the permitted facility at all times when
21 the facility is engaged in conduct authorized pursuant to P.L.2009,
22 c.307 (C.24:6I-1 et al.) involving medical cannabis, including, but
23 not limited to, the cultivating, manufacturing, or dispensing of
24 medical cannabis.

25 g. A medical cannabis cultivator, medical cannabis
26 manufacturer, medical cannabis dispensary, or clinical registrant
27 shall report any change in information to the commission not later
28 than 10 days after such change, or the permit shall be deemed null
29 and void.

30 h. Each medical cannabis dispensary and clinical registrant shall
31 maintain and make available on its Internet website, if any, a standard
32 price list that shall apply to all medical cannabis, medical cannabis
33 products, and related supplies and paraphernalia sold or dispensed by
34 the medical cannabis dispensary or clinical registrant, which prices
35 shall be reasonable and consistent with the actual costs incurred by
36 the medical cannabis dispensary or clinical registrant in connection
37 with acquiring and selling, transferring, or dispensing the medical
38 cannabis or medical cannabis product and related supplies and
39 paraphernalia. The prices charged by the medical cannabis
40 dispensary or clinical registrant shall not deviate from the prices
41 indicated on the entity's current price list, provided that a price list
42 maintained by a medical cannabis dispensary or clinical registrant
43 may allow for medical cannabis to be made available at a reduced
44 price or without charge to qualifying patients who have a
45 demonstrated financial hardship, as that term shall be defined by the
46 commission by regulation. A price list required pursuant to this

1 subsection may be revised no more than once per month, and each
2 medical cannabis dispensary and clinical registrant shall be
3 responsible for ensuring that the commission has a copy of the
4 facility's current price list. A medical cannabis dispensary or clinical
5 registrant shall be liable to a civil penalty of \$1,000 for each sale that
6 occurs at a price that deviates from the entity's current price list, and
7 to a civil penalty of \$10,000 for each week during which the entity's
8 current price list is not on file with the commission. Any civil
9 penalties collected by the commission pursuant to this section shall
10 be used by the commission for the purposes of administering the State
11 medical cannabis program.

12 i. The commission shall adopt regulations to:

13 (1) require such written documentation of each delivery or
14 dispensation of cannabis to, and pickup of cannabis for, a registered
15 qualifying patient, including the date and amount dispensed, and, in
16 the case of delivery, the date and times the delivery commenced and
17 was completed, the address where the medical cannabis was
18 delivered, the name of the patient or caregiver to whom the medical
19 cannabis was delivered, and the name, handler certification number,
20 and delivery certification number of the medical cannabis handler
21 who performed the delivery, to be maintained in the records of the
22 medical cannabis dispensary or clinical registrant, as the commission
23 determines necessary to ensure effective documentation of the
24 operations of each medical cannabis dispensary or clinical registrant;

25 (2) monitor, oversee, and investigate all activities performed by
26 medical cannabis cultivators, medical cannabis manufacturers,
27 medical cannabis dispensaries, and clinical registrants;

28 (3) ensure adequate security of all facilities 24 hours per day and
29 security of all delivery methods to registered qualifying patients; and

30 (4) establish thresholds for administrative action to be taken
31 against a medical cannabis cultivator, medical cannabis
32 manufacturer, medical cannabis dispensary, or clinical registrant and
33 its employees, officers, investors, directors, or governing board
34 pursuant to subsection m. of this section, including, but not limited
35 to, specific penalties or disciplinary actions that may be imposed in
36 a summary proceeding.

37 j. (1) Each medical cannabis cultivator, medical cannabis
38 manufacturer, medical cannabis dispensary, and clinical registrant
39 shall require the owners, directors, officers, and employees at the
40 permitted facility to complete at least eight hours of ongoing training
41 each calendar year. The training shall be tailored to the roles and
42 responsibilities of the individual's job function, and shall include
43 training on confidentiality and such other topics as shall be required
44 by the commission.

45 (2) Each medical cannabis dispensary and clinical registrant shall
46 consider whether to make interpreter services available to the

1 population served, including for individuals with a visual or hearing
2 impairment. The commission shall provide assistance to any medical
3 cannabis dispensary or clinical registrant that seeks to provide such
4 services in locating appropriate interpreter resources. A medical
5 cannabis dispensary or clinical registrant shall assume the cost of
6 providing interpreter services pursuant to this subsection.

7 k. (1) The first six alternative treatment centers issued permits
8 following the effective date of P.L.2009, c.307 (C.24:6I-1 et al.) shall
9 be authorized to sell or transfer such permit and other assets to a for-
10 profit entity, provided that: the sale or transfer is approved by the
11 commission; each owner, director, officer, and employee of, and
12 significantly involved person in, the entity seeking to purchase or
13 receive the transfer of the permit, undergoes a criminal history record
14 background check pursuant to subsection d. of this section, provided
15 that nothing in this subsection shall be construed to require any
16 individual to undergo a criminal history record background check if
17 the individual would otherwise be exempt from undergoing a
18 criminal history record background check pursuant to subsection d.
19 of this section; the commission finds that the sale or transfer of the
20 permit would be consistent with the purposes of P.L.2009, c.307
21 (C.24:6I-1 et al.); and no such sale or transfer shall be authorized
22 more than one year after the effective date of P.L.2019, c.153
23 (C.24:6I-5.1 et al.). The sale or transfer of a permit pursuant to this
24 subsection shall not be subject to the requirements of the "New Jersey
25 Nonprofit Corporation Act," N.J.S.15A:1-1 et seq., provided that,
26 prior to or at the time of the sale or transfer, all debts and obligations
27 of the nonprofit entity are either paid in full or assumed by the for-
28 profit entity purchasing or acquiring the permit, or a reserve fund is
29 established for the purpose of paying in full the debts and obligations
30 of the nonprofit entity, and the for-profit entity pays the full value of
31 all assets held by the nonprofit entity, as reflected on the nonprofit
32 entity's balance sheet, in addition to the agreed-upon price for the
33 sale or transfer of the entity's alternative treatment center permit.
34 Until such time as the members of the Cannabis Regulatory
35 Commission are appointed and the commission first organizes, the
36 Department of Health shall have full authority to approve a sale or
37 transfer pursuant to this paragraph.

38 (2) The sale or transfer of any interest of five percent or more in
39 a medical cannabis cultivator, medical cannabis manufacturer,
40 medical cannabis dispensary, or clinical registrant permit shall be
41 subject to approval by the commission and conditioned on the entity
42 that is purchasing or receiving transfer of the interest in the medical
43 cannabis cultivator, medical cannabis manufacturer, medical
44 cannabis dispensary, or clinical registrant permit completing a
45 criminal history record background check pursuant to the
46 requirements of subsection d. of this section.

1 l. No employee of any department, division, agency, board, or
2 other State, county, or local government entity involved in the
3 process of reviewing, processing, or making determinations with
4 regard to medical cannabis cultivator, medical cannabis
5 manufacturer, medical cannabis dispensary, or clinical registrant
6 permit applications shall have any direct or indirect financial interest
7 in the cultivating, manufacturing, or dispensing of medical cannabis
8 or related paraphernalia, or otherwise receive anything of value from
9 an applicant for a medical cannabis cultivator, medical cannabis
10 manufacturer, medical cannabis dispensary, or clinical registrant
11 permit in exchange for reviewing, processing, or making any
12 recommendations with respect to a permit application.

13 m. In the event that a medical cannabis cultivator, medical
14 cannabis manufacturer, medical cannabis dispensary, or clinical
15 registrant fails to comply with any requirements set forth in P.L.2009,
16 c.307 (C.24:6I-1 et al.) or any related law or regulation, the
17 commission may invoke penalties or take administrative action
18 against the medical cannabis cultivator, medical cannabis
19 manufacturer, medical cannabis dispensary, or clinical registrant and
20 its employees, officers, investors, directors, or governing board,
21 including, but not limited to, assessing fines, referring matters to
22 another State agency, and suspending or terminating any permit held
23 by the medical cannabis cultivator, medical cannabis manufacturer,
24 medical cannabis dispensary, or clinical registrant. Any penalties
25 imposed or administrative actions taken by the commission pursuant
26 to this subsection may be imposed in a summary proceeding.
27 (cf: P.L.2019, c.153, s.10)

28

29 35. (New section) Medical Cannabis Provisions.

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

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

38 b. to authorize an alternative treatment center to dispense
39 cannabis to or on behalf of a person who is not a registered qualifying
40 patient, unless that alternative treatment center is deemed to be
41 licensed to engage in the retail sale of cannabis pursuant to section 7
42 of P.L.2009, c.307 (C.24:6I-7) and issued a license by the
43 commission following receipt of a municipality’s written approval
44 for a cannabis retailer pursuant to subparagraph (a) of paragraph (3)
45 of subsection a. of section 33 of P.L. , c. (C.) (pending before
46 the Legislature as this bill), or otherwise has applied for a license,
47 and been approved and issued a license by the commission pursuant

1 to P.L. , c. (C.) (pending before the Legislature as this bill)
2 to simultaneously operate as a cannabis retailer, and the alternative
3 treatment center has certified to the commission ¹[], and to the
4 municipality in which it is located and intends to engage in retail
5 sales,¹ pursuant to paragraph (3) of subsection a. of that section¹
6 that it has sufficient quantities of medical cannabis and medical
7 cannabis products available to meet the reasonably anticipated need
8 of registered qualifying patients, and the commission ¹[], and
9 municipality, if applicable,¹ has accepted the alternative treatment
10 center’s certification;

11 c. to authorize an alternative treatment center to purchase or
12 acquire cannabis or cannabis ¹[products] items¹ in a manner or from
13 a source not permitted under the “Jake Honig Compassionate Use
14 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) or
15 P.L.2015, c.158 (C.18A:40-12.22 et al.), unless that alternative
16 treatment center is deemed to be a licensed cannabis establishment
17 pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a
18 license by the commission following receipt of a municipality’s
19 written approval for the cannabis establishment pursuant to
20 subparagraph (a) of paragraph (3) of subsection a. of section 33 of
21 P.L. , c. (C.) (pending before the Legislature as this bill), or
22 otherwise has applied for a license, and been approved and issued a
23 license by the commission pursuant to P.L. , c. (C.) (pending
24 before the Legislature as this bill) to simultaneously operate as a
25 cannabis establishment, and the alternative treatment center has
26 certified to the commission ¹[], and if operating as a cannabis retailer,
27 to the municipality in which it is located and intends to engage in
28 retail sales,¹ pursuant to paragraph (3) of subsection a. of that
29 section¹ that it has sufficient quantities of medical cannabis and, if
30 applicable, medical cannabis products available to meet the
31 reasonably anticipated treatment needs of registered qualifying
32 patients, and the commission ¹[], and municipality, if applicable,¹
33 has accepted the alternative treatment center’s certification;

34 d. to authorize an alternative treatment center issued a permit
35 under section 7 of P.L.2009, c.307 (C.24:6I-7) to operate on the same
36 premises as a cannabis license holder or applicant for a license, unless
37 that alternative treatment center is deemed to be a licensed cannabis
38 establishment pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7)
39 and issued a license by the commission following receipt of a
40 municipality’s written approval for the cannabis establishment
41 pursuant to subparagraph (a) of paragraph (3) of subsection a. of
42 section 33 of P.L. , c. (C.) (pending before the Legislature as
43 this bill), or otherwise has applied for a license, and been approved
44 and issued a license by the commission pursuant to P.L. ,
45 c. (C.) (pending before the Legislature as this bill) to
46 simultaneously operate as a cannabis establishment, and the
47 alternative treatment center has certified to the commission ¹[], and if

1 operating as a cannabis retailer, to the municipality in which it is
2 located and intends to engage in retail sales,] pursuant to paragraph
3 (3) of subsection a. of that section¹ that it has sufficient quantities of
4 medical cannabis and, if applicable, medical cannabis products
5 available to meet the reasonably anticipated treatment needs of
6 registered qualifying patients, and the commission ¹[, and
7 municipality, if applicable,]¹ has accepted the alternative treatment
8 center's certification ¹]; or

9 In determining whether to accept, pursuant to this section, an
10 alternative treatment center's certification that it has sufficient
11 quantities of medical cannabis or medical cannabis products
12 available to meet the reasonably anticipated needs of registered
13 qualifying patients, the commission, and if applicable a municipality
14 in consultation with the commission, shall assess patient enrollment,
15 inventory, sales of medical cannabis and medical cannabis products,
16 and any other factors determined by the commission through
17 regulation. If an alternative treatment center is found by the
18 commission to not have sufficient quantities of medical cannabis or
19 medical cannabis products available to meet the reasonably
20 anticipated needs of qualified patients, the commission may issue
21 fines, limit retail sales, temporarily suspend the alternative treatment
22 center's cannabis establishment license, or issue any other penalties
23 determined by the commission through regulation.]¹

24
25 36. (New section) Medical Cannabis – Additional Regulatory
26 Requirements.

27 ¹[a.]¹ An alternative treatment center issued a permit under
28 section 7 of P.L.2009, c.307 (C.24:6I-7) shall, as a condition of
29 engaging in operations associated with ¹[personal use]¹ cannabis ¹or
30 cannabis items¹, after being deemed to be licensed pursuant to that
31 section and issued a license by the commission following receipt of
32 a municipality's written approval for a cannabis ¹[retailer]
33 establishment¹ pursuant to subparagraph (a) of paragraph (3) of
34 subsection a. of section 33 of P.L. , c. (C.) (pending before
35 the Legislature as this bill), or otherwise issued a license by the
36 commission pursuant to P.L. , c. (C.) (pending before the
37 Legislature as this bill) to simultaneously operate as a cannabis
38 establishment, certify to the commission ¹[, and if operating as a
39 cannabis retailer, to the municipality in which it is located and
40 intends to engage in retail sales,] pursuant to paragraph (3) of
41 subsection a. of that section¹ that it has sufficient quantities of
42 medical cannabis and, if applicable, medical cannabis products
43 available to meet the reasonably anticipated treatment needs of
44 registered qualifying patients, and the commission ¹[, and
45 municipality, if applicable,]¹ has accepted the alternative treatment
46 center's certification.

1 ¹【b.In determining whether to accept, pursuant to this section, an
2 alternative treatment center’s certification that it has sufficient
3 quantities of medical cannabis or medical cannabis products
4 available to meet the reasonably anticipated needs of registered
5 qualifying patients, the commission, and if applicable a municipality
6 in consultation with the commission, shall assess patient enrollment,
7 inventory, sales of medical cannabis and medical cannabis products,
8 and any other factors determined by the commission through
9 regulation. If an alternative treatment center is found by the
10 commission to not have sufficient quantities of medical cannabis or
11 medical cannabis products available to meet the reasonably
12 anticipated needs of qualified patients, the commission may issue
13 fines, limit retail sales, temporarily suspend the alternative treatment
14 center’s cannabis establishment license, or issue any other penalties
15 determined by the commission through regulation.】¹
16

17 37. (New section) Businesses Treatment of Cannabis
18 Establishments, Distributors, and Delivery Services.

19 With respect to the business treatment of cannabis establishments,
20 distributors, and delivery services:

21 a. A financial institution, as defined by section 2 of P.L.1983,
22 c.466 (C.17:16K-2), shall not, subject to the suspension or revocation
23 of a charter or other available enforcement action by the
24 Commissioner of Banking and Insurance, engage in any
25 discriminatory activities with respect to the banking activities of a
26 cannabis establishment, distributor, or delivery service, or the
27 banking activities of a person associated with a cannabis
28 establishment, distributor, or delivery service.

29 b. (1) In no case shall a cannabis ¹【grower】 cultivator¹ operate
30 or be located on land that is valued, assessed or taxed as an
31 agricultural or horticultural use pursuant to the "Farmland
32 Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

33 (2) As used in this paragraph, “State or local economic incentive”
34 means a financial incentive, awarded by the State, any political
35 subdivision of the State, or any agency or instrumentality of the State
36 or political subdivision of the State, to any non-governmental person,
37 association, for-profit or non-profit corporation, joint venture,
38 limited liability company, partnership, sole proprietorship, or other
39 form of business organization or entity, or agreed to between the
40 government and non-governmental parties, for the purpose of
41 stimulating economic development or redevelopment in New Jersey,
42 including, but not limited to, a bond, grant, loan, loan guarantee,
43 matching fund, tax credit, or other tax expenditure.

44 (a) (i) A person or entity issued a license to operate as a cannabis
45 ¹【grower】 cultivator¹, cannabis ¹【processor】 manufacturer¹ ,
46 cannabis wholesaler, cannabis distributor, cannabis retailer, or
47 cannabis delivery service, or that employs a certified personal use

1 cannabis handler to perform work for or on behalf of a cannabis
2 establishment, distributor, or delivery service shall not be eligible for
3 a State or local economic incentive.

4 (ii) The issuance of a license to operate as a cannabis ¹**[grower]**
5 cultivator¹ , cannabis ¹**[processor]** manufacturer¹ , cannabis
6 wholesaler, cannabis distributor, cannabis retailer, or cannabis
7 delivery service, or the issuance of a certification to perform work
8 for or on behalf of a cannabis establishment, distributor, or delivery
9 service to a person or entity that has been awarded a State or local
10 economic incentive shall invalidate the right of the person or entity
11 to benefit from the economic incentive as of the date of issuance of
12 the license or certification.

13 (b) (i) A property owner, developer, or operator of a project to
14 be used, in whole or in part, as a cannabis ¹**[grower]** cultivator¹ ,
15 cannabis ¹**[processor]** manufacturer¹ , cannabis wholesaler, cannabis
16 distributor, cannabis retailer, or cannabis delivery service, or to
17 employ a certified personal use cannabis handler to perform work for
18 or on behalf of a cannabis establishment, distributor, or delivery
19 service, shall not be eligible for a State or local economic incentive
20 during the period of time that the economic incentive is in effect.

21 (ii) The issuance of a license to operate as a cannabis ¹**[grower]**
22 cultivator¹ , cannabis ¹**[processor]** manufacturer¹ , cannabis
23 wholesaler, cannabis distributor, cannabis retailer, or cannabis
24 delivery service, or issuance of a certification to a personal use
25 cannabis handler employed by a person or entity to perform work for
26 or on behalf of a cannabis establishment, distributor, or delivery
27 service at a location that is the subject of a State or local economic
28 incentive shall invalidate the right of a property owner, developer, or
29 operator to benefit from the economic incentive as of the date of
30 issuance of the license.

31

32 38. Section 29 of P.L.2019, c.153 (C.24:6I-22) is amended to read
33 as follows:

34 29. a. (1) The commission shall develop and maintain a system
35 for tracking :

36 (a) the cultivation of medical cannabis, the manufacturing of
37 medical cannabis products, the transfer of medical cannabis and
38 medical cannabis products between medical cannabis cultivators,
39 medical cannabis manufacturers, medical cannabis dispensaries,
40 clinical registrants, and testing laboratories as authorized pursuant to
41 paragraph (5) of subsection a. of section 7 of P.L.2009, c.307
42 (C.24:6I-7) and subsection h. of section 27 of P.L.2019, c.153
43 (C.24:6I-20), and the dispensing or delivery of medical cannabis to
44 registered qualifying patients, designated caregivers, and
45 institutional caregivers; and

46 (b) the production of personal use cannabis, the ¹**[processing]**
47 manufacturing¹ of cannabis items, the transportation by cannabis

1 distributors or other transfer of cannabis items between the premises
2 of cannabis ¹**[growers]** cultivators¹ , cannabis ¹**[processors]**
3 manufacturers¹ , cannabis wholesalers, cannabis retailers, and testing
4 facilities, the retail sale of cannabis items to persons 21 years of age
5 or older, and the delivery of cannabis items to persons 21 years of
6 age or older by personal use cannabis handlers as authorized pursuant
7 to P.L. , c. (C.) (pending before the Legislature as this bill).

8 (2) The tracking system shall, among other features as
9 determined by the commission, utilize a stamp affixed to a container
10 or package for medical cannabis or personal use cannabis items to
11 assist in the collection of the information required to be tracked
12 pursuant to subsection c. of this section.

13 (a) The commission, in consultation with the Director of the
14 Division of Taxation, shall secure stamps based on the designs,
15 specifications, and denominations prescribed by the commission in
16 regulation, and which incorporate encryption, security, and
17 counterfeit-resistant features to prevent the unauthorized duplication
18 or counterfeiting of any stamp. The stamp shall be readable by a
19 scanner or similar device that may be used by the commission, the
20 Director of the Division of Taxation, **[and]** medical cannabis
21 cultivators, medical cannabis manufacturers, medical cannabis
22 dispensaries, **[or]** and clinical registrants , and personal use cannabis
23 ¹**[growers]** cultivators¹ , cannabis ¹**[processors]** manufacturers¹ ,
24 cannabis wholesalers, cannabis distributors, cannabis retailers, and
25 cannabis delivery services.

26 (b) The commission, and the Director of the Division of Taxation
27 if authorized by the commission, shall make stamps available for
28 purchase by medical cannabis cultivators, medical cannabis
29 manufacturers, and clinical registrants, and personal use cannabis
30 ¹**[growers]** cultivators¹ , cannabis ¹**[processors]** manufacturers¹ ,
31 cannabis wholesalers, cannabis distributors, cannabis retailers, and
32 cannabis delivery services, which shall be the only entities authorized
33 to affix a stamp to a container or package for medical cannabis or
34 personal use cannabis ¹items¹ in accordance with applicable
35 regulations promulgated by the commission in consultation with the
36 Director of the Division of Taxation. The price charged by the
37 commission **[to medical cannabis cultivators, medical cannabis**
38 **manufacturers, and clinical registrants]** for a stamp **[required**
39 **pursuant to this paragraph]** shall be reasonable and commensurate
40 with the cost of producing the stamp.

41 (c) A medical cannabis cultivator, medical cannabis
42 manufacturer, medical cannabis dispensary, clinical registrant, or
43 certified medical cannabis handler , or a personal use cannabis
44 ¹**[grower]** cultivator¹ , cannabis ¹**[processor]** manufacturer¹ ,
45 cannabis wholesaler, cannabis distributor, cannabis retailer, cannabis

1 delivery service, or certified personal use cannabis handler, shall not
2 purchase, sell, offer for sale, transfer, transport, or deliver any
3 medical cannabis or personal use cannabis item unless a stamp is
4 properly affixed to the container or package for the medical cannabis
5 or personal use cannabis item.

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

8 (1) preventing the diversion of medical cannabis and personal use
9 cannabis items to criminal enterprises, gangs, cartels, persons not
10 authorized to possess medical cannabis or personal use cannabis
11 items, and other states;

12 (2) preventing persons from substituting or tampering with
13 medical cannabis and personal use cannabis items;

14 (3) ensuring an accurate accounting of the cultivation,
15 manufacturing, transferring, dispensing, and delivery of medical
16 cannabis , and the production, ¹[processing] manufacturing¹ ,
17 transporting, transferring, sale, and delivery of personal use cannabis
18 items;

19 (4) ensuring that the testing results from licensed testing
20 laboratories and facilities are accurately reported; and

21 (5) ensuring compliance with the rules and regulations adopted
22 by the commission and any other law of this State that charges the
23 commission with a duty, function, or power related to medical
24 cannabis or personal use cannabis items.

25 c. The system developed and maintained under this section shall
26 be capable of tracking, at a minimum:

27 (1) the propagation of immature medical cannabis plants and
28 personal use cannabis plants, the production of medical cannabis by
29 a medical cannabis cultivator , and the production of personal use
30 cannabis by a cannabis ¹[grower] cultivator¹;

31 (2) the utilization of medical cannabis in the manufacture,
32 production, and creation of medical cannabis products by a medical
33 cannabis manufacturer , the ¹[processing] manufacturing¹ of
34 personal use cannabis items by a cannabis ¹[processor]
35 manufacturer¹ , the receiving, storing, and sending of personal use
36 cannabis items by a cannabis wholesaler, and the transporting in bulk
37 cannabis items by a cannabis distributor;

38 (3) the transfer of medical cannabis and medical cannabis
39 products , and personal use cannabis items, to and from licensed
40 testing laboratories and facilities for testing purposes;

41 (4) the dispensing of medical cannabis by a medical cannabis
42 dispensary or clinical registrant , and the selling ¹[and delivery]¹ of
43 personal use cannabis items by a cannabis retailer ¹[or cannabis
44 delivery service]¹;

1 (5) the furnishing of medical cannabis by a medical cannabis
2 dispensary or clinical registrant to a medical cannabis handler for
3 delivery , and the furnishing of personal use cannabis items by a
4 cannabis retailer to a personal use cannabis handler for delivery;

5 (6) the delivery of medical cannabis by a medical cannabis
6 handler , and the delivery of personal use cannabis items by a
7 personal use cannabis handler;

8 (7) the purchase, sale, or other transfer of medical cannabis and
9 medical cannabis products between medical cannabis cultivators,
10 medical cannabis manufacturers, medical cannabis dispensaries, and
11 clinical registrants as authorized pursuant to paragraph (5) of
12 subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) and
13 subsection h. of section 27 of P.L.2019, c.153 (C.24:6I-20) , and the
14 purchase, sale, transporting, or other transfer of personal use
15 cannabis items by or between cannabis ¹growers cultivators¹ ,
16 cannabis ¹processors manufacturers¹ , cannabis wholesalers,
17 cannabis distributors, cannabis retailers, and cannabis delivery
18 services as authorized pursuant to P.L. , c. (C.) (pending
19 before the Legislature as this bill); and

20 (8) any other information that the commission determines is
21 reasonably necessary to accomplish the duties, functions, and powers
22 of the commission.

23 (cf: P.L.2019, c.153, s.29)

24
25 ¹39. (New section) Social Equity Excise Fee Assessed on Class
26 1 Cannabis Cultivator Licenses.

27 a. There may be a Social Equity Excise Fee imposed by the
28 commission on the cultivation of cannabis by any cannabis cultivator
29 licensed pursuant to the provisions of P.L. , c. (C.) (pending
30 before the Legislature as this bill), or on the cultivation of cannabis
31 for the personal use cannabis marketplace and not for the medical
32 cannabis marketplace by any alternative treatment center deemed to
33 be licensed to engage in personal use cannabis activities pursuant to
34 section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a Class 1
35 Cultivator license by the commission pursuant to subparagraph (a) of
36 paragraph (3) of subsection a. of section 33 of P.L. , c. (C.)
37 (pending before the Legislature as this bill). The excise fee, if
38 imposed by the commission pursuant to this section, shall be imposed
39 on the receipts from the sale, or equivalent value of the transfer, of
40 usable cannabis by a cannabis cultivator to any other cannabis
41 establishment, other than another cannabis cultivator. Any sale by a
42 cannabis cultivator for which the excise fee is imposed pursuant to
43 this section shall be exempt from the tax imposed under the “Sales
44 and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.).

45 (1) Immediately following the adoption of the commission’s
46 initial rules and regulations pursuant to subparagraph (a) of
47 paragraph (1) of subsection d. of section 6 of P.L. , c. (C.)

1 (pending before the Legislature as this bill), there may be an excise
2 fee imposed on a cannabis cultivator's sale or transfer as described
3 in this subsection in the amount of 1/3 of 1% of the Statewide average
4 retail price of an ounce of usable cannabis for consumer purchase,
5 and any fractional portion of an ounce sold or transferred shall be
6 subject to the fee on a proportional basis, during the calendar year
7 the fee may be imposed in accordance with this paragraph; and

8 (2) Beginning nine months following the first sale or transfer of
9 usable cannabis subject to the excise fee as described in paragraph
10 (1) of this subsection, which sale or transfer is made by a cannabis
11 cultivator that is not also an alternative treatment center deemed to
12 be licensed to engage in personal use cannabis activities pursuant to
13 section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a Class 1
14 Cultivator license by the commission pursuant to subparagraph (a) of
15 paragraph (3) of subsection a. of section 33 of P.L. , c. (C.)
16 (pending before the Legislature as this bill), the excise fee may be
17 adjusted annually based upon the Statewide average retail price of
18 usable cannabis for consumer purchase in the calendar year next
19 preceding the year in which the adjusted fee would be imposed, and
20 the adjusted excise fee shall be based on the ounces of usable
21 cannabis sold or transferred by a cannabis cultivator, and any
22 fractional portion of an ounce sold or transferred shall be subject to
23 the fee on a proportional basis, as follows:

24 (a) up to \$10 per ounce, as established by the commission, if the
25 average retail price of an ounce of usable cannabis is \$350 or more;

26 (b) up to \$30 per ounce, as established by the commission, if the
27 average retail price of an ounce of usable cannabis is less than \$350
28 but at least \$250;

29 (c) up to \$40 per ounce, as established by the commission, if the
30 average retail price of an ounce of usable cannabis is less than \$250
31 but at least \$200;

32 (d) up to \$60 per ounce, as established by the commission, if the
33 average retail price of an ounce of usable cannabis is less than \$200.

34 b. (1) Any excise fee imposed pursuant to this section shall be
35 collected from the cannabis establishment purchasing or acquiring
36 the usable cannabis or paid by the cannabis cultivator, and remitted
37 to the Director of the Division of Taxation. The fee shall be stated,
38 charged, and shown separately on any sales slip, invoice, receipt, or
39 other statement or memorandum of the price paid or payable, or
40 equivalent value of the transfer, for the usable cannabis.

41 (2) Every cannabis cultivator required to collect or pay any excise
42 fee imposed by this section shall be personally liable for the fee
43 imposed, collected, or required to be collected or paid under this
44 section. Any cannabis cultivator shall have the same right with
45 respect to collecting the fee from the cannabis establishment
46 purchasing or acquiring the usable cannabis, or with respect to non-
47 payment of the fee by the cannabis establishment, as if the fee were
48 a part of the purchase price or value of the transfer of the usable

1 cannabis, and payable at the same time; provided, however, that the
2 director shall be joined as a party in any action or proceeding brought
3 to collect the fee.

4 c. Any excise fee imposed shall be reported and paid to the
5 director on a monthly basis, in a manner prescribed by the director.

6 d. Except as otherwise provided in the “Cannabis Regulatory,
7 Enforcement Assistance, and Marketplace Modernization Act,”
8 P.L. , c. (C.) (pending before the Legislature as Senate Bill
9 No 21), any excise Fee imposed pursuant to this section shall be
10 governed by the provisions of the “State Uniform Tax Procedure
11 Law,” R.S.54:48-1 et seq.

12 e. Any excise fee imposed under this section shall not apply to
13 sales or transfers of usable cannabis by a cannabis cultivator to a
14 licensed medical cannabis alternative treatment center for use in
15 medical cannabis dispensing pursuant to the “Jake Honig
16 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
17 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

18 f. Any excise fee revenue collected pursuant to this section shall
19 be deposited by the Director of the Office of Management and Budget
20 into the “Cannabis Regulatory, Enforcement Assistance, and
21 Marketplace Modernization Fund” established pursuant to section 41
22 of P.L. , c. (C.) (pending before the Legislature as this bill),
23 and shall be used for annual appropriations for investing in social
24 equity programs as set forth in that section.

25 g. As used in this section:

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

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

32 “Usable cannabis” means the same as that term is defined in
33 section 3 of P.L. , c. (C.) (pending before the Legislature as
34 this bill).¹

35
36 ¹**[39.] 40.¹** (New section) Local Cannabis Taxation; Local
37 Cannabis Transfer Tax and User Tax.

38 a. (1) A municipality may adopt an ordinance imposing a
39 transfer tax on the sale of cannabis items by a cannabis establishment
40 that is located in the municipality. At the discretion of the
41 municipality, the tax may be imposed on: receipts from the sale of
42 ¹**[cannabis or]** cannabis items from one cannabis establishment to
43 another cannabis establishment; receipts from the retail sales ¹**of**
44 cannabis items¹ by a cannabis retailer to retail customers who are 21
45 years of age or older; or any combination thereof. Each municipality
46 shall set its own rate or rates, but in no case shall a rate exceed: two
47 percent of the receipts from each sale by a cannabis ¹**[grower]**

1 cultivator¹; two percent of the receipts from each sale by a cannabis
2 ¹**[processor]** manufacturer¹; one percent of the receipts from each
3 sale by a cannabis wholesaler; and two percent of the receipts from
4 each sale by a cannabis retailer.

5 (2) A local tax ordinance adopted pursuant to paragraph (1) of
6 this subsection shall also include provisions for imposing a user tax,
7 at the equivalent transfer tax rates, on any concurrent license holder,
8 as permitted by section 33 of P.L. , c. (C.) (pending before
9 the Legislature as this bill), operating more than one cannabis
10 establishment. The user tax shall be imposed on the value of each
11 transfer or use of cannabis items not otherwise subject to the transfer
12 tax imposed pursuant to paragraph (1) of this subsection, from the
13 license holder's establishment that is located in the municipality to
14 any of the other license holder's establishments, whether located in
15 the municipality or another municipality.

16 b. (1) A transfer tax or user tax imposed pursuant this section
17 shall be in addition to any other tax imposed by law. Any transaction
18 for which the transfer tax or user tax is imposed, or could be imposed,
19 pursuant to this section, other than those which generate receipts
20 from the retail sales by cannabis retailers, shall be exempt from the
21 tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30
22 (C.54:32B-1 et seq.). The transfer tax or user tax shall be collected
23 or paid, and remitted to the municipality by the cannabis
24 establishment from the cannabis establishment purchasing or
25 receiving the cannabis item, or from the customer at the point of sale,
26 on behalf of the municipality by the cannabis establishment selling
27 or transferring the cannabis item. The transfer tax or user tax shall
28 be stated, charged, and shown separately on any sales slip, invoice,
29 receipt, or other statement or memorandum of the price paid or
30 payable ¹, or equivalent value of the transfer,¹ for the cannabis item.

31 (2) Every cannabis establishment required to collect a transfer tax
32 or user tax imposed by ordinance pursuant to this section shall be
33 personally liable for the transfer tax or user tax imposed, collected,
34 or required to be collected under this section. Any cannabis
35 establishment shall have the same right with respect to collecting the
36 transfer tax or user tax from another cannabis establishment or the
37 customer as if the transfer tax or user tax was a part of the sale and
38 payable at the same time, or with respect to non-payment of the
39 transfer tax or user tax by the cannabis establishment or customer, as
40 if the transfer tax or user tax was a part of the purchase price of the
41 cannabis item, ¹or equivalent value of the transfer of the cannabis
42 item,¹ and payable at the same time; provided, however, that the chief
43 fiscal officer of the municipality which imposes the transfer tax or
44 user tax shall be joined as a party in any action or proceeding brought
45 to collect the transfer tax or user tax.

46 (3) No cannabis establishment required to collect a transfer tax or
47 user tax imposed by ordinance pursuant to this section shall advertise

1 or hold out to any person or to the public in general, in any manner,
2 directly or indirectly, that the transfer tax or user tax will not be
3 separately charged and stated to another cannabis establishment or
4 the customer or that the transfer tax or user tax will be refunded to
5 the cannabis establishment or the customer.

6 c. (1) All revenues collected from a transfer tax or user tax
7 imposed by ordinance pursuant to this section shall be remitted to the
8 chief financial officer of the municipality in a manner prescribed by
9 the municipality. The chief financial officer shall collect and
10 administer any transfer tax or user tax imposed by ordinance pursuant
11 to this section. The municipality shall enforce the payment of
12 delinquent taxes or transfer fees imposed by ordinance pursuant to
13 this section in the same manner as provided for municipal real
14 property taxes.

15 (2) (a) In the event that the transfer tax or user tax imposed by
16 ordinance pursuant to this section is not paid as and when due by a
17 cannabis establishment, the unpaid balance, and any interest accruing
18 thereon, shall be a lien on the parcel of real property comprising the
19 cannabis establishment in the same manner as all other unpaid
20 municipal taxes, fees, or other charges. The lien shall be superior
21 and paramount to the interest in the parcel of any owner, lessee,
22 tenant, mortgagee, or other person, except the lien of municipal taxes,
23 and shall be on a parity with and deemed equal to the municipal lien
24 on the parcel for unpaid property taxes due and owing in the same
25 year.

26 (b) A municipality shall file in the office of its tax collector a
27 statement showing the amount and due date of the unpaid balance
28 and identifying the lot and block number of the parcel of real property
29 that comprises the delinquent cannabis establishment. The lien shall
30 be enforced as a municipal lien in the same manner as all other
31 municipal liens are enforced.

32 d. As used in this section:

33 ¹【“Cannabis” means the same as that term is defined in section 3
34 of P.L. , c. (C.) (pending before the Legislature as this bill).】

35 “Cannabis cultivator” means the same as that term is defined in
36 section 3 of P.L. , c. (C.) (pending before the Legislature as
37 this bill).¹

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

41 ¹【“Cannabis grower” means the same as that term is defined in
42 section 3 of P.L. , c. (C.) (pending before the Legislature as
43 this bill).】¹

44 “Cannabis items” means the same as that term is defined in section
45 3 of P.L. , c. (C.) (pending before the Legislature as this
46 bill).

1 “Cannabis ¹**processor** manufacturer¹” means the same as that
 2 term is defined in section 3 of P.L. , c. (C.) (pending before
 3 the Legislature as this bill).

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

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

10

11 ¹**[40.] 41.**¹ (New section) Cannabis Regulatory, Enforcement
 12 Assistance, and Marketplace Modernization Fund.

13 a. ¹**(1)**¹ All fees and penalties collected by the commission, and
 14 all tax revenues on retail sales, if any, and all tax revenues collected
 15 pursuant to the provisions of the “Jake Honig Compassionate Use
 16 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), except for
 17 amounts credited to the Property Tax Reform Account in the Property
 18 Tax Relief Fund pursuant to paragraph ¹**[1] 7**¹ of Section I of Article
 19 VIII of the New Jersey Constitution, ¹as well as all revenues, if any,
 20 collected for the Social Equity Excise Fee pursuant to section 39 of
 21 P.L. , c. (C.) (pending before the Legislature as this bill),¹
 22 shall be deposited in a special nonlapsing fund which shall be known
 23 as the “Cannabis Regulatory, Enforcement Assistance, and
 24 Marketplace Modernization Fund.”

25 b. Monies in the fund ¹, other than any monies derived from the
 26 Social Equity Excise Fee to be appropriated annually in accordance
 27 with subsection d. of this section,¹ shall be ¹**[used by the commission**
 28 **to]** appropriated annually as follows¹:

29 ¹**(1)** at least 70 percent shall be appropriated for investments,
 30 including through grants, loans, reimbursements of expenses, and
 31 other financial assistance, in municipalities defined as an “impact
 32 zone” pursuant to section 3 of P.L. , c. (C.) (pending before
 33 the Legislature as this bill), as well as provide direct financial
 34 assistance to qualifying persons residing therein as determined by the
 35 commission; and

36 ¹**(2)** the remainder of the monies in the fund shall be appropriated
 37 by the Legislature to include the following:

38 ¹**(a)** to¹ oversee the development, regulation, and enforcement of
 39 activities associated with the personal use of cannabis pursuant to
 40 P.L. , c. (C.), and assist with assuming responsibility from
 41 the Department of Health for the further development and expansion,
 42 regulation, and enforcement of activities associated with the medical
 43 use of cannabis pursuant to the “Jake Honig Compassionate Use
 44 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and
 45 P.L.2015, c.158 (C.18A:40-12.22 et al.); ¹**[and]**¹

46 ¹**[2]** ¹**(b)** to¹ reimburse the expenses incurred by any county or
 47 municipality for the training costs associated with the attendance and

1 participation of a police officer from its law enforcement unit, as
2 those terms are defined in section 2 of P.L.1961, c.56 (C.52:17B-67),
3 in a program provided by an approved school, also defined in that
4 section, which trains and certifies the police officer, including a
5 police officer with a working dog as that term is defined in section 1
6 of P.L.2006, c.88 (C.10:5-29.7), as a Drug Recognition Expert for
7 detecting, identifying, and apprehending drug-impaired motor
8 vehicle operators, and pay for ¹the same training¹ costs incurred by
9 the ¹Division of¹ State Police ¹in the Department of Law and Public
10 Safety for the training of a State police officer or trooper, including
11 an officer or trooper with a working dog, as a Drug Recognition
12 Expert, as well as its costs¹ in furnishing additional program
13 instructors to provide Drug Recognition Expert training to police
14 officers ¹, troopers,¹ and working dogs. A municipality or county
15 seeking reimbursement shall apply to the commission, itemizing the
16 costs, with appropriate proofs, for which reimbursement is requested
17 and provide a copy of the certificate issued to the police officer to
18 indicate the successful completion of the program by the police
19 officer, and that officer's working dog, if applicable ¹; and

20 (c) for further investments, including through grants, loans,
21 reimbursements of expenses, and other financial assistance, in
22 municipalities defined as an "impact zone" pursuant to section 3 of
23 P.L. , c. (C.) (pending before the Legislature as this bill), as
24 well as provide direct financial assistance to qualifying persons
25 residing therein as determined by the commission.

26 The monies appropriated pursuant to paragraph (1) of this
27 subsection shall be offset by any revenue constitutionally dedicated
28 to municipalities defined as an "impact zone" pursuant to section 3
29 of P.L. , c. (C.) (pending before the Legislature as this bill)¹.

30 c. Any remaining monies, after the commission uses the
31 ¹available¹ monies in the fund in accordance with subsection b. of
32 this section, shall be deposited in the State's General Fund.

33 ¹d. (1) (a) Not less than 60 days prior to the first day of each
34 State fiscal year, the commission shall consult and make
35 recommendations to the Governor and Legislature for making social
36 equity appropriations based upon the amount of any revenues
37 collected during the current fiscal year for the Social Equity Excise
38 Fee pursuant to section 39 of P.L. , c. (C.) (pending before the
39 Legislature as this bill), or, if the commission has not imposed or
40 adjusted the excise fee in the current fiscal year pursuant to that
41 section, then appropriations to be made from the General Fund in an
42 amount equal to the revenues that would have been collected had it
43 imposed or adjusted the fee, in order to invest, through grants, loans,
44 reimbursements of expenses, and other financial assistance, in
45 private for-profit and non-profit organizations, public entities,
46 including any municipality defined as an "impact zone" pursuant to
47 section 3 of P.L. , c. (C.) (pending before the Legislature as

1 this bill), as well as provide direct financial assistance to qualifying
2 persons as determined by the commission, in order to create, expand,
3 or promote educational and economic opportunities and activities,
4 and the health and well-being of both communities and individuals.

5 (b) Not less than 30 days prior to submitting its recommendations
6 to the Governor and Legislature pursuant to subparagraph (a) of this
7 paragraph, the commission shall hold at least three regional public
8 hearing throughout the State, with at least one hearing in the northern,
9 central, and southern regions of the State, to solicit the public input
10 on the social equity investments to be made as described in this
11 section.

12 (2) The commission's recommendations to the Governor and
13 Legislature may include, but are not limited to, recommending
14 investments in the following categories of social equity programs:

15 (a) educational support, including literacy programs, extended
16 learning time programs that endeavor to close the achievement gap
17 and provide services for enrolled students after the traditional school
18 day, GED application and preparedness assistance, tutoring
19 programs, vocational programming, and financial literacy;

20 (b) economic development, including the encouragement and
21 support of community activities so as to stimulate economic activity
22 or increase or preserve residential amenities, and business marketing,
23 and job skills and readiness training, specific employment training,
24 and apprenticeships;

25 (c) social support services, including food assistance, mental
26 health services, substance use disorders treatment and recovery,
27 youth recreation and mentoring services, life skills support services,
28 and reentry and other rehabilitative services for adults and juveniles
29 being released from incarceration; and

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

31 (3) The commission may also, subject to the annual
32 appropriations act, recommend that it retain a portion of the Social
33 Equity Excise Fee to administer startup grants, low-interest loans,
34 application fee assistance, and job training programs through the
35 commission's Office of Minority, Disabled Veterans and Women
36 Cannabis Business Development established by section 32 of
37 P.L.2019, c.153 (24:6I-25).

38 (4) Prior to the first day of each fiscal year, the Legislature shall
39 provide to the commission a statement which lists the investments,
40 including the investment recipients and investment amount, to be
41 made by appropriations as set forth in paragraph (1) of this subsection
42 based upon recommendations presented to the Governor and
43 Legislature pursuant to paragraphs (1) through (3) of this subsection,
44 and how the investment is intended to support and advance social
45 equity as described in this subsection.¹

46
47 ¹**[41.] 42.**¹ Section 2 of P.L.1970, c.226 (C.24:21-2) is amended to
48 read as follows:

1 2. As used in P.L.1970, c.226 (C.24:21-1 et seq.):

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

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

12 "Commissioner" means the Commissioner of Health.

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

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

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

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

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

36 "Dispenser" means a practitioner who dispenses.

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

39 "Distributor" means a person who distributes.

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

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

44 "Drugs" means (a) substances recognized in the official United
45 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the
46 United States, or official National Formulary, or any supplement to any
47 of them; and (b) substances intended for use in the diagnosis, cure,
48 mitigation, treatment, or prevention of disease in man or other animals;

1 and (c) substances (other than food) intended to affect the structure or
2 any function of the body of man or other animals; and (d) substances
3 intended for use as a component of any article specified in subsections
4 (a), (b), and (c) of this section; but does not include devices or their
5 components, parts or accessories. "Drugs" shall not mean hemp or a
6 hemp product cultivated, handled, processed, transported, or sold
7 pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238
8 (C.4:28-6 et al.).

9 "Hashish" means the resin extracted from any part of the plant
10 **【genus】** *Cannabis sativa* L. and any compound, manufacture, salt,
11 derivative, mixture, or preparation of such resin. "Hashish" shall not
12 mean; hemp or a hemp product cultivated, handled, processed,
13 transported, or sold pursuant to the "New Jersey Hemp Farming Act,"
14 P.L.2019, c.238 (C.4:28-6 et al.); or cannabis resin as defined in
15 section 3 of P.L. , c. (C.) (pending before the Legislature as
16 this bill) which is extracted for use in a cannabis item, as defined in
17 that section, in accordance with the "New Jersey Cannabis
18 Regulatory, Enforcement Assistance, and Marketplace
19 Modernization Act," P.L. , c. (C.) (pending before the
20 Legislature as this bill).

21 "Marihuana" means all parts of the plant **【genus】** *Cannabis sativa*
22 L., whether growing or not; the seeds thereof; and every compound,
23 manufacture, salt, derivative, mixture, or preparation of the plant or its
24 seeds, except those containing resin extracted from the plant **【**; but shall
25 not include the mature stalks of the plant, fiber produced from the stalks,
26 oil or cake made from the seeds of the plant, any other compound,
27 manufacture, salt, derivative, mixture, or preparation of such mature
28 stalks, fiber, oil, or cake, or the sterilized seed of the plant which is
29 incapable of germination**】**. "Marihuana" shall not mean; hemp or a
30 hemp product cultivated, handled, processed, transported, or sold
31 pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238
32 (C.4:28-6 et al.); or cannabis as defined in section 3 of P.L. ,
33 c. (C.) (pending before the Legislature as this bill) which is
34 cultivated and processed for use in a cannabis item, as defined in that
35 section, in accordance with the "New Jersey Cannabis Regulatory,
36 Enforcement Assistance, and Marketplace Modernization Act,"
37 P.L. , c. (C.) (pending before the Legislature as this bill).

38 "Manufacture" means the production, preparation, propagation,
39 compounding, conversion, or processing of a controlled dangerous
40 substance, either directly or by extraction from substances of natural
41 origin, or independently by means of chemical synthesis, or by a
42 combination of extraction and chemical synthesis, and includes any
43 packaging or repackaging of the substance or labeling or relabeling of
44 its container, except that this term does not include the preparation or
45 compounding of a controlled dangerous substance by an individual for
46 the individual's own use or the preparation, compounding, packaging,
47 or labeling of a controlled dangerous substance: (1) by a practitioner as
48 an incident to the practitioner's administering or dispensing of a

1 controlled dangerous substance in the course of the practitioner's
2 professional practice, or (2) by a practitioner (or under the practitioner's
3 supervision) for the purpose of, or as an incident to, research, teaching,
4 or chemical analysis and not for sale.

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

9 (a) Opium, coca leaves, and opiates;

10 (b) A compound, manufacture, salt, derivative, or preparation of
11 opium, coca leaves, or opiates;

12 (c) A substance (and any compound, manufacture, salt, derivative,
13 or preparation thereof) which is chemically identical with any of the
14 substances referred to in subsections (a) and (b), except that the words
15 "narcotic drug" as used in P.L.1970, c.226 (C.24:21-1 et seq.) shall not
16 include decocainized coca leaves or extracts of coca leaves, which
17 extracts do not contain cocaine or ecgonine.

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

26 "Opiate" means any dangerous substance having an addiction-
27 forming or addiction-sustaining liability similar to morphine or being
28 capable of conversion into a drug having such addiction-forming or
29 addiction-sustaining liability. It does not include, unless specifically
30 designated as controlled under section 3 of P.L.1970, c.226 (C.24:21-1
31 et seq.), the dextrorotatory isomer of 3-methoxy-n-methylmorphinan
32 and its salts (dextromethorphan). It does include its racemic and
33 levorotatory forms.

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

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

38 "Pharmacist" means a registered pharmacist of this State.

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

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

47 "Practitioner" means a physician, dentist, veterinarian, scientific
48 investigator, laboratory, pharmacy, hospital, or other person licensed,

1 registered, or otherwise permitted to distribute, dispense, conduct
2 research with respect to, or administer a controlled dangerous substance
3 in the course of professional practice or research in this State.

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

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

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

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

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

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

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

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

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

38 (cf: P.L.2019, c.238, s.11)

39

40 ¹[42.] 43.¹ Section 5 of P.L.1970, c.226 (C.24:21-5) is amended to
41 read as follows:

42 5. Schedule I.

43 a. Tests. The director shall place a substance in Schedule I if he
44 finds that the substance: (1) has high potential for abuse; and (2) has no
45 accepted medical use in treatment in the United States; or lacks accepted
46 safety for use in treatment under medical supervision.

47 b. The controlled dangerous substances listed in this section are
48 included in Schedule I, subject to any revision and republishing by the

1 director pursuant to subsection d. of section 3 of P.L.1970, c.226
2 (C.24:21-3), and except to the extent provided in any other schedule.

3 c. Any of the following opiates, including their isomers, esters, and
4 ethers, unless specifically excepted, whenever the existence of such
5 isomers, esters, ethers and salts is possible within the specific chemical
6 designation:

- 7 (1) Acetylmethadol
- 8 (2) Allylprodine
- 9 (3) Alphacetylmethadol
- 10 (4) Alphameprodine
- 11 (5) Alphamethadol
- 12 (6) Benzethidine
- 13 (7) Betacetylmethadol
- 14 (8) Betameprodine
- 15 (9) Betamethadol
- 16 (10) Betaprodine
- 17 (11) Clonitazene
- 18 (12) Dextromoramide
- 19 (13) Dextrorphan
- 20 (14) Diampromide
- 21 (15) Diethylthiambutene
- 22 (16) Dimenoxadol
- 23 (17) Dimepheptanol
- 24 (18) Dimethylthiambutene
- 25 (19) Dioxaphetyl butyrate
- 26 (20) Dipipanone
- 27 (21) Ethylmethylthiambutene
- 28 (22) Etonitazene
- 29 (23) Etoxeridine
- 30 (24) Furethidine
- 31 (25) Hydroxypethidine
- 32 (26) Ketobemidone
- 33 (27) Levomoramide
- 34 (28) Levophenacylmorphan
- 35 (29) Morpheridine
- 36 (30) Noracymethadol
- 37 (31) Norlevorphanol
- 38 (32) Normethadone
- 39 (33) Norpipanone
- 40 (34) Phenadoxone
- 41 (35) Phenampromide
- 42 (36) Phenomorphan
- 43 (37) Phenoperidine
- 44 (38) Piritramide
- 45 (39) Proheptazine
- 46 (40) Properidine
- 47 (41) Racemoramide
- 48 (42) Trimeperidine.

1 d. Any of the following narcotic substances, their salts, isomers
2 and salts of isomers, unless specifically excepted, whenever the
3 existence of such salts, isomers and salts of isomers is possible within
4 the specific chemical designation:

- 5 (1) Acetorphine
- 6 (2) Acetylcodone
- 7 (3) Acetyldihydrocodeine
- 8 (4) Benzylmorphine
- 9 (5) Codeine methylbromide
- 10 (6) Codeine-N-Oxide
- 11 (7) Cyprenorphine
- 12 (8) Desomorphine
- 13 (9) Dihydromorphine
- 14 (10) Etorphine
- 15 (11) Heroin
- 16 (12) Hydromorphanol
- 17 (13) Methyldesorphine
- 18 (14) Methylhydromorphine
- 19 (15) Morphine methylbromide
- 20 (16) Morphine methylsulfonate
- 21 (17) Morphine-N-Oxide
- 22 (18) Myrophine
- 23 (19) Nicocodeine
- 24 (20) Nicomorphine
- 25 (21) Normorphine
- 26 (22) Phoclodine
- 27 (23) Thebacon.

28 e. Any material, compound, mixture or preparation which contains
29 any quantity of the following hallucinogenic substances, their salts,
30 isomers and salts of isomers, unless specifically excepted, whenever the
31 existence of such salts, isomers, and salts of isomers is possible within
32 the specific chemical designation:

- 33 (1) 3,4-methylenedioxy amphetamine
- 34 (2) 5-methoxy-3,4-methylenedioxy amphetamine
- 35 (3) 3,4,5-trimethoxy amphetamine
- 36 (4) Bufotenine
- 37 (5) Diethyltryptamine
- 38 (6) Dimethyltryptamine
- 39 (7) 4-methyl-2,5-dimethoxylamphetamine
- 40 (8) Ibogaine
- 41 (9) Lysergic acid diethylamide

42 (10) Marihuana; except that on and after the effective date of the
43 “New Jersey Cannabis Regulatory, Enforcement Assistance, and
44 Marketplace Modernization Act,” P.L. , c. (C.) (pending before
45 the Legislature as this bill), marihuana shall no longer be included in
46 Schedule I, and shall not be designated or rescheduled and included in
47 any other schedule by the director pursuant to the director’s designation

1 and rescheduling authority set forth in section 3 of P.L.1970, c.226
2 (C.24:21-3).

3 (11) Mescaline
4 (12) Peyote
5 (13) N-ethyl-3-piperidyl benzilate
6 (14) N-methyl-3-piperidyl benzilate
7 (15) Psilocybin
8 (16) Psilocyn
9 (17) Tetrahydrocannabinols, except when found in hemp or a hemp
10 product cultivated, handled, processed, transported, or sold pursuant to
11 the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.),
12 or a cannabis item as defined in section 3 of P.L. , c. (C.)
13 (pending before the Legislature as this bill) that is grown, cultivated,
14 produced, or processed in accordance with the "New Jersey Cannabis
15 Regulatory, Enforcement Assistance, and Marketplace Modernization
16 Act," P.L. , c. (C.) (pending before the Legislature as this bill).
17 (cf: P.L.2019, c.238, s.12)

18

19 ¹**[43.] 44.**¹ R.S.24:5-18 is amended to read as follows:

20 24:5-18. For the purposes of this subtitle a drug or device shall
21 also be deemed to be misbranded:

22 a. If its labeling is false or misleading in any particular.
23 b. If in package form unless it bears a label containing the name
24 and place of business of the manufacturer, packer, or distributor.
25 c. If any word, statement or other information required by or
26 under authority of this subtitle to appear on the label or labeling is
27 not prominently placed thereon with such conspicuousness (as
28 compared with other words, statements or designs in the labeling)
29 and in such terms as to render it likely to be read and understood by
30 the ordinary individual under customary conditions of purchase and
31 use.
32 d. If it is for use by man and contains any quantity of the narcotic
33 or hypnotic substance alpha-eucaine, barbituric acid, beta-eucaine,
34 bromal, cannabis other than as defined in section 3 of P.L. ,
35 c. (C.) (pending before the Legislature as this bill), carbromal,
36 chloral, coca, cocaine, codeine, heroin, marihuana, morphine, opium,
37 paraldehyde, peyote, or sulphonmethane; or any chemical derivative
38 of such substance, which derivative has been by the Department of
39 Health of the State of New Jersey after investigation found to be, and
40 by regulations under this subtitle designated as, habit forming; unless
41 its label bears the name and quantity or proportion of such substance,
42 or derivative and in juxtaposition therewith, the statement "Warning-
43 -May be habit forming."

44 e. If it is a drug and is not designated solely by a name
45 recognized in an official compendium, unless its label bears (1) the
46 common or usual name of the drug, if such there be; and (2) in case
47 it is fabricated from 2 or more ingredients, the common or usual name
48 of each active ingredient, including the kind and quantity or

1 proportion of any alcohol, and also including, whether active or not,
2 the name and quantity or proportion of any bromides, ether,
3 chloroform, acetanilid, acetphanetidin, amidopyrine, antipyrine,
4 atropine, hyoscine, hyoscyamine, arsenic, digitalis, digitalis
5 glucosides, mercury, ouabain, strophanthin, strychnine, thyroid, or
6 any derivative or preparation of any such substances, contained
7 therein; provided, that to the extent that compliance with the
8 requirements of clause (2) of this paragraph is impracticable,
9 exemptions may be established by regulations promulgated by the
10 State department.

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

21 g. If it purports to be a drug the name of which is recognized in
22 an official compendium, unless it is packaged and labeled as
23 prescribed therein; provided, that the method of packing may be
24 modified with the consent of the State department. Whenever a drug
25 is recognized in both the United States Pharmacopoeia and the
26 Homeopathic Pharmacopoeia of the United States it shall be subject
27 to the requirements of the United States Pharmacopoeia unless it is
28 labeled and offered for sale as a homeopathic drug, in which case it
29 shall be subject to the provisions of the Homeopathic Pharmacopoeia
30 of the United States and not to those of the United States
31 Pharmacopoeia.

32 h. If it has been found by the Department of Health of the State
33 of New Jersey to be a drug liable to deterioration, unless it is
34 packaged in such form and manner, and its label bears a statement of
35 such precautions, as the Department of Health of the State of New
36 Jersey may by regulations require as necessary for the protection of
37 the public health. No such regulation shall be established for any
38 drug recognized in an official compendium until the State department
39 shall have informed the appropriate body charged with the revision
40 of such compendium of the need for such packaging or labeling
41 requirements and such body shall have failed within a reasonable
42 time to prescribe such requirements.

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

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

1 k. If it is a depressant or stimulant drug as defined pursuant to
2 law and not in the possession or control of a person specified by law
3 as entitled to possession or control of such depressant or stimulant
4 drug. Any depressant or stimulant drug misbranded under the
5 preceding sentence shall be deemed dangerous or fraudulent for
6 purposes of marking and detaining under the provisions of section
7 24:4-12 of this Title.

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

9
10 ¹~~44.~~ 45.¹ (New section) Personal Use of Cannabis or Cannabis
11 Resin.

12 Notwithstanding any other provision of law, the following acts are
13 not unlawful and shall not be an offense or a basis for seizure or
14 forfeiture of assets under N.J.S.2C:64-1 et seq. or other applicable
15 law for persons 21 years of age or older, provided the acts are
16 consistent with the relevant definitions set forth in section 3 of
17 P.L. , c. (C.) (pending before the Legislature as this bill), and
18 when an act involves ¹~~1~~**1**~~1~~ **1**~~1~~ **1**~~1~~ a cannabis item, it was first
19 obtained ¹~~1~~ **1**~~1~~ **1**~~1~~ directly¹ from a licensed cannabis retailer ¹~~1~~ **1**~~1~~ **1**~~1~~ or delivered by
20 a licensed cannabis delivery service making delivery of a purchase
21 order fulfilled by that licensed cannabis retailer for off-premises
22 delivery¹, evidenced by it being in its original packaging or by a sales
23 slip, invoice, receipt, or other statement or memorandum:

24 a. Possessing, displaying, purchasing, or transporting: cannabis
25 paraphernalia; one ounce (28.35 grams) or less of ¹~~1~~ **1**~~1~~ useable¹ cannabis;
26 the equivalent of one ounce (28.35 grams) or less of ¹~~1~~ **1**~~1~~ usable¹
27 cannabis ¹~~1~~ **1**~~1~~ **1**~~1~~ infused **1**~~1~~ **1**~~1~~ as a cannabis¹ product in solid, liquid, or
28 concentrate form, based upon an equivalency calculation for different
29 product forms set by the Cannabis Regulatory Commission,
30 established pursuant to section 31 of P.L.2019, c.153 (C.24:6I-24),
31 in its regulations, and for which the commission may utilize research
32 conducted in other states on the issue of product equivalency
33 calculations when setting this equivalency; or 5 grams (0.176 ounce)
34 or less of cannabis resin. Possessing, displaying, purchasing, or
35 transporting at any one time any amount of ¹~~1~~ **1**~~1~~ **1**~~1~~ cannabis or ¹~~1~~ **1**~~1~~ any¹
36 cannabis ¹~~1~~ **1**~~1~~ **1**~~1~~ resin **1**~~1~~ **1**~~1~~ items described herein¹ in an amount greater than
37 as permitted pursuant to this subsection ¹~~1~~ **1**~~1~~ **1**~~1~~ **1**~~1~~, or an infused product in
38 solid, liquid, or concentrate form with more than the equivalency
39 permitted pursuant to this subsection ¹~~1~~ **1**~~1~~ **1**~~1~~ **1**~~1~~ shall be considered a
40 violation of the “Comprehensive Drug Reform Act of 1987,”
41 P.L.1987, c.106 (N.J.S.2C:35-1 et al.), and subject the person to ¹~~1~~ **1**~~1~~ **1**~~1~~ **1**~~1~~ a¹
42 civil penalty or ¹~~1~~ **1**~~1~~ **1**~~1~~ **1**~~1~~ prosecution¹ as if the person possessed, displayed,
43 purchased, or transported marijuana or hashish in violation of that
44 act;

45 b. Transferring without remuneration: one ounce (28.35 grams)
46 or less of ¹~~1~~ **1**~~1~~ useable¹ cannabis; the equivalent of one ounce (28.35

1 grams) or less of usable cannabis **[infused]** as a cannabis¹ product
2 in solid, liquid, or concentrate form, based upon the equivalency
3 calculation for different product forms set by the commission
4 pursuant to subsection a. of this section; or five grams (0.176 ounce)
5 or less of cannabis resin to a person who is of legal age for purchasing
6 cannabis items, provided that such transfer is for non-promotional,
7 non-business purposes. Transferring at any one time any amount of
8 **[cannabis or] any** cannabis **[resin] items described herein**¹ in an
9 amount greater than as permitted pursuant to this subsection **[**, or an
10 infused product in solid, liquid, or concentrate form with more than
11 the equivalency permitted pursuant to this subsection¹], or to a
12 person who is not of legal age to purchase cannabis items, shall be
13 considered a violation of the “Comprehensive Drug Reform Act of
14 1987,” P.L.1987, c.106 (N.J.S.2C:35-1 et al.), and subject the person
15 to prosecution as if the person distributed marijuana or hashish in
16 violation of that act, unless the transfer to a person who is not of legal
17 age was done by a cannabis establishment licensed pursuant to
18 P.L. , c. (C.) (pending before the Legislature as this bill), or
19 an employee or agent thereof, in which case it is a civil violation and
20 the civil penalty set forth in subsection b. of section **[57] 58**¹ of
21 P.L. , c. (C.) (pending before the Legislature as this bill)
22 shall apply;

23 c. Taking delivery of or consuming a lawfully possessed
24 cannabis item, provided that nothing in this section shall permit a
25 person to smoke, vape, or aerosolize any cannabis item in a public
26 place. This prohibition includes the smoking, vaping, or aerosolizing
27 of a cannabis item in any public place pursuant to law that prohibits
28 the smoking of tobacco, including N.J.S.2C:33-13 and the “New
29 Jersey Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.),
30 and any indoor public place, as that term is defined in section 3 of
31 P.L.2005, c.383 (C.26:3D-57), or portion thereof, even if the
32 smoking of tobacco is otherwise permitted in that place or portion
33 thereof pursuant to the “New Jersey Smoke-Free Air Act”; except
34 that the smoking, vaping, or aerosolizing of a cannabis item shall be
35 permitted in a cannabis consumption area as set forth in section 28 of
36 P.L.2019, c.153 (C.24:6I-21), and may be permitted by the person or
37 entity that owns or controls a hotel, motel, or other lodging
38 establishment as defined in section 1 of P.L.1967, c.95 (C.29:4-5) in
39 up to 20 percent of its guest rooms. The smoking, vaping, or
40 aerosolizing of a cannabis item may also be prohibited or otherwise
41 regulated in multifamily housing that is a multiple dwelling as
42 defined in section 3 of P.L.1967, c.76 (C.55:13A-3), as decided by
43 the person or entity that owns or controls the multifamily housing,
44 or prohibited or otherwise regulated in the structure or specific units
45 of the structure of a cooperative as defined in section 3 of P.L.1987,
46 c.381 (C.46:8D-3) by the corporation or other legal entity that owns
47 the structure,¹ or prohibited or otherwise regulated in the units of a

1 condominium, as those terms are defined by section 3 of P.L.1969,
2 c.257 (C.46:8B-3), if approved by the association for the
3 condominium and a majority of all of the condominium's unit
4 owners, as those terms are defined in that section. Except as
5 otherwise provided by P.L. , c. (C.) (pending before the
6 Legislature as this bill), any penalties that may be assessed for the
7 smoking of tobacco where prohibited under the "New Jersey Smoke-
8 Free Air Act" shall be applicable to the smoking, vaping, or
9 aerosolizing of cannabis ¹items¹ where prohibited. Concerning the
10 consumption of any cannabis item, other than by smoking, vaping, or
11 aerosolizing: a person or entity that owns or controls a property, other
12 than multifamily housing that is a multiple dwelling as defined in
13 section 3 of P.L.1967, c.76 (C.55:13A-3), ¹the structure or specific
14 units of the structure of a cooperative as defined in section 3 of
15 P.L.1987, c.381 (C.46:8D-3),¹ a unit of a condominium, as those
16 terms are defined by section 3 of P.L.1969, c.257 (C.46:8B-3), or a
17 site in a mobile home park as defined in section 3 of P.L.1983, c.386
18 (C.40:55D-102), which site is leased to the owner of a manufactured
19 home, as defined in that section, that is installed thereon, may
20 prohibit or otherwise regulate the consumption of cannabis items on
21 or in that property, including a casino hotel facility as defined in
22 section 19 of P.L.1977, c.110 (C.5:12-19) with respect to a hotel
23 property, a casino as defined in section 6 of P.L.1977, c.110 (C.5:12-
24 6), or casino simulcasting facility authorized pursuant to the "Casino
25 Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.); and a
26 municipality may enact an ordinance making it an unlawful act for
27 any person 21 years of age or older to consume, other than by
28 smoking, vaping, or aerosolizing, any cannabis item in a public place,
29 including any indoor public place as that term is defined in section 3
30 of P.L.2005, c.383 (C.26:3D-57), or portion thereof, and providing a
31 civil penalty for a violation in accordance with section ¹[70] 71¹ of
32 P.L. , c. (C.) (pending before the Legislature as this bill); and
33 d. Assisting another person to engage in any of the acts
34 described in subsections a. through c. of this section, provided that
35 the person being assisted is of legal age to purchase cannabis items
36 and the assistance being provided is without remuneration.

37

38 ¹[45.] 46.¹ (New section) Licensee and Consumer Protections.

39 a. ¹[Individuals] Except as otherwise set forth in section 47 of
40 P.L. , c. (C.) (pending before the Legislature as this bill) with
41 respect to employers, employment actions, and employment policies,
42 individuals,¹ and licensed cannabis establishments, distributors, and
43 delivery services ^{1,1} shall not be subject to arrest, prosecution, or
44 penalty in any manner, or denied any right or privilege, including but
45 not limited to civil liability or disciplinary action by a business,
46 occupational, or professional licensing board or bureau, solely for

1 conduct permitted under P.L. , c. (C.) (pending before the
2 Legislature as this bill).

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

6 (1) with respect to a student, employee, ¹other than as set forth in
7 section 47 of P.L. , c. (C.) (pending before the Legislature as
8 this bill).¹ or tenant, shall not form the basis for refusal to enroll or
9 employ or lease to or otherwise penalize that person, unless failing
10 to do so would put the school, employer, or landlord in violation of a
11 federal contract or cause it to lose federal funding;

12 (2) with respect to a patient ^{1, 1} shall not constitute the use of an
13 illicit substance resulting in denial of medical care, including organ
14 transplant, and a patient's use of cannabis items may only be
15 considered with respect to evidence-based clinical criteria; and

16 (3) with respect to a parent or legal guardian of a child or newborn
17 infant, or a pregnant woman ^{1, 1} shall not form the sole or primary
18 basis for any action or proceeding by the Division of Child Protection
19 and Permanency, or any successor agencies; provided, however, that
20 nothing in this paragraph shall preclude any action or proceeding by
21 the division based on harm or risk of harm to a child or the use of
22 information on the presence of cannabinoid metabolites in the bodily
23 fluids of any person in any action or proceeding.

24
25 ¹**[46.] 47.**¹ (New section) Employers, Driving, Minors and
26 Control of Property.

27 a. ¹(1)¹ No employer shall refuse to hire or employ any person
28 or shall discharge from employment or take any adverse action
29 against any employee with respect to compensation, terms,
30 conditions, or other privileges of employment because that person
31 does or does not smoke, vape, aerosolize or otherwise use cannabis
32 items, ¹**[unless the]** however, an¹ employer ¹**[has a rational basis for**
33 **doing so which is reasonably related to the employment, including**
34 **the responsibilities of the]** may require an¹ employee ¹**[or**
35 **prospective employee]** to undergo a drug test upon any suspicion of
36 an employee's usage of a cannabis item while engaged in the
37 performance of the employee's work responsibilities, or upon finding
38 any observable signs of intoxication related to usage of a cannabis
39 item, or following a work-related accident subject to investigation by
40 the employer, as well as random drug testing, and any test
41 administered shall be scientifically reliable or by a Workplace
42 Impairment Recognition Expert certified pursuant to paragraph (2) of
43 this subsection, and the employer may utilize the results of that drug
44 test when determining the appropriate employment action concerning
45 the employee, including, but not limited to dismissal, suspension,
46 demotion, or other disciplinary action.

1 (2) (a) In order to better ensure the protections for prospective
2 employees and employees against refusals to hire or employ, or
3 against being discharged or having another adverse action taken by
4 an employer, while simultaneously supporting the authority of
5 employers to require employees undergo drug tests under the
6 circumstances set forth in paragraph (1) of this subsection, as well as
7 employer efforts to maintain a drug- and alcohol-free workplace or
8 other drug- or alcohol workplace policy as described in paragraph (1)
9 of subsection b. of this section, the commission, in consultation with
10 the Police Training Commission established pursuant to section 5 of
11 P.L.1961, c.56 (C.52:17B-70), shall prescribe standards in regulation
12 for a Workplace Impairment Recognition Expert certification, to be
13 issued to full- or part-time employees, or others contracted to perform
14 services on behalf of an employer, demonstrating education and
15 training in detecting and identifying an employee's usage of, or
16 impairment from, a cannabis item or other intoxicating substance, or
17 for assisting in the investigation of workplace accidents. The
18 commission's regulations shall also prescribe minimum curriculum
19 courses of study for the certifications, as well as standards for the
20 commission's approval and continuation of approval of non-profit
21 and for-profit programs, organizations, or schools and their
22 instructors to offer courses of study, and may include the use of a
23 Police Training Commission approved school as that term is defined
24 in section 2 of P.L.1961, c.56 (C.52:17B-67) if consented to by the
25 Police Training Commission.

26 (b) Any person who demonstrates to the commission's
27 satisfaction that the person has successfully completed a Drug
28 Recognition Expert program provided by a Police Training
29 Commission approved school, or another program or course
30 conducted by any Federal, State, or other public or private agency,
31 the requirements of which are substantially equivalent to the
32 requirements established by the commission pursuant to
33 subparagraph (a) of this paragraph for a Workplace Impairment
34 Recognition Expert certification, may, at the discretion of the
35 commission, be issued this certification, subject to subsequent
36 continuation of certification approval by the commission¹.

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

39 (1) Requires an employer to amend or repeal, or affect, restrict or
40 preempt the rights and obligations of employers to maintain a ¹**【drug**
41 **and alcohol free】** drug- and alcohol-free¹ workplace or require an
42 employer to permit or accommodate the use, consumption, being
43 under the influence, possession, transfer, display, transportation,
44 sale, or growth of cannabis or cannabis items in the workplace, or to
45 affect the ability of employers to have policies prohibiting ¹use of¹
46 cannabis ¹**【use】** items¹ or intoxication by employees during work
47 hours ¹**【.】**¹

1 (2) Is intended to allow driving under the influence of cannabis
2 items or driving while impaired by cannabis items or to supersede
3 laws related to driving under the influence of marijuana or cannabis
4 items or driving while impaired by marijuana or cannabis items
5 **'[.]'**;

6 (3) Is intended to permit the transfer of cannabis items, with or
7 without remuneration, to a person under the age of 21 or to allow a
8 person under the age of 21 to purchase, possess, use, transport, grow,
9 or consume cannabis items, unless the person is under the age of 21,
10 but at least 18 years of age, and an employee of a cannabis
11 establishment, distributor, or delivery service acting in the person's
12 employment capacity **'[.]'**;

13 (4) Shall, consistent with subsection c. of section **'[44] 45'** of
14 P.L. , c. (C.) (pending before the Legislature as this bill),
15 prohibit a person or entity that owns or controls a property from
16 prohibiting or otherwise regulating the consumption, use, display,
17 transfer, distribution, sale, or transportation of cannabis items on or
18 in that property, or portion thereof, including a hotel property that is
19 a casino hotel facility as defined in section 19 of P.L.1977, c.110
20 (C.5:12-19), a casino as defined in section 6 of P.L.1977, c.110
21 (C.5:12-6), or casino simulcasting facility authorized pursuant to the
22 "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.),
23 provided that a person or entity that owns or controls multifamily
24 housing that is a multiple dwelling as defined in section 3 of
25 P.L.1967, c.76 (C.55:13A-3), the structure or specific units of the
26 structure of a cooperative as defined in section 3 of P.L.1987, c.381
27 (C.46:8D-3), a unit of a condominium as defined in section 3 of
28 P.L.1969, c.257 (C.46:8B-3), or a site in a mobile home park as
29 defined in section 3 of P.L.1983, c.386 (C.40:55D-102), which site
30 is leased to the owner of a manufactured home, as defined in that
31 section, that is installed thereon, may only prohibit or otherwise
32 regulate the smoking, vaping, or aerosolizing, but not other
33 consumption, of cannabis items, and further provided that
34 municipalities may not prohibit delivery, possession, or consumption
35 of cannabis items by a person 21 years of age or older as permitted
36 by section **'[44] 45'** of P.L. , c. (C.) (pending before the
37 Legislature as this bill) **'[.]'**;

38 (5) Is intended to permit any person to possess, consume, use,
39 display, transfer, distribute, sell, transport, or grow or manufacture
40 cannabis or cannabis items in a school, hospital, detention facility,
41 adult correctional facility, or youth correction facility **'[.]'**;

42 (6) Is intended to permit the smoking, vaping, or aerosolizing of
43 cannabis items in any place that any other law prohibits the smoking
44 of tobacco, including N.J.S.2C:33-13 and the "New Jersey Smoke-
45 Free Air Act," P.L.2005, c.383 (C.26:3D-55 et seq.). Except as
46 otherwise provided by P.L. , c. (C.) (pending before the
47 Legislature as this bill), any fines or civil penalties that may be

1 assessed for the smoking of tobacco in designated places shall be
2 applicable to the smoking, vaping, or aerosolizing of cannabis items.

3
4 ¹**[47.] 48.**¹ (New section) Consuming, including by smoking,
5 vaping, or aerosolizing, any cannabis item available for lawful
6 consumption pursuant to the “New Jersey Cannabis Regulatory,
7 Enforcement Assistance, and Marketplace Modernization Act,”
8 P.L. , c. (C.) (pending before the Legislature as this bill), is
9 prohibited in any area of any building of, on the grounds of, or in any
10 facility owned, leased, or controlled by, any public or private
11 institution of higher education or a related entity thereof, regardless
12 of whether the area or facility is an indoor place or is outdoors. As
13 used in this section “related entity” includes, but is not limited to, the
14 foundation, auxiliary services corporation, or alumni association, or
15 any subsidiary thereof, of an institution of higher learning. Any
16 penalties that may be assessed for the smoking of tobacco where
17 prohibited under the “New Jersey Smoke-Free Air Act,” P.L.2005,
18 c.383 (C.26:3D-55 et seq.), shall be applicable to the consumption of
19 cannabis items where prohibited by this section.

20
21 ¹**[48.] 49.**¹ (New section) Lawful Operation of Cannabis
22 Establishments, Distributors, and Delivery Services.

23 Notwithstanding any other provision of law, the following acts are
24 not unlawful and shall not be a criminal offense or a basis for seizure
25 or forfeiture of assets under N.J.S.2C:64-1 et seq. or other applicable
26 law, provided the acts are undertaken by a person 21 years of age or
27 older while acting within the scope of authority provided by a license,
28 or are undertaken by a person 18 years of age or older while acting
29 within the scope of authority as an employee of a licensed cannabis
30 establishment, distributor, or delivery service, or provided by a
31 cannabis handler certification issued pursuant to P.L. , c. (C.)
32 (pending before the Legislature as this bill) and are consistent with
33 the relevant definitions set forth in section 3 of P.L. , c. (C.)
34 (pending before the Legislature as this bill):

35 a. manufacturing, possessing, or purchasing cannabis
36 paraphernalia or the sale of cannabis paraphernalia to a person who
37 is 21 years of age or older;

38 b. possessing, displaying, transporting, or delivering cannabis
39 items; purchasing cannabis ¹items¹ from a cannabis ¹**[cultivation**
40 **facility]** cultivator¹; purchasing cannabis items from a cannabis
41 ¹**[product manufacturing facility]** manufacturer¹; or selling cannabis
42 items to consumers, if the person conducting the activities described
43 in this subsection has obtained a current, valid license to operate as a
44 cannabis retailer or is acting in his capacity as an owner, employee,
45 or agent of a licensed cannabis retailer;

46 c. cultivating, harvesting, processing, packaging, transporting,
47 displaying, or possessing cannabis; delivering or transferring

1 cannabis items¹ to a cannabis testing facility; selling cannabis
2 items¹ to a cannabis **["cultivation facility] cultivator**¹, a cannabis
3 **["product manufacturing facility] manufacturer**¹, a cannabis
4 wholesaler¹, or a cannabis retailer; or purchasing cannabis items¹
5 from a cannabis **["cultivation facility] cultivator**¹, if the person
6 conducting the activities described in this subsection has obtained a
7 current, valid license to operate as¹ a cannabis **["cultivation facility]**
8 **cultivator**¹ or is acting in his capacity as an owner, employee, or
9 agent of a licensed cannabis **["cultivation facility] cultivator**¹;

10 d. packaging, **["processing] manufacturing**¹, transporting,
11 **["manufacturing]"**¹, displaying, or possessing cannabis items;
12 delivering or transferring cannabis items to a cannabis testing
13 facility; selling cannabis items to a cannabis retailer or a cannabis
14 **["product manufacturing facility] manufacturer**¹; purchasing
15 cannabis items¹ from a cannabis **["cultivation facility] cultivator**¹;
16 or purchasing cannabis items from a cannabis **["product**
17 **manufacturing facility] manufacturer**¹, if the person conducting the
18 activities described in this subsection has obtained a current, valid
19 license to operate as¹ a cannabis **["product manufacturing facility]**
20 **manufacturer**¹ or is acting in his capacity as an owner, employee, or
21 agent of a licensed cannabis **["product manufacturing facility]**
22 **manufacturer**¹;

23 e. possessing, cultivating, **["processing] manufacturing**¹,
24 repackaging, storing, transporting, displaying, transferring, or
25 delivering cannabis items if the person has obtained a current, valid
26 license to operate a cannabis testing facility or is acting in his
27 capacity as an owner, employee, or agent of a licensed cannabis
28 testing facility; and

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

33

34 **["49.] 50.**¹ (New section) Contract Enforceability.

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

45

46 **["50.] 51.**¹ (New section) Federal and Interstate Relations.

1 a. Law enforcement agencies in this State shall not cooperate
2 with or provide assistance to the government of the United States or
3 any agency thereof in enforcing the “Controlled Substances Act,” 21
4 U.S.C. 801 et seq., solely for actions consistent with P.L. , c. (C.
5) (pending before the Legislature as this bill), except pursuant to a
6 valid court order.

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

12 c. The commission may not revoke or refuse to issue or renew a
13 license or certification pursuant to section 20, 22, 23, 24, 25, or 26 of
14 P.L. , c. (C.) (pending before the Legislature as this bill) on the
15 basis that manufacturing, transporting, distributing, dispensing,
16 delivering, possessing, or using any cannabis item or marijuana is
17 prohibited by federal law.

18 d. Nothing in this section shall be construed to limit the authority
19 of an agency or subdivision of any agency of this State to cooperate with
20 or assist the government of the United States or any agency thereof, or
21 the government of another state or agency thereof, in matters pertaining
22 to illegal interstate trafficking of marijuana, hashish, or cannabis items.
23

24 ¹**[51.] 52.**¹ (New section) Limitations.

25 The provisions of P.L. , c. (C.) (pending before the
26 Legislature as this bill) concerning the development, regulation, and
27 enforcement of activities associated with personal use cannabis, as
28 well as acts involving personal use cannabis or cannabis resin, shall
29 not be construed:

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

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

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

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

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

44 f. To exempt a person from a federal law or obstruct the
45 enforcement of a federal law.
46

47 ¹**[52.] 53.**¹ N.J.S.2C:35-2 is amended to read as follows:

48 2C:35-2. As used in this chapter:

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

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

11 "Controlled dangerous substance" means a drug, substance, or
12 immediate precursor in Schedules I through V, marijuana and hashish
13 as defined in this section, any substance the distribution of which is
14 specifically prohibited in N.J.S.2C:35-3, in section 3 of P.L.1997,
15 c.194 (C.2C:35-5.2), in section 5 of P.L.1997, c.194 (C.2C:35-5.3),
16 in section 2 of P.L.2011, c.120 (C.2C:35-5.3a), or in section 2 of
17 P.L.2013, c.35 (C.2C:35-5.3b), and any drug or substance which,
18 when ingested, is metabolized or otherwise becomes a controlled
19 dangerous substance in the human body. When any statute refers to
20 controlled dangerous substances, or to a specific controlled
21 dangerous substance, it shall also be deemed to refer to any drug or
22 substance which, when ingested, is metabolized or otherwise
23 becomes a controlled dangerous substance or the specific controlled
24 dangerous substance, and to any substance that is an immediate
25 precursor of a controlled dangerous substance or the specific
26 controlled dangerous substance. The term shall not include distilled
27 spirits, wine, malt beverages, as those terms are defined or used in
28 R.S.33:1-1 et seq., **[or]** tobacco and tobacco products, or cannabis or
29 cannabis resin as defined in section 3 of P.L. , c. (C.) (pending
30 before the Legislature as this bill). The term, wherever it appears in
31 any law or administrative regulation of this State, shall include
32 controlled substance analogs.

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

42 "Counterfeit substance" means a controlled dangerous substance
43 or controlled substance analog which, or the container or labeling of
44 which, without authorization, bears the trademark, trade name, or
45 other identifying mark, imprint, number, or device, or any likeness
46 thereof, of a manufacturer, distributor, or dispenser other than the
47 person or persons who in fact manufactured, distributed, or dispensed
48 the substance and which thereby falsely purports or is represented to

1 be the product of, or to have been distributed by, such other
2 manufacturer, distributor, or dispenser.

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

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

13 "Distribute" means to deliver other than by administering or
14 dispensing a controlled dangerous substance or controlled substance
15 analog. "Distributor" means a person who distributes.

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

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

36 "Hashish" means the resin extracted from any part of the plant
37 **【Genus】** *Cannabis sativa* L. and any compound, manufacture, salt,
38 derivative, mixture, or preparation of such resin. "Hashish" shall not
39 mean: hemp or a hemp product cultivated, handled, processed,
40 transported, or sold pursuant to the "New Jersey Hemp Farming Act,"
41 P.L.2019, c.238 (C.4:28-6 et al.); or cannabis resin as defined in
42 section 3 of P.L. , c. (C.) (pending before the Legislature as this
43 bill) which is extracted for use in a cannabis item, as defined in that
44 section, in accordance with the "New Jersey Cannabis Regulatory,
45 Enforcement Assistance, and Marketplace Modernization Act," P.L. ,
46 c. (C.) (pending before the Legislature as this bill).

47 "Manufacture" means the production, preparation, propagation,
48 compounding, conversion, or processing of a controlled dangerous

1 substance or controlled substance analog, either directly or by
2 extraction from substances of natural origin, or independently by
3 means of chemical synthesis, or by a combination of extraction and
4 chemical synthesis, and includes any packaging or repackaging of the
5 substance or labeling or relabeling of its container, except that this
6 term does not include the preparation or compounding of a controlled
7 dangerous substance or controlled substance analog by an individual
8 for his own use or the preparation, compounding, packaging, or
9 labeling of a controlled dangerous substance: (1) by a practitioner as
10 an incident to his administering or dispensing of a controlled
11 dangerous substance or controlled substance analog in the course of
12 his professional practice, or (2) by a practitioner (or under his
13 supervision) for the purpose of, or as an incident to, research,
14 teaching, or chemical analysis and not for sale.

15 "Marijuana" means all parts of the plant **【Genus】** *Cannabis sativa*
16 L., whether growing or not; the seeds thereof, and every compound,
17 manufacture, salt, derivative, mixture, or preparation of the plant or
18 its seeds, except those containing resin extracted from the plant **【**;
19 but shall not include the mature stalks of the plant, fiber produced
20 from the stalks, oil, or cake made from the seeds of the plant, any
21 other compound, manufacture, salt, derivative, mixture, or
22 preparation of mature stalks, fiber, oil, or cake, or the sterilized seed
23 of the plant which is incapable of germination**】**. "Marijuana" shall
24 not mean: hemp or a hemp product cultivated, handled, processed,
25 transported, or sold pursuant to the "New Jersey Hemp Farming Act,"
26 P.L.2019, c.238 (C.4:28-6 et al.); or cannabis as defined in section 3
27 of P.L. , c. (C.) (pending before the Legislature as this bill)
28 which is cultivated and processed for use in a cannabis item, as
29 defined in that section, in accordance with the "New Jersey Cannabis
30 Regulatory, Enforcement Assistance, and Marketplace Modernization
31 Act," P.L. , c. (C.) (pending before the Legislature as this
32 bill).

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

- 37 (a) Opium, coca leaves, and opiates;
38 (b) A compound, manufacture, salt, derivative, or preparation of
39 opium, coca leaves, or opiates;
40 (c) A substance (and any compound, manufacture, salt,
41 derivative, or preparation thereof) which is chemically identical with
42 any of the substances referred to in subsections (a) and (b), except
43 that the words "narcotic drug" as used in this act shall not include
44 decocainized coca leaves or extracts of coca leaves, which extracts
45 do not contain cocaine or ecogine.

46 "Opiate" means any dangerous substance having an addiction-
47 forming or addiction-sustaining liability similar to morphine or being
48 capable of conversion into a drug having such addiction-forming or

1 addiction-sustaining liability. It does not include, unless specifically
2 designated as controlled pursuant to the provisions of section 3 of
3 P.L.1970, c.226 (C.24:21-3), the dextrorotatory isomer of 3-
4 methoxy-n-methylmorphinan and its salts (dextromethorphan). It
5 does include its racemic and levorotatory forms.

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

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

10 "Plant" means an organism having leaves and a readily observable
11 root formation, including, but not limited to, a cutting having roots,
12 a rootball or root hairs.

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

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

21 (a) "Physician" means a physician authorized by law to practice
22 medicine in this or any other state and any other person authorized
23 by law to treat sick and injured human beings in this or any other
24 state.

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

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

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

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

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

42 "Immediate precursor" means a substance which the Division of
43 Consumer Affairs in the Department of Law and Public Safety has
44 found to be and by regulation designates as being the principal
45 compound commonly used or produced primarily for use, and which
46 is an immediate chemical intermediary used or likely to be used in
47 the manufacture of a controlled dangerous substance or controlled

1 substance analog, the control of which is necessary to prevent,
2 curtail, or limit such manufacture.

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

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

14 "State" means the State of New Jersey.

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

20 "Prescription legend drug" means any drug which under federal or
21 State law requires dispensing by prescription or order of a licensed
22 physician, veterinarian, or dentist and is required to bear the
23 statement "Rx only" or similar wording indicating that such drug may
24 be sold or dispensed only upon the prescription of a licensed medical
25 practitioner and is not a controlled dangerous substance or
26 stramonium preparation.

27 "Stramonium preparation" means a substance prepared from any
28 part of the stramonium plant in the form of a powder, pipe mixture,
29 cigarette, or any other form with or without other ingredients.

30 "Stramonium plant" means the plant *Datura Stramonium* Linne,
31 including *Datura Tatula* Linne.

32 (cf: P.L.2019, c.238, s.10)

33

34 ¹~~53.~~ 54.¹ (New section) Criminal Investigation.

35 None of the following shall, individually or collectively,
36 constitute reasonable articulable suspicion of a crime, unless on
37 property used for school purposes which is owned by a school or
38 school board, or at any detention facility, adult correctional facility,
39 or youth correction facility:

40 a. The odor of cannabis or burnt cannabis;

41 b. The possession of or the suspicion of possession of marijuana
42 or hashish without evidence of quantity in excess of any amount that
43 would exceed the amount of cannabis ¹~~or cannabis resin~~ items¹
44 which may be lawfully possessed pursuant to section ¹~~44~~ 45¹ of
45 P.L. , c. (C.) (pending before the Legislature as this bill); or

46 c. The possession of marijuana or hashish without evidence of
47 quantity in excess of any amount that would exceed the amount of
48 cannabis ¹~~or cannabis resin~~ items¹ which may be lawfully

1 possessed pursuant to section ¹~~44~~ 45¹ of P.L. , c. (C.)
2 (pending before the Legislature as this bill), in proximity to any
3 amount of cash or currency.

4

5 ¹~~54~~ 55¹ N.J.S 2C:36-1 is amended to read as follows:

6 2C:36-1. Drug paraphernalia, defined; determination.

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

16 **[a.]** (1) kits used or intended for use in planting, propagating,
17 cultivating, growing or harvesting of any species of plant which is a
18 controlled dangerous substance or from which a controlled dangerous
19 substance can be derived;

20 **[b.]** (2) kits used or intended for use in manufacturing,
21 compounding, converting, producing, processing, or preparing
22 controlled dangerous substances or controlled substance analogs;

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

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

29 **[e.]** (5) scales and balances used or intended for use in weighing
30 or measuring controlled dangerous substances or controlled
31 substance analogs;

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

36 **[g.]** (7) separation gins and sifters used or intended for use in
37 removing twigs and seeds from, or in otherwise cleaning or refining,
38 **[marihuana]** marijuana;

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

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

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

1 **【k.】** (11) objects used or intended for use in ingesting, inhaling,
2 or otherwise introducing **【marihuana】** marijuana, cocaine, hashish,
3 hashish oil, nitrous oxide or the fumes of a toxic chemical into the
4 human body, such as **【(1)】** (a) metal, wooden, acrylic, glass, stone,
5 plastic, or ceramic pipes with or without screens, permanent screens,
6 hashish heads, or punctured metal bowls; **【(2)】** (b) water pipes; **【(3)】**
7 (c) carburetion tubes and devices; **【(4)】** (d) smoking and carburetion
8 masks; **【(5)】** (e) roach clips, meaning objects used to hold burning
9 material, such as a marihuana cigarette, that has become too small or
10 too short to be held in the hand; **【(6)】** (f) miniature cocaine spoons,
11 and cocaine vials; **【(7)】** (g) chamber pipes; **【(8)】** (h) carburetor
12 pipes; **【(9)】** (i) electric pipes; **【(10)】** (j) air-driven pipes; **【(11)】** (k)
13 chillums; **【(12)】** (l) bongs; **【(13)】** (m) ice pipes or chillers; **【(14)】**
14 (n) compressed gas containers, such as tanks, cartridges or canisters,
15 that contain food grade or pharmaceutical grade nitrous oxide as a
16 principal ingredient; **【(15)】** (o) chargers or charging bottles, meaning
17 metal, ceramic or plastic devices that contain an interior pin that may
18 be used to expel compressed gas from a cartridge or canister; and
19 **【(16)】** (p) tubes, balloons, bags, fabrics, bottles or other containers
20 used to concentrate or hold in suspension a toxic chemical or the
21 fumes of a toxic chemical.

22 **b.** In determining whether or not an object is drug paraphernalia,
23 the trier of fact, in addition to or as part of the proofs, may consider
24 the following factors:

25 **【a.】** (1) (a) statements by an owner or by anyone in control of
26 the object concerning its use;

27 **【b.】** (b) the proximity of the object **【of】** to illegally possessed
28 controlled dangerous substances, controlled substance analogs or
29 toxic chemicals;

30 **【c.】** (c) the existence of any residue of illegally possessed
31 controlled dangerous substances, controlled substance analogs or
32 toxic chemicals on the object;

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

39 **【e.】** (e) instructions, oral or written, provided with the object
40 concerning its use;

41 **【f.】** (f) descriptive materials accompanying the object which
42 explain or depict its use;

43 **【g.】** (g) national or local advertising whose purpose the person
44 knows or should know is to promote the sale of objects intended for
45 use as drug paraphernalia;

46 **【h.】** (h) the manner in which the object is displayed for sale;

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

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

4 (2) If an object appears to be for use, intended for use, or designed
5 for use with cannabis or cannabis items in accordance with the “New
6 Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace
7 Modernization Act,” P.L. _____, c. _____ (C. _____) (pending before the
8 Legislature as this bill), the object is presumed to be a lawful
9 cannabis paraphernalia as defined in section 3 of that act (C. _____),
10 and does not alone constitute reasonable articulable suspicion that the
11 object is a drug paraphernalia, notwithstanding that the object could
12 also be used with marijuana, hashish, or another illegal controlled
13 substance or controlled substance analog, unless the owner or any
14 other person in proximity to or in control of the object was in
15 possession of marijuana, hashish, or another illegal controlled
16 dangerous substance or controlled substance analog, or the object
17 was in proximity of marijuana, hashish, or another illegally possessed
18 controlled dangerous substance or controlled substance analog to
19 indicate its use, intended use, or design for use with that controlled
20 dangerous substance or controlled substance analog.

21 (cf: P.L.2007, c.31, s.2)

22

23 ¹**[55.] 56.**¹ N.J.S.2C:35-16 is amended to read as follows:

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

1 Statutes at the time of any conviction or adjudication of delinquency
2 for a violation of any offense defined in this chapter or chapter 36 of
3 this title, any revocation, suspension, or postponement period
4 imposed herein shall commence as of the date of termination of the
5 existing revocation, suspension, or postponement.

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

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

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

46 e. Provided that the person was not convicted of or adjudicated
47 delinquent for a violation of any offense defined in this chapter or
48 chapter 36 of this title other than those enumerated in this subsection,

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

5 (1) distribution of, or possessing or having under control with
6 intent to distribute, marijuana or hashish in violation of paragraph
7 (11) of subsection b. of N.J.S.2C:35-5, or a lesser amount of
8 marijuana or hashish in violation of paragraph (12) of subsection b.
9 that section, or a violation of either of those paragraphs based on an
10 amount of marijuana or hashish described herein and a violation of
11 subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection
12 a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or
13 possessing or having under control with intent to distribute, on or within
14 1,000 feet of any school property, or on or within 500 feet of the real
15 property comprising a public housing facility, public park, or public
16 building;

17 (2) using, being under the influence of, or failing to make lawful
18 disposition of marijuana or hashish in violation of paragraph (3) of
19 subsection a., or subsection b. or subsection c. of N.J.S.2C:35-10; or

20 (3) a violation involving marijuana or hashish as described in
21 paragraph (1) or (2) of this subsection and using or possessing with
22 intent to use drug paraphernalia with that marijuana or hashish in
23 violation of N.J.S.2C:36-2.

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

25

26 ¹**[56.] 57.**¹ N.J.S.2B:12-31 is amended to read as follows:

27 2B:12-31. Suspension of driving privileges.

28 a. (1) If a defendant charged with a disorderly persons offense,
29 a petty disorderly persons offense, a violation of a municipal
30 ordinance, or a violation of any other law of this State for which a
31 penalty may be imposed fails to appear at any scheduled court
32 proceeding after written notice has been given to said defendant
33 pursuant to the Rules of Court, a municipal court may order the
34 suspension of the person's driving privileges or nonresident
35 reciprocity privilege or prohibit the person from receiving or
36 obtaining driving privileges until the pending matter is adjudicated
37 or otherwise disposed of, except by dismissal for failure of defendant
38 to appear.

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

46 b. Prior to any action being taken pursuant to the provisions of
47 this section, the defendant shall be given notice of the proposed

1 action and afforded an opportunity to appear before the court to
2 contest the validity of the proposed action.

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

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

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

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

18 (a) A fee of \$3.00 which shall be transferred to the **【Division of】**
19 New Jersey Motor **【Vehicles】** Vehicle Commission;

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

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

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

25

26 ¹**【57.】** 58.¹ (New section) Prohibition of Persons Under the Legal
27 Age Purchasing Cannabis or Cannabis Resin.

28 Consistent with the relevant definitions set forth in section 3 of
29 P.L. , c. (C.) (pending before the Legislature as this bill):

30 a. A cannabis establishment licensee, cannabis distributor
31 licensee, or cannabis delivery service licensee, either directly or
32 indirectly by an agent or employee, shall not sell, offer for sale,
33 distribute for commercial purpose at no cost or minimal cost, or give
34 or furnish for consumption, any cannabis items to a person under 21
35 years of age.

36 b. Any licensee or employee or agent of a licensee who allows a
37 person under the age of 21 to procure cannabis items which, pursuant
38 to section ¹**【44】** 45.¹ of P.L. , c. (C.) (pending before the
39 Legislature as this bill) are not unlawful for persons 21 years of age
40 or older to procure for personal use, shall be subject to a civil penalty
41 of not less than \$250 for the first violation; \$500 for the second
42 violation; and \$1,000 for the third and each subsequent violation; in
43 addition, subject to a hearing, a licensee's license may be revoked,
44 suspended, or otherwise limited. The penalties provided for in this
45 subsection shall be recovered by a summary proceeding pursuant to
46 the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-
47 10 et seq.).

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

5 (1) That the purchaser of the cannabis item falsely represented
6 that the person purchaser was of legal age to make the purchase,
7 by producing either a United States passport; driver's license
8 or non-driver identification card issued by the New Jersey Motor
9 Vehicle Commission; a driver's license issued pursuant to the laws
10 of another state; or any other government-issued identification
11 card issued by a state or the United States as set forth in
12 subparagraph (a) of paragraph (6) of subsection a. of section 18 of
13 P.L. , c. (C.) (pending before the Legislature as this bill) to
14 determine the consumer's identity and age that bears a picture of
15 the person, the name of the person, the person's date of birth, and a
16 physical description of the person; and

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

21 d. It shall be unlawful for a person under the age of 21 to
22 purchase, acquire, or attempt to purchase or acquire a cannabis item,
23 even if the cannabis item may be legally purchased by persons at or
24 above the legal age for purchasing cannabis items.

25 For purposes of this subsection, purchasing a cannabis item
26 includes accepting a cannabis item, and acquiring a cannabis item
27 includes consuming a cannabis item.

28 e. It shall be unlawful for a person under the age of 21 to present
29 or offer to a cannabis establishment, distributor, or delivery service,
30 or the cannabis establishment's, distributor's, or delivery service's
31 agent or employee, any written or oral evidence of age or other
32 personal identifying information that is false, fraudulent, or not
33 actually the person's own, including the use of a driver's license or
34 other government-issued form of identification in violation of section
35 1 of P.L.1983, c.565 (C.2C:21-2.1), N.J.S.2C:21-17, section 5 of
36 P.L.2003, c.184 (C.2C:21-17.2), or section 6 of P.L.1968, c.313
37 (C.33:1-81.7), for the purpose of:

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

40 (2) Gaining access to a cannabis establishment's, distributor's, or
41 delivery service's premises.

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

1 purchasing cannabis items, unless accompanied by and supervised by
2 a parent or legal guardian.

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

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

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

25

26 **¹[58.] 59.¹** Section 1 of P.L.1983, c.565 (C.2C:21-2.1) is
27 amended to read as follows:

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

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

42 c. A person who knowingly exhibits, displays or utters a
43 document or other writing which falsely purports to be a driver's
44 license, birth certificate or other document issued by a governmental
45 agency and which could be used as a means of verifying a person's
46 identity or age or any other personal identifying information is guilty
47 of a crime of the third degree. A violation of N.J.S.2C:28-7,
48 constituting a disorderly persons offense, section 1 of P.L.1979,

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

25 d. A person who knowingly possesses a document or other
26 writing which falsely purports to be a driver's license, birth certificate
27 or other document issued by a governmental agency and which could
28 be used as a means of verifying a person's identity or age or any other
29 personal identifying information is guilty of a crime of the fourth
30 degree. A violation of N.J.S.2C:28-7, constituting a disorderly
31 persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15),
32 R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case
33 where the person uses the personal identifying information of another
34 to illegally purchase an alcoholic beverage or for using the personal
35 identifying information of another to misrepresent his age for the
36 purpose of obtaining tobacco or other consumer product denied to
37 persons under **[18] 21** years of age shall not, except as otherwise set
38 forth in this subsection, constitute an offense under this subsection if
39 the actor received only that benefit or service and did not perpetrate
40 or attempt to perpetrate any additional injury or fraud on another. If
41 the personal identifying information of another is used to obtain any
42 cannabis item available for lawful consumption pursuant to the "New
43 Jersey Cannabis Regulatory, Enforcement Assistance, and
44 Marketplace Modernization Act," P.L. , c. (C.) (pending
45 before the Legislature as this bill), the person shall be subject to a
46 civil penalty of \$50. The penalty provided for in this subsection shall
47 be collected pursuant to the "Penalty Enforcement Law of 1999,"
48 P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding

1 before the municipal court having jurisdiction. A penalty recovered
2 under the provisions of this subsection shall be recovered by and in
3 the name of the State by the local municipality. The penalty shall be
4 paid into the treasury of the municipality in which the violation
5 occurred for the general use of the municipality.

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

30 The court before whom any person is convicted of,
31 adjudicated delinquent or penalized for a violation of any offense defined in this
32 section shall collect forthwith the New Jersey driver's license or
33 licenses of that person and forward the license or licenses to the Chief
34 Administrator of the New Jersey Motor Vehicle Commission along
35 with a report indicating the first and last day of the suspension or
36 postponement period imposed by the court pursuant to this section.
37 If the court is for any reason unable to collect the license or licenses
38 of the person, the court shall cause a report of the conviction or
39 adjudication of delinquency to be filed with the director. The report
40 shall include the complete name, address, date of birth, eye color and
41 sex of the person and shall indicate the first and last day of the
42 suspension or postponement period imposed by the court pursuant to
43 this section. The court shall inform the person orally and in writing
44 that if the person is convicted of personally operating a motor vehicle
45 during the period of license suspension or postponement imposed
46 pursuant to this section, the person shall, upon conviction, be subject
47 to the penalties set forth in R.S.39:3-40. A person shall be required
48 to acknowledge receipt of the written notice in writing. Failure to

1 receive a written notice or failure to acknowledge in writing the
2 receipt of a written notice shall not be a defense to a subsequent
3 charge of a violation of R.S.39:3-40. If the person is the holder of a
4 driver's license from another jurisdiction, the court shall not collect
5 the license, but shall notify forthwith the director who shall notify the
6 appropriate officials in that licensing jurisdiction. The court shall,
7 however, in accordance with the provisions of this section, revoke
8 the person's non-resident driving privileges in this State.

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

13 (cf: P.L.2005, c.224, s.1)

14
15 ¹~~59.~~ 60.¹ N.J.S.2C:21-17 is amended to read as follows:

16 2C:21-17. Impersonation; Theft of identity; crime.

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

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

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

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

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

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

1 As used in this section:

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

6 b. (Deleted by amendment, P.L.2005, c.224).

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

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

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

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

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

1 e. The sentencing court shall issue such orders as are necessary
2 to correct any public record or government document that contains
3 false information as a result of a theft of identity. The sentencing
4 court may provide restitution to the victim in accordance with the
5 provisions of section 4 of P.L.2002, c.85 (C.2C:21-17.1).

6 (cf: P.L.2013, c.241, s.1)
7

8 ¹~~60.~~ 61.¹ Section 5 of P.L.2003, c.184 (C.2C:21-17.2) is
9 amended to read as follows:

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

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

25 c. A violation of N.J.S.2C:28-7, constituting a disorderly
26 persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15),
27 R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case
28 where the person uses the personal identifying information of another
29 to illegally purchase an alcoholic beverage or for using the personal
30 identifying information of another to misrepresent his age for the
31 purpose of obtaining tobacco or other consumer product denied to
32 persons under ~~18~~ 21 years of age shall not, except as otherwise set
33 forth in this subsection, constitute an offense under this section if the
34 actor received only that benefit or service and did not perpetrate or
35 attempt to perpetrate any additional injury or fraud on another. If the
36 personal identifying information of another is used to obtain any
37 cannabis item available for lawful consumption pursuant to the "New
38 Jersey Cannabis Regulatory, Enforcement Assistance, and
39 Marketplace Modernization Act," P.L. , c. (C.) (pending
40 before the Legislature as this bill), the person shall be subject to a
41 civil penalty of \$50. The civil penalty provided for in this subsection
42 shall be collected pursuant to the "Penalty Enforcement Law of
43 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary
44 proceeding before the municipal court having jurisdiction. A civil
45 penalty recovered under the provisions of this subsection shall be
46 recovered by and in the name of the State by the local municipality.

1 The penalty shall be paid into the treasury of the municipality in
2 which the violation occurred for the general use of the municipality.

3 (cf: P.L.2005, c.224, s.4)

4
5 ¹**【61.】 62.**¹ The title of P.L.1968, c.313 is amended to read as
6 follows:

7 **AN ACT** relating to the establishing of proof of age for purposes of
8 purchasing alcoholic beverages or cannabis items in certain cases.

9 (cf: P.L.1968, c.313, title)

10
11 ¹**【62.】 63.**¹ Section 6 of P.L.1968, c.313 (C.33:1-81.7) is
12 amended to read as follows:

13 6. It shall be unlawful for the owner of an identification card, as
14 defined by this act, to transfer said card to any other person for the
15 purpose of aiding such person to secure alcoholic beverages or
16 cannabis items available for lawful consumption pursuant to the
17 “New Jersey Cannabis Regulatory, Enforcement Assistance, and
18 Marketplace Modernization Act,” P.L. , c. (C.) (pending
19 before the Legislature as this bill). Any person who shall transfer
20 such identification card for the purpose of aiding such transferee to
21 obtain alcoholic beverages shall be guilty of a **【misdemeanor】**
22 disorderly persons offense and, upon conviction thereof, shall be
23 sentenced to pay a fine of not more than \$300.00, or undergo
24 imprisonment for not more than 60 days. Any person not entitled
25 thereto who shall have unlawfully procured or have issued or
26 transferred to him, as aforesaid, identification card or any person who
27 shall make any false statement on any card required by subsection (c)
28 hereof to be signed by him shall be guilty of a **【misdemeanor】**
29 disorderly persons offense and, upon conviction thereof, shall be
30 sentenced to pay a fine of not more than \$300.00, or undergo
31 imprisonment for not more than 60 days.

32 (cf: P.L.1968, c.313, s.6)

33
34 ¹**【63.】 64.**¹ The title of P.L.1991, c.169 is amended to read as
35 follows:

36 **AN ACT** concerning the retail sale of alcoholic beverages or cannabis
37 items, amending R.S.33:1-81 and P.L.1979, c.264 and
38 supplementing chapter 1 of Title 33 of the Revised Statutes.

39 (cf: P.L.1991, c.169, title)

40
41 ¹**【64.】 65.**¹ Section 3 of P.L.1991, c.169 (C.33:1-81.1a) is
42 amended to read as follows:

43 3. A parent, guardian or other person having legal custody of a
44 person under 18 years of age found in violation of R.S.33:1-81 or
45 section 1 of P.L.1979, c.264 (C.2C:33-15) with respect to purchasing,
46 possessing, or consuming any alcoholic beverage or cannabis item
47 available for lawful consumption pursuant to the “New Jersey

1 Cannabis Regulatory, Enforcement Assistance, and Marketplace
2 Modernization Act,” P.L. , c. (C.) (pending before the
3 Legislature as this bill) shall be notified of the violation in writing.
4 The parent, guardian or other person having legal custody of a person
5 under 18 years of age shall be subject to a fine in the amount of
6 \$500.00 upon any subsequent violation of R.S.33:1-81 or section 1
7 of P.L.1979, c.264 (C.2C:33-15) on the part of such person if it is
8 shown that the parent, guardian or other person having legal custody
9 failed or neglected to exercise reasonable supervision or control over
10 the conduct of the person under 18 years of age.

11 (cf: P.L.1991, c.169, s.3)

12

13 ¹**【65.】 66.**¹ The title of P.L.1979, c.264 is amended to read as
14 follows:

15 **AN ACT** concerning certain alcoholic beverage and cannabis item
16 offenses by persons under the legal age to purchase alcoholic
17 beverages and cannabis items, and supplementing chapter 33 of
18 Title 2C of the New Jersey Statutes.

19 (cf: P.L.1979, c.264, title)

20

21 ¹**【66.】 67.**¹ Section 1 of P.L.1979, c.264 (C.2C:33-15) is amended
22 to read as follows:

23 1. a. (1) Any person under the legal age to purchase alcoholic
24 beverages who knowingly possesses without legal authority or who
25 knowingly consumes any alcoholic beverage in any school, public
26 conveyance, public place, or place of public assembly, or motor
27 vehicle, is guilty of a petty disorderly persons offense, and shall ¹, in
28 the case of an adult under the legal age to purchase alcoholic
29 beverages,¹ be fined not less than **【\$500】** ¹\$250.

30 (2) (a) Any person under the legal age to purchase cannabis items
31 who knowingly possesses without legal authority any cannabis item,
32 the amount of which may be lawfully possessed by a person of the
33 legal age to purchase cannabis items pursuant to section ¹**【44】 45**¹
34 of P.L. , c. (C.) (pending before the Legislature as this bill),
35 in any school, public conveyance, public place, or place of public
36 assembly, or motor vehicle, is guilty of a petty disorderly persons
37 offense, and shall ¹, in the case of an adult under the legal age to
38 purchase cannabis items,¹ be fined not less than \$250.

39 (b) Any person under the legal age to purchase cannabis items
40 who knowingly possesses without legal authority any cannabis item,
41 the amount of which exceeds what may be lawfully possessed by a
42 person of the legal age to purchase cannabis items pursuant to section
43 ¹**【44】 45**¹ of P.L. , c. (C.) (pending before the Legislature as
44 this bill), or who knowingly consumes any cannabis item in any
45 school, public conveyance, public place, or place of public assembly,
46 or motor vehicle, is guilty of a disorderly persons offense, and shall ¹,

1 in the case of an adult under the legal age to purchase cannabis
2 items,¹ be fined not less than \$500.

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

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

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

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

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

46 d. Nothing in this act shall apply to possession of alcoholic
47 beverages by any such person while actually engaged in the
48 performance of employment pursuant to an employment permit

1 issued by the Director of the Division of Alcoholic Beverage Control,
2 or for a bona fide hotel or restaurant, in accordance with the
3 provisions of R.S.33:1-26, or while actively engaged in the
4 preparation of food while enrolled in a culinary arts or hotel
5 management program at a county vocational school or **[post**
6 **secondary]** post-secondary educational institution; and nothing in
7 this section shall apply to possession of cannabis items by any such
8 person while actually engaged in the performance of employment by
9 a cannabis establishment, distributor, or delivery service as permitted
10 pursuant to the “New Jersey Cannabis Regulatory, Enforcement
11 Assistance, and Marketplace Modernization Act,”
12 P.L. , c. (C.) (pending before the Legislature as this bill).

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

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

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

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

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

27 (4) the underage person and, if applicable, one or two other
28 persons acting in concert with the underage person who made the 9-
29 1-1 call remained on the scene with the person under the legal age in
30 need of medical assistance until assistance arrived and cooperated
31 with medical assistance and law enforcement personnel on the scene.

32 The underage person who received medical assistance also shall
33 be immune from prosecution under this section.

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

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

41

42 ¹**[67.] 68.**¹ The title of P.L.1981, c.197 is amended to read as
43 follows:

44 **AN ACT** concerning the unauthorized bringing of alcoholic beverages
45 or cannabis items onto school premises, and supplementing
46 chapter 33 of Title 2C of the New Jersey Statutes.

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

1 ¹**[68.] 69.** Section 1 of P.L.1981, c.197 (C.2C:33-16) is amended
2 to read as follows:

3 1. Any person of legal age to purchase alcoholic beverages or
4 cannabis items, who, in the case of alcoholic beverages, knowingly and
5 without the express written permission of the school board, its
6 delegated authority, or any school principal, brings or possesses any
7 alcoholic beverages, or in the case of cannabis items, brings, possesses,
8 or consumes, including by smoking, vaping, or aerosolizing, any
9 cannabis items, on any property used for school purposes which is
10 owned by any school or school board, is guilty of a disorderly
11 persons offense. For purposes of this section, an alcoholic beverage
12 includes powdered alcohol as defined by R.S.33:1-1, and a cannabis
13 item includes any item available for lawful consumption pursuant to
14 the “New Jersey Cannabis Regulatory, Enforcement Assistance, and
15 Marketplace Modernization Act,” P.L. , c. (C.) (pending
16 before the Legislature as this bill).
17 (cf: P.L.1981, c.197, s.1)

18
19 ¹**[69.] 70.** R.S.40:48-1 is amended to read as follows:

20 40:48-1. Ordinances; general purpose. The governing body of
21 every municipality may make, amend, repeal and enforce ordinances
22 to:

23 Finances and property. 1. Manage, regulate and control the
24 finances and property, real and personal, of the municipality;

25 Contracts and contractor's bonds. 2. Prescribe the form and
26 manner of execution and approval of all contracts to be executed by
27 the municipality and of all bonds to be given to it;

28 Officers and employees; duties, terms and salaries. 3. Prescribe
29 and define, except as otherwise provided by law, the duties and terms
30 of office or employment, of all officers and employees; and to
31 provide for the employment and compensation of such officials and
32 employees, in addition to those provided for by statute, as may be
33 deemed necessary for the efficient conduct of the affairs of the
34 municipality;

35 Fees. 4. Fix the fees of any officer or employee of the
36 municipality for any service rendered in connection with his office
37 or position, for which no specific fee or compensation is provided.
38 In the case of salaried officers or employees, such fee shall be paid
39 into the municipal treasury;

40 Salaries instead of fees; disposition of fees. 5. Provide that any
41 officer or employee receiving compensation for his services, in whole
42 or in part by fees, whether paid by the municipality or otherwise,
43 shall be paid a salary to be fixed in the ordinance, and thereafter all
44 fees received by such officer or employee shall be paid into the
45 municipal treasury;

46 Maintain order. 6. Prevent vice, drunkenness and immorality; to
47 preserve the public peace and order; to prevent and quell riots,
48 disturbances and disorderly assemblages; to prohibit the

1 consumption of alcoholic beverages or cannabis items by underage
2 persons on private property pursuant to section 1 of P.L.2000, c.33
3 (C.40:48-1.2);

4 Punish beggars; prevention of loitering. 7. Restrain and punish
5 drunkards, vagrants, mendicants and street beggars; to prevent
6 loitering, lounging or sleeping in the streets, parks or public places;

7 Auctions and noises. 8. Regulate the ringing of bells and the
8 crying of goods and other commodities for sale at auction or
9 otherwise, and to prevent disturbing noises;

10 Swimming; bathing costume; prohibition of public nudity. 9.
11 Regulate or prohibit swimming or bathing in the waters of, in, or
12 bounding the municipality, and to regulate or prohibit persons from
13 appearing upon the public streets, parks and places clad in bathing
14 costumes or robes, or costumes of a similar character; regulate or
15 prohibit persons from appearing in a state of nudity upon all lands
16 within its borders which are under the jurisdiction of the State
17 including, without limitation, all lands owned by, controlled by,
18 managed by or leased by the State;

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

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

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

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

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

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

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

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

7 Firearms and fireworks. 18. Regulate and prohibit the sale and
8 use of guns, pistols, firearms, and fireworks of all descriptions;

9 Soft coal. 19. Regulate the use of soft coal in locomotives,
10 factories, power houses and other places;

11 Theaters, schools, churches and public places. 20. Regulate the
12 use of theaters, cinema houses, public halls, schools, churches, and
13 other places where numbers of people assemble, and the exits
14 therefrom, so that escape therefrom may be easily and safely made in
15 case of fire or panic; and to regulate any machinery, scenery, lights,
16 wires and other apparatus, equipment or appliances used in all places
17 of public amusement;

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

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

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

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

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

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

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

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

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

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

37 Government Energy Aggregation Programs. 31. Establish
38 programs and procedures pursuant to which the municipality may act
39 as a government aggregator pursuant to sections 40 through 43 of
40 P.L.1999, c.23 (C.48:3-89 through C.48:3-92), section 45 of
41 P.L.1999, c.23 (C.48:3-94), and sections 1, 2 and 6 of P.L.2003, c.24
42 (C.48:3-93.1 through C.48:3-93.3). Notwithstanding the provisions
43 of any other law, rule or regulation to the contrary, a municipality
44 acting as a government aggregator pursuant to P.L.1999, c.23
45 (C.48:3-49 et al.) shall not be deemed to be a public utility pursuant
46 to R.S.40:62-24 or R.S.48:1-1 et seq. or be deemed to be operating
47 any form of public utility service pursuant to R.S.40:62-1 et seq., to
48 the extent such municipality is solely engaged in the provision of

1 such aggregation service and not otherwise owning or operating any
2 plant or facility for the production or distribution of gas, electricity,
3 steam or other product as provided in R.S.40:62-12;

4 Joint municipal action on consent for the provision of cable
5 television service. 32. Establish programs and procedures pursuant
6 to which a municipality may act together with one or more
7 municipalities in granting municipal consent for the provision of
8 cable television service pursuant to the provisions of the "Cable
9 Television Act," P.L.1972, c.186 (C.48:5A-1 et seq.) as amended and
10 supplemented. Notwithstanding the provisions of any other law, rule
11 or regulation to the contrary, two or more municipalities acting
12 jointly pursuant to the provisions of P.L.1972, c.186 (C.48:5A-1 et
13 seq.) shall not be deemed a public utility pursuant to R.S.48:1-1 et
14 seq., to the extent those municipalities are solely engaged in granting
15 municipal consent jointly and are not otherwise owning or operating
16 any facility for the provision of cable television service as provided
17 in P.L.1972, c.186 (C.48:5A-1 et seq.);

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

37 Protective Custody. 34. Provide protective custody to persons
38 arrested for operating a motor vehicle under the influence of
39 alcoholic beverages, cannabis items as defined in section 3 of P.L. _____,
40 c. (C. _____) (pending before the Legislature as this bill), any chemical
41 substance, or any controlled dangerous substance in violation of
42 R.S.39:4-50 as provided in section 1 of P.L.2003, c.164 (C.40:48-
43 1.3);

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

48 (cf: P.L.2015, c.142, s.3)

1 ¹**[70.] 71.** (New section) A municipality may enact an ordinance
2 making it unlawful for any person who is of legal age to consume,
3 other than by smoking, vaping, or aerosolizing, a cannabis item
4 available for lawful consumption pursuant to the “New Jersey
5 Cannabis Regulatory, Enforcement Assistance, and Marketplace
6 Modernization Act,” P.L. , c. (C.) (pending before the
7 Legislature as this bill), in any public place as defined in section 3 of
8 that act (C.), other than school property described in section 1 of
9 P.L.1981, c.197 (C.2C:33-16) for which unlawful consumption is a
10 disorderly persons offense, or when not prohibited by the owner or
11 person responsible for the operation of that public place. A person
12 may be subject to a civil penalty of up to \$200, which shall be
13 recovered in a civil action by a summary proceeding in the name of
14 the municipality pursuant to the "Penalty Enforcement Law of 1999,"
15 P.L.1999, c.274 (C.2A:58-10 et seq.). The municipal court and the
16 Superior Court shall have jurisdiction of proceedings for the
17 enforcement of the penalty provided by this section.

18

19 ¹**[71.] 72.** The title of P.L.2000, c.33 is amended to read as
20 follows:

21 **AN ACT** concerning possession and consumption of alcoholic
22 beverages or cannabis items by underaged persons, supplementing
23 Title 40 of the Revised Statutes and amending R.S.40:48-1.
24 (cf: P.L.2000, c.33, title)

25

26 ¹**[72.] 73.** Section 1 of P.L.2000, c.33 (C.40:48-1.2) is amended
27 to read as follows:

28 1. a. A municipality may enact an ordinance making it unlawful
29 for any person under the legal age who, without legal authority,
30 knowingly possesses or knowingly consumes an alcoholic beverage
31 or a cannabis item, other than by smoking, vaping, or aerosolizing,
32 on private property.

33 (1) The ordinance shall provide that a violation involving
34 alcoholic beverage activity shall ¹, in the case of an adult under the
35 legal age to purchase an alcoholic beverage,¹ be punished by a fine
36 of \$250 for a first offense and \$350 for any subsequent offense.

37 (2) The ordinance shall provide that a violation involving
38 cannabis activity ¹, in the case of an adult under the legal age to
39 purchase cannabis items,¹ shall be punished as follows:

40 (a) If the cannabis item possessed is an amount which may be
41 lawfully possessed by a person of the legal age to purchase cannabis
42 items pursuant to section ¹**[44] 45**¹ of P.L. , c. (C.) (pending
43 before the Legislature as this bill): for a first offense, a civil penalty
44 of \$100; for a second offense, a civil penalty of \$200; and for a third
45 or subsequent offense, a fine of \$350. The civil penalties provided
46 for in this subparagraph shall be collected pursuant to the “Penalty
47 Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.), in

1 a summary proceeding before the municipal court having
2 jurisdiction. A penalty recovered under the provisions of this
3 subparagraph shall be recovered by and in the name of the
4 municipality.

5 (b) If the cannabis item possessed is an amount that exceeds what
6 may be lawfully possessed by a person of the legal age to purchase
7 cannabis items pursuant to section ¹~~44~~ 45¹ of P.L. , c. (C.)
8 (pending before the Legislature as this bill), or if any cannabis item
9 is consumed: for a first offense, a fine of \$250; and for a second or
10 subsequent offense, a fine of \$350.

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

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

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

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

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

7 (2) As used in this section:

8 “Alcoholic beverage” includes powdered alcohol as defined by
9 R.S.33:1-1.

10 “Guardian” means a person who has qualified as a guardian of the
11 underaged person pursuant to testamentary or court appointment.

12 “Cannabis items” includes any item available for lawful
13 consumption pursuant to the “New Jersey Cannabis Regulatory,
14 Enforcement Assistance, and Marketplace Modernization Act,”
15 P.L. , c. (C.) (pending before the Legislature as this bill).

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

18 d. No ordinance shall prohibit possession of alcoholic beverages
19 by any such person while actually engaged in the performance of
20 employment by a person who is licensed under Title 33 of the
21 Revised Statutes, or while actively engaged in the preparation of food
22 while enrolled in a culinary arts or hotel management program at a
23 county vocational school or **【post secondary】** post-secondary
24 educational institution, and no ordinance shall prohibit possession of
25 cannabis items by any such person while actually engaged in the
26 performance of employment by a cannabis establishment, distributor,
27 or delivery service as permitted pursuant to the “New Jersey
28 Cannabis Regulatory, Enforcement Assistance, and Marketplace
29 Modernization Act,” P.L. , c. (C.) (pending before the
30 Legislature as this bill); however, no ordinance enacted pursuant to
31 this section shall be construed to preclude the imposition of a penalty
32 under this section, R.S.33:1-81, or any other section of law against a
33 person who is convicted of unlawful alcoholic beverage activity or
34 unlawful cannabis activity on or at premises licensed for the sale of
35 alcoholic beverages or cannabis items.

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

37
38 ¹**【73.】** 74.¹ The title of P.L.2009, c.133 is amended to read as
39 follows:

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

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

45
46 ¹**【74.】** 75.¹ Section 2 of P.L.2009, c.133 (C.40:48-1.2a) is
47 amended to read as follows:

1 2. a. An underage person and one or two other persons shall be
2 immune from prosecution under an ordinance authorized by section
3 1 of P.L.2000, c.33 (C.40:48-1.2) prohibiting any person under the
4 legal age who, without legal authority, knowingly possesses or
5 knowingly consumes an alcoholic beverage or cannabis item on
6 private property 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 who
12 called 9-1-1 provided each of their names to the 9-1-1 operator;

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

15 (4) the underage person and, if applicable, one or two other
16 persons acting in concert with the underage person who made the 9-
17 1-1 call remained on the scene with the person under the legal age in
18 need of medical assistance until assistance arrived and cooperated
19 with medical assistance and law enforcement personnel on the scene.

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

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

25
26 ¹**[75.]** 76.¹ Section 2 of P.L.1981, c.512 (C.39:4-50.4a) is
27 amended to read as follows:

28 2. a. The municipal court shall order any person who, after being
29 arrested for a violation of R.S.39:4-50 or section 1 of P.L.1992, c.189
30 (C.39:4-50.14), refuses to submit, upon request, to a test provided for
31 in section 2 of P.L.1966, c.142 (C.39:4-50.2):

32 (1) if the refusal was in connection with a first offense under this
33 section, to forfeit the right to operate a motor vehicle over the
34 highways of this State until the person installs an ignition interlock
35 device in one motor vehicle owned, leased, or principally operated
36 by the person, whichever the person most often operates, for the
37 purpose of complying with the provisions of P.L.1999, c.417
38 (C.39:4-50.16 et al.);

39 (2) if the refusal was in connection with a second offense under
40 this section, to forfeit the right to operate a motor vehicle over the
41 highways of this State for a period of not less than one year or more
42 than two years following the installation of an ignition interlock
43 device in one motor vehicle owned, leased, or principally operated
44 by the person, whichever the person most often operates, for the
45 purpose of complying with the provisions of P.L.1999, c.417
46 (C.39:4-50.16 et al.);

47 (3) if the refusal was in connection with a third or subsequent
48 offense under this section, to forfeit the right to operate a motor

1 vehicle over the highways of this State for a period of eight years
2 following the installation of an ignition interlock device in one motor
3 vehicle owned, leased, or principally operated by the person,
4 whichever the person most often operates, for the purpose of
5 complying with the provisions of P.L.1999, c.417 (C.39:4-50.16 et
6 al.). A conviction or administrative determination of a violation of a
7 law of a substantially similar nature in another jurisdiction,
8 regardless of whether that jurisdiction is a signatory to the Interstate
9 Driver License Compact pursuant to P.L.1966, c.73 (C.39:5D-1 et
10 seq.), shall constitute a prior conviction under this section.

11 The municipal court shall determine by a preponderance of the
12 evidence whether the arresting officer had probable cause to believe
13 that the person had been driving or was in actual physical control of
14 a motor vehicle on the public highways or quasi-public areas of this
15 State while the person was under the influence of intoxicating liquor
16 or a narcotic, hallucinogenic, or habit-producing drug, or marijuana
17 or cannabis item as defined in section 3 of P.L. _____,
18 c. (C. _____) (pending before the Legislature as this bill); whether
19 the person was placed under arrest, if appropriate, and whether he
20 refused to submit to the test upon request of the officer; and if these
21 elements of the violation are not established, no conviction shall
22 issue. In addition to any other requirements provided by law, a
23 person whose operator's license is revoked for refusing to submit to
24 a test shall be referred to an Intoxicated Driver Resource Center
25 established by subsection (f) of R.S.39:4-50 and shall satisfy the
26 same requirements of the center for refusal to submit to a test as
27 provided for in section 2 of P.L.1966, c.142 (C.39:4-50.2) in
28 connection with a first, second, third or subsequent offense under this
29 section that must be satisfied by a person convicted of a
30 commensurate violation of this section, or be subject to the same
31 penalties as such a person for failure to do so. For a first offense, the
32 revocation may be concurrent with or consecutive to any revocation
33 imposed for a conviction under the provisions of R.S.39:4-50 arising
34 out of the same incident. For a second or subsequent offense, the
35 revocation shall be consecutive to any revocation imposed for a
36 conviction under the provisions of R.S.39:4-50. In addition to
37 issuing a revocation, the municipal court shall fine a person convicted
38 under this section, a fine of not less than \$300 or more than \$500 for
39 a first offense; a fine of not less than \$500 or more than \$1,000 for a
40 second offense; and a fine of \$1,000 for a third or subsequent offense.

41 b. (Deleted by amendment, P.L.2019, c.248)

42 (cf: P.L.2019, c.248, s.3)

43
44 ¹~~76.~~ 77.¹ Section 1 of P.L.1983, c.307 (C.39:4-51a) is
45 amended to read as follows:

46 1. a. A person shall not consume an alcoholic beverage or
47 cannabis item as defined in section 3 of P.L. _____, c. (C. _____) (pending
48 before the Legislature as this bill) while operating a motor vehicle.

1 A passenger in a motor vehicle shall not consume an alcoholic
2 beverage, and shall not consume by means of smoking, vaping, or
3 aerosolizing a cannabis item, while the motor vehicle is being
4 operated. This subsection shall not apply, with respect to the
5 consumption of an alcoholic beverage, to a passenger of a charter or
6 special bus operated as defined under R.S.48:4-1 or a limousine
7 service.

8 b. A person shall be presumed to have consumed an alcoholic
9 beverage in violation of this section if an unsealed container of an
10 alcoholic beverage is located in the passenger compartment of the
11 motor vehicle, the contents of the alcoholic beverage have been
12 partially consumed and the physical appearance or conduct of the
13 operator of the motor vehicle or a passenger may be associated with
14 the consumption of an alcoholic beverage. For the purposes of this
15 section, the term "unsealed" shall mean a container with its original
16 seal broken, or a container such as a glass or cup.

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

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

26

27 ¹**[77.] 78.**¹ Section 6 of P.L.2000, c.83 (C.39:4-51b) is amended
28 to read as follows:

29 6. a. All occupants of a motor vehicle located on a public
30 highway, or the right-of-way of a public highway, shall be prohibited
31 from possessing any open or unsealed alcoholic beverage container
32 or unsealed cannabis item as defined in section 3 of
33 P.L. , c. (C.) (pending before the Legislature as this bill) that
34 is intended to be consumed by means of smoking, vaping, or
35 aerosolizing. This subsection shall not apply, with respect to the
36 possession of an alcoholic beverage, to a passenger of a charter or
37 special bus operated as defined under R.S.48:4-1 or a limousine
38 service.

39 b. A person shall not be deemed to be in possession of an opened
40 or unsealed alcoholic beverage container or unsealed cannabis item
41 pursuant to this section if such container or unsealed cannabis item
42 is located in the trunk of a motor vehicle, behind the last upright seat
43 in a trunkless vehicle, or in the living quarters of a motor home or
44 house trailer. For the purposes of this section, the term "open or
45 unsealed" shall mean **[a]** an alcoholic beverage container with its
46 original seal broken, or a container or package that is not the original

1 container or package such as a glass **[or]** , cup, box, bag, or
2 wrapping.

3 c. For a first offense, a person convicted of violating this section
4 shall be fined \$200 and shall be informed by the court of the penalties
5 for a second or subsequent violation of this section. For a second or
6 subsequent offense, a person convicted of violating this section shall
7 be fined \$250 or shall be ordered by the court to perform community
8 service for a period of 10 days in such form and on such terms as the
9 court shall deem appropriate under the circumstances.
10 (cf: P.L.2000, c.83, s.6)

11

12 ¹79. Section 6 of P.L.1961, c.56 (C.52:17B-71) is amended to
13 read as follows:

14 6. The commission is vested with the power, responsibility and
15 duty:

16 a. To prescribe standards for the approval and continuation of
17 approval of schools at which police training courses authorized by
18 this act and in-service police training courses shall be conducted,
19 including but not limited to currently existing regional, county,
20 municipal, and police chief association police training schools or at
21 which basic training courses and in-service training courses shall be
22 conducted for State and county juvenile and adult correctional police
23 officers and juvenile detention officers;

24 b. To approve and issue certificates of approval to these schools,
25 to inspect the schools from time to time, and to revoke any approval
26 or certificate issued to the schools;

27 c. To prescribe the curriculum, the minimum courses of study,
28 attendance requirements, equipment and facilities, and standards of
29 operation for these schools. Courses of study in crime prevention
30 may be recommended to the Police Training Commission by the
31 Crime Prevention Advisory Committee, established by section 2 of
32 P.L.1985, c.1 (C.52:17B-77.1). The Police Training Commission
33 may prescribe psychological and psychiatric examinations for police
34 recruits while in the schools;

35 d. To prescribe minimum qualifications for instructors at these
36 schools and to certify, as qualified, instructors for approved police
37 training schools and to issue appropriate certificates to the
38 instructors;

39 e. To certify police officers, correctional police officers,
40 juvenile correctional police officers, and juvenile detention officers
41 who have satisfactorily completed training programs and to issue
42 appropriate certificates to the police officers, correctional police
43 officers, juvenile correctional police officers, and juvenile detention
44 officers;

45 f. To advise and consent in the appointment of an administrator
46 of police services by the Attorney General pursuant to section 8 of
47 P.L.1961, c.56 (C.52:17B-73);

48 g. (Deleted by amendment, P.L.1985, c.491 **[.]**)

- 1 h. To make rules and regulations as may be reasonably necessary
2 or appropriate to accomplish the purposes and objectives of this act;
- 3 i. To make a continuous study of police training methods and
4 training methods for correctional police officers, juvenile
5 correctional police officers, and juvenile detention officers and to
6 consult and accept the cooperation of any recognized federal or State
7 law enforcement agency or educational institution;
- 8 j. To consult and cooperate with universities, colleges, and
9 institutes in the State for the development of specialized courses of
10 study for police officers in police science and police administration;
- 11 k. To consult and cooperate with other departments and agencies
12 of the State concerned with police training or the training of
13 correctional police officers, juvenile correctional police officers, and
14 juvenile detention officers;
- 15 l. To participate in unified programs and projects relating to
16 police training and the training of correctional police officers,
17 juvenile correctional police officers, and juvenile detention officers
18 sponsored by any federal, State, or other public or private agency;
- 19 m. To perform other acts as may be necessary or appropriate to
20 carry out its functions and duties as set forth in this act;
- 21 n. To extend the time limit for satisfactory completion of police
22 training programs or programs for the training of correctional police
23 officers, juvenile correctional police officers, and juvenile detention
24 officers upon a finding that health, extraordinary workload, or other
25 factors have, singly or in combination, effected a delay in the
26 satisfactory completion of the training program;
- 27 o. (1) To furnish approved schools, for inclusion in their regular
28 police training courses and curriculum, with information concerning
29 the advisability of high speed chases, the risk caused by them, and
30 the benefits resulting from them;
- 31 (2) To review and approve new standards and course curricula for
32 police training courses or programs to be offered by approved schools
33 for the training of police officers to be certified as a Drug
34 Recognition Expert for detecting, identifying, and apprehending
35 drug-impaired motor vehicle operators. The commission shall
36 consult with the Cannabis Regulatory Commission established by 31
37 of P.L.2019, c.153 (C.24:6I-24) with respect to any aspects of the
38 course curricula that focus on impairment from the use of cannabis
39 items as defined by section 3 of P.L. , c. (C.) (pending before
40 the Legislature as this bill) or marijuana. Any police officer certified
41 and recognized by the commission as a Drug Recognition Expert
42 prior to the effective date of this section, as amended by the “New
43 Jersey Cannabis Regulatory, Enforcement Assistance, and
44 Marketplace Modernization Act,” P.L. , c. (C.) (pending
45 before the Legislature as this bill), shall continue to be recognized as
46 certified until that certification has expired or is no longer considered
47 valid as determined by the commission, or the certification is
48 replaced by the police officer with a new certification in accordance

1 with the new standards and course curricula for certification
2 described in this paragraph.

3 p. To review and approve new standards and course curricula
4 developed by the Department of Corrections for both basic and in-
5 service training of State and county correctional police officers and
6 juvenile detention officers. These courses for the State correctional
7 police officers and juvenile detention officers shall be centrally
8 provided at the Corrections Officers' Training Academy of the
9 Department of Corrections. Courses for the county correctional
10 police officers and juvenile detention officers shall also be centrally
11 provided at the Corrections Officers' Training Academy unless an
12 off-grounds training program is established by the county. A county
13 may elect to establish and conduct a basic training program for
14 correctional police officers and juvenile detention officers seeking
15 permanent appointment in that county. The Corrections Officers'
16 Training Academy shall develop the curriculum of the basic training
17 program to be conducted by a county;

18 q. To administer and distribute the monies in the Law
19 Enforcement Officers Training and Equipment Fund established by
20 section 9 of P.L.1996, c.115 (C.2C:43-3.3) and make rules and
21 regulations for the administration and distribution of the monies as
22 may be necessary or appropriate to accomplish the purpose for which
23 the fund was established.¹

24 (cf: P.L.2019, c.219, s.9)

25

26 ¹~~[78.] 80.~~¹ This act shall take effect as follows:

27 a. (1) Sections 1 through 18, 31 and 32, 38 through ¹~~[43] 45~~¹,
28 ¹~~[51] 52~~¹ through ¹~~[56] 57~~¹, ¹~~[and 69] 70~~¹ through ¹~~[74] 75, and~~
29 section 79¹ shall take effect immediately; and

30 (2) Sections 19 through 30, 33 through 37, ¹~~[44] 46~~¹ through
31 ¹~~[50] 51~~¹, ¹~~[57] 58~~¹ through ¹~~[68] 69~~¹, and ¹~~[75] 76~~¹ through
32 ¹~~[77] 78~~¹ shall take effect immediately, but shall only become
33 operative upon adoption of the commission's initial rules and
34 regulations pursuant to subparagraph (a) of paragraph (1) of
35 subsection d. of section 6 of P.L. , c. (C.) (pending before
36 the Legislature as this bill).

37 b. The Attorney General, State Treasurer, Commissioner of
38 Health, Commissioner of Banking and Insurance, and the
39 Administrative Director of the Courts, and once constituted and
40 organized, the Cannabis Regulatory Commission, may take such
41 anticipatory administrative action as may be necessary to effectuate
42 the provisions of P.L. , c. (C.) (pending before the Legislature
43 as this bill).