

[Second 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 State regulation; decriminalizes small amount marijuana and hashish possession; removes marijuana as Schedule I drug.

CURRENT VERSION OF TEXT

As reported by the Senate Judiciary Committee on December 14, 2020, with amendments.



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

3

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

6

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

10

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

12 a. It is the intent of the people of New Jersey to adopt a new
13 approach to our marijuana policies by controlling and legalizing a
14 ²form of² marijuana ²**[product]**², to be referred to as cannabis, in a
15 similar fashion to the regulation of alcohol for adults;

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

19 c. This act is designed to eliminate the problems caused by the
20 unregulated ²**[manufacture]** manufacturing², distribution, and use
21 of illegal marijuana 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 ²**[like]** in a
30 similar fashion to² alcohol will free up precious resources to allow
31 our criminal justice system to focus on serious ²**[crime]** criminal
32 activities² and public safety issues;

33 h. Controlling and legalizing cannabis for adults ²**[like]** in a
34 similar fashion to² alcohol will strike a blow at the illegal
35 enterprises that profit from New Jersey’s current, unregulated
36 illegal marijuana market;

37 i. New Jersey must strengthen ²**[our]** its² support for
38 evidence-based, drug ²use² prevention programs that work to
39 educate New Jerseyans, particularly young New Jerseyans, about
40 the harms of drug abuse;

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

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.

²Senate SJU committee amendments adopted December 14, 2020.

1 k. Controlling and regulating the ²**[manufacture]**
2 manufacturing², distribution, and ²**[sale]** sales² of cannabis will
3 strengthen our ability to keep it ²**[and]** along with² illegal
4 marijuana away from minors;

5 l. A controlled system of cannabis manufacturing, distribution,
6 and ²**[sale]** sales² must be designed in a way that enhances public
7 health and minimizes harms to New Jersey communities and
8 families;

9 m. The ²**[regulated]** legalized² cannabis ²**[system]**
10 marketplace² in New Jersey must be regulated so as to prevent
11 persons younger than 21 years of age from accessing or purchasing
12 cannabis;

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

17 o. New Jersey cannot afford to sacrifice public safety and
18 ²**[individuals']**² civil rights by continuing its ineffective and wasteful
19 past marijuana enforcement policies.

20

21 3. (New section) Definitions.

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

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

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

1 2 and applied to any offense ¹~~["or civil violation"]~~¹ set forth in
2 chapters 35, 35A, and 36 of Title 2C of the New Jersey Statutes, or
3 P.L.2001, c.114 (C.2C:35B-1 et seq.), or marihuana as defined in
4 section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense
5 set forth in the "New Jersey Controlled Dangerous Substances Act,"
6 P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product
7 cultivated, handled, processed, transported, or sold pursuant to the
8 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

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

22 ¹"Cannabis cultivator" means any licensed person or entity that
23 grows, cultivates, or produces cannabis in this State, and sells, and
24 may transport, this cannabis to other cannabis cultivators, or usable
25 cannabis to cannabis manufacturers, cannabis wholesalers, or
26 cannabis retailers, but not to consumers. This person or entity shall
27 hold a Class 1 Cannabis Cultivator license.¹

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

38 "Cannabis distributor" means any licensed person or entity that
39 transports ¹cannabis in bulk intrastate from one licensed cannabis
40 cultivator to another licensed cannabis cultivator, or transports¹
41 cannabis items in bulk intrastate ¹[","]¹ from ¹any¹ one ¹class of¹
42 licensed cannabis establishment to another ¹class of¹ licensed
43 cannabis establishment, and may engage in the temporary storage of
44 ¹cannabis or¹ cannabis items as necessary to carry out
45 transportation activities. This person or entity shall hold a Class 4
46 Cannabis Distributor license.

1 “Cannabis establishment” means a cannabis ¹grower
2 cultivator¹, ¹also referred to as a cannabis cultivation facility¹, a
3 cannabis ¹processor manufacturer¹, ¹also referred to as a
4 cannabis product manufacturing facility¹, a cannabis wholesaler,
5 or a cannabis retailer.

6 “Cannabis extract” means a substance obtained by separating
7 resins from cannabis by: (1) a chemical extraction process using a
8 hydrocarbon-based solvent, such as butane, hexane, or propane; (2)
9 a chemical extraction process using the hydrocarbon-based solvent
10 carbon dioxide, if the process uses high heat or pressure; or (3) any
11 other process identified by the Cannabis Regulatory Commission by
12 rule ²or regulation².

13 “Cannabis flower” means the flower of the plant *Cannabis sativa*
14 L. within the plant family Cannabaceae.

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

22 “Cannabis item” means any ¹usable¹ cannabis, ¹cannabis
23 resin¹, cannabis product, ¹and¹ cannabis extract ¹, and any other
24 cannabis resin¹. “Cannabis item” does not include: any form of
25 medical cannabis dispensed to registered qualifying patients
26 pursuant to the “Jake Honig Compassionate Use Medical Cannabis
27 Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158
28 (C.18A:40-12.22 et al.); or hemp or a hemp product cultivated,
29 handled, processed, transported, or sold pursuant to the “New
30 Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.).

31 “Cannabis leaf” means the leaf of the plant *Cannabis sativa* L.
32 within the plant family Cannabaceae.

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

40 “Cannabis paraphernalia” means any equipment, products, or
41 materials of any kind which are used, intended for use, or designed
42 for use in planting, propagating, cultivating, growing, harvesting,
43 composting, manufacturing, compounding, converting, producing,
44 processing, preparing, testing, analyzing, packaging, repackaging,
45 storing, vaporizing, or containing cannabis, or for ingesting,
46 inhaling, or otherwise introducing a cannabis item into the human
47 body. “Cannabis paraphernalia” does not include drug

1 paraphernalia as defined in N.J.S.2C:36-1 and which is used or
2 intended for use to commit a violation of chapter 35 ²or 36² of Title
3 2C of the New Jersey Statutes.

4 ¹“Cannabis processor” means any licensed person or entity that
5 processes cannabis items in this State by purchasing or otherwise
6 obtaining cannabis, manufacturing, preparing, and packaging
7 cannabis items, and selling, and optionally transporting, these items
8 to other cannabis processors, cannabis wholesalers, or cannabis
9 retailers, but not to consumers. This person or entity shall hold a
10 Class 2 Cannabis Processor license. A cannabis processor may also
11 be referred to as a “cannabis product manufacturing facility.”¹

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

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

38 “Cannabis retailer” means any licensed person or entity that
39 purchases or otherwise obtains ¹usable¹ cannabis from cannabis
40 ¹[growers] cultivators¹ and cannabis items from cannabis
41 ¹[processors] manufacturers¹ or cannabis wholesalers, and sells
42 these to consumers from a retail store, and may use a cannabis
43 delivery service or a certified cannabis handler for the off-premises
44 delivery of cannabis items and related supplies to consumers. ¹A
45 cannabis retailer shall also accept consumer purchases to be
46 fulfilled from its retail store that are presented by a cannabis

1 delivery service which will be delivered by the cannabis delivery
2 service to that consumer.¹ This person or entity shall hold a Class 5
3 Cannabis Retailer license.

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

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

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

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

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

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

36 “Delivery” means the transportation of cannabis items and
37 related supplies to a consumer. “Delivery” also includes the use by
38 a licensed cannabis retailer of any third party technology platform
39 to receive, process, and fulfill orders by consumers, ²which third
40 party shall not be required to be a licensed cannabis establishment,
41 distributor, or delivery service,² provided that any physical acts in
42 connection with ²**[filling]** fulfilling² the order and delivery shall be
43 accomplished by a certified cannabis handler performing work for
44 or on behalf of the licensed cannabis retailer ¹, which includes a
45 certified cannabis handler employed or otherwise working on behalf
46 of a cannabis delivery service making off-premises deliveries of
47 consumer purchases fulfilled by that cannabis retailer¹ .

1 “Department” means the Department of Health.

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

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

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

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

12 “Impact zone” means any municipality, based on past criminal
13 marijuana enterprises contributing to higher concentrations of law
14 enforcement activity, unemployment, and poverty ², or any
15 combination thereof,² within parts of or throughout the
16 municipality, that:

17 (1) has a population of 120,000 or more according to the most
18 recently compiled federal decennial census as of the effective date
19 of P.L. , c. (C.) (pending before the Legislature as this bill);
20 ²**[or]**²

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

35 (3) is a municipality located in a county of the third class, based
36 upon the county’s population according to the most recently
37 compiled federal decennial census as of the effective date of P.L. ,
38 c. (C.) (pending before the Legislature as this bill), that
39 meets all of the criteria set forth in paragraph (2) other than having
40 a crime index total of 825 or higher; or

41 (4) is a municipality located in a county of the second class,
42 based upon the county’s population according to the most recently
43 compiled federal decennial census as of the effective date of P.L. ,
44 c. (C.) (pending before the Legislature as this bill):

45 (a) with a population of less than 60,000 according to the most
46 recently compiled federal decennial census, that for calendar year
47 2019 ranks in the top 40 percent of municipalities in the State for

1 marijuana- or hashish-related arrests for violation of paragraph (4)
2 of subsection a. of N.J.S.2C:35-10; has a crime index total of 1,000
3 or higher based upon the indexes listed in the 2019 annual Uniform
4 Crime Report by the Division of State Police; but for calendar year
5 2019 does not have a local average annual unemployment rate that
6 ranks in the top 15 percent of all municipalities, based upon average
7 annual unemployment rates estimated for the relevant calendar year
8 by the Office of Research and Information in the Department of
9 Labor and Workforce Development; or

10 (b) with a population of not less than 60,000 or more than 80,000
11 according to the most recently compiled federal decennial census;
12 has a crime index total of 650 or higher based upon the indexes
13 listed in the 2019 annual Uniform Crime Report; and for calendar
14 year 2019 has a local average annual unemployment rate of 3.0
15 percent or higher using the same estimated annual unemployment
16 rates².

17 “License” means a license issued under P.L. , c. (C.)
18 (pending before the Legislature as this bill), including a license that
19 is designated as either a Class 1 Cannabis ¹**【Grower】** Cultivator¹
20 license, a Class 2 Cannabis ¹**【Processor】** Manufacturer¹ license, a
21 Class 3 Cannabis Wholesaler license, a Class 4 Cannabis
22 Distributor license, a Class 5 Cannabis Retailer license, or a Class 6
23 Cannabis Delivery license. The term includes a conditional license
24 for a designated class, except when the context of the provisions of
25 P.L. , c. (C.) (pending before the Legislature as this bill)
26 otherwise intend to only apply to a license and not a conditional
27 license.

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

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

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

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

1 “Medical cannabis” means cannabis dispensed to registered
2 qualifying patients pursuant to the “Jake Honig Compassionate Use
3 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and
4 P.L.2015, c.158 (C.18A:40-12.22 et al.). “Medical cannabis” does
5 not include any ²cannabis or² cannabis item which is cultivated,
6 produced, processed, and consumed in accordance with P.L. ,
7 c. (C.) (pending before the Legislature as this bill).

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

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

35 “Premises” or “licensed premises” includes the following areas
36 of a location licensed under P.L. , c. (C.) (pending before
37 the Legislature as this bill): all public and private enclosed areas at
38 the location that are used in the business operated at the location,
39 including offices, kitchens, rest rooms, and storerooms; all areas
40 outside a building that the Cannabis Regulatory Commission has
41 specifically licensed for the production, ¹**[processing]**
42 manufacturing¹, wholesaling, distributing, retail sale, or delivery of
43 cannabis items; and, for a location that the commission has
44 specifically licensed for the production of cannabis outside a
45 building, the entire lot or parcel that the licensee owns, leases, or
46 has a right to occupy.

1 ¹“Process” means the processing, compounding, or conversion
2 of cannabis into cannabis products or cannabis extracts. “Process”
3 does not include packaging or labeling. ¹”

4 “Produce” means the ¹“manufacture,”¹ planting, cultivation,
5 growing or harvesting of cannabis. “Produce” does not include the
6 drying of cannabis by a cannabis ¹“processor” manufacturer¹, if the
7 cannabis ¹“processor” manufacturer¹ is not otherwise ¹“producing”
8 manufacturing¹ cannabis ¹“; or the cultivation and growing of an
9 immature cannabis plant by a cannabis processor, cannabis
10 wholesaler, or cannabis retailer if the cannabis processor, cannabis
11 wholesaler, or cannabis retailer purchased or otherwise received the
12 plant from a licensed cannabis grower”¹.

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

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

25 “Significantly involved person” means a person or entity who
26 holds at least a five percent investment interest in a proposed or
27 licensed cannabis ¹“grower” cultivator¹, cannabis ¹“processor”
28 manufacturer¹, cannabis wholesaler, cannabis distributor, ¹“or”¹
29 cannabis retailer, ¹“or cannabis delivery service,”¹ or who is a
30 decision making member of a group that holds at least a 20 percent
31 investment interest in a proposed or licensed cannabis ¹“grower”
32 cultivator¹, cannabis ¹“processor” manufacturer¹, cannabis
33 wholesaler, cannabis distributor, ¹“or”¹ cannabis retailer ¹“or”¹
34 cannabis delivery service,”¹ in which no member of that group holds
35 more than a five percent interest in the total group investment
36 interest, and the person or entity makes controlling decisions
37 regarding the proposed or licensed cannabis ¹“grower” cultivator¹,
38 cannabis ¹“processor” manufacturer¹, cannabis wholesaler,
39 cannabis distributor, ¹“or”¹ cannabis retailer ¹“or cannabis delivery
40 service”¹ operations.

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

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

4 ¹“Usable cannabis” means the dried leaves and flowers of the
5 female plant Cannabis sativa L. , and does not include the seedlings,
6 seeds, stems, stalks, or roots of the plant.¹
7

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

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

12 "Academic medical center" means (1) an entity located in New
13 Jersey that, on the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
14 al.), has an addiction medicine faculty practice or is in the same
15 health care system as another facility located in New Jersey that
16 offers outpatient medical detoxification services or inpatient
17 treatment services for substance use disorder; has a pain
18 management faculty practice or a facility-based pain management
19 service located in New Jersey; has graduate medical training
20 programs accredited, or pending accreditation, by the Accreditation
21 Council for Graduate Medical Education or the American
22 Osteopathic Association in primary care and medical specialties; is
23 the principal teaching affiliate of a medical school based in the
24 State; and has the ability to conduct research related to medical
25 cannabis **【. If¹ , and if¹ . If¹** the entity is part of a system of
26 health care facilities, the entity shall not qualify as an academic
27 medical center unless the health care system is principally located
28 within the State; or

29 (2) an accredited school of ¹**【medicine or¹】¹** osteopathic
30 medicine that ¹:¹ is located in a state that shares a common border
31 with this State; has an articulation agreement or similar
32 memorandum of understanding ¹, plus an agreement to establish
33 and maintain an apprenticeship program in this State to train
34 workers in the cannabis industry, which training would earn college
35 credit,¹ with any State college or university ¹located in a county of
36 the first class¹ with a college of nursing or nursing degree program
37 accredited by the Commission on Collegiate Nursing Education ¹on
38 the effective date of P.L. , c. (C.) (pending before the
39 Legislature as this bill)¹ ; and has an institutional review board that
40 has, on the effective date of P.L. , c. (C.) (pending before
41 the Legislature as this bill), previously approved a clinical research
42 study ¹in this State¹ involving medical cannabis; and has the ability
43 and will conduct all research and development in ¹**【this State】** the
44 county in which the partner State college or university is located¹.

45 "Adverse employment action" means refusing to hire or employ
46 an individual, barring or discharging an individual from

1 employment, requiring an individual to retire from employment, or
2 discriminating against an individual in compensation or in any
3 terms, conditions, or privileges of employment.

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

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

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

17 "Commissioner" means the Commissioner of Health.

18 "Common ownership or control" means:

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

21 (2) between a nonprofit entity and a for-profit entity, a majority
22 of the directors, trustees, or members of the governing body of the
23 nonprofit entity directly or indirectly own and control more than 50
24 percent of the for-profit entity; and

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

28 "Department" means the Department of Health.

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

30 (1) is at least 18 years old;

31 (2) has agreed to assist with a registered qualifying patient's
32 medical use of cannabis, is not currently serving as ²a² designated
33 caregiver for more than one other qualifying patient, and is not the
34 qualifying patient's health care practitioner;

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

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

1 (5) has been designated as ²a² designated caregiver by the
2 patient when registering or renewing a registration with the
3 commission or in other written notification to the commission.

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

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

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

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

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

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

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

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

39 (1) is at least 18 years old;

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

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

45 (4) is authorized by the health care facility employing the person
46 to assist registered qualifying patients who are patients or residents
47 of the facility with the medical use of cannabis, including, but not
48 limited to, obtaining medical cannabis for registered qualifying

1 patients and assisting registered qualifying patients with the
2 administration of medical cannabis;

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

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

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

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

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

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

1 paraphernalia, or related supplies to qualifying patients, designated
2 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,
9 and related supplies and paraphernalia from other medical cannabis
10 dispensaries and from clinical registrants; deliver, transfer,
11 transport, distribute, supply, and sell medical cannabis and medical
12 cannabis products to other medical cannabis dispensaries; furnish
13 medical cannabis, including medical cannabis products, to a
14 medical cannabis handler for delivery to a registered qualifying
15 patient, designated caregiver, or institutional caregiver consistent
16 with the requirements of subsection i. of section 27 of P.L.2019,
17 c.153 (C.24:6I-20); and possess, display, deliver, transfer, transport,
18 distribute, supply, sell, and dispense medical cannabis, medical
19 cannabis products, paraphernalia, and related supplies to qualifying
20 patients, designated caregivers, and institutional caregivers. A
21 medical cannabis dispensary permit shall not authorize the permit
22 holder to cultivate medical cannabis, to produce, manufacture, or
23 otherwise create 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
43 al.) 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
45 has 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,
9 including epilepsy; intractable skeletal muscular spasticity; post-
10 traumatic 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
15 months of life; anxiety; migraine; Tourette's syndrome;
16 dysmenorrhea; chronic pain; opioid use disorder; or any other
17 medical condition or its treatment that is approved by the
18 commission.

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

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

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

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

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

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

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

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

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

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

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

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

38 (a) One member shall be appointed upon recommendation of the
39 Senate President;

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

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

44 (3) Initial appointments of commission members pursuant to
45 paragraph (2) of this subsection shall not require the advice and
46 consent of the Senate. Subsequent appointments made pursuant to
47 subparagraph (c) of paragraph (2) of this subsection, including
48 reappointments of members initially appointed, shall be made with

1 the advice and consent of the Senate. Subsequent appointments
2 made pursuant to subparagraphs (a) and (b) of paragraph (2) of this
3 subsection shall be made in the same manner as the original
4 appointment.

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

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

29 (6) The chair and other members of the commission shall devote
30 full time to their respective duties of office and shall not pursue or
31 engage in any other business, occupation, or gainful employment.
32 Each member shall receive an annual salary to be fixed and
33 established by the Governor, which for the chair shall not exceed
34 \$141,000, and for the other members shall not exceed \$125,000.

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

47 (8) A majority of the total authorized membership of the
48 commission shall be required to establish a quorum, and a majority

1 of the total authorized membership of the commission shall be
2 required to exercise its powers at any meeting thereof. However,
3 only if all five commissioners have been duly appointed in
4 accordance with the appointment process set forth in paragraph (2)
5 of this subsection, and five appointed commissioners are present at
6 a meeting, may a majority of the total authorized membership act to
7 assume the powers, duties, and responsibilities with regard to the
8 regulation and oversight of activities authorized pursuant to
9 P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health;
10 and similarly, only if all five appointed commissioners are present
11 at a meeting, may a majority of the total authorized membership act
12 to adopt the commission's initial rules and regulations concerning
13 personal use cannabis pursuant to subparagraph (a) of paragraph (1)
14 of subsection d. of section 6 of P.L. , c. (C.) (pending
15 before the Legislature as this bill), by which the licensing of
16 cannabis establishments, ²distributors, and delivery services,² and
17 the lawfully permitted licensing activities of those establishments,
18 ²distributors, and delivery services² may begin.

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

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

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

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

46 (b) (i) All employees of the commission under the direct
47 supervision of the executive director, except for secretarial and
48 clerical personnel, shall be in the State's unclassified service. All

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

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

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

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

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

1 residing in the same household as the Governor, President of the
2 Senate, or Speaker of the General Assembly.

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

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

11 (1) the commission's organization;

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

13 (3) the overall effectiveness of the commission as a full time
14 entity; and

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

22 The commission shall submit the findings of the independent
23 study, along with the commission's recommendations for
24 appropriate executive, administrative, or legislative action, to the
25 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
26 19.1), to the Legislature.

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

28

29 6. (New section) Commission Activities Associated with the
30 Personal Use of Cannabis ²**[:]** ²

31 a. The Cannabis Regulatory Commission shall have all powers
32 necessary or proper to enable it to carry out the commission's
33 duties, functions, and powers under P.L. , c. (C.) (pending
34 before the Legislature as this bill). The jurisdiction, supervision,
35 duties, functions, and powers of the commission extend to any
36 person who buys, sells, ²cultivates,² produces, ²**[processes]**
37 manufactures², transports, or delivers any ²cannabis or² cannabis
38 items within this State.

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

41 (1) To regulate the purchase, sale, ²cultivation,² production,
42 ²**[processing]** manufacturing², transportation, and delivery of
43 ²cannabis or² cannabis items in accordance with the provisions of
44 P.L. , c. (C.) (pending before the Legislature as this bill);

45 (2) To grant, refuse, suspend, revoke, cancel, or take actions
46 otherwise limiting licenses or conditional licenses for the sale,
47 ²**[processing]** cultivation², ²**[or]**² production ², or manufacturing²

1 of cannabis items, or other licenses in regard to cannabis items, and
2 to permit, in the commission's discretion, the transfer of a license
3 between persons;

4 (3) To investigate and aid in the prosecution of every violation
5 of the statutory laws of this State relating to ²cannabis and²
6 cannabis items and to cooperate in the prosecution of offenders
7 before any State court of competent jurisdiction;

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

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

17 (a) Issuing subpoenas;

18 (b) Compelling attendance of witnesses;

19 (c) Administering oaths;

20 (d) Certifying official acts;

21 (e) Taking depositions as provided by law;

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

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

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

32 (7) To regulate the use of ²cannabis and² cannabis items for
33 scientific, pharmaceutical, manufacturing, mechanical, industrial,
34 and other purposes.

35 c. The powers of the commission further include the power to
36 purchase, seize, possess, and dispose of ²cannabis and² cannabis
37 items. The commission may purchase, possess, seize, or dispose of
38 ²cannabis and² cannabis items as is necessary to ensure compliance
39 with and enforcement of the provisions of P.L. , c. (C.)
40 (pending before the Legislature as this bill), and any rule adopted
41 pursuant thereto. Any State officer, board, commission,
42 corporation, institution, department, or other State body, and any
43 local officer, board, commission, institution, department, or other
44 local government body, that is permitted by the statutory laws of
45 this State to perform a duty, function, or power with respect to
46 ²cannabis or² a cannabis item, may purchase, possess, seize, or
47 dispose of the ²cannabis or² cannabis item as the State officer,

1 board, commission, corporation, institution, department or other
2 State body, or the local officer, board, commission, institution,
3 department, or other local government body, considers necessary to
4 ensure compliance with and enforce the applicable statutory law or
5 any rule adopted under the applicable statutory law.

6 d. (1) (a) Within 180 days after the effective date of this
7 section, which takes effect immediately upon enactment of P.L. ,
8 c. (C.) (pending before the Legislature as this bill), or within
9 45 days of all five members of the commission being duly
10 appointed in accordance with the appointment process set forth in
11 paragraph (2) of subsection b. of section 31 of P.L.2019, c.153
12 (C.24:6I-24), whichever date is later, and notwithstanding the
13 provisions of the “Administrative Procedure Act,” P.L.1968, c.410
14 (C.52:14B-1 et seq.), to the contrary, the commission, after
15 consultation with the Attorney General, State Treasurer,
16 Commissioner of Health, and Commissioner of Banking and
17 Insurance, shall, immediately upon filing proper notice with the
18 Office of Administrative Law, adopt rules and regulations prepared
19 by the commission necessary or proper to enable it to carry out the
20 commission’s duties, functions, and powers with respect to
21 overseeing the development, regulation, and enforcement of
22 activities associated with the personal use of cannabis pursuant to
23 P.L. , c. (C.).

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

33 (2) On the date of adoption of the initial rules and regulations
34 pursuant to subparagraph (a) of paragraph (1) of this subsection, the
35 provisions of P.L. , c. (C.) (pending before the Legislature
36 as this bill) shall become operative, other than those provisions
37 which were operative immediately upon enactment. Subsequent to
38 the date of adoption of the initial rules and regulations, the
39 commission shall determine the first date thereafter on which
40 cannabis retailers issued licenses and conditional licenses may
41 begin retail sales of personal use cannabis items, which latter date
42 shall not be more than 180 days after the commission’s adoption of
43 its initial rules and regulations. The commission shall provide
44 every person or entity issued licenses or conditional licenses by the
45 commission with at least 30 days’ notice of this date, and shall also
46 provide ²【the 30-day】 this² notice to every alternative treatment
47 center deemed to be licensed for personal use cannabis activities
48 pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), as amended by

1 P.L. , c. (C.) (pending before the Legislature as this bill),
2 whether or not already engaged in retail sales of personal use
3 cannabis items as permitted prior to the retail sales date established
4 pursuant to this paragraph, as set forth in paragraph (3) of
5 subsection a. of section 33 of P.L. , c. (C.) (pending before
6 the Legislature as this bill).

7

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

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

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

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

1 thereof, cataloged by the jurisdictions in which the stop occurred,
2 and the race, ethnicity, gender, and age of the vehicle driver and
3 any other vehicle occupants, the number of deliveries of medical
4 cannabis performed and the percentage of total medical cannabis
5 dispensations that were completed by delivery, and the number of
6 health care practitioners authorizing patients for the medical use of
7 cannabis, including the types of license or certification held by
8 those practitioners; and

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

13 (a) the number of ²[civil penalty]² citations ²[or] ² arrests ² ²
14 or charges for manufacturing, distributing, or possessing or having
15 under control with the intent to distribute marijuana or hashish in
16 violation of paragraph (12) of subsection b. of N.J.S.2C:35-5, or for
17 obtaining or possessing marijuana or hashish in violation of
18 paragraph ²[(4)] (3)² of subsection a. of N.J.S.2C:35-10, cataloged
19 by the jurisdictions in which the acts resulting in the citations,
20 arrests, or charges occurred, and the race, ethnicity, gender, and age
21 of the persons cited, arrested, or charged;

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

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

35 (d) the data compiled by the Office of Minority, Disabled
36 Veterans, and Women Cannabis Business Development pursuant to
37 section 32 of P.L.2019, c.153 (C.24:6I-25) about participation in the
38 lawful operation of cannabis establishments ², distributors, and
39 delivery services² by persons from socially and economically
40 disadvantaged communities, including minority, disabled veterans',
41 and women's business licensing and business development in the
42 personal use cannabis marketplace, and the data shall include the
43 office's analysis of the total number of licenses applied for and
44 issued since the distribution of the previous report to the Governor
45 and Legislature compared with the total number of minority
46 businesses and women's businesses, as these terms are defined in
47 section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled

1 veterans' businesses, as defined in section 2 of P.L.2015, c.116
2 (C.52:32-31.2), that submitted applications for licenses and whether
3 they were approved, reapproved, or denied.

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

6 c. (1) Within two years after the effective date of P.L.2009,
7 c.307 (C.24:6I-1 et al.) and every two years thereafter, the
8 commissioner or, after the effective date of P.L.2019, c.153
9 (C.24:6I-5.1 et al.), the commission, shall: evaluate whether there
10 are sufficient numbers of medical cannabis cultivators, medical
11 cannabis manufacturers, medical cannabis dispensaries, and clinical
12 registrants to meet the needs of registered qualifying patients
13 throughout the State; evaluate whether the maximum amount of
14 medical cannabis allowed pursuant to P.L.2009, c.307 (C.24:6I-1 et
15 al.) is sufficient to meet the medical needs of qualifying patients;
16 and determine whether any medical cannabis cultivator, medical
17 cannabis manufacturer, medical cannabis dispensary, or clinical
18 registrant has charged excessive prices in connection with medical
19 cannabis.

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

26 (2) The commission, beginning no later than one year after the
27 effective date of P.L. , c. (C.) (pending before the
28 Legislature as this bill), may also include in its reports information
29 concerning its periodic evaluation of whether the existing numbers
30 of cannabis ¹[growers] cultivators¹ , cannabis ¹[processors]
31 manufacturers¹ , cannabis wholesalers, cannabis distributors,
32 cannabis retailers, and cannabis delivery services are sufficient to
33 meet the personal use cannabis market demands of the State, and
34 actions the commission may take to issue additional cannabis
35 licenses as authorized by paragraph (1) of subsection a. of section
36 18 of P.L. , c. (C.) (pending before the Legislature as this
37 bill), or if there is an oversupply of licenses, as well as information
38 about any increase in the rates of use of marijuana and cannabis by
39 persons under 21 years of age.

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

41

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

44 33. a. No person shall be appointed to or employed by the
45 commission if, during the period commencing three years prior to
46 appointment or employment, the person held any direct or indirect

1 interest in, or any employment by, any holder of, or applicant for, a
2 medical cannabis cultivator, medical cannabis manufacturer,
3 medical cannabis dispensary, or clinical registrant permit pursuant
4 to P.L.2009, c.307 (C.24:6I-1 et al.) or otherwise employs any
5 certified medical cannabis handler to perform transfers or deliveries
6 of medical cannabis, or a cannabis ¹grower cultivator¹, cannabis
7 ¹processor manufacturer¹, cannabis wholesaler, cannabis
8 distributor, cannabis retailer, or cannabis delivery service ²license
9 pursuant to P.L. , c. (C.) (pending before the Legislature as
10 this bill)², or an entity that employs or uses a certified personal use
11 cannabis handler to perform work for or on behalf of a licensed
12 cannabis establishment, distributor, or delivery service; provided,
13 however, that notwithstanding any other provision of law to the
14 contrary, any such person may be appointed to or employed by the
15 commission if the person's prior interest in any such permit holder,
16 license holder, entity, or applicant would not, in the opinion of the
17 commission, interfere with the objective discharge of the person's
18 obligations of appointment or employment, but in no instance shall
19 any person be appointed to or employed by the commission if the
20 person's prior interest in such permit holder, license holder, entity,
21 or applicant constituted a controlling interest in that permit holder,
22 license holder, entity, or applicant; and provided further, however,
23 that notwithstanding any other provision of law to the contrary, any
24 such person may be employed by the commission in a secretarial or
25 clerical position if, in the opinion of the commission, the person's
26 previous employment by, or interest in, any permit holder, license
27 holder, entity, or applicant would not interfere with the objective
28 discharge of the person's employment obligations.

29 b. Prior to appointment or employment, each member of the
30 commission and each employee of the commission shall swear or
31 affirm that the member or employee, as applicable, possesses no
32 interest in any business or organization issued a medical cannabis
33 cultivator, medical cannabis manufacturer, medical cannabis
34 dispensary, or clinical registrant permit, or cannabis ¹grower
35 cultivator¹, cannabis ¹processor manufacturer¹, cannabis
36 wholesaler, cannabis distributor, cannabis retailer, or cannabis
37 delivery service license by the commission, or in any entity that
38 employs or uses a certified personal use cannabis handler to
39 perform work for or on behalf of a licensed cannabis establishment,
40 distributor, or delivery service.

41 c. (1) Each member of the commission shall file with the State
42 Ethics Commission a financial disclosure statement listing all assets
43 and liabilities, property and business interests, and sources of
44 income of the member and the member's spouse, domestic partner,
45 or partner in a civil union couple, as the case may be, and shall also

1 provide to the State Ethics Commission in the same financial
2 disclosure statement a list of all assets and liabilities, property and
3 business interests, and sources of income of each dependent child or
4 stepchild, recognized by blood or by law, of the member, or of the
5 spouse, domestic partner, or partner in a civil union couple residing
6 in the same household as the member. Each statement shall be
7 under oath and shall be filed at the time of appointment and
8 annually thereafter.

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

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

22

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

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

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

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

37 c. The Code of Ethics promulgated and maintained by the
38 commission, and any amendments or restatements thereof, shall be
39 submitted to the State Ethics Commission for approval. The
40 **[Codes]** Code of Ethics shall include, but not be limited to,
41 provisions that:

42 (1) No commission member or employee shall be permitted to
43 enter and engage in any activities, nor have any interest, directly or
44 indirectly, in any medical cannabis cultivator, medical cannabis
45 manufacturer, medical cannabis dispensary, or clinical registrant
46 issued a permit by the commission in accordance with 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 any cannabis ¹[grower] cultivator¹, cannabis
4 ¹[processor] manufacturer¹, cannabis wholesaler, cannabis
5 distributor, cannabis retailer, or cannabis delivery service issued a
6 license by the commission in accordance with P.L. , c. (C.)
7 (pending before the Legislature as this bill) or any entity that
8 employs or uses a certified personal use cannabis handler to
9 perform work for or on behalf of a licensed cannabis establishment,
10 distributor, or delivery service, except in the course of the
11 member's or employee's duties; provided that nothing in this
12 paragraph shall be construed to prohibit a member or employee who
13 is a registered qualifying patient, or who is serving as a designated
14 caregiver or institutional caregiver for a registered qualifying
15 patient, from being dispensed medical cannabis consistent with the
16 requirements of P.L.2009, c.307 (C.24:6I-1 et al.) ¹; and further
17 provided that nothing in this paragraph shall be construed to
18 prohibit a member or employee from being sold cannabis items by a
19 cannabis retailer as a consumer as authorized by P.L. ,
20 c. (C.) (pending before the Legislature as this bill)¹.

21 (2) No commission member or employee shall solicit or accept
22 employment from any holder of, or applicant for, a medical
23 cannabis cultivator, medical cannabis manufacturer, medical
24 cannabis dispensary, or clinical registrant permit or any entity that
25 employs any certified medical cannabis handler to perform transfers
26 or deliveries of medical cannabis, or ²[any] a² cannabis ¹[grower]
27 cultivator¹, cannabis ¹[processor] manufacturer¹, cannabis
28 wholesaler, cannabis distributor, cannabis retailer, or cannabis
29 delivery service ²[issued a]² license ²[by the commission in
30 accordance with P.L. , c. (C.) (pending before the
31 Legislature as this bill)]² or any entity that employs or uses a
32 certified personal use cannabis handler to perform work for or on
33 behalf of a licensed cannabis establishment, distributor, or delivery
34 service, for a period of two years after termination of service with
35 the commission, except as otherwise provided in section 35 of
36 P.L.2019, c.153 (C.24:6I-28).

37 (3) No commission member or employee shall act in the
38 member's or employee's official capacity in any matter wherein the
39 member, employee, or the member's or employee's spouse,
40 domestic partner, or partner in a civil union couple, or child, parent,
41 or sibling has a direct or indirect personal financial interest that
42 might reasonably be expected to impair the member's or
43 employee's objectivity or independence of judgment.

44 (4) No commission member or employee shall act in the
45 member's or employee's official capacity in a matter concerning

1 any holder of, or applicant for, a medical cannabis cultivator,
2 medical cannabis manufacturer, medical cannabis dispensary, or
3 clinical registrant permit or any entity that employs any certified
4 medical cannabis handler to perform transfers or deliveries of
5 medical cannabis, or a cannabis ¹[grower] cultivator¹ , cannabis
6 ¹[processor] manufacturer¹ , cannabis wholesaler, cannabis
7 distributor, cannabis retailer ²[license]², or cannabis delivery
8 service ²license² or any entity that employs or uses a certified
9 personal use cannabis handler to perform work for or on behalf of a
10 licensed cannabis establishment, distributor, or delivery service,
11 who is the employer of a spouse, domestic partner, or partner in a
12 civil union couple, or child, parent, or sibling of the commission
13 member or employee when the fact of the employment of the
14 spouse, domestic partner, or partner in a civil union couple, or
15 child, parent, or sibling might reasonably be expected to impair the
16 objectivity and independence of judgment of the commission
17 member or employee.

18 (5) No spouse, domestic partner, or partner in a civil union
19 couple, or child, parent, or sibling of a commission member shall be
20 employed in any capacity by any holder of, or applicant for, a
21 medical cannabis cultivator, medical cannabis manufacturer,
22 medical cannabis dispensary, or clinical registrant permit ²[,]² or
23 any entity that employs any certified medical cannabis handler to
24 perform transfers or deliveries of medical cannabis, or a cannabis
25 ¹[grower] cultivator¹ , cannabis ¹[processor] manufacturer¹ ,
26 cannabis wholesaler, cannabis distributor, cannabis retailer, or
27 cannabis delivery service license or any entity that employs or uses
28 a certified personal use cannabis handler to perform work for or on
29 behalf of a licensed cannabis establishment, distributor, or delivery
30 service, nor by any holding, intermediary, or subsidiary company
31 thereof.

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

1 d. No commission member or employee shall have any interest,
2 direct or indirect, in any holder of, or applicant for, a medical
3 cannabis cultivator, medical cannabis manufacturer, medical
4 cannabis dispensary, or clinical registrant permit or [in] any entity
5 that employs any certified medical cannabis handler to perform
6 transfers or deliveries of medical cannabis, or a cannabis ¹[grower]
7 cultivator¹ , cannabis ¹[processor] manufacturer¹ , cannabis
8 wholesaler, cannabis distributor, cannabis retailer, or cannabis
9 delivery service license or any entity that employs or uses a
10 certified personal use cannabis handler to perform work for or on
11 behalf of a licensed cannabis establishment, distributor, or delivery
12 service, during the member's term of office or employee's term of
13 employment.

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

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

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

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

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

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

44 g. For the purpose of applying the provisions of the "New
45 Jersey Conflicts of Interest Law," any consultant or other person
46 under contract for services to the commission shall be deemed to be

1 a special State employee, except that the restrictions of section 4 of
2 P.L.1981, c.142 (C.52:13D-17.2) shall not apply to such person.
3 Such person and any corporation, firm, or partnership in which the
4 person has an interest or by which the person is employed shall not
5 represent any person or party other than the commission.

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

7
8 10. Section 35 of P.L.2019, c.153 (C.24:6I-28) is amended to
9 read as follows:

10 35. a. No member of the commission shall hold any direct or
11 indirect interest in, or be employed by, any holder of, or applicant
12 for, a medical cannabis cultivator, medical cannabis manufacturer,
13 medical cannabis dispensary, or clinical registrant permit issued
14 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or **[in]** any entity that
15 employs any certified medical cannabis handler to perform transfers
16 or deliveries of medical cannabis, or a cannabis ¹**[grower]**
17 cultivator¹ , cannabis ¹**[processor]** manufacturer¹ , cannabis
18 wholesaler, cannabis distributor, cannabis retailer, or cannabis
19 delivery service license issued pursuant to P.L. , c. (C.)
20 (pending before the Legislature as this bill) or any entity that
21 employs or uses a certified personal use cannabis handler to
22 perform work for or on behalf of a licensed cannabis establishment,
23 distributor, or delivery service, for a period of two years
24 commencing on the date that membership on the commission
25 terminates.

26 b. (1) No employee of the commission may acquire any direct
27 or indirect interest in, or accept employment with, any holder of, or
28 applicant for, a medical cannabis cultivator, medical cannabis
29 manufacturer, medical cannabis dispensary, or clinical registrant
30 permit or **[in]** any entity that employs any certified medical
31 cannabis handler to perform transfers or deliveries of medical
32 cannabis, or a cannabis ¹**[grower]** manufacturer¹ , cannabis
33 ¹**[processor]** manufacturer¹ , cannabis wholesaler, cannabis
34 distributor, cannabis retailer, or cannabis delivery service license or
35 any entity that employs or uses a certified personal use cannabis
36 handler to perform work for or on behalf of a licensed cannabis
37 establishment, distributor, or delivery service, for a period of two
38 years commencing at the termination of employment with the
39 commission, except that a secretarial or clerical employee of the
40 commission may accept such employment at any time after the
41 termination of employment with the commission. At the end of two
42 years and for a period of two years thereafter, a former employee
43 who held a policy-making management position at any time during
44 the five years prior to termination of employment may acquire an
45 interest in, or accept employment with, any holder of, or applicant
46 for, a medical cannabis cultivator, medical cannabis manufacturer,

1 medical cannabis dispensary, or clinical registrant permit or **[in]**
2 any entity that employs any certified medical cannabis handler to
3 perform transfers or deliveries of medical cannabis, or a cannabis
4 **'[grower] cultivator¹** , cannabis **'[processor] manufacturer¹** ,
5 cannabis wholesaler, cannabis distributor, cannabis retailer, or
6 cannabis delivery service license or any entity that employs or uses
7 a certified personal use cannabis handler to perform work for or on
8 behalf of a licensed cannabis establishment, distributor, or delivery
9 service, upon application to, and the approval of, the commission,
10 upon a finding that the interest to be acquired or the employment
11 will not create the appearance of a conflict of interest and does not
12 evidence a conflict of interest in fact.

13 (2) Notwithstanding the provisions of this subsection, if the
14 employment of a commission employee, other than an employee
15 who held a policy-making management position at any time during
16 the five years prior to termination of employment, is terminated as a
17 result of a reduction in the workforce at the commission, the
18 employee may, at any time prior to the end of the two-year period,
19 accept employment with any holder of, or applicant for, a medical
20 cannabis cultivator, medical cannabis manufacturer, medical
21 cannabis dispensary, or clinical registrant permit or any entity that
22 employs any certified medical cannabis handler to perform transfers
23 or deliveries of medical cannabis, or a cannabis **'[grower]**
24 **cultivator¹** , cannabis **'[processor] manufacturer¹** , cannabis
25 **wholesaler, '[or] cannabis distributor,¹ cannabis retailer ¹, or**
26 **cannabis delivery service¹ license or any entity that employs or uses**
27 **a certified personal use cannabis handler to perform work for or on**
28 **behalf of a licensed cannabis establishment, ¹distributor, or delivery**
29 **service,¹** upon application to, and the approval of, the commission,
30 upon a finding that the employment will not create the appearance
31 of a conflict of interest and does not evidence a conflict of interest
32 in fact. The commission shall take action on an application within
33 30 days of receipt and an application may be submitted to the
34 commission prior to or after the commencement of the employment.

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

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

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

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

3 36. a. (1) No holder of, or applicant for, a medical cannabis
4 cultivator, medical cannabis manufacturer, medical cannabis
5 dispensary, or clinical registrant permit issued pursuant to P.L.2009,
6 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
7 medical cannabis handler to perform transfers or deliveries of
8 medical cannabis, or a cannabis ¹[grower] cultivator¹, cannabis
9 ¹[processor] manufacturer¹ , cannabis wholesaler, cannabis
10 distributor, cannabis retailer, or cannabis delivery service license
11 issued pursuant to P.L. , c. (C.) (pending before the
12 Legislature as this bill) or any entity that employs or uses a certified
13 personal use cannabis handler to perform work for or on behalf of a
14 licensed cannabis establishment, distributor, or delivery service,
15 shall employ or offer to employ, or provide, transfer, or sell, or
16 offer to provide, transfer, or sell any interest, direct or indirect, in
17 any medical cannabis cultivator, medical cannabis manufacturer,
18 medical cannabis dispensary, or clinical registrant permit holder, or
19 any cannabis ¹[grower] cultivator¹ , cannabis ¹[processor]
20 manufacturer¹ , cannabis wholesaler, cannabis distributor, cannabis
21 retailer, or cannabis delivery service license holder, to any person
22 restricted from such transactions by the provisions of sections 33
23 through 35 of P.L.2019, c.153 (C.24:6I-26 through C.24:6I-28).

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

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

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

39 c. The State Ethics Commission, established pursuant to the
40 "New Jersey Conflicts of Interest Law," P.L.1971, c.182
41 (C.52:13D-12 et seq.), shall enforce the provisions of sections 33
42 through 36 of P.L.2019, c.153 (C.24:6I-26 through C.24:6I-29), and
43 upon a finding of a violation, impose a civil penalty of not less than
44 \$500 nor more than \$10,000, which penalty may be collected in a
45 summary proceeding pursuant to the "Penalty Enforcement Law of
46 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). If a violation also

1 represents a crime or disorderly persons offense as set forth in
2 subsection b. of this section, the State Ethics Commission shall also
3 refer the matter to the Attorney General or appropriate county
4 prosecutor for further investigation and prosecution.

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

6

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

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

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

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

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

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

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

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

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

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

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

38
39 13. The title of P.L.1981, c.142 is amended to read as follows:
40 **AN ACT concerning casino activity, and personal use and medical**
41 **cannabis activities,** and the conduct of certain elected and appointed
42 public officers and employees as it relates thereto, amending and
43 supplementing P.L.1971, c.182, amending P.L.1977, c.110,
44 P.L.1980, c.28 and P.L.1980, c.69 , and repealing section 2 of
45 P.L.1980, c.79.
46 (cf: P.L.1981, c.142, title)

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

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

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

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

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

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

40 (b) any member of the governing body or the municipal judge of
41 a municipality, any member of the planning board or zoning board
42 of adjustment, or any professional planner, or consultant regularly
43 employed or retained by such planning board or zoning board of
44 adjustment, of a municipality wherein a medical cannabis
45 cultivator, medical cannabis manufacturer, medical cannabis
46 dispensary, or clinical registrant issued a permit pursuant to

1 P.L.2009, c.307 (C.24:6I-1 et al.), or wherein a cannabis ¹**grower**
2 cultivator¹, cannabis ¹**processor** manufacturer¹, cannabis
3 wholesaler, cannabis distributor, cannabis retailer, ²or² cannabis
4 delivery service issued a license pursuant to P.L. , c. (C.)
5 (pending before the Legislature as this bill), is located.

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

43 (2) No State officer or employee, nor any person, nor any
44 member of the immediate family of any State officer or employee,
45 or person, nor any partnership, firm, or corporation with which any
46 such State officer or employee or person is associated or in which

1 he has an interest, nor any partner, officer, director, or employee
2 while he is associated with such partnership, firm, or corporation,
3 shall hold, directly or indirectly, an interest in, or hold employment
4 with, or represent, appear for, or negotiate on behalf of, or derive
5 any remuneration, payment, benefit, or any other thing of value for
6 any services, including but not limited to consulting or similar
7 services, from any holder of, or applicant for, a license, permit, or
8 other approval to conduct Internet gaming, or any holding or
9 intermediary company with respect thereto, or any Internet gaming
10 affiliate of any holder of, or applicant for, a casino license, or any
11 holding or intermediary company with respect thereto, or any
12 business, association, enterprise, or other entity that is organized, in
13 whole or in part, for the purpose of promoting, advocating for, or
14 advancing the interests of the Internet gaming industry generally or
15 any Internet gaming-related business or businesses in connection
16 with any cause, application, or matter, except as provided in section
17 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State
18 officer or employee other than a State officer or employee included
19 in the definition of person, and (b) a member of the immediate
20 family of a State officer or employee, or of a person, may hold
21 employment with the holder of, or applicant for, a license, permit,
22 or other approval to conduct Internet gaming, or any holding or
23 intermediary company with respect thereto, or any Internet gaming
24 affiliate of any holder of, or applicant for, a casino license, or any
25 holding or intermediary company with respect thereto if, in the
26 judgment of the State Ethics Commission, the Joint Legislative
27 Committee on Ethical Standards, or the Supreme Court, as
28 appropriate, such employment will not interfere with the
29 responsibilities of the State officer or employee, or person, and will
30 not create a conflict of interest, or reasonable risk of the public
31 perception of a conflict of interest, on the part of the State officer or
32 employee, or person.

33 (3) No State officer or employee, nor any person, nor any
34 member of the immediate family of any State officer or employee,
35 or person, nor any partnership, firm, or corporation with which any
36 such State officer or employee or person is associated or in which
37 he has an interest, nor any partner, officer, director, or employee
38 while he is associated with such partnership, firm, or corporation,
39 shall hold, directly or indirectly, an interest in, or hold employment
40 with, or represent, appear for, or negotiate on behalf of, any holder
41 of, or applicant for, a medical cannabis cultivator, medical cannabis
42 manufacturer, medical cannabis dispensary, or clinical registrant
43 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or **[in]**
44 any entity that employs any certified medical cannabis handler to
45 perform transfers or deliveries of medical cannabis, or any holding
46 or intermediary company with respect thereto, or a cannabis

1 ¹["grower"] cultivator¹ , cannabis ¹["processor"] manufacturer¹ ,
2 cannabis wholesaler, cannabis distributor, cannabis retailer, or
3 cannabis delivery service license issued pursuant to P.L. _____,
4 c. (C. _____) (pending before the Legislature as this bill), or
5 ²["which is an"] any² entity that employs or uses a certified personal
6 use cannabis handler to perform work for or on behalf of a licensed
7 cannabis establishment, distributor, or delivery service ^{2,2} or any
8 holding or intermediary company with respect thereto, in
9 connection with any cause, application, or matter, except as
10 provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except
11 that (a) a State officer or employee other than a State officer or
12 employee included in the definition of person, and (b) a member of
13 the immediate family of a State officer or employee, or of a person,
14 may hold employment with the holder of, or applicant for, a
15 medical cannabis cultivator, medical cannabis manufacturer,
16 medical cannabis dispensary, or clinical registrant permit or any
17 entity that employs any certified medical cannabis handler to
18 perform transfers or deliveries of medical cannabis, or a cannabis
19 ¹["grower"] cultivator¹ , cannabis ¹["processor"] manufacturer¹ ,
20 cannabis wholesaler, cannabis distributor, cannabis retailer, ²or²
21 cannabis delivery service license or any entity that employs or uses
22 a certified personal use cannabis handler to perform work for or on
23 behalf of a licensed cannabis establishment, distributor, or delivery
24 service, if, in the judgment of the State Ethics Commission, the
25 Joint Legislative Committee on Ethical Standards, or the Supreme
26 Court, as appropriate, such employment will not interfere with the
27 responsibilities of the State officer or employee, or person, and will
28 not create a conflict of interest, or reasonable risk of the public
29 perception of a conflict of interest, on the part of the State officer or
30 employee, or person. No special State officer or employee without
31 responsibility for matters affecting medical cannabis activity or
32 personal use cannabis activity, excluding those serving in the
33 Departments of Education, Health, and Human Services and the
34 Office of the Secretary of Higher Education, shall hold, directly or
35 indirectly, an interest in, or represent, appear for, or negotiate on
36 behalf of, any holder of, or applicant for, a medical cannabis
37 cultivator, medical cannabis manufacturer, medical cannabis
38 dispensary, or clinical registrant permit or any entity that employs
39 any certified medical cannabis handler to perform transfers or
40 deliveries of medical cannabis, or any holding or intermediary
41 company with respect thereto, or a cannabis ¹["grower"] cultivator¹ ,
42 cannabis ¹["processor"] manufacturer¹ , cannabis wholesaler,
43 cannabis distributor, cannabis retailer, or cannabis delivery service
44 license or any entity that employs or uses a certified personal use
45 cannabis handler to perform work for or on behalf of a licensed

1 cannabis establishment, distributor, or delivery service ^{2,2} or any
2 holding or intermediary company with respect thereto, in
3 connection with any cause, application, or matter. However, a
4 special State officer or employee without responsibility for matters
5 affecting medical cannabis activity or personal use cannabis activity
6 may hold employment directly with any holder of or applicant for a
7 medical cannabis cultivator, medical cannabis manufacturer,
8 medical cannabis dispensary, or clinical registrant permit, or any
9 entity that employs any certified medical cannabis handler to
10 perform transfers or deliveries of medical cannabis, or any holding
11 or intermediary company thereof, or a cannabis ¹[grower]
12 cultivator¹, cannabis ¹[processor] ²[manufacture¹] manufacturer²
13 , cannabis wholesaler, cannabis distributor, cannabis retailer, or
14 cannabis delivery service license or any entity that employs or uses
15 a certified personal use cannabis handler to perform work for or on
16 behalf of a licensed cannabis establishment, distributor, or delivery
17 service ^{2,2} or any holding or intermediary company with respect to
18 thereto, and if so employed may hold, directly or indirectly, an
19 interest in, or represent, appear for, or negotiate on behalf of, that
20 employer, except as otherwise prohibited by law.

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

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

44 (b) an employee who is terminated as a result of a reduction in
45 the workforce at the agency where employed, other than an
46 employee who held a policy-making management position at any

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

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

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

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

1 person, hold, directly or indirectly, an interest in, or hold
2 employment with, or represent, appear for, or negotiate on behalf
3 of, any holder of, or applicant for, a medical cannabis cultivator,
4 medical cannabis manufacturer, medical cannabis dispensary, or
5 clinical registrant permit issued pursuant to P.L.2009, c.307
6 (C.24:6I-1 et al.) or **[in]** any entity that employs any certified
7 medical cannabis handler to perform transfers or deliveries of
8 medical cannabis **[**, or any holding or intermediary company with
9 respect thereto**]** , or a cannabis ¹**[grower]** cultivator¹ , cannabis
10 ¹**[processor]** manufacturer¹ , cannabis wholesaler, cannabis
11 distributor, cannabis retailer, or cannabis delivery service license
12 issued pursuant to P.L. _____, c. (C. _____) (pending before the
13 Legislature as this bill) or any entity that employs or uses a certified
14 personal use cannabis handler to perform work for or on behalf of a
15 licensed cannabis establishment, distributor, or delivery service in
16 connection with any cause, application, or matter, or any holding or
17 intermediary company with respect to such holder of, or applicant
18 for, a medical cannabis cultivator, medical cannabis manufacturer,
19 medical cannabis dispensary, or clinical registrant permit or ²any²
20 entity that employs any certified medical cannabis handler to
21 perform transfers or deliveries of medical cannabis, or a cannabis
22 ¹**[grower]** cultivator¹ , cannabis ¹**[processor]** manufacturer¹ ,
23 cannabis wholesaler, cannabis distributor, cannabis retailer, or
24 cannabis delivery service license or any entity that employs or uses
25 a certified personal use cannabis handler to perform work for or on
26 behalf of a licensed cannabis establishment, distributor, or delivery
27 service in connection with any phase of development, permitting,
28 licensure, or any other matter whatsoever related to medical
29 cannabis activity or personal use cannabis activity, except as
30 provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except
31 that:

32 (a) a member of the immediate family of a person may hold
33 employment with the holder of, or applicant for, a medical cannabis
34 cultivator, medical cannabis manufacturer, medical cannabis
35 dispensary, or clinical registrant permit issued pursuant to P.L.2009,
36 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
37 medical cannabis handler to perform transfers or deliveries of
38 medical cannabis, or a cannabis ¹**[grower]** cultivator¹ , cannabis
39 ¹**[processor]** manufacturer¹ , cannabis wholesaler, cannabis
40 distributor, cannabis retailer, or cannabis delivery service license
41 issued pursuant to P.L. _____, c. (C. _____) (pending before the
42 Legislature as this bill) or any entity that employs or uses a certified
43 personal use cannabis handler to perform work for or on behalf of a
44 licensed cannabis establishment, distributor, or delivery service if,
45 in the judgment of the State Ethics Commission, the Joint

1 Legislative Committee on Ethical Standards, or the Supreme Court,
2 as appropriate, such employment will not interfere with the
3 responsibilities of the person and will not create a conflict of
4 interest, or reasonable risk of the public perception of a conflict of
5 interest, on the part of the person;

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

32 (c) any partnership, firm, or corporation engaged in the practice
33 of law or in providing any other professional services with which
34 any person included in subparagraphs (a) and (c) of paragraph (1) of
35 subsection a. of this section, or a member of the immediate family
36 of that person, is associated, and any partner, officer, director, or
37 employee thereof, other than that person, or immediate family
38 member, may represent, appear for, or negotiate on behalf of any
39 holder of, or applicant for, a medical cannabis cultivator, medical
40 cannabis manufacturer, medical cannabis dispensary, or clinical
41 registrant permit or any entity that employs any certified medical
42 cannabis handler to perform transfers or deliveries of medical
43 cannabis, or a cannabis ¹grower
44 cultivator¹, cannabis ¹processor
45 manufacturer¹, cannabis wholesaler, cannabis
46 distributor, cannabis retailer, or cannabis delivery service license or
any entity that employs or uses a certified personal use cannabis

1 handler to perform work for or on behalf of a licensed cannabis
2 establishment, distributor, or delivery service in connection with
3 any cause, application, or matter or any holding company or
4 intermediary company with respect to such holder of, or applicant
5 for, a medical cannabis cultivator, medical cannabis manufacturer,
6 medical cannabis dispensary, or clinical registrant permit or ²any²
7 entity that employs any certified medical cannabis handler to
8 perform transfers or deliveries of medical cannabis, or a cannabis
9 ¹grower¹ cultivator¹ , cannabis ¹processor¹ manufacturer¹ ,
10 cannabis wholesaler, cannabis distributor, cannabis retailer, or
11 cannabis delivery service license or ²any² entity that employs or
12 uses a certified personal use cannabis handler to perform work for
13 or on behalf of a licensed cannabis establishment, distributor, or
14 delivery service in connection with any phase of development,
15 permitting, licensing, or any other matter whatsoever related to
16 medical cannabis activity or personal use ²cannabis² activity, and
17 that person or immediate family member shall not be barred from
18 association with such partnership, firm, or corporation, if for a
19 period of two years next subsequent to the termination of the
20 person's office or employment, the person or immediate family
21 member (i) is screened from personal participation in any such
22 representation, appearance or negotiation; and (ii) is associated with
23 the partnership, firm, or corporation in a position which does not
24 entail any equity interest in the partnership, firm, or corporation.
25 The exception provided in this **[paragraph]** subparagraph shall not
26 apply to a former Governor, Lieutenant Governor, Attorney
27 General, the President of the Senate, the Speaker of the General
28 Assembly, to a person included in subparagraph (b) of paragraph
29 (2) of subsection a. of this section, or to the members of their
30 immediate families.

31 d. This section shall not apply to the spouse of a State officer
32 or employee, which State officer or employee is without
33 responsibility for matters affecting casino **[or]** , medical cannabis,
34 or personal use cannabis activity, who becomes the spouse
35 subsequent to the State officer's or employee's appointment or
36 employment as a State officer or employee and who is not
37 individually or directly employed by a holder of, or applicant for, a
38 casino license **[or]** , medical cannabis permit, personal use
39 cannabis license, or any entity that employs or uses a certified
40 personal use cannabis handler to perform work for or on behalf of a
41 licensed cannabis establishment, distributor, or delivery service ^{2, 2}
42 or any holding or intermediary company thereof.

43 e. The Joint Legislative Committee on Ethical Standards and
44 the State Ethics Commission, as appropriate, shall forthwith
45 determine and publish, and periodically update, a list of those

1 positions in State government with responsibility for matters
2 affecting casino **[and]** , medical cannabis activity, or personal use
3 cannabis activity.

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

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

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

36 (2) No person shall influence, or attempt to influence, by use of
37 the person's official authority, the decision of the Cannabis
38 Regulatory Commission in any application for a medical cannabis
39 cultivator, medical cannabis manufacturer, medical cannabis
40 dispensary, or clinical registrant permit, or a cannabis ¹**[grower]**
41 **cultivator**¹ , cannabis ¹**[processor]** **manufacturer**¹ , cannabis
42 wholesaler, cannabis distributor, cannabis retailer, or cannabis
43 delivery service license, or in any proceeding to enforce the
44 provisions of P.L.1981, c.142 (C.52:13D-17.2 et al.), P.L.2009,
45 c.307 (C.24:6I-1 et al.), ²P.L. _____, c. (C. _____) (pending before the

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

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

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

21
22 15. Section 32 of P.L.2019, c.153 (C.24:6I-25) is amended to
23 read as follows:

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

37 b. (1) The office shall establish and administer, under the
38 direction of the commission, unified practices and procedures for
39 promoting participation in the medical cannabis **【industry】** and
40 personal use cannabis industries by persons from socially and
41 economically disadvantaged communities, including by prospective
42 and existing ownership of minority businesses and women's
43 businesses, as these terms are defined in section 2 of P.L.1986,
44 c.195 (C.52:27H-21.18), and disabled veterans' businesses as
45 defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), to be issued
46 medical cannabis cultivator, medical cannabis manufacturer,

1 medical cannabis dispensary, and clinical registrant permits , or
2 cannabis ¹**[grower]** cultivator¹ , cannabis ¹**[processor]**
3 manufacturer¹ , cannabis wholesaler, cannabis distributor, cannabis
4 retailer, and cannabis delivery service licenses. These unified
5 practices and procedures shall include the certification and
6 subsequent recertification at regular intervals of a business as a
7 minority or women's business, or a disabled veterans' business, in
8 accordance with eligibility criteria and a certification application
9 process established by the commission through regulation in
10 consultation with the office.

11 (2) The office shall conduct advertising and promotional
12 campaigns, and shall disseminate information to the public, to
13 increase awareness for participation in the medical cannabis
14 **[industry]** and personal use cannabis industries by persons from
15 socially and economically disadvantaged communities. To this end,
16 the office shall sponsor seminars and informational programs, and
17 shall provide information on ²**[its]** the commission's² Internet
18 website, providing practical information concerning the medical
19 cannabis **[industry]** and personal use cannabis industries, including
20 information on business management, marketing, and other related
21 matters.

22 c. (1) The office shall develop, recommend, and implement
23 policies, practices, protocols, standards, and criteria designed to
24 promote the formulation of medical cannabis business entities and
25 personal use cannabis establishments, distributors, and delivery
26 services and participation in the medical cannabis **[industry]** and
27 personal use cannabis industries by persons from socially and
28 economically disadvantaged communities, including by promoting
29 applications for, and the issuance of, medical cannabis cultivator,
30 medical cannabis manufacturer, medical cannabis dispensary, and
31 clinical registrant permits , and cannabis ¹**[grower]** cultivator¹ ,
32 cannabis ¹**[processor]** manufacturer¹ , cannabis wholesaler,
33 cannabis distributor, cannabis retailer, and cannabis delivery
34 services licenses, to certified minority, women's, and disabled
35 veterans' businesses.

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

43 (b) The effectiveness of the office's ¹**[measures]** measures¹
44 designed to promote participation in the personal use cannabis
45 industry shall be assessed by considering whether the measures

1 have resulted in not less than 30 percent of the total number of
2 licenses issued by the commission for personal use cannabis
3 establishments² [and]² distributors², and delivery services² under
4 P.L. , c. (C.) (pending before the Legislature as this bill)
5 being issued to minority, women's, and disabled veterans'
6 businesses certified in accordance with the certification process
7 established by the office pursuant to paragraph (1) of subsection b.
8 of this section. Of the resulting total number of licenses issued for
9 personal use cannabis establishments, distributors, and delivery
10 services, the effectiveness of the office's measures shall be further
11 assessed by considering whether those measures have resulted in
12 not less than 15 percent of the licenses being issued to certified
13 minority businesses, and not less than 15 percent of the licenses
14 being issued to certified women's and disabled veterans'
15 businesses.

16 (2) The office shall periodically analyze the total number of
17 permits and licenses issued by the commission as compared with
18 the number of certified minority, women's, and disabled veterans'
19 businesses that submitted applications for, and that were awarded,
20 such permits and licenses. The office shall make good faith efforts
21 to establish, maintain, and enhance the measures designed to
22 promote the formulation and participation in the operation of
23 medical cannabis ²**[businesses]** entities² and personal use cannabis
24 establishments, distributors, and delivery services by persons from
25 socially and economically disadvantaged communities consistent
26 with the standards set forth in paragraph (1) of this subsection, and
27 to coordinate and assist the commission with respect to its
28 incorporation of these permitting and licensing measures into the
29 application and review process for issuing permits and licenses
30 under P.L.2009, c.307 (C.24:6I-1 et al.) and P.L. , c. (C.)
31 (pending before the Legislature as this bill).

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

40 e. The office shall prepare information regarding its activities
41 pursuant to this section concerning participation in the medical
42 cannabis **[industry]** and personal use cannabis industries by persons
43 from socially and economically disadvantaged communities,
44 including medical cannabis and personal use cannabis business
45 development initiatives for minority, women's, and disabled
46 veterans' businesses participating in the medical ²and person use²

1 cannabis ²~~marketplace~~ marketplaces², to be incorporated by the
2 commission into its annual report submitted to the Governor and to
3 the Legislature pursuant to section 14 of P.L.2009, c.307 (C.24:6I-
4 12).

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

6

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

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

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

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

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

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

42 (b) conventional horticulture or agriculture, familiarity with
43 good agricultural practices, and any relevant certifications or
44 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 ²[, production,]² and creation
 - 18 of cannabis products using appropriate extraction methods,
 - 19 including intended use and sourcing of extraction equipment and
 - 20 associated solvents or intended methods and equipment for non-
 - 21 solvent 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 ²[, production,]² 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
24 criteria developed by the commission, an analysis of the following
25 factors, if 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
30 contractors;
 - 31 (b) the experience or qualifications of security personnel and
32 proposed contractors;
 - 33 (c) security and surveillance features, including descriptions of
34 any alarm systems, video surveillance systems, and access and
35 visitor management systems, along with drawings identifying the
36 proposed locations for surveillance cameras and other security
37 features;
 - 38 (d) plans for the storage of medical cannabis and medical
39 cannabis products, including any safes, vaults, and climate control
40 systems that will be utilized for this purpose;
 - 41 (e) a diversion prevention plan;
 - 42 (f) an emergency management plan;
 - 43 (g) procedures for screening, monitoring, and performing
44 criminal history record background checks of employees;
 - 45 (h) cybersecurity procedures, including, in the case of an
46 applicant for a medical cannabis dispensary permit, procedures for

1 collecting, processing, and storing patient data, and the applicant's
2 familiarity with State and federal privacy laws;

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

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

7 (k) procedures for reporting adverse events; and

8 (l) a sanitation practices plan.

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

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

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

17 (c) the applicant's plan to comply with and mitigate the effects
18 of 26 U.S.C. s.280E on cannabis businesses, and for evidence that
19 the applicant is not in arrears with respect to any tax obligation to
20 the State.

21 In evaluating the experience described under subparagraphs (a),
22 (b), and (c) of this paragraph, the commission shall afford the
23 greatest weight to the experience of the applicant itself, controlling
24 owners, and entities with common ownership or control with the
25 applicant; followed by the experience of those with a 15 percent or
26 greater ownership interest in the applicant's organization; followed
27 by significantly involved persons in the applicant's organization;
28 followed by other officers, directors, and current and prospective
29 employees of the applicant who have a bona fide relationship with
30 the applicant's organization as of the ²[submission]² date of the
31 application.

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

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

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

45 (c) the submission of proof of local support for the suitability of
46 the location, which may be demonstrated by a resolution adopted by

1 the municipality's governing body indicating that the intended
2 location is appropriately located or otherwise suitable for such
3 activities related to the cultivation, manufacturing, or dispensing of
4 medical cannabis, cannabis products, and related supplies as will be
5 conducted at the proposed facility.

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

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

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

29 (b) a written description of the applicant's record of social
30 responsibility, philanthropy, and ties to the proposed host
31 community;

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

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

40 In evaluating the information submitted pursuant to
41 subparagraphs (b) and (c) of this paragraph, the commission shall
42 afford the greatest weight to responses pertaining to the applicant
43 itself, controlling owners, and entities with common ownership or
44 control with the applicant; followed by responses pertaining to
45 those with a 15 percent or greater ownership interest in the
46 applicant's organization; followed by significantly involved persons

1 in the applicant's organization; followed by other officers,
2 directors, and current and prospective employees of the applicant
3 who have a bona fide relationship with the applicant's organization
4 as of the ²[submission]² date of the application.

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

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

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

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

20 (c) a description of the applicant's ²[experience complying]
21 plan to comply² with guidance pertaining to cannabis issued by the
22 Financial Crimes Enforcement Network under 31 U.S.C. s.5311 et
23 seq., the federal "Bank Secrecy Act", which may be demonstrated
24 by submitting letters regarding the applicant's banking history from
25 banks or credit unions that certify they are aware of the business
26 activities of the applicant, or entities with common ownership or
27 control ²[of] with² the ²[applicant's organization] applicant², in
28 any state where the applicant has operated a business related to
29 medical cannabis. For the purposes of this subparagraph, the
30 commission shall consider only bank references involving accounts
31 in the name of the applicant or of an entity with common ownership
32 or control ²[of] with² the ²[applicant's organization] applicant².
33 An applicant who does not submit the information described in this
34 subparagraph shall not be disqualified from consideration.

35 (8) Whether any of the applicant's majority or controlling
36 owners were previously approved by the commission to serve as an
37 officer, director, principal, or key employee of an alternative
38 treatment center, ²or personal use cannabis establishment,
39 distributor, or delivery service,² provided any such individual
40 served in that capacity at the alternative treatment center for six or
41 more months.

42 (9) Whether the applicant can demonstrate that its governance
43 structure includes the involvement of a school of medicine or
44 osteopathic medicine licensed and accredited in the United States,
45 or a general acute care hospital, ambulatory care facility, adult day

1 care services program, or pharmacy licensed in New Jersey,
2 provided that:

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

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

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

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

20 (11) Whether the applicant intends to or has entered into a
21 partnership with a prisoner re-entry program for the purpose of
22 identifying and promoting employment opportunities at the
23 applicant's organization for former inmates and current inmates
24 leaving the corrections system. If so, the applicant shall provide
25 details concerning the name of the re-entry program, the
26 employment opportunities at the applicant's organization that will
27 be made available to the re-entry population, and any other
28 initiatives the applicant's organization will undertake to provide
29 support and assistance to the re-entry population.

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

32 e. In addition to the information to be submitted pursuant to
33 subsections c. and d. of this section, the commission shall require
34 all permit applicants, other than applicants ²**[issued]** for² a
35 conditional permit, ²or for an entity that is a microbusiness pursuant
36 to subsection e. of section 11 of P.L.2019, c.153 (C.24:6I-7.1),² to
37 submit an attestation signed by a bona fide labor organization
38 stating that the applicant has entered into a labor peace agreement
39 with such bona fide labor organization. Except in the case of an
40 entity holding an unconverted conditional permit, the maintenance
41 of a labor peace agreement with a bona fide labor organization shall
42 be an ongoing material condition of maintaining a medical cannabis
43 cultivator, medical cannabis manufacturer, or medical cannabis
44 dispensary permit. The submission of an attestation and
45 maintenance of a labor peace agreement with a bona fide labor
46 organization by an applicant issued a conditional permit pursuant to

1 subsection d. of section 11 of P.L.2019, c.153 (C.24:6I-7.1) shall be
2 a requirement for conversion of a conditional permit into a full
3 permit. The failure to enter into a collective bargaining agreement
4 within 200 days after the date that a medical cannabis cultivator,
5 medical cannabis manufacturer, or medical cannabis dispensary first
6 opens shall result in the suspension or revocation of such permit or
7 conditional permit.

8 In reviewing initial permit applications, the commission shall
9 give priority to the following ², regardless of whether there is any
10 competition among applicants for a particular type of permit²:

11 (1) Applicants that are party to a collective bargaining
12 agreement with a ¹bona fide¹ labor organization that currently
13 represents, or is actively seeking to represent, cannabis workers in
14 New Jersey.

15 (2) Applicants that are party to a collective bargaining
16 agreement with a ¹bona fide¹ labor organization that currently
17 represents cannabis workers in another state.

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

21 (4) Applicants that submit ¹[an attestation affirming that they
22 will use best efforts to utilize]¹ [union] ¹a signed project labor
23 agreement with a bona fide¹ building trades labor ¹[organizations
24 in] organization, which is a form of pre-hire collective bargaining
25 agreement covering terms and conditions of a specific project,
26 including labor issues and worker grievances associated with that
27 project, for¹ the construction or retrofit of the facilities associated
28 with the permitted entity.

29 (5) Applicants that submit ¹[an attestation affirming that they
30 have a project labor agreement, or will utilize]¹ a ¹signed¹ project
31 labor agreement ¹[, which is a form of pre-hire collective
32 bargaining agreement covering terms and conditions of a specific
33 project, including labor issues and worker grievances associated
34 with any construction or retrofit of facilities, or] with a bona fide
35 labor organization for any¹ other applicable project ¹[,]¹ associated
36 with the ¹[licensed] permitted¹ entity.

37 ²[The requirements of this subsection shall not apply to a
38 microbusiness applying for a conditional or annual permit of any
39 type]

40 As used in this subsection, “bona fide labor organization” means
41 a labor organization of any kind or employee representation
42 committee, group, or association, in which employees participate
43 and which exists and is constituted for the purpose, in whole or in
44 part, of collective bargaining or otherwise dealing with medical or

1 personal use cannabis employers concerning grievances, labor
2 disputes, terms or conditions of employment, including wages and
3 rates of pay, or other mutual aid or protection in connection with
4 employment, and may be characterized by: it being a party to one or
5 more executed collective bargaining agreements with medical or
6 personal use cannabis employers, in this State or another state; it
7 having a written constitution or bylaws in the three immediately
8 preceding years; it filing the annual financial report required of
9 labor organizations pursuant to subsection (b) of 29 U.S.C. 431, or
10 it having at least one audited financial report in the three
11 immediately preceding years; it being affiliated with any regional or
12 national association of unions, including but not limited to state and
13 federal labor councils; or it being a member of a national labor
14 organization that has at least 500 general members in a majority of
15 the 50 states of the United States. A bona fide labor organization
16 includes a bona fide building trades labor organization².

17 f. In reviewing an initial permit application, unless the
18 information is otherwise solicited by the commission in a specific
19 application question, the commission's evaluation of the application
20 shall be limited to the experience and qualifications of the
21 applicant's organization, including ²controlling owners,² any entities
22 with common ownership or control ²[of] with² the ²[applicant's
23 organization] applicant², ²[controlling owners or] those with a 15
24 percent or greater² interest ²[holders]² in the applicant's
25 organization, ²significantly involved persons in the applicant's
26 organization,² the ²other² officers, directors, and current or
27 prospective employees of the applicant's organization who have a
28 bona fide relationship with the applicant's organization as of the
29 date of the application, and consultants and independent contractors
30 who have a bona fide relationship with the applicant as of the date
31 of the application. Responses pertaining to applicants who are
32 exempt from the criminal history record background check
33 requirements of section 7 of P.L.2009, c.307 (C.24:6I-7) shall not
34 be considered. Each applicant shall certify as to the status of the
35 individuals and entities included in the application.

36 g. The commission shall conduct a disparity study to determine
37 whether race-based measures should be considered when issuing
38 permits pursuant to this section, and shall incorporate the policies,
39 practices, protocols, standards, and criteria developed by the Office
40 of Minority, Disabled Veterans, and Women **[Medical]** Cannabis
41 Business Development pursuant to section 32 of P.L.2019, c.153
42 (C.24:6I-25) to promote participation in the medical cannabis
43 industry by persons from socially and economically disadvantaged
44 communities, including promoting applications for, and the
45 issuance of, medical cannabis cultivator, medical cannabis

1 manufacturer, and medical cannabis dispensary permits to certified
2 minority, women's, and disabled veterans' businesses. To this end,
3 the commission shall seek to issue at least 30 percent of the total
4 number of new medical cannabis cultivator permits, medical
5 cannabis manufacturer permits, and medical cannabis dispensary
6 permits issued on or after the effective date of P.L.2019, c.153
7 (C.24:6I-5.1 et al.) as follows:

8 (1) at least 15 percent of the total number of new medical
9 cannabis cultivator permits, medical cannabis manufacturer
10 permits, and medical cannabis dispensary permits ²【issued on or
11 after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)】² are
12 issued to a qualified applicant that has been certified as a minority
13 business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.); and

14 (2) at least 15 percent of the total number of new medical
15 cannabis cultivator permits, medical cannabis manufacturer
16 permits, and medical cannabis dispensary permits ²【issued on or
17 after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)】² are
18 issued to a qualified applicant that has been certified as a women's
19 business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.) or
20 ²【that is】 as² a disabled-veterans' business, as defined in section 2
21 of P.L.2015, c.116 (C.52:32-31.2).

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

25 h. The commission shall give special consideration to any
26 applicant that has entered into an agreement with an institution of
27 higher education to create an integrated curriculum involving the
28 cultivation, manufacturing, dispensing or delivery of medical
29 cannabis, provided that the curriculum is approved by both the
30 commission and the Office of the Secretary of Higher Education
31 and the applicant agrees to maintain the integrated curriculum in
32 perpetuity. An integrated curriculum permit shall be subject to
33 revocation if the IC permit holder fails to maintain or continue the
34 integrated curriculum. In the event that, because of circumstances
35 outside an IC permit holder's control, the IC permit holder will no
36 longer be able to continue an integrated curriculum, the IC permit
37 holder shall notify the commission and shall make reasonable
38 efforts to establish a new integrated curriculum with an institution
39 of higher education, subject to approval by the commission and the
40 Office of the Secretary of Higher Education. If the IC permit
41 holder is unable to establish a new integrated curriculum within six
42 months after the date the current integrated curriculum arrangement
43 ends, the commission shall revoke the entity's IC permit, unless the
44 commission finds there are extraordinary circumstances that justify
45 allowing the permit holder to retain the permit without an integrated
46 curriculum and the commission finds that allowing the permit

1 holder to retain the permit would be consistent with the purposes of
2 P.L.2009, c.307 (C.24:6I-1 et al.), in which case the IC permit shall
3 convert to a regular permit of the same type. The commission may
4 revise the application and permit fees or other conditions for an IC
5 permit as may be necessary to encourage applications for IC
6 permits.

7 i. Application materials submitted to the commission pursuant
8 to this section shall not be considered a public record pursuant to
9 P.L.1963, c.73 (C.47:1A-1 et seq.) ²[or] ² P.L.2001, c.404
10 (C.47:1A-5 et al.) ², or the common law concerning access to
11 government records².

12 j. If the commission notifies an applicant that it has performed
13 sufficiently well on multiple applications to be awarded more than
14 one ²[medical cannabis cultivator permit, more than one medical
15 cannabis manufacturer permit, or more than one medical cannabis
16 dispensary]² permit ²[by the commission]², the applicant shall
17 notify the commission, within seven business days after receiving
18 such notice, as to which permit ²type² it will accept. For any permit
19 award declined by an applicant pursuant to this subsection, the
20 commission shall, upon receiving notice from the applicant of the
21 declination, award the permit to the applicant for that permit type
22 who, in the determination of the commission, best satisfies the
23 commission's criteria while meeting the commission's
24 determination of Statewide need. If an applicant fails to notify the
25 commission as to which permit it will accept, the commission shall
26 have the discretion to determine which permit it will award to the
27 applicant, based on the commission's determination of Statewide
28 need and other applications submitted for facilities to be located in
29 the affected regions.

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

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

35

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

38 13. a. The commission shall issue clinical registrant permits to
39 qualified applicants that meet the requirements of this section. In
40 addition to any other requirements as the commission establishes by
41 regulation regarding application for and issuance of a clinical
42 registrant permit, each clinical registrant applicant shall:

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

- 1 (2) submit to the commission any required application and
2 permit fees;
- 3 (3) submit to the commission written documentation of an
4 existing contract with an academic medical center that meets the
5 requirements of subsection c. of this section; and
- 6 (4) submit to the commission documentation that the applicant
7 has a minimum of \$15 million in capital.
- 8 b. The commission shall, no later than 90 days after the
9 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) or upon
10 adoption of rules and regulations as provided in subsection c. of
11 section 18 of P.L.2009, c.307 (C.24:6I-16), whichever occurs first,
12 begin accepting and processing applications for ²~~four~~ five²
13 clinical registrant permits. Thereafter, the commission shall accept
14 applications for and issue such additional clinical registrant permits
15 as it determines to be necessary and consistent with the provisions
16 of P.L.2009, c.307 (C.24:6I-1 et al.). The commission shall make a
17 determination as to a clinical registrant permit application no later
18 than 90 days after receiving the application, which may include a
19 determination that the commission reasonably requires more time to
20 adequately review the application. In reviewing and approving
21 applications for clinical registrant permits, the commission shall
22 seek to incorporate the policies, practices, protocols, standards, and
23 criteria developed by the Office of Minority, Disabled Veterans,
24 and Women **Medical** Cannabis Business Development pursuant
25 to section 32 of P.L.2019, c.153 (C.24:6I-25) to promote
26 participation in the medical cannabis industry by persons from
27 socially and economically disadvantaged communities. In no case
28 shall the commission accept, process, or approve an application
29 submitted by an applicant that has contracted with an academic
30 medical center that is part of a health care system that includes
31 another academic medical center that has contracted with an
32 applicant for, or a holder of, a clinical registrant permit.
- 33 c. A contract between a clinical registrant and an academic
34 medical center shall include a commitment by the academic medical
35 center, or its affiliate, to engage in or oversee clinical research
36 related to the use or adverse effects of **medical** cannabis in order
37 to advise the clinical registrant concerning patient health and safety,
38 medical applications, **and** dispensing and management of
39 controlled substances, and ways to mitigate adverse health or
40 societal effects of adult, personal use legalization, among other
41 areas. A clinical registrant issued a permit pursuant to this section
42 shall have a written contractual relationship with no more than one
43 academic medical center.
- 44 d. A clinical registrant issued a permit pursuant to this section
45 shall be authorized to engage in all conduct involving the
46 cultivation, manufacturing, and dispensing of medical cannabis as is

1 authorized for an entity holding medical cannabis cultivator,
2 medical cannabis manufacturer, and medical cannabis dispensary
3 permits pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), including
4 dispensing medical cannabis and medical cannabis products to
5 qualifying patients and designated and institutional caregivers. The
6 clinical registrant shall additionally be authorized to engage in
7 clinical research involving medical cannabis using qualifying
8 patients who consent to being part of such research, subject to any
9 restrictions established by the commission.

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

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

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

31 (4) In no case shall a clinical registrant operate or be located on
32 land that is valued, assessed or taxed as an agricultural or
33 horticultural use pursuant to the "Farmland Assessment Act of
34 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

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

37 g. Clinical registrant permits shall be valid for the term of the
38 contractual relationship between the academic medical center and
39 the clinical registrant. The commission may renew a clinical
40 registrant permit to correspond to any renewal of the contractual
41 relationship between the academic medical center and the clinical
42 registrant.

43 h. Each clinical registrant shall submit the results of the clinical
44 research obtained through an approved clinical registrant permit to
45 the commission no later than one year following the conclusion of
46 the research study or publication of the research study in a peer-

1 reviewed medical journal. Nothing in this subsection shall be
2 deemed to require the disclosure of any clinical research that would
3 infringe on the intellectual property of the clinical registrant or on
4 the confidentiality of patient information.

5 i. Application materials submitted to the commission pursuant
6 to this section shall not be considered a public record pursuant to
7 P.L.1963, c.73 (C.47:1A-1 et seq.) ²**[or]** ² P.L.2001, c.404
8 (C.47:1A-5 et al.) ², or the common law concerning access to
9 records².
10 (cf: P.L.2019, c.153, s.13)

11

12 18. (New section) Regulation of Cannabis.

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

20 (1) Procedures for the application, issuance, denial, renewal,
21 suspension, and revocation of a license or conditional license to
22 operate as a cannabis establishment, distributor, or delivery service.
23 Such procedures shall include a periodic evaluation of whether the
24 number of each class of cannabis establishment, or cannabis
25 distributors or cannabis delivery services, is sufficient to meet the
26 market demands of the State, a result of which is the commission's
27 authority to ¹**[make requests for]** accept¹ new applications and
28 issue additional licenses as it deems necessary to meet those
29 demands ¹**[**, except as otherwise provided in section 33 of P.L. ,
30 c. (C.) (pending before the Legislature as this bill) regarding
31 an initial period during which the number of Class 1 Cannabis
32 Grower licenses is capped¹ ², except as otherwise provided in
33 section 33 of P.L. , c. (C.) (pending before the Legislature
34 as this bill) regarding an initial period during which the number of
35 Class 1 Cannabis Cultivator licenses is capped, which limit shall
36 not apply to cannabis cultivator licenses issued to microbusinesses
37 as set forth in that section²;

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

39 (3) Incorporation of the licensing goals for applicants for
40 licensure who are New Jersey residents established in P.L. ,
41 c. (C.) (pending before the Legislature as this bill). The
42 commission shall make good faith efforts to meet these goals.
43 Qualifications for licensure shall be directly and demonstrably
44 related to the operation of a cannabis establishment, distributor, or
45 delivery service, provided that the commission shall make licenses
46 available to as diverse a group as reasonably practicable, however

1 no license of any kind shall be issued to a person under the legal
2 age to purchase cannabis items;

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

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

25 (5) Security requirements for cannabis establishments and
26 transportation of cannabis ²and cannabis items² ;

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

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

34 (i) The person's United States passport ¹, or other country's
35 passport or proper government-issued documentation for
36 international travel if a citizen or other lawfully recognized resident
37 of that ²[county] country² , who is lawfully permitted to possess
38 and use that country's passport or government-issued
39 documentation for purposes of identification in the United States¹ ;

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

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

46 (iv) Any other identification card issued by a state ¹, territory, or
47 possession of the United States, the District of Columbia,¹ or the

1 United States that bears a picture of the person, the name of the
2 person, the person's date of birth, and a physical description of the
3 person;

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

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

13 (d) No edible cannabis **'[items] products'** shall be **'[produced]**
14 **manufactured**¹, marketed, or sold that are in the shape of, or a shape
15 bearing the likeness or containing characteristics of, a realistic or
16 fictional human, animal, or fruit, or part thereof, including artistic,
17 caricature, or cartoon renderings;

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

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

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

27 (ii) Promotes over-consumption;

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

30 (iv) Includes objects, such as toys, characters, or cartoon
31 characters suggesting the presence of a person under the legal age to
32 purchase cannabis items, or any other depiction designed in any
33 manner to be especially appealing to persons under the legal age to
34 purchase cannabis items;

35 (b) Ensure cannabis items are packaged in opaque, child-
36 resistant special packaging, or if applicable to a particular cannabis
37 item, child resistant special packaging for liquid nicotine
38 containers, in accordance with the "Poison Prevention Packaging
39 Act of 1970," 15 U.S.C. s.1471 et seq., and the associated
40 regulations promulgated thereunder, except that these child-
41 resistant packaging requirements shall not apply to any cannabis
42 item obtained from a cannabis retailer or alternative treatment
43 center for immediate, on-premises consumption at that retailer's or
44 center's cannabis consumption area as permitted pursuant to section
45 28 of P.L.2019, c.153 (C.24:6I-21);

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

- 1 (d) Labeling rules that mandate clear identification of health
2 and safety information, including, but not limited to:
- 3 (i) Net weight;
- 4 (ii) Production date and expiration date;
- 5 (iii) ¹**[An]** For a cannabis product, cannabis extract, or other
6 cannabis resin, an¹ ingredient list that includes, but is not limited to,
7 all ingredients used to manufacture the cannabis product ¹, any
8 other inactive or excipient ingredients besides cannabis,¹ and a list
9 of all potential allergens contained within the product;
- 10 (iv) Strain or type of cannabis, listed by scientific terms, if
11 available, and generic or “slang” names;
- 12 (v) Whether the product requires refrigeration;
- 13 (vi) Growth method ²**[]**,² whether dirt grown, hydroponic, or
14 otherwise ²**[]**,² and an indication whether the cannabis was grown
15 using all-organic materials, and a complete list of any nonorganic
16 pesticides, fungicides and herbicides used during the cultivation of
17 the cannabis;
- 18 (vii) ¹**[Serving]** For a cannabis product, serving¹ size, the total
19 number of servings, and a statement regarding the percentage of
20 THC contained in the cannabis product and in each serving. For
21 example: “The serving size of active THC in this product is X mg.
22 This product contains X servings of cannabis, and the total amount
23 of active THC in this product is X mg.”;
- 24 (viii) Warning labels that include the nationwide toll-free
25 telephone number used to access poison control centers that is
26 maintained in accordance with 42 U.S.C. s.300d-71, as well as
27 include, but are not limited to, one or more of the following
28 ²statements² ¹, if applicable to a particular cannabis item¹:
- 29 -- “This product contains cannabis”;
- 30 -- “This product is infused with cannabis”;
- 31 -- “This product is intended for use by adults 21 years of age or
32 older. Keep out of the reach of children”;
- 33 -- “The intoxicating effects of this product may be delayed by
34 two or more hours”;
- 35 -- “There may be health risks associated with the consumption of
36 this product, including for women who are pregnant, breastfeeding,
37 or planning on becoming pregnant”;
- 38 -- “Do not drive a motor vehicle or operate heavy machinery
39 while using ²**[cannabis]** this product²”;
- 40 (e) Labeling rules that mandate the source of ²**[the]** a² cannabis
41 ²**[items]** item², including, but not limited to, the license number of
42 the cannabis ¹**[cultivation facility]** cultivator¹ where the ¹usable¹
43 cannabis used ²**[to produce]** for² the cannabis item was grown, the
44 license number of the cannabis ¹**[product manufacturing facility]**
45 manufacturer¹ that ¹**[produced]** manufactured¹ the cannabis item,
46 and the license number of the cannabis retailer that sold the

1 cannabis item and the production batch and lot ²**[numbers]**
2 number² of the cannabis ²**[items]** item²;

3 (8) Health and safety regulations and standards for the
4 ²cultivation of cannabis, and the² manufacture and sale of cannabis
5 ¹**[products]** items¹ ²**[and the cultivation of cannabis]**², including,
6 but not limited to, requirements that:

7 (a) Establish accreditation and licensure criteria for cannabis
8 testing facilities, which shall include, as a condition for licensure,
9 the maintenance of a labor peace agreement and entrance into, or
10 good faith effort to enter into, a collective bargaining agreement in
11 accordance with subsection c. of section ²**[18]** 19² of P.L. ,
12 c. (C.) (pending before the Legislature as this bill). The
13 commission shall also incorporate the licensing measures
14 established by the Office of Minority, Disabled Veterans, and
15 Women Cannabis Business Development, and the assessment of
16 their effectiveness, pursuant to subparagraph (b) of paragraph (1) of
17 subsection c. of section 32 of P.L.2019, c.153 (C.24:6I-25), and
18 apply them to the licensing of cannabis testing facilities in order to
19 promote the licensing of persons from socially and economically
20 disadvantaged communities, and minority businesses and women's
21 businesses, as these terms are defined in section 2 of P.L.1986,
22 c.195 (C.52:27H-21.18), and disabled veterans' businesses as
23 defined in section 2 of P.L.2015, c.116 (C.52:32-31.2). The license
24 shall permit a cannabis testing facility to test ¹**[cannabis and]**¹
25 cannabis items in accordance with the provisions set forth in
26 P.L. , c. (C.) (pending before the Legislature as this bill), as
27 well as test medical cannabis and medical cannabis products in
28 accordance with the provisions of the "Jake Honig Compassionate
29 Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.);

30 (b) ²**[(i)]**² The commission issue licenses for a sufficient
31 number of cannabis testing facilities, if those facilities ²**[meet]** ²:

32 (i) Meet² the requirements for licensure, in order to ensure that
33 the testing of representative samples of cannabis items in
34 accordance with the procedures set forth in paragraph (13) of this
35 subsection can be completed in not more than 14 days following
36 their submission to any facility. Other factors that may be
37 considered by the commission in determining whether a sufficient
38 number of cannabis testing facilities are currently licensed include
39 the current licensees' experience or expertise in testing highly
40 regulated products, demonstrated testing efficiency and
41 effectiveness, existing research partnerships or capability to form
42 and maintain research partnerships focusing on ²cannabis or²
43 cannabis items, and any other factors established in regulation by
44 the commission; and

45 (ii) ²**[Permits]** Permit² the commission to inspect any licensed
46 cannabis testing facility to determine the condition and calibration
47 of any equipment used for testing, and to ensure that a facility's

1 testing procedures are performed in accordance with the
2 commission's accreditation requirements for licensure;

3 (c) Every licensed cannabis ¹~~["cultivation facility"]~~ cultivator¹
4 and cannabis ¹~~["product manufacturing facility"]~~ manufacturer¹ shall
5 permit representatives of cannabis testing facilities to make
6 scheduled and unscheduled visits to ²~~["facilities"]~~ their premises² in
7 order to obtain random samples of cannabis items, in a quantity
8 established by the commission, to be transported to cannabis testing
9 facilities for inspection and testing to certify compliance with
10 health, safety, and potency standards adopted by the commission;

11 (d) Prescribe methods of producing ¹cannabis¹, ¹~~["processing,]~~
12 and manufacturing¹ and packaging cannabis items; conditions of
13 sanitation; safe handling requirements; approved pesticides and
14 pesticide testing requirements, to the extent not inconsistent with
15 approved pesticides and requirements otherwise established under
16 federal and State law; and standards of ingredients, quality, and
17 identity of cannabis items ²~~["produced,"]~~² ¹~~["processed"]~~ ²~~[""]~~²
18 manufactured¹, packaged, or sold by cannabis establishments;

19 (e) Establish accreditation ²~~["and licensing"]~~² criteria for
20 responsible cannabis server and seller training and certification
21 programs for cannabis retailer employees;

22 (f) Provide that no licensed cannabis establishment, distributor,
23 or delivery service, or employee of a cannabis establishment
24 ¹~~["or"]~~, ¹distributor, ¹or delivery service,¹ shall consume, or allow to
25 be consumed, any cannabis items on the establishment's,
26 distributor's, or delivery service's premises, except as permitted in
27 a cannabis consumption area or ¹premises¹ private area ¹for
28 employees¹ as set forth in section 28 of P.L.2019, c.153 (C.24:6I-
29 21);

30 (g) (i) Set appropriate dosage, potency, and serving size limits
31 for ¹~~["cannabis and other"]~~¹ cannabis items, provided that a
32 standardized serving of ¹a¹ cannabis ¹product¹ shall be no more
33 than 10 milligrams of active THC and no individual edible ¹~~["retail"]~~
34 cannabis¹ product ¹~~["unit"]~~¹ for sale shall contain more than 100
35 milligrams of active THC;

36 (ii) Require that each single standardized serving of ¹a¹ cannabis
37 ¹product¹ in a multiple-serving edible ¹~~["cannabis"]~~¹ product is
38 physically demarked in a way that enables a reasonable person to
39 determine how much of the product constitutes a single serving of
40 active THC, and that each standardized serving of ¹the¹ cannabis
41 ¹product¹ shall be easily separable to allow an average person 21
42 years of age or older to physically separate, with minimal effort,
43 individual servings of the product;

44 (iii) Require that, if it is impracticable to clearly demark every
45 standardized serving of cannabis ¹product¹ or to make each
46 standardized serving easily separable in an edible cannabis product,

- 1 the product shall contain no more than 10 milligrams of active THC
2 per unit of sale;
- 3 (h) Establish a universal symbol to indicate that a cannabis item
4 contains cannabis, which shall be marked, stamped, or imprinted
5 directly on an edible retail cannabis ¹**[item] product¹**, or on each
6 single standardized serving in a multiple-serving edible cannabis
7 ¹**[item] product¹**, unless the item is a loose bulk good such as
8 granola or cereal, a powder, a liquid-infused item, or another form
9 too impractical to be marked, stamped, or imprinted;
- 10 (i) Prohibit the use of a commercially manufactured or
11 trademarked food product as an edible retail cannabis ¹**[item]**
12 **product¹**, provided that a commercially manufactured or
13 trademarked food product may be used as a component of an edible
14 retail cannabis ¹**[item] product¹** or part of ¹**[an item's] a product's¹**
15 recipe so long as the commercially manufactured or trademarked
16 food product is used in a way that renders it unrecognizable in the
17 final edible ¹**[retail]¹ cannabis ¹**[item] product¹** and the ¹**[item]**
18 **product¹** is not advertised as containing the commercially
19 manufactured or trademarked food product;**
- 20 (j) Establish screening, hiring, training, and supervising
21 requirements for ¹**[retail store] cannabis retailer¹** employees and
22 others who manufacture or handle cannabis items;
- 23 (k) Promote general sanitary requirements for the handling,
24 storage, and disposal of cannabis items, and the maintenance of
25 cannabis establishments ¹, and cannabis distribution and cannabis
26 delivery service premises¹ ;
- 27 (l) Provide for rigorous auditing, inspection, and monitoring of
28 cannabis establishments, distributors, and delivery services for
29 compliance with health and safety rules and regulations;
- 30 (m) Require the implementation of security requirements for
31 ¹**[retail outlets] cannabis retailers¹** and premises where cannabis
32 items are ²**[produced or]² ¹**[processed] ²**[manufactured¹]****
33 **manufactured²**, and safety protocols for cannabis establishments,
34 distributors, and delivery services, and their employees;**
- 35 (n) Prescribe reasonable restrictions on the manner, methods,
36 and means by which ¹cannabis cultivators ²and cannabis
37 distributors² shall transport cannabis within the State, and all¹
38 licensees shall transport cannabis items within the State; and
- 39 (o) Establish procedures for identification, seizure, confiscation,
40 destruction, or donation to law enforcement for training purposes of
41 ²**[all]² cannabis or cannabis ¹**[products] items¹** produced,
42 ²**[processed] manufactured²**, sold, or offered for sale within this
43 State which do not conform in all respects to the standards
44 prescribed by P.L. , c. (C.) (pending before the Legislature
45 as this bill);**

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

4 (a) Restrict advertising of cannabis items and cannabis
5 paraphernalia in ways that target or are designed to appeal to
6 individuals under the legal age to purchase cannabis items,
7 including, but not limited to depictions of a person under 21 years
8 of age consuming cannabis ¹items¹, or, includes objects, such as
9 toys, characters, or cartoon characters suggesting the presence of a
10 person under 21 years of age, or any other depiction designed in any
11 manner to be especially appealing to a person under 21 years of
12 age;

13 (b) Prohibit advertising of any cannabis items or cannabis
14 paraphernalia on television, or on radio between the hours of 6:00
15 ²[am] a.m.² and 10:00 ²[pm] p.m.²;

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

19 (d) Prohibit engaging in advertising or marketing directed
20 towards location-based devices, including but not limited to cellular
21 phones, unless the marketing is a mobile device application
22 installed on the device by the owner of the device who is 21 years
23 of age or older and includes a permanent and easy opt-out feature
24 and warnings that the use of cannabis items is restricted to persons
25 21 years of age or older;

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

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

35 (g) Prohibit the advertising of cannabis items or cannabis
36 paraphernalia in any form or through any medium whatsoever
37 within 200 feet of ²[an] any² elementary or secondary school
38 grounds. ²This subparagraph shall not apply to advertisements
39 within the premises of a cannabis retailer.²

40 For the purposes of this section, a noncommercial message shall
41 not be considered an advertisement. ²[This section also shall not
42 apply to advertisements within the premises of a cannabis retailer.]²

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

45 (11) Procedures for the commission to conduct announced and
46 unannounced visits to cannabis establishments, distributors, and
47 delivery services, to make, or cause to be made, such investigations

1 as it shall deem proper in the administration of P.L. ,
2 c. (C.) (pending before the Legislature as this bill) and any
3 other laws which may hereafter be enacted concerning cannabis, or
4 the ¹production,¹ manufacture, distribution, sale, or delivery
5 thereof, including the inspection and search of ²any² premises for
6 which the license is sought or has been issued, of any building
7 containing the same, of licensed buildings, examination of the
8 books, records, accounts, documents and papers of the licensees or
9 on the licensed premises;

10 (a) The commission shall be authorized ²[, after adequate notice
11 to the owner or the agent of the owner, to make an examination of
12 the books]² and may at any time make an examination of the
13 premises of any person ²or entity² licensed under P.L. ,
14 c. (C.) (pending before the Legislature as this bill) for the
15 purpose of determining compliance with P.L. , c. (C.)
16 (pending before the Legislature as this bill) and the rules of the
17 commission ² [. The commission shall not require the books of any
18 licensee to be maintained on the premises of the licensee]²;

19 (b) The commission may ²[, at any time, examine the books and
20 records of any cannabis licensee,]² require ²licensee² compliance
21 with P.L. , c. (C.) (pending before the Legislature as this
22 bill), and may appoint auditors, investigators and other employees
23 that the commission considers necessary to enforce its powers and
24 perform its duties;

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

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

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

36 (a) The obligation of every cannabis ¹[grower] cultivator¹ to
37 keep a complete and accurate record of all sales of cannabis
38 flowers, cannabis leaves, and immature cannabis plants, and a
39 complete and accurate record of the number of cannabis flowers
40 produced, the number of ounces of cannabis leaves produced, the
41 number of immature cannabis plants produced, and the dates of
42 production; the obligation of every cannabis establishment to keep a
43 complete and accurate record of all sales of cannabis ¹items¹ , and a
44 complete and accurate record of the number of ounces of ¹usable¹
45 cannabis ¹[items]¹ sold; the obligation of every cannabis
46 distributor to keep a complete and accurate record of all ¹cannabis

1 and¹ cannabis items transported in bulk, and the sending and
2 receiving cannabis establishments involved in each transportation of
3 the 'cannabis or'¹ cannabis items; and the obligation of every
4 cannabis delivery service to keep a complete and accurate record of
5 all cannabis item deliveries made ²[on behalf of a] to consumers
6 based on orders fulfilled by² of cannabis ²[retailer] retailers²;

7 (b) Such records shall be kept and maintained for four years ²,
8 however there shall not be a requirement that the records be
9 maintained on the premises of a licensee,² and the records shall be
10 in such form and contain such other information as the commission
11 may require; and

12 (c) The commission may, at any time, with adequate notice,
13 examine the books and records of any cannabis establishment,
14 distributor, or delivery service, and may appoint auditors,
15 investigators, and other employees that the commission considers
16 necessary to enforce its powers and ²its² duties ²[as described in
17 P.L. , c. (C.) (pending before the Legislature as this
18 bill)]²;

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

21 (a) On a schedule determined by the commission, every licensed
22 cannabis ¹[grower] cultivator¹ and ¹[processor] manufacturer¹
23 shall submit representative samples of cannabis ¹[useable
24 cannabis,] items¹ produced or ¹[processed] manufactured¹ by the
25 licensee to an independent, third-party licensed testing facility
26 meeting the accreditation requirements established by the
27 commission, ²or random samples may be obtained by
28 representatives of the facility making a scheduled or unscheduled
29 visit to the licensee's premises,² for inspection and testing to certify
30 compliance with standards adopted by the commission. Any sample
31 remaining after testing shall be destroyed by the facility or returned
32 to the licensee, unless that sample does not meet the applicable
33 standards adopted by the commission, in which case it may be
34 retained for purposes of retesting upon request of a licensee in
35 accordance with subparagraph (c) of this paragraph;

36 (b) Licensees shall submit the results of this ²cannabis item²
37 inspection and testing to the commission on a form developed by
38 the commission; and

39 (c) If a ²[representative]² sample inspected and tested under
40 this section does not meet the applicable standards adopted by the
41 commission, the ²[representative]² sample may, upon notice to the
42 commission, be retested at the request of a licensee in a manner
43 prescribed by the commission, and in addition to a retest, or as an
44 alternative thereto, the licensee may also be permitted an
45 opportunity to remediate, upon notice to the commission, the ¹batch
46 or¹ lot from which the failed ²[representative]² sample was taken,

1 which ¹batch or¹ lot shall be subject to a subsequent test of a new
2 representative sample in a manner prescribed by the commission.
3 Any request for a retest of a ²**[representative]**² sample, and any
4 retest and reporting of results, as well as any ¹batch or¹ lot
5 remediation process undertaken and subsequent testing of that
6 ¹batch or¹ lot, shall be completed within a time period established
7 by the commission. The commission shall also provide a process
8 by which ²**[representative]**² samples ¹, batches,¹ and lots that
9 failed retesting or remediation, as applicable, shall be destroyed;

10 (14) Establishing the number of cannabis retailers ², and
11 permissible business arrangements with respect to other types of
12 retailing businesses²:

13 (a) ²**(i)**² Assuming there are sufficient qualified applicants for
14 licensure, the commission shall, subject to ²**[annual review]**
15 periodic evaluation as described in paragraph (1) of this
16 subsection², issue a sufficient number of Class 5 Retailer licenses to
17 meet the market demands of the State, giving regard to geographical
18 and population distribution throughout the State; and

19 ²**(b)** **(ii)**² the provision of adequate access to licensed sources
20 of ²**[useable cannabis and]**² cannabis ²**[products]** items² to
21 discourage purchases from the illegal market; and

22 ²**(b)** A cannabis retailer's premises shall not be located in or
23 upon any premises in which operates a grocery store, delicatessen,
24 indoor food market, or other store engaging in retail sales of food,
25 or in or upon any premises in which operates a store that engages in
26 licensed retail sales of alcoholic beverages, as defined by subsection
27 b. of R.S.33:1-1; and²

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

30 b. In order to ensure that individual privacy is protected, the
31 commission shall not require a consumer to provide a cannabis
32 retailer with personal information other than government-issued
33 identification ¹as set forth in subparagraph (a) of paragraph (6) of
34 subsection a. of this section in order¹ to determine the consumer's
35 ¹identity and¹ age, and a cannabis retailer shall not collect and
36 retain any personal information about consumers other than
37 information typically acquired in a financial transaction conducted
38 by the holder of a Class C retail license concerning alcoholic
39 beverages as set forth in R.S.33:1-12.

40 c. Once regulations are adopted by the commission pursuant to
41 subsection a. of this section, but prior to the commencement of the
42 application process, the commission shall conduct a series of
43 information sessions in every county in New Jersey to educate
44 residents of New Jersey about the responsibilities, opportunities,
45 requirements, obligations, and processes for application for a
46 license to operate a cannabis establishment, distributor, or delivery

1 service. The commission shall conduct an appropriate number of
2 information sessions in each county considering the population of
3 each county, but no fewer than one information session in each
4 county. The commission shall publicize the day, time, location, and
5 agenda of each information session broadly through television,
6 radio, Internet, print, and local agencies.

7 d. The commission shall:

8 (1) Examine available research, and may conduct or commission
9 new research or convene an expert task force, to investigate the
10 influence of cannabis and marijuana on the ability of a person to
11 drive a vehicle, on methods for determining whether a person is
12 under the influence of cannabis or marijuana, and on the
13 concentration of ¹active¹ ²[delta-9 tetrahydrocannabinol] THC, as
14 defined in section 3 of P.L. , c. (C.) (pending before the
15 Legislature as this bill),² in a person's blood, in each case taking
16 into account all relevant factors; and

17 (2) Report ²the results of the research to the Governor and²,
18 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), ²[the
19 results of the research to]² the Legislature and make
20 recommendations ²[to the Legislature]² regarding ²[legislation or
21 other]² both administrative and² legislative action as the commission
22 deems necessary.

23

24 19. (New section) Application For License or Conditional
25 License.

26 a. Each application for an annual license to operate a cannabis
27 establishment, distributor, or delivery service, or conditional license
28 for a proposed cannabis establishment, distributor, or delivery
29 service, shall be submitted to the commission. A separate license or
30 conditional license shall be required for each location at which a
31 cannabis establishment seeks to operate, or for the location of each
32 premises from which a cannabis distributor or delivery service
33 seeks to operate. Renewal applications for another annual license
34 ²[may] shall² be filed ¹[up to] no later than¹ 90 days prior to the
35 expiration of the establishment's, distributor's, or delivery service's
36 license. A conditional license shall not be renewed, but replaced
37 with an annual license upon the commission's determination of
38 qualification for the annual license, or otherwise expire, as set forth
39 in paragraph (2) of subsection b. of this section.

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

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

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

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

14 The commission shall deny a license application to any applicant
15 who fails to provide information, documentation and assurances as
16 required by P.L. , c. (C.) (pending before the Legislature as
17 this bill) or as requested by the commission, or who fails to reveal
18 any ²~~fact~~² material ²~~fact~~² to qualification, or who supplies
19 information which is untrue or misleading as to a material fact
20 pertaining to the qualification criteria for licensure. The
21 commission shall approve a license application that meets the
22 requirements of this section unless the commission finds by clear
23 and convincing evidence that the applicant would be manifestly
24 unsuitable to perform the activities for the applicable license class
25 for which licensure is sought.

26 (i) If the application is approved, upon collection of the license
27 fee, the commission shall issue an annual license to the applicant no
28 later than 30 days after giving notice of approval of the application
29 unless the commission finds the applicant is not in compliance with
30 regulations for annual licenses enacted pursuant to the provisions of
31 paragraph (1) of subsection d. of section 6 of P.L. , c. (C.)
32 (pending before the Legislature as this bill) or the commission is
33 notified by the relevant municipality that the applicant is not in
34 compliance with ordinances and regulations made pursuant to the
35 provisions of section 31 of P.L. ²~~of P.L.~~² , c. (C.)
36 (pending before the Legislature as this bill) and in effect at the time
37 of application, provided, if a municipality has enacted a numerical
38 limit on the number of cannabis establishments, distributors, or
39 delivery services and a greater number of applicants seek licenses,
40 the commission shall solicit and consider input from the
41 municipality as to the municipality's preference or preferences for
42 licensure.

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

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

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

15 (b) forward, within ¹~~seven~~ ¹⁴ days of receipt, a copy of each
16 application to the municipality in which the applicant desires to
17 operate a proposed cannabis establishment, or to the municipality in
18 which the premises is located from which the applicant desires to
19 operate a proposed cannabis distributor or delivery service; and

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

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

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

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

33 (iv) the name, address, date of birth, and resumes of each
34 executive officer ¹~~and~~ ¹ all significantly involved persons ¹, and
35 persons ¹ with a financial interest who also ¹~~has~~ ^{have} decision
36 making authority for the proposed cannabis establishment,
37 distributor, or delivery service, as well as a photocopy of their
38 driver's licenses or other government-issued form of identification,
39 plus background check information in a form and manner
40 determined by the commission in consultation with the
41 Superintendent of State Police; concerning the background check,
42 an application shall be denied if any person has any disqualifying
43 conviction pursuant to
44 subparagraph (c) of paragraph (4) of subsection a. of section ¹~~19~~
45 ²⁰, ¹~~21~~, ¹ 22, 23, ¹~~or~~ ¹ 24 ¹, ¹ 25 or ¹ 26 of P.L. , c. (C.)
46 (pending before the Legislature as this bill), based upon the
47 applicable class of cannabis establishment for which the application

1 was submitted, or based upon the application being for a cannabis
2 distributor or delivery service, unless the commission determines
3 pursuant to subsubparagraph (ii) of those subparagraphs that the
4 conviction should not disqualify the application;

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

10 (vi) a certification that each person with a financial interest who
11 also has decision making authority for the proposed cannabis
12 establishment, distributor, or delivery service does not have any
13 financial interest in an application for an annual license under
14 review before the commission or a cannabis establishment ²[or] ²
15 distributor ², or delivery service² that is currently operating with an
16 annual license;

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

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

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

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

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

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

36 The commission shall deny a ²conditional² license application to
37 any applicant who fails to provide information, documentation and
38 assurances as required by P.L. , c. (C.) (pending before the
39 Legislature as this bill) or as requested by the commission, or who
40 fails to reveal any ²[fact]² material ²fact² to qualification, or who
41 supplies information which is untrue or misleading as to a material
42 fact pertaining to the qualification criteria for licensure. The
43 commission shall approve a license application that meets the
44 requirements of this section unless the commission finds by clear
45 and convincing evidence that the applicant would be manifestly
46 unsuitable to perform the activities for the applicable license class
47 for which ²conditional² licensure is sought.

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

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

1 c. The commission shall require all applicants for cannabis
2 licenses, other than applicants ²[issued] for² a conditional license
3 for any ²[form] class² of cannabis establishment, ²or for a
4 cannabis² distributor ²[,]² or delivery service, or ²[issued] for²
5 either a conditional or annual license for an establishment,
6 distributor, or delivery service that is a microbusiness pursuant to
7 subsection f. of this section, to submit an attestation signed by a
8 bona fide labor organization stating that the applicant has entered
9 into a labor peace agreement with such bona fide labor
10 organization. The maintenance of a labor peace agreement with a
11 bona fide labor organization by a licensed cannabis establishment,
12 distributor, or delivery service, other than an establishment that is a
13 microbusiness, shall be an ongoing material condition of the
14 establishment's, distributor's, or delivery service's license. The
15 submission of an attestation and maintenance of a labor peace
16 agreement with a bona fide labor organization by an applicant
17 issued a conditional license for a cannabis establishment,
18 distributor, or delivery service, other than an establishment that is a
19 microbusiness, shall be a requirement for final approval for an
20 annual license. Failure to enter, or to make a good faith effort to
21 enter, into a collective bargaining agreement within 200 days of the
22 opening of a licensed cannabis establishment, distributor, or
23 delivery service, other than an establishment that is a
24 microbusiness, shall result in the suspension or revocation of the
25 establishment's ²[or] ², distributor's ², or delivery service's license.

26 As used in this subsection, "bona fide labor organization"
27 means a labor organization of any kind or employee representation
28 committee, group, or association, in which employees participate
29 and which exists and is constituted for the purpose, in whole or in
30 part, of collective bargaining or otherwise dealing with medical or
31 personal use cannabis employers concerning grievances, labor
32 disputes, terms or conditions of employment, including wages and
33 rates of pay, or other mutual aid or protection in connection with
34 employment, and may be characterized by: it being a party to one or
35 more executed collective bargaining agreements with medical or
36 personal use cannabis employers, in this State or another state; it
37 having a written constitution or bylaws in the three immediately
38 preceding years; it filing the annual financial report required of
39 labor organizations pursuant to subsection (b) of 29 U.S.C. 431, or
40 it having at least one audited financial report in the three
41 immediately preceding years; it being affiliated with any regional or
42 national association of unions, including but not limited to state and
43 federal labor councils; or it being a member of a national labor
44 organization that has at least 500 general members in a majority of
45 the 50 states of the United States.²

46 d. (1) Each license application shall be scored and reviewed
47 based upon a point scale with the commission determining the

1 amount of points, the point categories, and the system of point
2 distribution by regulation. The commission shall assign points
3 and rank ~~all~~ applicants ~~],~~ from the most to the least points,¹
4 according to the point system. The commission may, pursuant to a
5 process set forth in regulation and consistent with this subsection,
6 adjust the point system or utilize a separate point system and
7 rankings with respect to the review of an application for which a
8 conditional license is sought ¹, or for which a microbusiness license
9 is sought¹. If two or more eligible applicants have the same number
10 of points, those applicants shall be grouped together and, if there
11 are more eligible applicants in this group than the remaining
12 number of licenses available, the commission shall utilize a public
13 lottery to determine which applicants receive a license or
14 conditional license, as the case may be.

15 (a) An initial application for licensure shall be evaluated
16 according to criteria to be developed by the commission. ~~For the~~
17 point values assigned to each criterion, there] There¹ shall be
18 included bonus points for applicants who are residents of New
19 Jersey.

20 (b) The criteria to be developed by the commission pursuant to
21 subparagraph (a) ²of² this paragraph shall include, in addition to the
22 criteria set forth in subparagraphs (c) and (d) of this paragraph and
23 any other criteria developed by the commission, an analysis of the
24 applicant's operating plan, excluding safety and security criteria,
25 which shall include the following:

26 (i) In the case of an applicant for a cannabis ~~grower~~
27 cultivator¹ license, the operating plan summary shall include a
28 written description concerning the applicant's qualifications for,
29 experience in, and knowledge of each of the following topics:

- 30 - ~~State-authorized~~¹ cultivation of ~~personal use~~¹ cannabis;
- 31 - conventional horticulture or agriculture, familiarity with good
32 agricultural practices, and any relevant certifications or degrees;
- 33 - quality control and quality assurance;
- 34 - recall plans;
- 35 - packaging and labeling;
- 36 - inventory control and tracking software or systems for the
37 production of personal use cannabis;
- 38 - analytical chemistry and testing of ~~personal use~~² cannabis;
- 39 - water management practices;
- 40 - odor mitigation practices;
- 41 - onsite and offsite recordkeeping;
- 42 - strain variety and plant genetics;
- 43 - pest control and disease management practices, including plans
44 for the use of pesticides, nutrients, and additives;
- 45 - waste disposal plans; and
- 46 - compliance with applicable laws and regulations.

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

7 - ¹**[State-authorize]**¹ manufacture ¹**[, production,]**¹ and creation
8 of cannabis products using appropriate extraction methods,
9 including intended use and sourcing of extraction equipment and
10 associated solvents or intended methods and equipment for non-
11 solvent extraction;

12 - quality control and quality assurance;

13 - recall plans;

14 - packaging and labeling;

15 - inventory control and tracking software or systems for the
16 ²**[production]** manufacturing, warehousing, transportation, or
17 delivery² of ²**[personal use]**² cannabis and cannabis items;

18 - analytical chemistry and testing of ²**[personal use cannabis**
19 **and]**² cannabis items;

20 - water management practices;

21 - odor mitigation practices;

22 - onsite and offsite recordkeeping;

23 - a list of product formulations or products proposed to be
24 manufactured with estimated cannabinoid profiles, if known,
25 including varieties with high cannabidiol content;

26 - intended use and sourcing of all non-cannabis ingredients used
27 in the manufacture ²**[, production,]**² and creation of cannabis
28 products, including methods to verify or ensure the safety and
29 integrity of those ingredients and their potential to be or contain
30 allergens;

31 - waste disposal plans; and

32 - compliance with applicable laws and regulations.

33 (iii) In the case of an applicant for a cannabis retailer license, the
34 operating plan summary shall include a written description
35 concerning the applicant's qualifications for, experience in, and
36 knowledge of each of the following topics:

37 - ¹**[State-authorized]**¹ sales of cannabis items to consumers;

38 - ¹**[personal use]**¹ cannabis product evaluation procedures;

39 - recall plans;

40 - packaging and labeling;

41 - inventory control and point-of-sale software or systems for the
42 sale of cannabis items;

43 - the routes of administration, strains, varieties, and cannabinoid
44 profiles of ²**[personal use]**² cannabis and cannabis items;

45 - odor mitigation practices;

46 - onsite and offsite recordkeeping;

47 - waste disposal plans; and

1 - compliance with applicable laws and regulations.

2 (c) The criteria to be developed by the commission pursuant to
3 subparagraph (a) of this paragraph shall include, in addition to the
4 criteria set forth in subparagraph (b) and (d) of this paragraph and
5 any other criteria developed by the commission, an analysis of the
6 following factors, if applicable:

7 (i) The applicant's environmental impact plan.

8 (ii) A summary of the applicant's safety and security plans and
9 procedures, which shall include descriptions of the following:

10 - plans for the use of security personnel, including contractors;

11 - the experience or qualifications of security personnel and
12 proposed contractors;

13 - security and surveillance features, including descriptions of any
14 alarm systems, video surveillance systems, and access and visitor
15 management systems, along with drawings identifying the proposed
16 locations for surveillance cameras and other security features;

17 - plans for the storage of ¹~~["cannabis and"]~~ ²cannabis and²
18 cannabis items, including any safes, vaults, and climate control
19 systems that will be utilized for this purpose;

20 - a diversion prevention plan;

21 - an emergency management plan;

22 - procedures for screening, monitoring, and performing criminal
23 history record background checks of employees;

24 - cybersecurity procedures;

25 - workplace safety plans and the applicant's familiarity with
26 federal Occupational Safety and Health Administration regulations;

27 - the applicant's history of workers' compensation claims and
28 safety assessments;

29 - procedures for reporting adverse events; and

30 - a sanitation practices plan.

31 (iii) A summary of the applicant's business experience, including
32 the following, if applicable:

33 - the applicant's experience operating businesses in highly-
34 regulated industries;

35 - the applicant's experience in operating cannabis establishments
36 or alternative treatment centers and related ¹~~["personal use or
37 medical"]~~ ²and dispensation ²manufacturing, warehousing, or retail²
38 entities, or experience in
39 operating cannabis distributors or delivery services, under the laws
40 of New Jersey or any other state or jurisdiction within the United
41 States; and

42 - the applicant's plan to comply with and mitigate the effects of
43 26 U.S.C. s.280E on cannabis businesses, and for evidence that the
44 applicant is not in arrears with respect to any tax obligation to the
45 State.

46 In evaluating the experience described under this
47 subsubparagraph, the commission shall afford the greatest weight to
48 the experience of the applicant itself, controlling owners, and

1 entities with common ownership or control with the applicant;
2 followed by the experience of those with a 15 percent or greater
3 ownership interest in the applicant's organization; followed by
4 ²**[interest holders]** significantly involved persons² in the
5 applicant's organization; followed by other officers, directors, and
6 ²**[bona fide full-time]** current and prospective² employees of the
7 applicant ²who have a bona fide relationship with application's
8 organization² as of the ²**[submission]**² date of the application.

9 (iv) A description of the proposed location for the applicant's
10 site, including the following, if applicable:

11 - the proposed location, the surrounding area, and the suitability
12 or advantages of the proposed location, along with a floor plan and
13 optional renderings or architectural or engineering plans;

14 - the submission of zoning approvals for the proposed location,
15 which shall consist of a letter or affidavit from appropriate officials
16 of the municipality that the location will conform to local zoning
17 requirements allowing for activities related to the operations of the
18 proposed cannabis ¹**[grower]** cultivator¹ , cannabis ¹**[processor]**
19 manufacturer¹ , cannabis wholesaler, cannabis distributor, cannabis
20 retailer, or cannabis delivery service ²**[and related supplies]**² as
21 will be conducted at the proposed facility; and

22 - the submission of proof of local support for the suitability of
23 the location, which may be demonstrated by a resolution adopted by
24 the municipality's governing body indicating that the intended
25 location is appropriately located or otherwise suitable for activities
26 related to the operations of the proposed cannabis ¹**[grower]**
27 cultivator¹ , cannabis ¹**[processor]** manufacturer¹ , cannabis
28 wholesaler, cannabis distributor, cannabis retailer, or cannabis
29 delivery service.

30 ²An application for a cannabis retailer shall not include in that
31 application a proposed site that would place the retailer's premises
32 in or upon any premises in which operates a grocery store,
33 delicatessen, indoor food market, or other store engaging in retail
34 sales of food, or in or upon any premises in which operates a store
35 that engages in licensed retail sales of alcoholic beverages, as
36 defined by subsection b. of R.S.33:1-1; any application presented to
37 the commission shall be denied if it includes that form of proposed
38 site.²

39 Notwithstanding any other provision of this subsubparagraph, an
40 application shall be disqualified from consideration unless it
41 includes documentation demonstrating that the applicant will have
42 final control of the premises upon approval of the application,
43 including, but not limited to, a lease agreement, contract for sale,
44 title, deed, or similar documentation. In addition, if the applicant
45 will lease the premises, the application will be disqualified from
46 consideration unless it includes certification from the landlord that
47 the landlord is aware that the tenant's use of the premises will

1 involve ²activities associated with² operations as a cannabis
2 ¹**grower** cultivator¹ , cannabis ¹**processor** manufacturer¹ ,
3 cannabis wholesaler, cannabis distributor, cannabis retailer, or
4 cannabis delivery service. ¹**An application shall not be**
5 **disqualified from consideration if the application does not include**
6 **the materials described in this subsubparagraph.]**¹

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

10 - a community impact plan summarizing how the applicant
11 intends to have a positive impact on the community in which the
12 proposed cannabis establishment, distributor, or delivery service is
13 to be located, which shall include an economic impact plan and a
14 description of outreach activities;

15 - a written description of the applicant's record of social
16 responsibility, philanthropy, and ties to the proposed host
17 community;

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

22 - a written plan describing any research and development
23 regarding the ²**medical efficacy or**² adverse effects of cannabis,
24 and any cannabis-related educational and outreach activities, which
25 the applicant intends to conduct if issued a license by the
26 commission.

27 In evaluating the information submitted pursuant to this
28 subsubparagraph, the commission shall afford the greatest weight to
29 ²**the experience of** responses pertaining to² the applicant itself,
30 controlling owners, and entities with common ownership or control
31 with the applicant; followed by ²**the experience of**² those with a
32 15 percent or greater ownership interest in the applicant's
33 organization; followed by ²**interest holders** significantly involved²
34 persons² in the applicant's organization; followed by other officers,
35 directors, and ²**bona fide full-time** current and prospective²
36 employees of the applicant² who have a bona fide relationship with²
37 the applicant's organization² as of the ²**submission**² date of the
38 application.

39 (vi) A workforce development and job creation plan, which may
40 include ¹**], but shall not be limited to a description of the**
41 **applicant's workforce development and job creation plan, which**
42 **may include]**¹ information on the applicant's history of job creation
43 and planned job creation at the proposed cannabis establishment,
44 distributor, or delivery service; education, training, and resources to
45 be made available for employees; any relevant certifications; and an
46 optional diversity plan.

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

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

9 - a description of the applicant's ¹**[experience complying]** plan
10 to comply¹ with guidance pertaining to cannabis issued by the
11 Financial Crimes Enforcement Network under 31 U.S.C. s.5311 et
12 seq., the federal "Bank Secrecy Act," which may be demonstrated
13 by submitting letters regarding the applicant's banking history from
14 banks or credit unions that certify they are aware of the business
15 activities of the applicant, or entities with common ownership or
16 control ²**[of]** with² the ²**[applicant's organization]** applicant², in
17 any state where the applicant has operated a business related to
18 personal use or medical cannabis. For the purposes of this
19 ²**[subparagraph]** subsubparagraph², the commission shall consider
20 only bank references involving accounts in the name of the
21 applicant or of an entity with common ownership or control ²**[of]**
22 with² the ²**[applicant's organization]** applicant². An applicant who
23 does not submit the information ²**[described in this subparagraph]**
24 about a plan of compliance with the federal "Bank Secrecy Act"²
25 shall not be disqualified from consideration.

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

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

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

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

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

5 (x)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 ¹regardless of¹
10 whether there is any competition among applications for a particular
11 class of license:

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

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

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

22 (d) Applicants that submit ¹an attestation affirming that they
23 will use best efforts to utilize¹ a signed project labor agreement
24 with a bona fide¹ building trades labor ¹organizations in¹
25 organization, which is a form of pre-hire collective bargaining
26 agreement covering terms and conditions of a specific project,
27 including labor issues and worker grievances associated with that
28 project, for¹ the construction or retrofit of the facilities associated
29 with the licensed entity.

30 (e) Applicants that submit ¹an attestation affirming that they
31 have¹ a ¹signed¹ project labor agreement ¹, or will utilize a
32 project labor agreement, which is a form of pre-hire collective
33 bargaining agreement covering terms and conditions of a specific
34 project, including labor issues and worker grievances associated
35 with any construction or retrofit of facilities, or¹ with a bona fide
36 labor organization for any¹ other applicable project ¹,¹
37 associated
38 with the licensed entity.

38 ²As used in this paragraph, "bona fide labor organization" means
39 "bona fide labor organization" as defined in subsection c. of this
40 section, and includes a bona fide building trades labor
41 organization.²

42 (3) In reviewing an initial ²license² application, unless the
43 information is otherwise solicited by the commission in a specific
44 application question, the commission's evaluation of the application
45 shall be limited to the experience and qualifications of the
46 applicant's organization, including ²controlling owners,² any entities

1 with common ownership or control ²[of] with² the ²[applicant's
2 organization] applicant², ²[controlling owners or] those with a 15
3 percent or greater ownership² interest ²[holders]² in the applicant's
4 organization, ²[and] significantly involved persons in the
5 applicant's organization,² the ²other² officers, directors, and current
6 ²[full-time existing] or prospective² employees of the
7 ²[applicant's organization] applicant who have a bona fide
8 relationship with the applicant's organization as of the date of the
9 application, and consultants and independent contractors who have
10 a bona fide relationship with the applicant as of the date of the
11 application². Responses pertaining to ²[consultants, independent
12 contractors],² applicants who are exempt from the criminal history
13 record background check requirements of P.L. , c. (C.)
14 (pending before the Legislature as this bill) ²[, and prospective or
15 part-time employees of the entity]² shall not be considered. Each
16 applicant shall certify as to the status of the individuals and entities
17 included in the application.

18 (4) The commission shall give special consideration to any
19 applicant that has entered into an agreement with an institution of
20 higher education to create an integrated curriculum involving the
21 ²[growing] cultivation², ²[processing] manufacturing²,
22 wholesaling, distributing, ²[and] ,² retail sales ², or delivery² of
23 personal use cannabis ²[and] or² cannabis items, provided that the
24 curriculum is approved by both the commission and the
25 ²[Department] Office² of ²the Secretary of Higher² Education and
26 the applicant agrees to maintain the integrated curriculum in
27 perpetuity. An integrated curriculum ²[permit] license² shall be
28 subject to revocation if the license holder fails to maintain or
29 continue the integrated curriculum. In the event that, because of
30 circumstances outside a license holder's control, the license holder
31 will no longer be able to continue an integrated curriculum, the
32 license holder shall notify the commission and shall make
33 reasonable efforts to establish a new integrated curriculum with an
34 institution of higher education, subject to approval by the
35 commission and the ²[Department] Office² of ²the Secretary of
36 Higher² Education. If the license holder is unable to establish a
37 new integrated curriculum within six months after the date the
38 current integrated curriculum arrangement ends, the commission
39 shall revoke the entity's license, unless the commission finds there
40 are extraordinary circumstances that justify allowing the license
41 holder to retain the license without an integrated curriculum and the
42 commission finds that allowing the license holder to retain the
43 license would be consistent with the purposes of P.L. ,
44 c. (C.) (pending before the Legislature as this bill). The
45 commission may revise the application and license fees or other
46 conditions for a license pursuant to this paragraph as may be

1 necessary to encourage applications for ²**[license]** licensure which
2 involves an integrated curriculum².

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

7 (6) If the commission notifies an applicant that it has performed
8 sufficiently well on multiple applications to be awarded more than
9 one ²**[cannabis** ¹**[grower]** cultivator¹ license, cannabis
10 ¹**[processor]** manufacturer¹ license, cannabis wholesaler license,
11 cannabis distributor license, cannabis retailer license, or cannabis
12 delivery service]² license, the applicant shall notify the
13 commission, within seven business days after receiving such notice,
14 as to which ²class of² license it will accept. For any license award
15 that is declined by an applicant pursuant to this paragraph, the
16 commission shall, upon receiving notice from the applicant of the
17 declination, award the license to the applicant for that license class
18 who, in the determination of the commission, best satisfies the
19 commission's criteria while meeting the commission's
20 determination of Statewide marketplace need. If an applicant fails
21 to notify the commission as to which license it will accept, the
22 commission shall have the discretion to determine which license it
23 will award to the applicant, based on the commission's
24 determination of Statewide marketplace need and other applications
25 submitted for cannabis establishments, distributors, or delivery
26 services to be located in the affected regions.

27 e. (1) The commission shall also prioritize applications on the
28 basis of impact zones, for which past criminal marijuana enterprises
29 contributed to higher concentrations of law enforcement activity,
30 unemployment, and poverty ², or any combination thereof,² within
31 parts of or throughout these zones, regardless of whether there is
32 any competition among applications for a particular class of license.
33 An "impact zone" means any municipality that:

34 (a) has a population of 120,000 or more according to the most
35 recently compiled federal decennial census as of the effective date
36 of P.L. , c. (C.) (pending before the Legislature as this bill);
37 ²**[or]**²

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

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

44 (ii) has a crime index total of 825 or higher based upon the
45 indexes listed in the ¹**[most recently issued]**¹ annual Uniform

1 Crime Report by the Division of State Police ¹["as of that effective
2 date"]; and

3 (iii) has a local average annual unemployment rate that ranks in
4 the top 15 percent of all municipalities in the State ¹["for the
5 calendar year next preceding that effective date"], based upon
6 average annual unemployment rates estimated for the relevant
7 calendar year by the Office of Research and Information in the
8 Department of Labor and Workforce Development ²;

9 (c) is a municipality located in a county of the third class, based
10 upon the county's population according to the most recently
11 compiled federal decennial census as of the effective date of P.L. ,
12 c. (C.) (pending before the Legislature as this bill), that
13 meets all of the criteria set forth in paragraph (2) other than having
14 a crime index total of 825 or higher; or

15 (d) is a municipality located in a county of the second class,
16 based upon the county's population according to the most recently
17 compiled federal decennial census as of the effective date of P.L. ,
18 c. (C.) (pending before the Legislature as this bill):

19 (i) with a population of less than 60,000 according to the most
20 recently compiled federal decennial census, that for calendar year
21 2019 ranks in the top 40 percent of municipalities in the State for
22 marijuana- or hashish-related arrests for violation of paragraph (4)
23 of subsection a. of N.J.S.2C:35-10; has a crime index total of 1,000
24 or higher based upon the indexes listed in the 2019 annual Uniform
25 Crime Report by the Division of State Police; but for calendar year
26 2019 does not have a local average annual unemployment rate that
27 ranks in the top 15 percent of all municipalities, based upon average
28 annual unemployment rates estimated for the relevant calendar year
29 by the Office of Research and Information in the Department of
30 Labor and Workforce Development; or

31 (ii) with a population of not less than 60,000 or more than 80,000
32 according to the most recently compiled federal decennial census;
33 has a crime index total of 650 or higher based upon the indexes
34 listed in the 2019 annual Uniform Crime Report; and for calendar
35 year 2019 has a local average annual unemployment rate of 3.0
36 percent or higher using the same estimated annual unemployment
37 rates².

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

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

45 (b) An applicant who is a current resident of an impact zone and
46 has resided therein for three or more consecutive years at the time
47 of making the application. To the extent reasonably practicable, at

1 least 25 percent of the total licenses issued to applicants for a
2 cannabis establishment, distributor, or delivery service license shall
3 be awarded to applicants who have resided in an impact zone for
4 three or more consecutive years at the time of making the
5 application, regardless of where the cannabis establishment,
6 distributor, or delivery service is, or is intended to be, located.

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

17 f. (1) The commission shall ensure that at least 10 percent of
18 the total licenses issued for each class of cannabis establishment, or
19 for cannabis distributors and cannabis delivery services, are
20 designated for and only issued to microbusinesses, and that at least
21 25 percent of the total licenses issued be issued to microbusinesses.
22 The determination of the percentage for each class of license issued
23 to microbusinesses shall include the number of conditional licenses
24 issued to microbusinesses for each class, as the percentage of
25 conditional licenses issued for each class pursuant to subparagraph
26 (a) of paragraph (2) of subsection b. of this section shall not be
27 mutually exclusive of the percentage of licenses issued to
28 microbusinesses pursuant to this ²[paragraph] subsection². ²There
29 shall not be any cap or other numerical restriction on the number of
30 licenses issued to microbusinesses pursuant to P.L. , c. (C.)
31 (pending before the Legislature as this bill), and this prohibition on
32 a cap or other numerical restriction shall apply to every class of
33 license issued.² The maximum fee assessed by the commission for
34 issuance or renewal of a license designated and issued to a
35 microbusiness shall be no more than half the fee applicable to a
36 license of the same class issued to a person or entity that is not a
37 microbusiness. ²[A license designated and issued to a
38 microbusiness shall be valid for one year and may be renewed
39 annually.]²

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

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

44 (b) at least 51 percent of the owners, directors, officers, or
45 employees of the microbusiness shall be residents of the
46 municipality in which the microbusiness is located, or to be located,

- 1 or a municipality bordering the municipality in which the
2 microbusiness is located, or to be located;
- 3 (c) concerning business operations, and capacity and quantity
4 restrictions:
- 5 (i) employ no more than 10 employees;
- 6 (ii) operate a cannabis establishment occupying an area of no
7 more than 2,500 square feet, and in the case of a cannabis
8 ¹**[grower]** cultivator¹, grow cannabis on an area no more than 2,500
9 square feet measured on a horizontal plane and grow above that
10 plane not higher than 24 feet; provided, that a cannabis ²**[grower's]**
11 cultivator's² grow space may, if approved by the commission, be
12 part of a larger premises that is owned or operated by a cannabis
13 ¹**[grower]** cultivator¹ that is not a licensed microbusiness, allowing
14 for the sharing of ^{2a} physical ²**[facilities]** premises² and certain
15 business operations, but only the microbusiness cannabis ¹**[grower]**
16 cultivator¹ shall grow cannabis on and above the ¹**[grower's]**
17 cultivator's¹ grow space ²**[.]**;²
- 18 (iii) possess no more than 1,000 cannabis plants each month,
19 except that a cannabis distributor's possession of cannabis plants
20 for transportation shall not be subject to this limit;
- 21 (iv) in the case of a cannabis ¹**[processor]** manufacturer¹,
22 acquire ²**[and process]**² no more than 1,000 pounds of ¹usable¹
23 cannabis ¹**[in dried form]**¹ each month;
- 24 (v) in the case of a cannabis wholesaler, acquire for resale no
25 more than 1,000 pounds of ¹usable¹ cannabis ¹**[in dried form]**¹, or
26 the equivalent amount in any ¹**[other]**¹ form ¹of manufactured
27 cannabis product or cannabis resin¹, or any combination thereof,
28 each month; and
- 29 (vi) in the case of a cannabis retailer, acquire for retail sale no
30 more than 1,000 pounds of ¹usable¹ cannabis ¹**[in dried form]**¹, or
31 the equivalent amount in any ¹**[other]**¹ form ¹of manufactured
32 cannabis product or cannabis resin¹, or any combination thereof,
33 each month ²**[.]**;²
- 34 (d) no owner, director, officer, or other person with a financial
35 interest who also has decision making authority for the
36 microbusiness shall hold any financial interest in any other licensed
37 cannabis establishment, distributor, or delivery service, whether or
38 not a microbusiness;
- 39 (e) no owner, director, officer, or other person with a financial
40 interest who also has decision making authority for a licensed
41 cannabis establishment, distributor, or delivery service, whether or
42 not a microbusiness, shall hold any financial interest in a
43 microbusiness;
- 44 (f) the microbusiness shall not sell or transfer the license issued
45 to it; and

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

3 ²(3) A license designated and issued to a microbusiness shall be
4 valid for one year and may be renewed annually, or alternatively
5 replaced, while still valid, with an annual license allowing the
6 microbusiness to convert and continue its operations as a licensed
7 person or entity that is not a microbusiness subject to the provisions
8 of this subsection, based upon a process and criteria established by
9 the commission in regulation for the conversion.

10 (a) Any microbusiness that meets the criteria established by the
11 commission for conversion may submit an application to convert its
12 operations. Upon review of the application to confirm the
13 commission's criteria have been met, the commission shall issue a
14 new annual license to the person or entity, and the previously issued
15 license for the microbusiness shall be deemed expired as of the date
16 of issuance of the new annual license. If the commission
17 determines that the criteria have not been met, the conversion
18 application shall be denied, and the commission shall notify the
19 microbusiness applicant of the specific reason for its denial, and
20 provide the applicant with the opportunity for a hearing in
21 accordance with the "Administrative Procedure Act," P.L.1968,
22 c.410 (C.52:14B-1 et seq.).

23 (b) Any new annual license issued pursuant to this paragraph
24 allowing a microbusiness to convert and continue its operations as a
25 licensed person or entity that is not a microbusiness subject to the
26 provisions of this subsection shall be counted towards the
27 percentages of licenses that are designated for and only issued to
28 microbusiness as set forth in paragraph (1) of this subsection,
29 notwithstanding the microbusiness' converted operations.²

30
31 20. (New section) Class 1 Cannabis ¹**[Grower]** Cultivator¹
32 license.

33 A cannabis ¹**[grower]** cultivator¹ shall have a Class 1 Cannabis
34 ¹**[Grower]** Cultivator¹ license issued by the commission for the
35 premises at which the cannabis is grown or cultivated. ¹**[Except for**
36 **an initial period during which the number of licenses is capped**
37 **pursuant to section 33 of P.L. , c. (C.) (pending before the**
38 **Legislature as this bill), the]** ²**[The¹]** Except for an initial period
39 during which the number of licenses is capped pursuant to section
40 33 of P.L. , c. (C.) (pending before the Legislature as this
41 bill), except as otherwise provided therein concerning cannabis
42 cultivator licenses issued to microbusinesses, the² commission shall
43 determine the maximum number of licenses, of which at least 35
44 percent shall be conditional licenses issued pursuant to
45 subparagraph (a) of paragraph (2) of subsection b. of section ¹**[18]**
46 ¹19¹ of P.L. , c. (C.) (pending before the Legislature as this
47 bill), and at least ²**[25]** 10² percent of the total number of licenses

1 and conditional licenses shall be designated for and only issued to
2 microbusinesses pursuant subsection f. of that section. ¹【After the
3 initial period during which the number of licenses is capped
4 pursuant to section 33 of P.L. , c. (C.) (pending before the
5 Legislature as this bill), the commission shall review the current
6 number of licenses issued and, providing】 ²【Provided¹】 After the
7 initial period during which the number of licenses is capped
8 pursuant to section 33 of P.L. , c. (C.) (pending before the
9 Legislature as this bill), except as otherwise provided therein
10 concerning cannabis cultivator licenses issued to microbusinesses,
11 the commission shall review the current number of licenses issued
12 and, provided² there exist qualified applicants, ¹the commission
13 shall issue a sufficient number of licenses to meet the market
14 demands of the State, and¹ may, as authorized by paragraph (1) of
15 subsection a. of section 18 of P.L. , c. (C.) (pending before
16 the Legislature as this bill), ¹【make requests for】 accept¹ new
17 applications for additional licenses as it deems necessary to meet
18 ¹【the market】 those¹ demands ¹【of the State】¹.

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

21 (1) Shall apply for a license in the manner described in section
22 18 of P.L. , c. (C.) (pending before the Legislature as
23 this bill);

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

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

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

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

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

6 (b) Each person shall submit to being fingerprinted in
7 accordance with applicable State and federal laws, rules, and
8 regulations. No check of criminal history record background
9 information shall be performed pursuant to this section unless a
10 person has furnished his written consent to that check. A person
11 who refuses to consent to, or cooperate in, the securing of a check
12 of criminal history record background information shall not be
13 considered for licensure as a ¹~~["grower"]~~ cultivator¹. Each person
14 shall bear the cost for the criminal history record background check,
15 including all costs of administering and processing the check;

16 (c) (i) With respect to determining whether any conviction of a
17 person contained in the criminal history record background check
18 should disqualify an applicant for a Class 1 Cannabis ¹~~["Grower"]~~
19 Cultivator¹ license, the commission shall not take into consideration
20 any conviction for a crime or offense that occurred prior to the
21 effective date of P.L. , c. (C.) (pending before the
22 Legislature as this bill) involving a controlled dangerous substance
23 or controlled substance analog as set forth in paragraph (11) or (12)
24 of subsection b., or subparagraph (b) of paragraph (10) of
25 subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of
26 subsection a. of N.J.S.2C:35-10, or any similar indictable offense
27 under federal law, this State's law, or any other state's law, or for
28 any conviction under federal law for conduct involving cannabis or
29 ¹a¹ cannabis ¹~~["resin"]~~ item¹ that is authorized by P.L. ,
30 c. (C.) (pending before the Legislature as this bill).
31 Additionally, the commission shall not take into consideration any
32 other prior conviction, unless that conviction is for an indictable
33 offense under federal law, other than a conviction for conduct
34 involving cannabis or ¹a¹ cannabis ¹~~["resin"]~~ item¹ that is authorized
35 by P.L. , c. (C.) (pending before the Legislature as this bill),
36 or under this State's law, or any other state's law that is
37 substantially related to the qualifications, functions, or duties for
38 which the license is required, and not more than five years have
39 passed since the date of that conviction, satisfactory completion of
40 probation or parole, or release from incarceration, ¹~~["which"]~~
41 whichever¹ is later. In determining which indictable offenses are
42 substantially related to the qualifications, functions, or duties for
43 which the license is required, the commission shall at least consider
44 any conviction involving fraud, deceit, or embezzlement, and any
45 conviction for N.J.S.2C:35-6, employing a minor in a drug
46 distribution scheme, or similar indictable offense in this or another

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

3 (ii) The commission may approve an applicant for a Class 1
4 Cannabis ¹**Grower** ²**Cultivation¹** Cultivator² license after
5 conducting a thorough review of any previous conviction of a
6 person that substantially related to the qualifications, functions, or
7 duties for which the license is required that is contained in the
8 criminal history record background information, and this review
9 shall include examining the nature of the indictable offense, the
10 circumstances at the time of committing the offense, and evidence
11 of rehabilitation since conviction. If the commission determines
12 that the reviewed conviction should not disqualify the applicant, the
13 applicant may be approved so long as the applicant is otherwise
14 qualified to be issued the license; and

15 (d) Upon receipt and review of the criminal history record
16 background information from the Division of State Police and the
17 Federal Bureau of Investigation, the commission shall provide
18 written notification to the applicant of the qualification ²**for**² or
19 disqualification for a Class 1 Cannabis ¹**Grower** Cultivator¹
20 license.

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

26 (e) The Division of State Police shall promptly notify the
27 commission in the event that a person who was the subject of a
28 criminal history record background check conducted pursuant to
29 this section is convicted of a crime or offense in this State after the
30 date the background check was performed. Upon receipt of that
31 notification, the commission shall make a determination regarding
32 the continued eligibility for the applicant, or following application,
33 for the licensee, to hold a Class 1 Cannabis ¹**Grower** Cultivator¹
34 license.

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

36 (1) Provide for the annual renewal of the Class 1 Cannabis
37 ¹**Grower** Cultivator¹ license;

38 (2) Establish application, licensure, and renewal of licensure
39 fees for cannabis ¹**growers** cultivators¹ in accordance with
40 paragraph (2) of subsection a. of section 18 of P.L. , c. (C.)
41 (pending before the Legislature as this bill);

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

45 (4) Require cannabis ¹**growers** cultivators¹ to submit, at the
46 time of applying for or renewing a license under P.L. ,
47 c. (C.) (pending before the Legislature as this bill), a report

1 describing the applicant's or licensee's electrical and water usage;
2 and

3 (5) Require a cannabis ¹**[grower] cultivator**¹ to meet any public
4 health and safety standards, industry best practices, and all
5 applicable regulations established by the commission ²**[by rule or**
6 **regulation]**² related to the production of cannabis or the
7 propagation of immature cannabis plants and the seeds of the plant
8 Cannabis sativa L. within the plant family Cannabaceae. The
9 commission may regulate the number of immature cannabis plants
10 that may be possessed by a cannabis ¹**[grower] cultivator**¹ licensed
11 under this section ²**[;]** , and² the size of the grow canopy a cannabis
12 ¹**[grower] cultivator**¹ licensed under this section uses to grow
13 immature cannabis plants ²**[;]**; and the weight or size of shipments of
14 immature cannabis plants made by a cannabis ¹**[grower] cultivator**¹
15 licensed under this section².

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

17 (1) Shall be in the form of a schedule that imposes a greater fee
18 for premises with more square footage or on which more mature
19 cannabis plants are grown; and

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

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

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

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

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

42
43 21. (New section) Grow Canopies for Licensed Cannabis
44 ¹**[Growers] Cultivators**¹.

45 a. Subject to subsection b. of this section, the commission shall
46 adopt rules or regulations restricting the size of mature cannabis
47 plant grow canopies at premises for which a license has been issued

1 to a cannabis ¹**[grower] cultivator**¹ pursuant to P.L. ,
 2 c. (C.) (pending before the Legislature as this bill).

3 b. When adopting rules and regulations under this
 4 ²**[subsection] section**², the commission shall consider whether to:

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

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

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

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

42

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

45 A cannabis ¹**[processor] manufacturer**¹ shall have a Class 2
 46 Cannabis ¹**[Processor] Manufacturer**¹ license issued by the

1 commission for the premises at which the cannabis ¹【product is
2 produced】 items are manufactured¹. The commission shall
3 determine the maximum number of licenses, of which at least 35
4 percent shall be conditional licenses issued pursuant to
5 subparagraph (a) of paragraph (2) of subsection b. of section ²【18】
6 19² of P.L. , c. (C.) (pending before the Legislature as this
7 bill), and at least ²【25】 10² percent of the total number of licenses
8 and conditional licenses shall be designated for and only issued to
9 microbusinesses pursuant to subsection f. of that section. Providing
10 there exist qualified applicants, the commission shall issue a
11 sufficient number of licenses to meet the market demands of the
12 State, and may, as authorized by paragraph (1) of subsection a. of
13 section 18 of P.L. , c. (C.) (pending before the Legislature
14 as this bill), ¹【make requests for】 accept¹ new applications for
15 additional licenses as it deems necessary to meet those demands.

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

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

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

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

31 (4) Shall provide for each of the following persons to undergo a
32 criminal history record background check: any owner, other than an
33 owner who holds less than a five percent investment interest in the
34 cannabis ¹【processor】 manufacturer¹ or who is a member of a
35 group that holds less than a 20 percent investment interest in the
36 cannabis ¹【processor】 manufacturer¹ and no member of that group
37 holds more than a five percent interest in the total group investment,
38 and who lacks the authority to make controlling decisions regarding
39 the cannabis ¹【processor's】 manufacturer's¹ operations; any
40 director; any officer; and any employee.

41 (a) Pursuant to this provision, the commission is authorized to
42 exchange fingerprint data with and receive criminal history record
43 background information from the Division of State Police and the
44 Federal Bureau of Investigation consistent with the provisions of
45 applicable ²【federal and】² State ²and federal² laws, rules, and
46 regulations. The Division of State Police shall forward criminal
47 history record background information to the commission in a

1 timely manner when requested pursuant to the provisions of this
2 section;

3 (b) Each person shall submit to being fingerprinted in
4 accordance with applicable State and federal laws, rules, and
5 regulations. No check of criminal history record background
6 information shall be performed pursuant to this section unless a
7 person has furnished his written consent to that check. A person
8 who refuses to consent to, or cooperate in, the securing of a check
9 of criminal history record background information shall not be
10 considered for licensure as a ¹**[processor]** manufacturer¹. Each
11 person shall bear the cost for the criminal history record
12 background check, including all costs of administering and
13 processing the check;

14 (c) (i) With respect to determining whether any conviction of a
15 person contained in the criminal history record background check
16 should disqualify an applicant for a Class 2 Cannabis ¹**[Processor]**
17 Manufacturer¹ license, the commission shall not take into
18 consideration any conviction for a crime or offense that occurred
19 prior to the effective date of P.L. , c. (C.) (pending before
20 the Legislature as this bill) involving a controlled dangerous
21 substance or controlled substance analog as set forth in paragraph
22 (11) or (12) of subsection b., or subparagraph (b) of paragraph (10)
23 of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of
24 subsection a. of N.J.S.2C:35-10, or any similar indictable offense
25 under federal law, this State's law, or any other state's law, or for
26 any conviction under federal law for conduct involving cannabis or
27 ¹a¹ cannabis ¹**[resin]** item¹ that is authorized by P.L. ,
28 c. (C.) (pending before the Legislature as this bill).
29 Additionally, the commission shall not take into consideration any
30 other prior conviction, unless that conviction is for an indictable
31 offense under federal law, other than a conviction for conduct
32 involving cannabis or ¹a¹ cannabis ¹**[resin]** item¹ that is authorized
33 by P.L. , c. (C.) (pending before the Legislature as this bill),
34 or under this State's law, or any other state's law that is
35 substantially related to the qualifications, functions, or duties for
36 which the license is required, and not more than five years have
37 passed since the date of that conviction, satisfactory completion of
38 probation or parole, or release from incarceration, whichever is
39 later. In determining which indictable offenses are substantially
40 related to the qualifications, functions, or duties for which the
41 license is required, the commission shall at least consider any
42 conviction involving fraud, deceit, or embezzlement, and any
43 conviction for N.J.S.2C:35-6, employing a minor in a drug
44 distribution scheme, or similar indictable offense in this or another
45 jurisdiction involving the use of a minor to dispense or distribute a
46 controlled dangerous substance or controlled substance analog;

1 (ii) The commission may approve an applicant for a Class 2
2 Cannabis ¹**[Processor]** Manufacturer¹ license after conducting a
3 thorough review of any previous conviction of a person that
4 substantially related to the qualifications, functions, or duties for
5 which the license is required that is contained in the criminal
6 history record background information, and this review shall
7 include examining the nature of the indictable offense, the
8 circumstances at the time of committing the offense, and evidence
9 of rehabilitation since conviction. If the commission determines
10 that the reviewed conviction should not disqualify the applicant, the
11 applicant may be approved so long as the applicant is otherwise
12 qualified to be issued the license; and

13 (d) Upon receipt and review of the criminal history record
14 background information from the Division of State Police and the
15 Federal Bureau of Investigation, the commission shall provide
16 written notification to the applicant of the qualification ²**[for]**² or
17 disqualification for a Class 2 Cannabis ¹**[Processor]** Manufacturer¹
18 license.

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

24 (e) The Division of State Police shall promptly notify the
25 commission in the event that an individual who was the subject of a
26 criminal history record background check conducted pursuant to
27 this section is convicted of a crime or offense in this State after the
28 date the background check was performed. Upon receipt of that
29 notification, the commission shall make a determination regarding
30 the continued eligibility for the applicant, or following application,
31 for the licensee, to hold a Class 2 Cannabis ¹**[Processor]**
32 Manufacturer¹ license.

33 b. The commission shall adopt rules that:

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

36 (2) Establish application, licensure, and renewal of licensure
37 fees for cannabis ¹**[processors]** manufacturers¹ in accordance with
38 paragraph (2) of subsection a. of section 18 of P.L. , c. (C.)
39 (pending before the Legislature as this bill);

40 (3) Require cannabis ²items² ¹**[produced]** manufactured¹ by
41 cannabis ¹**[processors]** manufactures¹ to be tested in accordance
42 with P.L. , c. (C.) (pending before the Legislature as this
43 bill); and

44 (4) Require a cannabis ¹**[processor]** manufacturer¹ to meet any
45 public health and safety standards, industry best practices, and all
46 applicable regulations established by the commission ²**[by rule or**

1 regulation]² related to the ¹[processing] manufacturing¹ of
2 cannabis items¹ .

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

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

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

10 d. (1) The commission shall issue or deny issuance of a Class
11 2 Cannabis ¹[Processor] Manufacturer¹ license or conditional
12 license in accordance with the procedures set forth in section 18 of
13 P.L. , c. (C.) (pending before the Legislature as this bill).

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

21 e. A person who has been issued a license or conditional
22 license shall display the license or conditional license at the
23 premises at all times when cannabis ¹[is] ²[products or cannabis
24 extracts]² items² are¹ being ¹[processed] manufactured¹ .

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

29

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

31 A cannabis wholesaler shall have a Class 3 Cannabis Wholesaler
32 license issued by the commission for the premises at which ¹[the]¹
33 cannabis ¹[is] items are¹ warehoused. The commission shall
34 determine the maximum number of licenses, of which at least 35
35 percent shall be conditional licenses issued pursuant to
36 subparagraph (a) of paragraph (2) of subsection b. of section ²[18]
37 19² of P.L. , c. (C.) (pending before the Legislature as this
38 bill), and at least ²[25] 10² percent of the total number of licenses
39 and conditional licenses shall be designated for and only issued to
40 microbusinesses pursuant subsection f. of that section. Providing
41 there exist qualified applicants, the commission shall issue a
42 sufficient number of licenses to meet the market demands of the
43 State, and may, as authorized by paragraph (1) of subsection a. of
44 section 18 of P.L. , c. (C.) (pending before the Legislature
45 as this bill), ¹[make requests for] accept¹ new applications for
46 additional licenses as it deems necessary to meet those demands.

- 1 a. To hold a Class 3 Cannabis Wholesaler license under this
2 section, an applicant:
- 3 (1) Shall apply for a license in the manner described in section
4 18 of P.L. , c. (C.) (pending before the Legislature as
5 this bill);
- 6 (2) Shall have at least one significantly involved person who has
7 resided in this State for at least two years as of the date of the
8 application, and provide proof that this person and any other person
9 with ¹an investment¹ a financial¹ interest who also has decision
10 making authority for the cannabis wholesaler listed on an
11 application submitted under section 18 of P.L. , c. (C.)
12 (pending before the Legislature as this bill) is 21 years of age or
13 older;
- 14 (3) Shall meet the requirements of any rule or regulation
15 adopted by the commission under subsection b. of this section; and
- 16 (4) Shall provide for each of the following persons to undergo a
17 criminal history record background check: any owner, other than an
18 owner who holds less than a five percent investment interest in the
19 cannabis wholesaler or who is a member of a group that holds less
20 than a 20 percent investment interest in the cannabis wholesaler and
21 no member of that group holds more than a five percent interest in
22 the total group investment, and who lacks the authority to make
23 controlling decisions regarding the cannabis wholesaler's
24 operations; any director; any officer; and any employee.
- 25 (a) Pursuant to this provision, the commission is authorized to
26 exchange fingerprint data with and receive criminal history record
27 background information from the Division of State Police and the
28 Federal Bureau of Investigation consistent with the provisions of
29 applicable ²federal and² State ²and federal² laws, rules, and
30 regulations. The Division of State Police shall forward criminal
31 history record background information to the commission in a
32 timely manner when requested pursuant to the provisions of this
33 section;
- 34 (b) Each person shall submit to being fingerprinted in
35 accordance with applicable State and federal laws, rules, and
36 regulations. No check of criminal history record background
37 information shall be performed pursuant to this section unless a
38 person has furnished his written consent to that check. A person
39 who refuses to consent to, or cooperate in, the securing of a check
40 of criminal history record background information shall not be
41 considered for licensure as a wholesaler. Each person shall bear the
42 cost for the criminal history record background check, including all
43 costs of administering and processing the check;
- 44 (c) (i) With respect to determining whether any conviction of a
45 person contained in the criminal history record background check
46 should disqualify an applicant for a Class 3 Cannabis Wholesaler
47 license, the commission shall not take into consideration any
48 conviction for a crime or offense that occurred prior to the effective

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

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

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

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

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

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

11 b. The commission shall adopt rules that:

12 (1) Provide for the annual renewal of the Class 3 Cannabis
13 Wholesaler license;

14 (2) Establish application, licensure, and renewal of licensure
15 fees for cannabis wholesalers 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 wholesaler to meet any public health and
19 safety standards, industry best practices, and all applicable
20 regulations established by the commission ²[by rule or regulation]²
21 related to the warehousing of cannabis ¹items¹.

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

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

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

29 d. (1) The commission shall issue or deny issuance of a Class
30 3 Cannabis Wholesaler license or conditional license in accordance
31 with the procedures set forth in section 18 of P.L. , c. (C.)
32 (pending before the Legislature as this bill).

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

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

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

46

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

1 A cannabis distributor shall have a Class 4 Cannabis Distributor
2 license issued by the commission for the premises from which the
3 cannabis distributor will conduct operations to transport cannabis
4 items in bulk. The commission shall determine the maximum
5 number of licenses, of which at least 35 percent shall be conditional
6 licenses issued pursuant to subparagraph (a) of paragraph (2) of
7 subsection b. of section ²[18] ¹⁹² of P.L. , c. (C.) (pending
8 before the Legislature as this bill), and at least ²[25] ¹⁰² percent of
9 the total number of licenses and conditional licenses shall be
10 designated for and only issued to microbusinesses pursuant
11 subsection f. of that section. Providing there exist qualified
12 applicants, the commission shall issue a sufficient number of
13 licenses to meet the market demands of the State, and may, as
14 authorized by paragraph (1) of subsection a. of section 18 of P.L. ,
15 c. (C.) (pending before the Legislature as this bill), ¹[make
16 requests for] accept¹ new applications for additional licenses as it
17 deems necessary to meet those demands.

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

20 (1) Shall apply for a license in the manner described in section
21 18 of P.L. , c. (C.) (pending before the Legislature as
22 this bill);

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

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

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

42 (a) Pursuant to this provision, the commission is authorized to
43 exchange fingerprint data with and receive criminal history record
44 background information from the Division of State Police and the
45 Federal Bureau of Investigation consistent with the provisions of
46 applicable ²[federal and]² State and federal² laws, rules, and
47 regulations. The Division of State Police shall forward criminal

1 history record background information to the commission in a
2 timely manner when requested pursuant to the provisions of this
3 section;

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

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

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

13 (d) Upon receipt and review of the criminal history record
14 background information from the Division of State Police and the
15 Federal Bureau of Investigation, the commission shall provide
16 written notification to the applicant of the qualification ²~~for~~² or
17 disqualification for a Class 4 Cannabis Distributor license.

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

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

31 b. The commission shall adopt rules that:

32 (1) Provide for the annual renewal of the Class 4 Cannabis
33 Distributor license;

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

38 (3) Require a cannabis distributor to meet any public health and
39 safety standards, industry best practices, and all applicable
40 regulations established by the commission ²~~by rule or regulation~~²
41 related to the bulk transportation of cannabis items.

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

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

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

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

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

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

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

19

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

21 A cannabis retailer shall have a Class 5 Cannabis Retailer license
22 issued by the commission for the premises at which ¹**["the"]**
23 cannabis ¹**["is"]** items are¹ retailed¹, which may include purchase
24 orders for off-premises delivery by a certified cannabis handler
25 working for or on behalf of the cannabis retailer, or consumer
26 purchases to be fulfilled from the retail premises that are presented
27 by a cannabis delivery service with a Class 6 Cannabis Delivery
28 Service license and which will be delivered by the cannabis
29 delivery service to that consumer¹. The commission shall
30 determine the maximum number of licenses, of which at least 35
31 percent shall be conditional licenses issued pursuant to
32 subparagraph (a) of paragraph (2) of subsection b. of section ²**["18]**
33 ²**["19"]** of P.L. , c. (C.) (pending before the Legislature as this
34 bill), and at least ²**["25]** ¹⁰**["10"]** 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
41 as 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 5 Cannabis Retailer license under this
44 section, a cannabis retailer:

45 (1) Shall apply for a license in the manner described in section
46 18 of P.L. , c. (C.) (pending before the Legislature as
47 this 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 retailer listed on an application
6 submitted under section 18 of P.L. , c. (C.) (pending
7 before the Legislature as this bill) is 21 years of age or older;

8 (3) Shall meet the requirements of any rule adopted by the
9 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 retailer or who is a member of a group that holds less than
14 a 20 percent investment interest in the cannabis retailer and no
15 member of that group holds more than a five percent interest in the
16 total group investment, and who lacks the authority to make
17 controlling decisions regarding the cannabis retailer'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 ²federal and² State ²and federal² laws, rules, and
24 regulations. The Division of State Police shall forward criminal
25 history record background information to the commission in a
26 timely manner when requested pursuant to the provisions of this
27 section;

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

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

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

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

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

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

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

1 date the background check was performed. Upon receipt of that
2 notification, the commission shall make a determination regarding
3 the continued eligibility for the applicant, or following application,
4 for the licensee, to hold a Class 5 Cannabis Retailer license.

5 b. The commission shall adopt rules that:

6 (1) Provide for the annual renewal of the Class 5 Cannabis
7 Retailer license;

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

12 (3) Require a cannabis retailer to meet any public health and
13 safety standards, industry best practices, and all applicable
14 regulations established by the commission ²[by rule]² related to the
15 ²[sale] retailing² of cannabis ¹items¹.

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

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

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

23 d. (1) The commission shall issue or deny issuance of a Class
24 5 Cannabis Retailer license or conditional license in accordance
25 with the procedures set forth in section 18 of P.L. , c. (C.)
26 (pending before the Legislature as this bill).

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

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

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

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

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

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

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

6 (4) A Class 5 Cannabis Retailer licensee that has been approved
7 for a cannabis consumption area endorsement may transfer cannabis
8 items purchased by a ²[person] consumer² in its retail
9 establishment to ²[the person] that consumer² in its cannabis
10 consumption area. The Class ²[4] 5² Cannabis Retailer licensee
11 shall not transfer to the consumption area an amount of cannabis
12 items that exceed the limits established by the commission.

13
14 26. (New section) Class 6 Cannabis Delivery license.

15 A cannabis delivery service shall have a Class 6 Cannabis
16 Delivery license issued by the commission for the premises from
17 which the cannabis delivery service will conduct operations to
18 provide courier services for ¹consumer purchases of cannabis items
19 and related supplies fulfilled by¹ a cannabis retailer in order to
20 make deliveries of ¹the¹ cannabis items and related supplies to ¹[a]
21 that¹ consumer ¹, and which services include the ability of a
22 consumer to purchase the cannabis items directly through the
23 cannabis delivery service, which after presenting the purchase order
24 to the cannabis retailer for fulfillment, is delivered to that
25 consumer¹. The commission shall determine the maximum number
26 of licenses, of which at least 35 percent shall be conditional licenses
27 issued pursuant to subparagraph (a) of paragraph (2) of subsection
28 b. of section ²[18] 19² of P.L. , c. (C.) (pending before the
29 Legislature as this bill), and at least ²[25] 10² percent of the total
30 number of licenses and conditional licenses shall be designated for
31 and only issued to microbusinesses pursuant subsection f. of that
32 section. Providing there exist qualified applicants, the commission
33 shall issue a sufficient number of licenses to meet the market
34 demands of the State, and may, as authorized by paragraph (1) of
35 subsection a. of section 18 of P.L. , c. (C.) (pending before
36 the Legislature as this bill), ¹[make requests for] accept¹ new
37 applications for additional licenses as it deems necessary to meet
38 those demands.

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

41 (1) Shall apply for a license in the manner described in section
42 18 of P.L. , c. (C.) (pending before the Legislature as
43 this bill);

44 (2) Shall have at least one significantly involved person who has
45 resided in this State for at least two years as of the date of the
46 application, and provide proof that this person and any other person
47 with an investment interest who also has decision making authority

1 for the cannabis delivery service listed on an application submitted
2 under section 18 of P.L. , c. (C.) (pending before the
3 Legislature as this bill) is 21 years of age or older;

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

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

15 (a) Pursuant to this provision, the commission is authorized to
16 exchange fingerprint data with and receive criminal history record
17 background information from the Division of State Police and the
18 Federal Bureau of Investigation consistent with the provisions of
19 applicable ²[federal and]² State ²and federal² laws, rules, and
20 regulations. The Division of State Police shall forward criminal
21 history record background information to the commission in a
22 timely manner when requested pursuant to the provisions of this
23 section;

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

34 (c) (i) With respect to determining whether any conviction of a
35 person contained in the criminal history record background check
36 should disqualify an applicant for a Class 6 Cannabis Delivery
37 license, the commission shall not take into consideration any
38 conviction for a crime or offense that occurred prior to the effective
39 date of P.L. , c. (C.) (pending before the Legislature as this
40 bill) involving a controlled dangerous substance or controlled
41 substance analog as set forth in paragraph (11) or (12) of subsection
42 b., or subparagraph (b) of paragraph (10) of subsection b. of
43 N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of
44 N.J.S.2C:35-10, or any similar indictable offense under federal law,
45 this State's law, or any other state's law, or for any conviction
46 under federal law for conduct involving cannabis or ¹a¹
47 ¹[resin] item¹ that is authorized by P.L. , c. (C.) (pending
48 before the Legislature as this bill). Additionally, the commission

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

19 (ii) The commission may approve an applicant for a Class ¹4¹
20 6¹ Cannabis ¹Disrtibutor ¹Delivery¹ license after conducting a
21 thorough review of any previous conviction of a person that
22 substantially related to the qualifications, functions, or duties for
23 which the license is required that is contained in the criminal
24 history record background information, and this review shall
25 include examining the nature of the indictable offense, the
26 circumstances at the time of committing the offense, and evidence
27 of rehabilitation since conviction. If the commission determines
28 that the reviewed conviction should not disqualify the applicant, the
29 applicant may be approved so long as the applicant is otherwise
30 qualified to be issued the license; and

31 (d) Upon receipt and review of the criminal history record
32 background information from the Division of State Police and the
33 Federal Bureau of Investigation, the commission shall provide
34 written notification to the applicant of the qualification ²for² or
35 disqualification for a Class 6 Cannabis Delivery license.

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

41 (e) The Division of State Police shall promptly notify the
42 commission in the event that an individual who was the subject of a
43 criminal history record background check conducted pursuant to
44 this section is convicted of a crime or offense in this State after the
45 date the background check was performed. Upon receipt of that
46 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 6 Cannabis Delivery license.

3 b. The commission shall adopt rules that:

4 (1) Provide for the annual renewal of the Class 6 Cannabis
5 Delivery license;

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

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

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

16 (1) Shall be in the form of a schedule that imposes a greater fee
17 for larger ²transportation delivery² operations; and

18 (2) Shall be deposited in the "Cannabis Regulatory,
19 Enforcement Assistance, and Marketplace Modernization Fund"
20 established under section ¹40 41¹ of P.L. , c. (C.)
21 (pending before the Legislature as this bill).

22 d. (1) The commission shall issue or deny issuance of a Class
23 6 Cannabis Delivery license or conditional license in accordance
24 with the procedures set forth in section 18 of P.L. , c. (C.)
25 (pending before the Legislature as this bill).

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

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

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

40

41 27. (New section) Personal Use Cannabis Handlers ²;
42 Transportation and Delivery of Cannabis and Cannabis Items² .

43 a. ¹(1)¹ An individual who performs work for or on behalf of a
44 person who holds a license classified pursuant to section 20, 22, 23,
45 24, 25, or 26 of P.L. , c. (C.) (pending before the
46 Legislature as this bill) shall have a valid certification issued by the
47 commission under this section if the individual participates in:

- 1 ¹[(1)] (a)¹ the possession, securing, or selling of ²cannabis or²
2 cannabis items at the premises for which the license has been
3 issued; ²[or]²
- 4 ¹[(2)] (b)¹ the recording of the possession, securing, or selling
5 of ²cannabis or² cannabis items at the premises for which the
6 license has been issued; or
- 7 ¹[(3)] (c)¹ the transportation ²of cannabis or cannabis items
8 between licensed cannabis establishments or testing facilities,² or
9 delivery of cannabis items ²to consumers² .
- 10 ¹(2) An individual who has a valid certification as a personal use
11 cannabis handler issued under this section may also simultaneously
12 have a valid certification as a medical cannabis handler issued
13 under section 27 of P.L.2019, c.153 (C.24:6I-20) to perform work
14 for or on behalf of entities issued medical cannabis permits or
15 licenses as described in subsection a. of that section.¹
- 16 b. A person who holds a license classified pursuant to section
17 20, 22, 23, 24, 25, or 26 of P.L. , c. (C.) (pending before
18 the Legislature as this bill) shall verify that an individual has a valid
19 certification issued under this section before allowing the individual
20 to perform any work described in ²[subsection a. of]² this section
21 ²[at the premises]² for which the license has been issued ²pursuant
22 to those sections².
- 23 c. The commission shall issue certifications to qualified
24 applicants to perform work described in this section. The
25 commission shall adopt rules and regulations establishing: the
26 qualifications for performing work described in this section; the
27 terms of a certification issued under this section; procedures for
28 applying for and renewing a certification issued under this section;
29 and reasonable application, issuance, and renewal fees for a
30 certification issued under this section.
- 31 d. ²(1) (a)² The commission may require an individual applying
32 for a certification under this section to successfully complete a
33 course, made available by or through the commission, in which the
34 individual receives training on: checking identification; detecting
35 intoxication; handling ²cannabis and² cannabis items; statutory and
36 regulatory provisions relating to cannabis; and any matter deemed
37 necessary by the commission to protect the public health and safety.
38 The commission or other provider may charge a reasonable fee for
39 the course.
- 40 ²(b)² The commission shall not require an individual to
41 successfully complete the course more than once, except that the
42 commission may adopt regulations directing continuing education
43 training on a prescribed schedule.
- 44 ²(2)² As part of a final order suspending a certification issued
45 under this section, the commission may require a holder of a
46 certification to successfully complete the course as a condition of

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

5 e. (1) Each individual applying for a certification under this
6 section shall undergo a criminal history record background check.
7 The commission is authorized to exchange fingerprint data with and
8 receive criminal history record background information from the
9 Division of State Police and the Federal Bureau of Investigation
10 consistent with the provisions of applicable ^{2[federal and]2} State
11 ^{2and federal2} laws, rules, and regulations. The Division of State
12 Police shall forward criminal history record background
13 information to the commission in a timely manner when requested
14 pursuant to the provisions of this subsection.

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

25 (3) Upon receipt and review of the criminal history record
26 background information from the Division of State Police and the
27 Federal Bureau of Investigation, the commission shall provide
28 written notification to the individual of the qualification ^{2[for]2} or
29 disqualification for a certification. If the individual is disqualified
30 because of a disqualifying conviction as set forth in subsection f. of
31 this section, the conviction that constitutes the basis for the
32 disqualification shall be identified in the written notice.

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

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

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

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

37 g. The commission shall deny an application to any applicant
38 who fails to provide information, documentation and assurances as
39 required by P.L. , c. (C.) (pending before the Legislature as
40 this bill) or as requested by the commission, or who fails to reveal
41 any ²[fact]² material ²fact² to qualification, or who supplies
42 information which is untrue or misleading as to a material fact
43 pertaining to the qualification criteria for ²[licensure]
44 certification².

45 h. The commission may suspend, revoke, or refuse to renew a
46 certification if the individual who is applying for or who holds the
47 certification: violates any provision of P.L. , c. (C.)

1 (pending before the Legislature as this bill) or any rule or regulation
2 adopted under P.L. , c. (C.) (pending before the
3 Legislature as this bill); makes a false statement to the commission;
4 or refuses to cooperate in any investigation by the commission.

5 i. A certification issued under this section is a personal
6 privilege and permits work described under ²subsection a. of² this
7 section only for the individual who holds the certification.

8 j. In addition to the requirements for regulations set forth in
9 paragraph (1) of subsection d. of section 6 of P.L. ,
10 c. (C.) (pending before the Legislature as this bill) the
11 commission shall ²**[enact]** promulgate² regulations to allow for a
12 cannabis ¹**[retailer to engage in delivery]** retailer's customer
13 orders¹ of cannabis items ¹and related supplies to be delivered off-
14 premises¹ by a certified cannabis handler performing work for or on
15 behalf of a cannabis retailer, ¹**[including]** as well as¹ a certified
16 cannabis handler employed by a cannabis delivery service providing
17 courier ¹**[service]** services¹ for ¹consumer purchases of cannabis
18 items and related supplies fulfilled by¹ the cannabis retailer, and
19 which regulations shall include, but not be limited to, the following
20 requirements:

21 (1) ¹**[A cannabis retailer may only deliver cannabis items]**
22 Deliveries shall be made only¹ to a residence, including a temporary
23 residence, in this State.

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

28 (3) ¹**[A cannabis retailer shall not deliver]** Deliveries shall not
29 be made¹ to a residence located on land owned by the federal
30 government or any residence on land or in a building leased by the
31 federal government.

32 (4) ¹**[A cannabis retailer shall staff each]** Each¹ delivery
33 vehicle ¹**[with]** shall be staffed by¹ a certified cannabis handler
34 who is an employee of the cannabis retailer ¹or cannabis delivery
35 service¹ who shall be at least 18 years of age, or use ¹**[a cannabis**
36 **delivery service or]**¹ an approved contract vendor whose ¹certified
37 cannabis handler¹ delivery employees shall be at least 18 years of
38 age.

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

42 (6) Each certified cannabis handler shall carry a ²**[copy of the]**²
43 cannabis employee, cannabis delivery service, or contract vendor
44 identification card. The cannabis handler shall present the
45 identification card upon request to State and local law enforcement,
46 and State and local regulatory authorities and agencies.

1 (7) Each certified cannabis handler shall have access to a secure
2 form of communication with the cannabis retailer ¹or cannabis
3 delivery service making a customer delivery of a purchase order
4 fulfilled by the cannabis retailer¹, such as a cellular telephone, at
5 all times that a delivery vehicle contains cannabis items.

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

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

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

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

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

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

40 (14) Each cannabis retailer ¹and cannabis delivery service¹ shall
41 ensure that vehicles used to deliver cannabis ¹items¹ bear no
42 markings that would either identify or indicate that the vehicle is
43 used to deliver cannabis items.

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

1 (16) While making residential deliveries, a certified cannabis
2 handler shall only travel from the cannabis retailer's licensed
3 premises, or as part of a cannabis delivery service or contract
4 vendor deliveries, between multiple cannabis retailers, then to a
5 residence for delivery; from one residential delivery to another
6 residence for residential delivery; or from a residential delivery
7 back to the cannabis retailer's ¹or cannabis delivery services¹
8 licensed premises. A cannabis handler shall not deviate from the
9 delivery path described in this paragraph, except in the event of
10 emergency or as necessary for rest, fuel, or vehicle repair stops, or
11 because road conditions make continued use of the route or
12 operation of the vehicle unsafe, impossible, or impracticable.

13 (17) The process of delivery begins when the certified cannabis
14 handler leaves the cannabis retailer licensed premises with the
15 ¹customer's purchase order of ²a² ¹ cannabis ²**[items]** item² for
16 delivery. The process of delivering ends when the cannabis handler
17 returns to the cannabis retailer's licensed premises, or delivery
18 service's or contract vendor's premises, after delivering the
19 cannabis item to the consumer.

20 (18) Each cannabis retailer ¹and cannabis delivery ²**[servicer]**
21 service² ¹ shall maintain a record of each ²cannabis item² delivery
22 of ²**[cannabis items]**² in a delivery log, which may be written or
23 electronic. For each delivery, the log shall record:

- 24 (a) The date and time that the delivery began and ended;
25 (b) The name of the certified cannabis handler;
26 (c) The cannabis ²**[items]** item² delivered;
27 (d) The ¹batch or¹ lot number of the cannabis ¹item¹; and
28 (e) The signature of the consumer who accepted delivery.

29 (19) A cannabis retailer ¹or cannabis delivery service¹ shall
30 report any vehicle accidents, diversions, losses, or other reportable
31 events that occur during delivery to the appropriate State and local
32 authorities, including the commission.

33 ²k. Any cannabis or cannabis item may be transported or
34 delivered, consistent with the requirements set forth in this section
35 and regulations promulgated by the commission, to any location in
36 the State. As set forth in section 33 of P.L. , c. (C.)
37 (pending before the Legislature as this bill), in no case may a
38 municipality restrict the transportation or deliveries of cannabis
39 items to consumers within that municipality by adoption of a
40 municipal ordinance or any other measure, and any restriction to the
41 contrary shall be deemed void and unenforceable.

42 l. The commission may authorize the use of an Internet-based
43 web service developed and maintained by an independent third
44 party entity that does not hold any license or certificate issued
45 pursuant to P.L. , c. (C.) (pending before the Legislature as
46 this bill), and is not a significantly involved person or other investor
47 in any licensee, which may be used by cannabis retailers to receive,

1 process, and fulfill orders by consumers, or used by consumers to
2 request or schedule deliveries of cannabis items pursuant to
3 subsection j. of this section.²
4

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

7 24. a. (1) Each batch of medical cannabis cultivated by a
8 medical cannabis cultivator or a clinical registrant and each batch of
9 a medical cannabis product ²~~produced~~ manufactured² by a
10 medical cannabis manufacturer or a clinical registrant shall be
11 tested in accordance with the requirements of section 26 of
12 P.L.2019, c.153 (C.24:6I-19) by a laboratory licensed pursuant to
13 section 25 of P.L.2019, c.153 (C.24:6I-18) ²or cannabis testing
14 facility licensed pursuant to section 18 of P.L. , c. (C.)
15 (pending before the Legislature as this bill)². The laboratory ²or
16 facility² performing the testing shall produce a written report
17 detailing the results of the testing, a summary of which shall be
18 included in any packaging materials for medical cannabis and
19 medical cannabis products dispensed to qualifying patients and their
20 designated and institutional caregivers. The laboratory ²or facility²
21 may charge a reasonable fee for any test performed pursuant to this
22 section.

23 (2) Each ²~~representative~~² sample of ¹~~personal use~~¹ ²usable²
24 cannabis ²~~items~~¹ , cannabis products, cannabis extracts, or other
25 cannabis resins² from a ¹~~cannabis cultivation facility and each~~
26 representative sample of a personal use cannabis item from a
27 cannabis product manufacturing facility ²~~cannabis~~² cultivator or
28 cannabis manufacturer¹ ²~~shall~~ ²may² be tested in accordance with
29 the provisions of section 18 of P.L. , c. (C.) (pending before
30 the Legislature as this bill) by a laboratory licensed pursuant to
31 section 25 of P.L.2019, c.153 (C.24:6I-18).

32 b. The requirements of ²paragraph (1) of² subsection a. of this
33 section shall take effect at such time as the commission certifies
34 that a sufficient number of laboratories have been licensed pursuant
35 to section 25 of P.L.2019, c.153 (C.24:6I-18) , or pursuant to
36 section 18 of P.L. , c. (C.), to ensure that all medical
37 cannabis and medical cannabis products can be promptly tested
38 consistent with the requirements of this section without disrupting
39 patient access to medical cannabis. ²Once the requirements of that
40 paragraph have taken effect, a laboratory licensed pursuant to
41 section 25 of P.L.2019, c.153 (C.24:6I-18) shall not make
42 operational changes that reduce the prompt testing of medical
43 cannabis and medical cannabis products, thereby disrupting patient
44 access to medical cannabis, in order to test samples of usable
45 cannabis, cannabis products, cannabis extracts, or any other
46 cannabis resins in accordance with section 18 of P.L. ,

1 c. (C. _____) (pending before the Legislature as this bill).²
2 (cf: P.L.2019, c.153, s.24)

3

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

6 25. a. (1) A laboratory that performs testing services pursuant
7 to section 24 of P.L.2019, c.153 (C.24:6I-17) shall be licensed by
8 the commission and may be subject to inspection by the
9 commission to determine the condition and calibration of any
10 equipment used for testing purposes and to ensure that testing of
11 medical cannabis and medical cannabis products is being performed
12 in accordance with the requirements of section 26 of P.L.2019,
13 c.153 (C.24:6I-19), and the testing of ¹personal use usable¹
14 cannabis ¹and personal use ,¹ cannabis ¹items ²product
15 products² , cannabis ²extract extracts² , or any other cannabis
16 ²resin¹ resins² is being performed in accordance with the
17 requirements of section 18 of P.L. _____, c. (C. _____) (pending before
18 the Legislature as this bill). Each applicant for licensure pursuant
19 to this section shall submit an attestation signed by a bona fide
20 labor organization stating that the applicant has entered into a labor
21 peace agreement with such bona fide labor organization. The
22 maintenance of a labor peace agreement with a bona fide labor
23 organization shall be an ongoing material condition of maintaining
24 a license to test ²medical all forms of² cannabis.

25 ²As used in this paragraph, “bona fide labor organization” means
26 a labor organization of any kind or employee representation
27 committee, group, or association, in which employees participate
28 and which exists and is constituted for the purpose, in whole or in
29 part, of collective bargaining or otherwise dealing with medical or
30 personal use cannabis employers concerning grievances, labor
31 disputes, terms or conditions of employment, including wages and
32 rates of pay, or other mutual aid or protection in connection with
33 employment, and may be characterized by: it being a party to one or
34 more executed collective bargaining agreements with medical or
35 personal use cannabis employers, in this State or another state; it
36 having a written constitution or bylaws in the three immediately
37 preceding years; it filing the annual financial report required of
38 labor organizations pursuant to subsection (b) of 29 U.S.C. 431, or
39 it having at least one audited financial report in the three
40 immediately preceding years; it being affiliated with any regional or
41 national association of unions, including but not limited to state and
42 federal labor councils; or it being a member of a national labor
43 organization that has at least 500 general members in a majority of
44 the 50 states of the United States.²

45 (2) Any laboratory licensed pursuant to this section prior to the
46 effective date of P.L. _____, c. (C. _____) to only test medical cannabis
47 and medical cannabis products shall be authorized to test ¹personal

1 use] usable¹ cannabis ¹[and personal use] ,¹ cannabis ¹[items]
2 ²[product] products² , cannabis ²[extract] extracts² , or any other
3 cannabis ²[resin¹] resins² under an existing license in good
4 standing, if the laboratory certifies to the commission that its
5 facility, and the condition and calibration of any equipment used for
6 testing meet the commission's accreditation requirements for
7 licensure as a cannabis testing facility, ²[and]² its testing
8 procedures will be performed in accordance with the requirements
9 of section 18 of P.L. , c. (C.) (pending before the
10 Legislature as this bill) ², and it will not make operational changes
11 that reduce the prompt testing of medical cannabis and medical
12 cannabis products as required by subsection b. of section 24 of
13 P.L.2019, c.153 (C.24:6I-17)² . The commission shall acknowledge
14 receipt of the laboratory's certification in writing to that laboratory,
15 which shall serve as notice and recognition that the laboratory may
16 test ¹[personal use] usable¹ cannabis ¹[and personal use] ,¹
17 cannabis ¹[items] product, cannabis extract, or any other cannabis
18 resin¹ under the existing license.

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

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

32 d. (1) The commission shall require each applicant for
33 licensure as a medical cannabis testing laboratory to undergo a
34 criminal history record background check, except that no criminal
35 history record background check shall be required for an applicant
36 who completed a criminal history record background check as a
37 condition of professional licensure or certification.

38 For purposes of this section, the term "applicant" shall include
39 any owner, director, officer, or employee of a medical cannabis
40 testing laboratory. The commission is authorized to exchange
41 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
47 when requested pursuant to the provisions of this section.

1 An applicant who is required to undergo a criminal history
2 record background check pursuant to this section shall submit to
3 being fingerprinted in accordance with applicable State and federal
4 laws, rules, and regulations. No check of criminal history record
5 background information shall be performed pursuant to this section
6 unless the applicant has furnished the applicant's written consent to
7 that check. An applicant who is required to undergo a criminal
8 history record background check pursuant to this section who
9 refuses to consent to, or cooperate in, the securing of a check of
10 criminal history record background information shall not be
11 considered for a license to operate, or authorization to be employed
12 at, a medical cannabis testing laboratory. An applicant shall bear
13 the cost for the criminal history record background check, including
14 all costs of administering and processing the check.

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

20 (3) Upon receipt of the criminal history record background
21 information from the Division of State Police and the Federal
22 Bureau of Investigation, the commission shall provide written
23 notification to the applicant of the applicant's qualification ²~~for~~²
24 or disqualification for a ²~~permit~~ license² to operate or be a
25 director, officer, or employee of a medical cannabis testing
26 laboratory.

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

31 (4) The Division of State Police shall promptly notify the
32 commission in the event that an individual who was the subject of a
33 criminal history record background check conducted pursuant to
34 this section is convicted of a crime or offense in this State after the
35 date the background check was performed. Upon receipt of that
36 notification, the commission shall make a determination regarding
37 the continued eligibility to operate or be a director, officer, or
38 employee of a medical cannabis testing laboratory.

39 (5) Notwithstanding the provisions of subsection c. of this
40 section to the contrary, the commission may offer provisional
41 authority for an applicant to be an owner, director, officer, or
42 employee of a medical cannabis testing laboratory for a period not
43 to exceed three months if the applicant submits to the commission a
44 sworn statement attesting that the person has not been convicted of
45 any disqualifying conviction pursuant to this section.

46 (6) Notwithstanding the provisions of subsection c. of this
47 section to the contrary, no applicant to be an owner, director,
48 officer, or employee of a medical cannabis testing laboratory shall

1 be disqualified on the basis of any conviction disclosed by a
2 criminal history record background check conducted pursuant to
3 this section if the individual has affirmatively demonstrated to the
4 commission clear and convincing evidence of rehabilitation. In
5 determining whether clear and convincing evidence of rehabilitation
6 has been demonstrated, the following factors shall be considered:

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

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

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

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

13 (e) the age of the individual when the crime or offense was
14 committed;

15 (f) whether the crime or offense was an isolated or repeated
16 incident;

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

19 (h) any evidence of rehabilitation, including good conduct in
20 prison or in the community, counseling or psychiatric treatment
21 received, acquisition of additional academic or vocational
22 schooling, successful participation in correctional work-release
23 programs, or the recommendation of those who have had the
24 individual under their supervision.

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

26

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

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

35 (1) to serve as designated caregivers or institutional caregivers
36 pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4), for licenses to
37 operate as, or to be a director, officer, or employee of, medical
38 cannabis testing laboratories pursuant to section 25 of P.L.2019,
39 c.153 (C.24:6I-18), for permits to operate as, or to be a director,
40 officer, or employee of, or a significantly involved person in,
41 clinical registrants pursuant to section 13 of P.L.2019, c.153
42 (C.24:6I-7.3), and for permits to operate as, or to be a director,
43 officer, or employee of, or a significantly involved person in,
44 medical cannabis cultivators, medical cannabis manufacturers, and
45 medical cannabis dispensaries pursuant to section 7 of P.L.2009,
46 c.307 (C.24:6I-7); or

1 (2) for licenses to operate as, or to be ¹[a] owner,¹director,
2 officer, or employee of, or a significantly involved person in,
3 cannabis ¹[growers] cultivators¹ , cannabis ¹[processors]
4 manufacturers¹ , cannabis wholesalers, cannabis distributors,
5 cannabis retailers, cannabis delivery services, and personal use
6 cannabis testing facilities pursuant to sections 18, 20, ¹[21,]¹ 22,
7 23, 24, 25, and 26 of P.L. , c. (C.) (pending before the
8 Legislature as this bill).

9 b. The Division of State Police shall promptly notify the
10 Cannabis Regulatory Commission in the event an applicant
11 **[seeking to serve as a designated or institutional caregiver, an**
12 **applicant for a license to operate as, or to be a director, officer, or**
13 **employee of, a medical cannabis testing laboratory, an applicant for**
14 **a permit to operate as, or to be a director, officer, or employee of, or**
15 **a significantly involved person in, a clinical registrant, or an**
16 **applicant for a permit to operate as, or to be a director, officer, or**
17 **employee of, or a significantly involved person in, a medical**
18 **cannabis cultivator, medical cannabis manufacturer, or medical**
19 **cannabis dispensary**]**, who was the subject of a criminal history
20 record background check conducted pursuant to subsection a. of this
21 section, is convicted of a crime involving possession or sale of a
22 controlled dangerous substance.**

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

24
25 31. (New section) Municipal Regulations or Ordinances.

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

29 (1) governing the ²**[times of operation, location, manner, and]²**
30 **number of cannabis establishments, distributors, or delivery**
31 **services ², as well as the location, manner, and times of operation of**
32 **establishments and distributors, but the time of operation of**
33 **delivery services shall be subject only to regulation by the**
34 **commission²; and**

35 (2) establishing civil penalties for violation of an ordinance or
36 regulation governing the ²**[times of operation, location, manner,**
37 **and]² number of cannabis establishments, distributors, or delivery**
38 **services that may operate in such municipality ², or their location,**
39 **manner, or the times of operations².**

40 b. A municipality may prohibit the operation of any one or
41 more classes of cannabis establishment ^{2,2} or cannabis distributors
42 ²**[, but not] or² cannabis delivery services, ²but not the delivery of**
43 **cannabis items and related supplies by a delivery service,² within**
44 **the jurisdiction of the municipality through the enactment of an**
45 **ordinance, and this prohibiting ordinance shall apply throughout the**

1 municipality, even if that municipality or parts thereof fall within
2 any district, area, or other geographical jurisdiction for which land
3 use planning, site planning, zoning requirements or other
4 development authority is exercised by an independent State
5 authority, commission, instrumentality, or agency pursuant to the
6 enabling legislation that governs its duties, functions, and powers,
7 even if this development authority is expressly stated or interpreted
8 to be exclusive thereunder; the local prohibiting ordinance applies,
9 notwithstanding the provisions of any independent State authority
10 law to the contrary. Only an ordinance to prohibit one or more
11 classes of cannabis establishment ^{2,2} or cannabis distributors ² or
12 cannabis delivery services² enacted pursuant to the specific
13 authority to do so by this section shall be valid and enforceable; any
14 ordinance enacted by a municipality prior to the effective date of
15 this section addressing the issue of prohibiting one or more types of
16 cannabis-related activities within the jurisdiction of the
17 municipality is null and void, and that entity may only prohibit the
18 operation of one or more classes of cannabis establishment ^{2,2} or
19 cannabis distributors ² or cannabis delivery services² by enactment
20 of a new ordinance based upon the specific authority to do so by
21 this section. The failure of a municipality to enact an ordinance
22 prohibiting the operation of one or more classes of cannabis
23 establishment ^{2,2} or cannabis distributors ² or cannabis delivery
24 services² within 180 days after the effective date of P.L. ,
25 c. (C.) (pending before the Legislature as this bill), shall result
26 in any class of cannabis establishment ^{2,2} or a cannabis distributor
27 ² or cannabis delivery service² that is not prohibited from operating
28 within the municipality as being permitted to operate therein as
29 follows: the growing, cultivating, ¹ **[processing]** manufacturing¹ ,
30 and selling and reselling of ¹ **[cannabis and]** ¹ ² cannabis and²
31 cannabis items, and operations to transport in bulk cannabis items
32 by a cannabis ¹ **[grower]** cultivator¹, cannabis ¹ **[processor]**
33 manufacturer¹, cannabis wholesaler, or ² as a² cannabis distributor
34 ² or cannabis delivery service² shall be permitted uses in all
35 industrial zones of the municipality; and the selling of cannabis
36 items to consumers from a retail store by a cannabis retailer shall be
37 a conditional use in all commercial zones or retail zones, subject to
38 meeting the conditions set forth in any applicable zoning ordinance
39 or receiving a variance from one or more of those conditions in
40 accordance with the “Municipal Land Use Law,” P.L.1975, c.291
41 (C.40:55D-1 et seq.). At the end of a five-year period following the
42 initial failure of a municipality to enact an ordinance prohibiting the
43 operation of one or more classes of cannabis establishment ^{2,2} or
44 cannabis distributors ² or cannabis delivery services², and every
45 five-year period thereafter following a failure to enact a prohibiting
46 ordinance, the municipality shall again be permitted to prohibit the

1 future operation of any one or more classes of cannabis
 2 establishment ^{2,2} or cannabis distributors ²or cannabis delivery
 3 services² through the enactment of an ordinance ²during a new 180-
 4 day period², but this ordinance shall be prospective only and not
 5 apply to any cannabis establishment ²**[or]** ²distributor ²or delivery
 6 service² operating in the municipality prior to the enactment of the
 7 ordinance.

8 c. (1) When the commission receives an application for initial
 9 licensing or renewal of an existing license for any cannabis
 10 establishment, distributor, or delivery service pursuant to section 19
 11 of P.L. , c. (C.) (pending before the Legislature as this bill),
 12 or endorsement for a cannabis consumption area pursuant to section
 13 28 of P.L.2019, c.153 (C.24:6I-21), the commission shall provide,
 14 within ¹**[seven]** 14¹ days, a copy of the application to the
 15 municipality in which the establishment, distributor, delivery
 16 service, or consumption area is to be located, unless the
 17 municipality has prohibited the operation of the particular class of
 18 business for which licensure is sought pursuant to subsection b. of
 19 this section, or in the case of an application seeking a consumption
 20 area endorsement, prohibited the operation of cannabis retailers.
 21 The ²**[local jurisdiction]** municipality² shall determine whether the
 22 application complies with ²its² local restrictions on ²**[times of**
 23 **operation, location, manner, and]**² the number of cannabis
 24 ²**[businesses. The local jurisdiction]** establishments, distributors,
 25 or delivery services, or their location, manner, or times of
 26 operation, and the municipality² shall inform the commission
 27 whether the application complies with ²its² local restrictions ²**[on**
 28 **times of operation, location, manner, and the number of cannabis**
 29 **businesses]**².

30 (2) A municipality may impose a separate local licensing or
 31 endorsement requirement as a part of its restrictions on ²**[times of**
 32 **operation, location, manner, and]**² the number of cannabis
 33 ²**[businesses]** establishments, distributors, or delivery services, or
 34 their location, manner, or times of operation². A municipality may
 35 decline to impose any local licensing or endorsement requirements,
 36 but a local jurisdiction shall notify the commission that it either
 37 approves or denies each application forwarded to it.

38

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

41 28. a. A municipality may authorize, through the enactment of
 42 an ordinance, the operation of locally endorsed **[medical]** cannabis
 43 consumption areas:

44 (1) operated by medical cannabis dispensaries , including any
 45 alternative treatment centers deemed to hold a medical cannabis
 46 dispensary permit pursuant to section 7 of P.L.2009, c.307 (C.24:6I-

1 7). and clinical registrants within its jurisdiction, at which areas the
2 on-premises consumption of medical cannabis may occur;

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

6 (3) operated by medical cannabis dispensaries, including any
7 alternative treatment centers deemed to hold a medical cannabis
8 dispensary permit pursuant to section 7 of P.L.2009, c.307 (C.24:6I-
9 7), within its jurisdiction that are also deemed to have, pursuant to
10 that section, one or more Class 5 Cannabis Retailer licenses and for
11 which the commission has correspondingly issued one or more
12 licenses following receipt of the municipality's² and commission's²
13 approval to operate as a cannabis retailer pursuant to subparagraph
14 (a) of paragraph (3) of subsection a. of section 33 of P.L. ,
15 c. (C.) (pending before the Legislature as this bill), or
16 medical cannabis dispensaries and alternative treatment centers
17 otherwise issued a license by the commission pursuant to P.L. ,
18 c. (C.) (pending before the Legislature as this bill), to
19 simultaneously operate as a cannabis retailer, at which areas the on-
20 premises consumption of both medical cannabis and personal use
21 cannabis² items² may occur.

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

1 al.) ²**[,]** or² P.L. , c. (C.) (pending before the Legislature
2 as this bill), ²as applicable,² or for reasons set forth in this section.
3 The commission may revoke or deny ²an initial endorsement,² an
4 endorsement renewal, or reinstatement, ²[or an initial
5 endorsement]² for good cause.

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

7 (a) the endorsed permit holder, license holder, or applicant has
8 violated, does not meet, or has failed to comply with, any of the
9 terms, conditions, or provisions of this section, any rules ²or
10 regulations² promulgated pursuant to this section, or any
11 supplemental local laws, rules, or regulations;

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

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

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

24 d. A **[medical]** cannabis consumption area endorsement shall
25 be valid for one year and may be renewed annually, subject to the
26 approval of the commission and the municipality as set forth in this
27 section. The commission shall establish by ²**[rule]** regulation² the
28 amount of the application fee and renewal fee for the endorsement,
29 which shall not exceed the administrative cost for processing and
30 reviewing the application.

31 e. The commission shall maintain a list of all **[medical]**
32 cannabis consumption areas in the State and shall make the list
33 available on its Internet website.

34 f. A **[medical]** cannabis consumption area shall be located on
35 the premises of a medical cannabis dispensary **[or]** , clinical
36 registrant, or cannabis retailer, may be indoors or outdoors, and
37 shall be designated by conspicuous signage. The signage shall also
38 indicate whether the cannabis consumption area may be used for the
39 on-premises consumption of medical cannabis, personal use
40 cannabis ²items² , or both.

41 (1) (a) An indoor **[medical]** cannabis consumption area in
42 which medical cannabis may be consumed, or both medical
43 cannabis and personal use cannabis may be consumed, shall be a
44 structurally enclosed area within a medical cannabis dispensary or
45 clinical registrant facility that is separated by solid walls or

1 windows from the area in which medical cannabis is dispensed
2 **【and】** , or in which retail sales of cannabis items occur if the
3 dispensary or facility is also licensed as a cannabis retailer, shall
4 only be accessible through an interior door after first entering the
5 dispensary or facility , and for a dispensary or facility that is also
6 licensed as a cannabis retailer, with respect to any smoking, vaping,
7 or aerosolizing of personal use cannabis ²items² , the consumption
8 area shall comply with all ventilation requirements applicable to
9 cigar lounges, as that term is defined in section 3 of P.L.2005, c.383
10 (C.26:3D-57), in order to permit indoor smoking, vaping, or
11 aerosolizing that is the equivalent of smoking tobacco not in
12 violation of the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383
13 (C.26:3D-55 et seq.). Nothing in this subparagraph shall be
14 construed to authorize the consumption of medical cannabis by
15 smoking, vaping, or aerosolizing in this or any other indoor public
16 place or workplace, as those terms are defined in section 3 of
17 P.L.2005, c.383 (C.26:3D-57).

18 (b) An indoor cannabis consumption area in which only personal
19 use cannabis ²items² may be consumed shall be a structurally
20 enclosed area within a cannabis retailer that is separated by solid
21 walls or windows from the area in which retail sales of cannabis
22 items occur, shall only be accessible through an interior door after
23 first entering the retailer, and shall comply with all ventilation
24 requirements applicable to cigar lounges, as that term is defined in
25 section 3 of P.L.2005, c.383 (C.26:3D-57), in order to permit indoor
26 smoking, vaping, or aerosolizing that is the equivalent of smoking
27 tobacco not in violation of the “New Jersey Smoke-Free Air Act,”
28 P.L.2005, c.383 (C.26:3D-55 et seq.).

29 (2) An outdoor **【medical】** cannabis consumption area shall be
30 an exterior structure on the same premises as the medical cannabis
31 dispensary **【or】** , clinical registrant facility, or cannabis retailer,
32 that is either separate from or connected to the dispensary, facility,
33 or retailer, and that is not required to be completely enclosed, but
34 shall have sufficient walls, fences, or other barriers to prevent any
35 view of patients consuming medical cannabis or persons consuming
36 personal use cannabis ²items within the consumption area² from
37 any sidewalk or other pedestrian or non-motorist right-of-way, as
38 the case may be ²【, within the consumption area】².

39 **【(3)** Nothing in this subsection shall be construed to authorize
40 the consumption of medical cannabis by smoking in any indoor
41 public place or workplace, as those terms are defined in subsection
42 3 of P.L.2005, c.383 (C.26:3D-57), and the **】** A medical cannabis
43 dispensary 【or】 , clinical registrant , or cannabis retailer operating
44 **【the】** a consumption area shall ensure that any smoking, vaping, or
45 aerosolizing of medical cannabis or personal use cannabis ²items²

1 that occurs in an outdoor **【medical】** cannabis consumption area
2 does not result in migration, seepage, or recirculation of smoke or
3 other exhaled material to any indoor public place or workplace as
4 those terms are defined in section 3 of P.L.2005, c.383 (C.26:3D-
5 57). The commission may require **【a】** an outdoor consumption area
6 to include any ventilation features as the commission deems
7 necessary and appropriate.

8 g. (1) A medical cannabis dispensary **【or】** , clinical registrant ,
9 or cannabis retailer holding a **【medical】** cannabis consumption area
10 endorsement, and the employees **【of the dispensary or clinical**
11 **registrant】** thereof, subject to any regulations for **【medical】**
12 cannabis consumption areas promulgated by the commission, may
13 permit a person to bring medical cannabis or personal use cannabis
14 ²items² into a **【medical】** cannabis consumption area , so long as the
15 on-premises consumption of that cannabis is authorized by the
16 endorsement .

17 (2) A medical cannabis dispensary **【or】**, clinical registrant , or
18 cannabis retailer holding a **【medical】** cannabis consumption area
19 endorsement shall not sell alcohol, including fermented malt
20 beverages or malt, vinous, or spirituous liquor, sell tobacco or
21 nicotine products, or allow the consumption of alcohol, tobacco, or
22 nicotine products on ²the² premises, or operate as a retail food
23 establishment.

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

35 (4) (a) A cannabis retailer, or medical cannabis dispensary or
36 clinical registrant that is also licensed to simultaneously operate as
37 a cannabis retailer, shall limit the amount of personal use cannabis
38 ²items² sold to a person to be consumed in its consumption area, or
39 brought into its consumption area if permitted pursuant to paragraph
40 (1) of this subsection, to no more than the sales limit set by the
41 commission. The cannabis retailer, medical cannabis dispensary, or
42 clinical registrant shall not engage in multiple sales transactions of
43 personal use cannabis ²items² to the same person during the same
44 business day when ²**【an establishment's】** a retailer's, dispensary's,

1 or registrant's² employee knows or reasonably should have known
2 that the sales transaction would result in the person possessing more
3 than the sales limit established by the commission. The cannabis
4 retailer, medical cannabis dispensary, or clinical registrant shall
5 provide, if required by the commission, information regarding the
6 safe consumption of personal use cannabis ²items² at the point of
7 sale to all persons who make a purchase ².

8 (b) All employees of a cannabis retailer, or medical cannabis
9 dispensary or clinical registrant that is also licensed to
10 simultaneously operate as a cannabis retailer, shall complete any
11 responsible vendor training program established in regulation by the
12 commission concerning consumption areas in which personal use
13 cannabis ²items² may be consumed.

14 h. (1) Access to a [medical] cannabis consumption area in
15 which medical cannabis may be consumed shall be restricted to
16 employees of the medical cannabis dispensary or clinical registrant
17 and to registered [qualified] qualifying patients and their
18 designated caregivers.

19 (2) Access to a cannabis consumption area in which personal
20 use cannabis ²items² may be consumed, or both medical cannabis
21 and personal use cannabis ²items² may be consumed, shall be
22 restricted to employees of the cannabis retailer, or medical cannabis
23 dispensary or clinical registrant that is also licensed to
24 simultaneously operate as a cannabis retailer, and to registered
25 qualifying patients, their designated caregivers, and other persons
26 who are at least 21 years of age. Each person shall be required to
27 produce a form of government-issued identification that may be
28 accepted, pursuant to subparagraph (a) of paragraph (6) of
29 subsection a. of section 18 of P.L. , c. (C.) (pending before
30 the Legislature as this bill), in order to enter the consumption area
31 for purposes of consuming any ²medical² cannabis ²or personal use
32 cannabis items² .

33 i. When a patient or other person leaves a [medical] cannabis
34 consumption area, the ²[establishment] medical cannabis
35 dispensary, clinical registrant , or cannabis retailer² shall ensure any
36 remaining unconsumed medical cannabis or personal use cannabis
37 item that is not taken by the patient [or] , the patient's designated
38 caregiver , or other person is destroyed.

39 j. A medical cannabis dispensary, clinical registrant, or
40 cannabis retailer operating a cannabis consumption area and its
41 employees:

42 (1) shall operate the ²[establishment] dispensary, registrant, or
43 retailer² in a decent, orderly, and respectable manner;

1 (2) may remove an individual from ²~~the establishment~~ its
2 premises² for any reason;

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

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

9 k. If an emergency requires law enforcement, firefighters,
10 emergency medical services providers, or other public safety
11 personnel to enter a ²~~medical~~² cannabis consumption area,
12 employees of the ²~~establishment~~ medical cannabis dispensary,
13 clinical registrant, or cannabis retailer² shall prohibit on-site
14 consumption of medical cannabis ², personal use cannabis items, or
15 both, as the case may be,² until such personnel have completed their
16 investigation or services and have left the premises.

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

18

19 33. (New section) Marketplace Regulation.

20 a. (1) ¹~~(a)~~¹ ²~~(a)~~² For a period of ¹~~18~~ 24¹ months after the
21 ²~~effective~~² date ²~~determined by the commission pursuant to~~
22 paragraph (2) of subsection d. of section 6² of P.L. ,

23 c. (C.) (pending before the Legislature as this bill), ²~~to be~~
24 the first date on which cannabis retailers issued licenses and
25 conditional licenses begin retail sales of ¹~~personal use~~¹ cannabis
26 items,² it shall be unlawful for any owner, part owner, stockholder,
27 officer, or director of any corporation, or any other person
28 interested in any cannabis ¹~~cultivation facility~~ cultivator¹,
29 ²~~cannabis testing facility,~~² cannabis ¹~~product manufacturing~~
30 facility manufacturer¹, cannabis wholesaler, cannabis distributor,
31 ²~~or~~² cannabis delivery service ², or cannabis testing facility² to
32 engage in the retailing of any cannabis items in this State, or to
33 own, either in whole or in part, or be directly or indirectly interested
34 in a cannabis retailer, and such interest shall include any payments
35 or delivery of money or property by way of loan or otherwise
36 accompanied by an agreement to sell the product of said cannabis
37 ¹~~cultivation facility~~ cultivator¹ , ²~~cannabis testing facility,~~²
38 cannabis ¹~~product manufacturing facility~~ manufacturer¹ ,
39 cannabis wholesaler, ²~~or~~² cannabis distributor, ²~~or cannabis~~
40 testing facility,² but does not include any arrangement between a
41 cannabis delivery service and a cannabis retailer for making
42 deliveries of cannabis items to consumers. During this ¹~~18-~~
43 month 24-month¹ period, the holder of a Class 1 Cannabis
44 ¹~~Grower~~ Cultivator¹ license to operate ¹~~as~~¹ a cannabis
45 ¹~~cultivation facility~~ cultivator¹ or a Class 2 Cannabis

1 ¹**Processor** Manufacturer¹ license to operate ¹as¹ a cannabis
 2 ¹**product manufacturing facility** manufacturer¹ may hold one
 3 other license to operate another cannabis establishment, other than a
 4 Class 3 Cannabis Wholesaler license to operate ²as² a cannabis
 5 wholesaler or a Class 5 Cannabis Retailer license to operate ²as² a
 6 cannabis retailer; and the holder of a Class 3 Cannabis Wholesaler
 7 license to operate ²as² a cannabis wholesaler ²**shall be limited to**
 8 **just that** may hold² one ²other Class 4 Cannabis Distributor²
 9 license to operate as a cannabis distributor² .

10 ¹**[(b) Throughout the 18-month period set forth in subparagraph**
 11 **(a) of this paragraph, the commission, except as authorized by**
 12 **paragraph (2) of subsection b. of this section, shall not allow,**
 13 **providing there exist qualified applicants, more than 28 cannabis**
 14 **growers to be simultaneously licensed and engaging in personal use**
 15 **cannabis activities, which number shall include any alternative**
 16 **treatment centers deemed to be licensed as cannabis growers who**
 17 **are issued licenses by the commission pursuant to paragraph (3) of**
 18 **this subsection.]**¹

19 ²(b) Throughout the 24-month period set forth in subparagraph
 20 (a) of this paragraph, the commission, except as authorized by
 21 paragraph (2) of subsection b. of this section, shall not allow,
 22 providing there exist qualified applicants, more than 37 cannabis
 23 cultivators to be simultaneously licensed and engaging in cannabis
 24 production, which number shall include any alternative treatment
 25 centers deemed to be licensed as cannabis cultivators who are
 26 issued licenses by the commission pursuant to paragraph (3) of this
 27 subsection; provided that cannabis cultivator licenses issued to
 28 microbusinesses pursuant to subsection f. of section 19 of P.L. ,
 29 c. (C.) (pending before the Legislature as this bill) shall not
 30 count towards this limit.²

31 (2) For a period of ¹**18 months** 24 months¹ after the
 32 ²effective² date ²**[(determined by the commission pursuant to**
 33 **paragraph (2) of subsection d. of section 6]**² of P.L. ,
 34 c. (C.) (pending before the Legislature as this bill), ²**to be**
 35 **the first date on which cannabis retailers issued licenses and**
 36 **conditional licenses begin retail sales of** ¹**personal use**¹ cannabis
 37 **items,]**² it shall be unlawful for any owner, part owner, stockholder,
 38 officer, or director of any corporation, or any other person engaged
 39 in any retailing of any cannabis items to engage in the growing of,
 40 testing of, ¹**processing** manufacturing¹ of, wholesaling of, or
 41 transporting in bulk any cannabis items, or to own either whole or
 42 in part, or to be a shareholder, officer or director of a corporation or
 43 association, directly or indirectly, interested in any cannabis
 44 ¹**cultivation** ²**cultivatory**¹ facility cultivator², ²**cannabis**
 45 **testing facility,]**² cannabis ¹**product manufacturing facility**

1 manufacturer¹, cannabis wholesaler, cannabis distributor, ²**[or]**²
2 cannabis delivery service², or cannabis testing facility².

3 (3) (a) (i) ¹**[Except with respect to the cap on the number of**
4 **cannabis grower licenses set forth in subparagraph (b) of paragraph**
5 **(1) of this subsection, the]** ²**[The¹]** Except with respect to the cap
6 on the number of cannabis cultivator licenses set forth in
7 subparagraph (b) of paragraph (1) of this subsection, the² provisions
8 of paragraphs (1) and (2) of this subsection shall not apply

9 to any alternative treatment center that was issued a permit prior
10 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or to
11 any alternative treatment center that was issued a permit subsequent
12 to that effective date pursuant to an application submitted prior to
13 that effective date,

14 to the one alternative treatment center, out of four, issued a
15 permit pursuant to an application submitted after the effective date
16 of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to a request for
17 applications published in the New Jersey Register prior to that
18 effective date, that is expressly exempt, pursuant to subsection a. of
19 section 11 of P.L.2019, c.153 (C.24:6I-7.1), from the provisions of
20 subparagraph (i) of subparagraph (a) of paragraph (2) of
21 subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7), which
22 exemption permits the alternative treatment center to concurrently
23 hold more than one medical cannabis permit, and that one
24 alternative treatment center is deemed pursuant to that section 7
25 (C.24:6I-7) to concurrently hold more than one permit, and

26 to the one alternative treatment center, out of three, issued a
27 permit pursuant to an application submitted on or after the effective
28 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that is expressly
29 exempt, pursuant to subsection a. of section 11 of P.L.2019,
30 c.153 (C.24:6I-7.1), from the provisions of subparagraph (i) of
31 subparagraph (a) of paragraph (2) of subsection a. of section 7 of
32 P.L.2009, c.307 (C.24:6I-7), which exemption permits the
33 alternative treatment center to concurrently hold more than one
34 medical cannabis permit, and that one alternative treatment center is
35 deemed pursuant to that section 7 (C.24:6I-7) to concurrently hold
36 more than one permit,

37 and which alternative treatment center is also deemed, pursuant
38 to subparagraph (ii) of subparagraph (c) of paragraph (2) of
39 section 7 of P.L.2009, c.307 (C.24:6I-7), to either concurrently hold
40 a Class 1 Cannabis ¹**[Grower]** Cultivator¹ license, a Class 2
41 Cannabis ¹**[Processor]** Manufacturer¹ license, ¹**[and]**¹ a Class 5
42 Cannabis Retailer license, plus an additional Class 5 Cannabis
43 Retailer license for each satellite dispensary authorized and
44 established by an alternative treatment center pursuant to
45 subparagraph (d) of paragraph (2) of subsection a. of section 7 of
46 P.L.2009, c.307 (C.24:6I-7), ¹and a Class 6 Cannabis Delivery
47 license,¹ or alternatively to hold a Class 3 Cannabis Wholesaler

1 license², and may also be deemed to hold a Class 4 Cannabis
2 Distributor license².

3 (ii) For each alternative treatment center deemed to have
4 licenses pursuant to subparagraph (i) of this subparagraph, the
5 commission shall not require the submission of an application for
6 licensure, as the application requirement is deemed satisfied by the
7 alternative treatment center's previously approved permit
8 application that was submitted to the Department of Health or to the
9 commission pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7),
10 but the alternative treatment center shall not begin to operate as any
11 class of cannabis establishment ²distributor, or delivery service²
12 until the alternative treatment center has submitted a written
13 approval for a proposed cannabis establishment ²distributor, or
14 delivery service² from the municipality in which the proposed
15 establishment ²distributor, or delivery service² is to be located,
16 which approval is based on a determination that the proposed
17 establishment ²distributor, or delivery service² complies with the
18 municipality's restrictions on the ²[time, location, manner, and]²
19 number of establishments ²distributor, or delivery services, as well
20 as the location, manner, and times of operation of establishments or
21 distributors² enacted pursuant to section 31 of P.L. of P.L. ,
22 c. (C.) (pending before the Legislature as this bill). The
23 commission shall ¹thereafter only¹ issue the initial license to the
24 alternative treatment center for a cannabis establishment of the
25 appropriate class ¹[upon receipt of the municipality's approval]²,
26 or for a cannabis distributor or delivery service,² once the
27 commission certifies that it has sufficient quantities of medical
28 cannabis and medical cannabis products available to meet the
29 reasonably anticipated ²[need] needs² of registered qualifying
30 patients in accordance with subparagraph (iii) of this
31 subparagraph¹. The commission shall begin accepting municipal
32 approvals from alternative treatment centers beginning on the date
33 of adoption of the commission's initial rules and regulations
34 pursuant to subparagraph (a) of paragraph (1) of subsection d. of
35 section 6 of P.L. , c. (C.) (pending before the Legislature as
36 this bill).

37 (iii) An alternative treatment center ¹[issued an initial license]
38 following] with¹ approval ¹[by] from¹ a municipality pursuant to
39 subparagraph (ii) of this subparagraph shall not engage in
40 activities related to the growing, ¹[producing] manufacturing¹,
41 ²[or]² wholesaling ², transporting or delivering² of ¹[personal
42 use]¹ cannabis ¹or cannabis items¹ until it has certified to the
43 commission that that it has sufficient quantities of medical cannabis
44 and medical cannabis products available to meet the reasonably
45 anticipated ²[need] needs² of registered qualifying patients, and the
46 commission has accepted the alternative treatment center's

1 certification ¹ ~~2~~² which acceptance is conditioned on the
 2 commission's review of the alternative treatment center as set forth
 3 in ²[subsubparagrph] subsubparagraph² (iv) of this subparagraph.
 4 Upon acceptance of the certification, the commission shall issue the
 5 initial license to the alternative treatment center for a cannabis
 6 establishment of the appropriate class ²or for a cannabis distributor
 7 or delivery service² ¹.

8 Notwithstanding the date determined by the commission
 9 pursuant to paragraph (2) of subsection d. of section 6 of P.L. ,
 10 c. (C.) (pending before the Legislature as this bill) to be the
 11 first date on which cannabis retailers issued licenses and conditional
 12 licenses begin retail sales of personal use cannabis items, an
 13 alternate treatment center, if approved by ²[a municipality] the
 14 commission² to operate as a cannabis retailer, may begin to engage
 15 in the retail sale of cannabis items on any date after the date that the
 16 commission adopts its initial rules and regulations pursuant to
 17 subparagraph (a) of paragraph (1) of subsection d. of section 6 of
 18 that act (C.), so long as it has certified to the commission ¹[,
 19 and to the municipality in which it is located and intends to engage
 20 in retail sales,]¹ that it has sufficient quantities of medical cannabis
 21 and, if applicable, medical cannabis products available to meet the
 22 reasonably anticipated ²[need] needs² of registered qualifying
 23 patients, and ¹[both]¹ the commission ¹[and municipality have]
 24 has¹ accepted the alternative treatment center's certification ¹,
 25 which acceptance is conditioned on the commission's review of the
 26 alternative treatment center as set forth in ²[subsubparagrph]
 27 subsubparagraph² (iv) of this subparagraph. Upon acceptance of
 28 the certification, the commission shall issue the initial cannabis
 29 retailer license to the alternative treatment center for engaging in
 30 the retail sale of cannabis items¹.

31 (iv) An alternative treatment center issued a license for a
 32 cannabis establishment ²or delivery service² shall be authorized to
 33 use the same premises for all activities authorized under P.L. , c.
 34 (C.) (pending before the Legislature as this bill) and the "Jake
 35 Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307
 36 (C.24:6I-1 et al.), without being required to establish or maintain
 37 any physical barriers or separations between operations related to
 38 the medical use of cannabis and operations related to personal use
 39 ¹of¹ cannabis ¹items¹, provided that the alternative treatment center
 40 shall be required to certify that it has sufficient quantities of
 41 medical cannabis and, if applicable, medical cannabis products
 42 available to meet the reasonably anticipated ²[treatment]² needs of
 43 registered qualifying patients, as set forth in subsubparagraph ¹(ii)
 44 or¹ (iii) of this subparagraph, ¹[as] and only if accepted by the
 45 commission, which is¹ ²[as]² a condition ¹[of selling personal use

1 cannabis at retail¹ for licensure as a cannabis establishment of the
2 appropriate class² or as a cannabis delivery service².¹

3 In determining whether to accept, pursuant to this subparagraph,
4 an alternative treatment center's certification that it has sufficient
5 quantities of medical cannabis or medical cannabis products
6 available to meet the reasonably anticipated needs of registered
7 qualifying patients, the commission¹, and if applicable a
8 municipality in consultation with the commission,¹ shall
9 assess patient enrollment, inventory, sales of medical cannabis and
10 medical cannabis products, and any other factors determined by the
11 commission through regulation.

12 ¹As a condition of licensure following acceptance of a
13 certification, an alternative treatment center shall meet the
14 anticipated treatment needs of registered qualifying patients before
15 meeting the retail² [needs] requests² of cannabis consumers, and
16 the alternative treatment center shall not make operational changes
17 that reduce access to medical cannabis for registered qualifying
18 patients in order to operate a cannabis establishment² or delivery
19 service².¹ If an alternative treatment center is found by the
20 commission to not have sufficient quantities of medical cannabis or
21 medical cannabis products available to meet the reasonably
22 anticipated needs of qualified patients, the commission may issue
23 fines, limit retail¹ or other¹ sales, temporarily suspend the
24 alternative treatment center's cannabis establishment², distributor,
25 or delivery service² license, or issue any other penalties determined
26 by the commission through regulation.

27 (b) Beginning on a date determined by the commission, to be
28 not later than one year from the date determined by the commission
29 pursuant to paragraph (2) of subsection d. of section 6 of P.L. ,
30 c. (C.) (pending before the Legislature as this bill) to be the
31 first date on which cannabis retailers issued licenses and conditional
32 licenses begin retail sales of personal use cannabis items, an
33 alternative treatment center deemed to have licenses and issued
34 initial licenses pursuant to subparagraph (a) of this paragraph shall
35 certify to the commission, within a period of time, as determined by
36 the commission, prior to the date on which a license issued to the
37 alternative treatment center is set to expire, the continued material
38 accuracy of the alternative treatment center's previously approved
39 permit application to the Department of Health or to the
40 commission pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7),
41 and its compliance with the provisions of P.L. , c. (C.)
42 (pending before the Legislature as this bill) as required by the
43 commission for its operations concerning ¹[personal use]¹ cannabis
44 ¹or cannabis items¹, and this certification shall be supplemented
45 with a new written approval from the municipality in which the
46 alternative treatment center is operating as a cannabis establishment
47 ²or delivery service² for which the initial license was issued,

1 approving the continued operations as a cannabis establishment
2 ²distributor, or delivery service² . The commission shall renew the
3 license of the alternative treatment center based upon a review of
4 the certification and supporting municipality's continued approval.
5 This license renewal process shall thereafter be followed for each
6 expiring license issued to the alternative treatment center.

7 b. Following the ¹[18] 24¹ month period set forth in
8 ²subparagraph (a) of paragraph (1) of² subsection a. of this section,
9 a cannabis ¹[establishment]¹ license holder shall be authorized to
10 hold:

11 (1) (a) a Class 1 Cannabis ¹[Grower] Cultivator¹ license, a
12 Class 2 Cannabis ¹[Processor] Manufacturer¹ license, ¹[and]¹ a
13 Class 5 Cannabis Retailer license ¹, and a Class 6 Cannabis
14 Delivery license¹ concurrently, provided that no license holder shall
15 be authorized to concurrently hold more than one license of each
16 class, except for an alternative treatment center that was deemed,
17 during the ¹[18] 24¹ month period, to have an additional Class 5
18 Cannabis Retailer license for each satellite dispensary that was
19 authorized and established by the alternative treatment center
20 pursuant to subparagraph (d) of paragraph (2) of subsection a. of
21 section 7 of P.L.2009, c.307 (C.24:6I-7). These additional retailer
22 licenses only permit the retail operation of each satellite dispensary,
23 and shall not be replaced by any other class of cannabis
24 establishment ²distributor, or delivery service² license; or

25 (b) a Class 3 Cannabis Wholesaler license ²and a Class 4
26 Cannabis Distributor license². In no case may a holder of a Class 3
27 Cannabis Wholesaler license concurrently ²[holder] hold² a license
28 of any other class ²[or] of² cannabis establishment ², or
29 concurrently hold a license as a cannabis delivery service² .

30 (2) The commission, pursuant to its authority under paragraph
31 (1) of subsection a. of section 18 of P.L. , c. (C.) (pending
32 before the Legislature as this bill) for making periodic evaluations
33 of whether the number of each class of cannabis establishment, or
34 number of cannabis distributors or delivery services, is sufficient to
35 meet the market demands of the State, shall review the limit on the
36 number of cannabis ¹[grower] cultivator¹ licenses set forth in
37 subparagraph (b) of paragraph (1) of subsection a. of this section,
38 and providing there exist qualified applicants, ¹[may make requests
39 for] accept¹ new applications for additional licenses as it deems
40 necessary.

41 (3) A license holder may submit an application for a license of
42 any type that the license holder does not currently hold prior to the
43 expiration of the ¹[18] 24¹ month period set forth in ²subparagraph
44 (a) of paragraph (1) of² subsection a. of this section, or thereafter,
45 does not currently hold pursuant to paragraph (1) of this subsection,
46 provided that no license shall be awarded to the license holder

1 during the ¹~~18~~ 24¹ month period, or thereafter, if issuance of the
2 license would violate the restrictions set forth in subsection a. of
3 this section concerning the classes of licenses that may be
4 concurrently held during that ¹~~18~~ 24¹ month period, or the
5 restrictions set forth in paragraph (1) of this subsection ¹.¹

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

9 7. a. (1) The commission shall accept applications from
10 entities for permits to operate as medical cannabis cultivators,
11 medical cannabis manufacturers, and medical cannabis dispensaries.
12 For the purposes of this section, the term “permit” shall be deemed
13 to include a conditional permit issued pursuant to subsection d. of
14 section 11 of P.L.2019, c.153 (C.24:6I-7.1) and any permit issued to
15 a microbusiness pursuant to subsection e. of section 11 of P.L.2019,
16 c.153 (C.24:6I-7.1).

17 (2) (a) For a period of 18 months after the effective date of
18 P.L.2019, c.153 (C.24:6I-5.1 et al.):

19 (i) no applicant may concurrently hold more than one permit
20 issued by the commission pursuant to this section, regardless of
21 type; and

22 (ii) there shall be no more than 28 active medical cannabis
23 cultivator permits, including medical cannabis cultivator permits
24 deemed to be held by alternative treatment centers issued a permit
25 prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) and
26 medical cannabis cultivator permits deemed to be held by
27 alternative treatment centers issued a permit subsequent to the
28 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an
29 application submitted prior to the effective date of P.L.2019, c.153
30 (C.24:6I-5.1 et al.); provided that medical cannabis cultivator
31 permits issued to microbusinesses pursuant to subsection e. of
32 section 11 of P.L.2019, c.153 (C.24:6I-7.1) shall not count toward
33 this limit.

34 (b) Commencing 18 months after the effective date of P.L.2019,
35 c.153 (C.24:6I-5.1 et al.), a permit holder shall be authorized to
36 concurrently hold a medical cannabis cultivator permit, a medical
37 cannabis manufacturer permit, and a medical cannabis dispensary
38 permit, provided that no permit holder shall be authorized to
39 concurrently hold more than one permit of each type. The permit
40 holder may submit an application for a permit of any type that the
41 permit holder does not currently hold prior to the expiration of the
42 18-month period described in subparagraph (a) of this paragraph,
43 provided that no additional permit shall be awarded to the permit
44 holder during the ²~~18 month~~ 18-month² period.

45 (c) (i) The provisions of subparagraph (a) of this paragraph shall
46 not apply to any alternative treatment center that was issued a

1 permit prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
2 al.), to any alternative treatment center that was issued a permit
3 after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)
4 pursuant to an application submitted prior to the effective date of
5 P.L.2019, c.153 (C.24:6I-5.1 et al.), to one of the four alternative
6 treatment centers issued a permit pursuant to an application
7 submitted after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
8 al.) pursuant to a request for applications published in the New
9 Jersey Register prior to the effective date of P.L.2019, c.153
10 (C.24:6I-5.1 et al.) that are expressly exempt from the provisions of
11 subparagraph (i) of subparagraph (a) of this paragraph, or to one
12 of the three alternative treatment centers issued a permit pursuant to
13 section 11 of P.L.2019, c.153 (C.24:6I-7.1) that are expressly
14 exempt from the provisions of subparagraph (i) of subparagraph
15 (a) of this paragraph, which alternative treatment centers shall be
16 deemed to concurrently hold a medical cannabis cultivator permit, a
17 medical cannabis manufacturer permit, and a medical cannabis
18 dispensary permit, and shall be authorized to engage in any conduct
19 authorized pursuant to those permits in relation to the cultivation,
20 manufacturing, and dispensing of medical cannabis.

21 (ii) In addition, each of the alternative treatment centers
22 described in subparagraph (i) of this subparagraph, to which the
23 provisions of subparagraph (a) of this paragraph ¹【do】 shall¹ not
24 apply ¹, ¹ shall, upon the adoption of the initial rules and regulations
25 by the commission pursuant to subparagraph (a) of paragraph (1) of
26 subsection d. of section 6 of P.L. , c. (C.) (pending before
27 the Legislature as this bill), be deemed to either concurrently hold a
28 Class 1 Cannabis ¹【Grower】 Cultivator¹ license, a Class 2 Cannabis
29 ¹【Processor】 Manufacturer¹ License, ¹【and】¹ a Class 5 Cannabis
30 Retailer license, plus an additional Class 5 Cannabis Retailer
31 license for each satellite dispensary authorized and established by
32 the alternative treatment center pursuant to subparagraph (d) of this
33 paragraph, ¹and a Class 6 Cannabis Delivery license,¹ or hold a
34 Class 3 Cannabis Wholesaler license ², and may also be deemed to
35 hold a Class 4 Cannabis Distributor license² . Any alternative
36 treatment center deemed to hold one or more licenses as described
37 in this subparagraph may begin to operate as any authorized
38 class of cannabis establishment ², or establishment and delivery
39 service, or as a cannabis wholesaler and distributor,² upon receipt of
40 written approval from the municipality in which the proposed
41 establishment ²or delivery service, or distributor² is to be located
42 and obtaining an initial license or licenses, as applicable, issued by
43 the commission pursuant to paragraph (3) of subsection a. of section
44 33 of P.L. , c. (C.) (pending before the Legislature as this
45 bill).

1 (d) No entity may be issued or concurrently hold more than one
2 medical cannabis cultivator permit, one medical cannabis
3 manufacturer permit, or one medical cannabis dispensary permit at
4 one time, and no medical cannabis dispensary shall be authorized to
5 establish a satellite location on or after the effective date of
6 P.L.2019, c.153 (C.24:6I-5.1 et al.), except that an alternative
7 treatment center that was issued a permit prior to the effective date
8 of P.L.2019, c.153 (C.24:6I-5.1 et al.) or that was issued a permit
9 after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)
10 pursuant to an application submitted prior to the effective date of
11 P.L.2019, c.153 (C.24:6I-5.1 et al.) shall be authorized to maintain
12 up to two satellite dispensaries, including any satellite dispensary
13 that was approved pursuant to an application submitted prior to or
14 within 18 months after the effective date of P.L.2019, c.153
15 (C.24:6I-5.1 et al.). The three alternative treatment centers issued
16 permits pursuant to section 11 of P.L.2019, c.153 (C.24:6I-7.1) that
17 are expressly exempt from the provisions of subparagraph (i) of
18 subparagraph (a) of this paragraph shall be authorized to establish
19 and maintain up to one satellite dispensary location, provided that
20 the satellite dispensary was approved pursuant to an application
21 submitted within 18 months after the effective date of P.L.2019,
22 c.153 (C.24:6I-5.1 et al.).

23 (e) No entity issued a medical cannabis cultivator, medical
24 cannabis manufacturer, or medical cannabis dispensary permit may
25 concurrently hold a clinical registrant permit issued pursuant to
26 section 13 of P.L.2019, c.153 (C.24:6I-7.3), and no entity issued a
27 clinical registrant permit pursuant to section 13 of P.L.2019, c.153
28 (C.24:6I-7.3) may concurrently hold a medical cannabis cultivator
29 permit, a medical cannabis manufacturer permit, or a medical
30 cannabis dispensary permit.

31 (f) Any medical cannabis dispensary permit holder may be
32 approved by the commission to operate a **【medical】** cannabis
33 consumption area, provided that the permit holder otherwise meets
34 the requirements of section 28 of P.L.2019, c.153 (C.24:6I-21).

35 (g) An alternative treatment center that was issued a permit prior
36 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that was
37 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
38 5.1 et al.) pursuant to an application submitted pursuant to a request
39 for applications published in the New Jersey Register prior to the
40 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was
41 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
42 5.1 et al.) pursuant to an application submitted prior to the effective
43 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), shall be required to
44 submit an attestation signed by a bona fide labor organization
45 stating that the alternative treatment center has entered into a labor
46 peace agreement with such bona fide labor organization no later

1 than 100 days after the effective date of P.L.2019, c.153 (C.24:6I-
2 5.1 et al.) or no later than 100 days after the date the alternative
3 treatment center first opens, whichever date is later. The
4 maintenance of a labor peace agreement with a bona fide labor
5 organization shall be an ongoing material condition of maintaining
6 the alternative treatment center's permit. The failure to submit an
7 attestation as required pursuant to this subparagraph within 100
8 days after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)
9 or within 100 days after the alternative treatment center first opens,
10 as applicable, shall result in the suspension or revocation of the
11 alternative treatment center's permit, provided that the commission
12 may grant an extension to this deadline to the alternative treatment
13 center based upon extenuating circumstances or for good cause
14 shown.

15 ²As used in this subparagraph, "bona fide labor organization"
16 means a labor organization of any kind or employee representation
17 committee, group, or association, in which employees participate
18 and which exists and is constituted for the purpose, in whole or in
19 part, of collective bargaining or otherwise dealing with medical or
20 personal use cannabis employers concerning grievances, labor
21 disputes, terms or conditions of employment, including wages and
22 rates of pay, or other mutual aid or protection in connection with
23 employment, and may be characterized by: it being a party to one or
24 more executed collective bargaining agreements with medical or
25 personal use cannabis employers, in this State or another state; it
26 having a written constitution or bylaws in the three immediately
27 preceding years; it filing the annual financial report required of
28 labor organizations pursuant to subsection (b) of 29 U.S.C. 431, or
29 it having at least one audited financial report in the three
30 immediately preceding years; it being affiliated with any regional or
31 national association of unions, including but not limited to state and
32 federal labor councils; or it being a member of a national labor
33 organization that has at least 500 general members in a majority of
34 the 50 states of the United States.²

35 (h) An alternative treatment center that was issued a permit prior
36 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)¹, that
37 was issued a permit after the effective date of P.L.2019, c.153
38 (C.24:6I-5.1 et al.) pursuant to an application submitted pursuant to
39 a request for applications published in the New Jersey Register
40 prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or
41 that was issued a permit after the effective date of P.L.2019, c.153
42 (C.24:6I-5.1 et al.) pursuant to an application submitted prior to the
43 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.),¹ shall be
44 permitted to cultivate from up to two physical locations, provided
45 that the alternative treatment center's combined mature cannabis
46 plant grow canopy between both locations shall not exceed 150,000

1 square feet of bloom space or the square footage of canopy
2 permitted under the largest tier in the tiered system adopted by the
3 commission pursuant to paragraph (2) of subsection b. of section 21
4 of P.L. , c. (C.) (pending before the Legislature as this bill).

5 (3) The commission shall seek to ensure the availability of a
6 sufficient number of medical cannabis cultivators, medical cannabis
7 manufacturers, and medical cannabis dispensaries throughout the
8 State, pursuant to need, including at least two each in the northern,
9 central, and southern regions of the State. Medical cannabis
10 cultivators, medical cannabis manufacturers, and medical cannabis
11 dispensaries issued permits pursuant to this section may be
12 nonprofit or for-profit entities.

13 (4) The commission shall periodically evaluate whether the
14 number of medical cannabis cultivator, medical cannabis
15 manufacturer, and medical cannabis dispensary permits issued are
16 sufficient to meet the needs of qualifying patients in the State, and
17 shall ²**【make requests for】** accept new² applications and issue such
18 additional permits as shall be necessary to meet those needs. The
19 types of permits requested and issued, and the locations of any
20 additional permits that are authorized, shall be in the discretion of
21 the commission based on the needs of qualifying patients in the
22 State.

23 (5) (a) A medical cannabis cultivator shall be authorized to:
24 acquire a reasonable initial and ongoing inventory, as determined
25 by the commission, of cannabis seeds or seedlings and
26 paraphernalia; possess, cultivate, plant, grow, harvest, and package
27 medical cannabis, including prerolled forms, for any authorized
28 purpose, including, but not limited to, research purposes; and
29 deliver, transfer, transport, distribute, supply, or sell medical
30 cannabis and related supplies to any medical cannabis cultivator,
31 medical cannabis manufacturer, medical cannabis dispensary, or
32 clinical registrant in the State. In no case shall a medical cannabis
33 cultivator operate or be located on land that is valued, assessed or
34 taxed as an agricultural or horticultural use pursuant to the
35 "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et
36 seq.).

37 (b) A medical cannabis manufacturer shall be authorized to:
38 purchase or acquire medical cannabis from any medical cannabis
39 cultivator, medical cannabis manufacturer, or clinical registrant in
40 the State; possess and utilize medical cannabis in the manufacture
41 ²**【, production,】²** and creation of medical cannabis products; and
42 deliver, transfer, transport, supply, or sell medical cannabis
43 products and related supplies to any medical cannabis manufacturer,
44 medical cannabis dispensary, or clinical registrant in the State.

45 (c) A medical cannabis dispensary shall be authorized to:
46 purchase or acquire medical cannabis from any medical cannabis

1 cultivator, medical cannabis dispensary, or clinical registrant in the
2 State and medical cannabis products and related supplies from any
3 medical cannabis manufacturer, medical cannabis dispensary, or
4 clinical registrant in the State; purchase or acquire paraphernalia
5 from any legal source; and distribute, supply, sell, or dispense
6 medical cannabis, medical cannabis products, paraphernalia, and
7 related supplies to qualifying patients or their designated or
8 institutional caregivers who are registered with the commission
9 pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4). A medical
10 cannabis dispensary may furnish medical cannabis, medical
11 cannabis products, paraphernalia, and related supplies to a medical
12 cannabis handler for delivery to a registered qualifying patient,
13 designated caregiver, or institutional caregiver consistent with the
14 requirements of subsection i. of section 27 of P.L.2019, c.153
15 (C.24:6I-20).

16 (6) A medical cannabis cultivator shall not be limited in the
17 number of strains of medical cannabis cultivated, and a medical
18 cannabis manufacturer shall not be limited in the number or type of
19 medical cannabis products manufactured ²[, produced,]² or created.
20 A medical cannabis manufacturer may package, and a medical
21 cannabis dispensary may directly dispense medical cannabis and
22 medical cannabis products to qualifying patients and their
23 designated and institutional caregivers in any authorized form.
24 Authorized forms shall include dried form, oral lozenges, topical
25 formulations, transdermal form, sublingual form, tincture form, or
26 edible form, or any other form as authorized by the commission.
27 Edible form shall include pills, tablets, capsules, drops or syrups,
28 oils, chewable forms, and any other form as authorized by the
29 commission, except that the edible forms made available to minor
30 patients shall be limited to forms that are medically appropriate for
31 children, including pills, tablets, capsules, chewable forms, and
32 drops, oils, syrups, and other liquids.

33 (7) Nonprofit medical cannabis cultivators, medical cannabis
34 manufacturers, and medical cannabis dispensaries need not be
35 recognized as a 501(c)(3) organization by the federal Internal
36 Revenue Service.

37 b. The commission shall require that an applicant provide such
38 information as the commission determines to be necessary pursuant
39 to regulations adopted pursuant to P.L.2009, c.307 (C.24:6I-1 et
40 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
43 involving any controlled dangerous substance or controlled
44 substance analog as set forth in chapter 35 of Title 2C of the New
45 Jersey Statutes except paragraph (11) or (12) of subsection b. of
46 N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of

1 N.J.S.2C:35-10, or any similar law of the United States or any other
2 state shall not be issued a permit to operate as a medical cannabis
3 cultivator, medical cannabis manufacturer, medical cannabis
4 dispensary, or clinical registrant or be a director, officer, or
5 employee of a medical cannabis cultivator, medical cannabis
6 manufacturer, medical cannabis dispensary, or clinical registrant,
7 unless such conviction occurred after the effective date of P.L.2009,
8 c.307 (C.24:6I-1 et al.) and was for a violation of federal law
9 relating to possession or sale of cannabis for conduct that is
10 authorized under P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015,
11 c.158 (C.18A:40-12.22 et al.).

12 d. (1) The commission shall require each applicant seeking a
13 permit to operate as, to be a director, officer, or employee of, or to
14 be a significantly involved person in, a medical cannabis cultivator,
15 medical cannabis manufacturer, medical cannabis dispensary, or
16 clinical registrant to undergo a criminal history record background
17 check.

18 Any individual seeking to become a director, officer, or
19 employee of a medical cannabis cultivator, medical cannabis
20 manufacturer, medical cannabis dispensary, or clinical registrant,
21 after issuance of an initial permit shall notify the commission and
22 shall complete a criminal history record background check and
23 provide all information as may be required by the commission as a
24 condition of assuming a position as director, officer, or employee of
25 the permitted entity. An individual who ²**[incurs]** secures² an
26 investment interest or gains the authority to make controlling
27 decisions in a permitted entity that makes the individual a
28 significantly involved person shall notify the commission, complete
29 a criminal history record background check, and provide all
30 information as may be required by the commission no later than 30
31 days after the date the individual becomes a significantly involved
32 person, or any permit issued to the individual or group of which the
33 significantly involved person is a member shall be revoked and the
34 individual or group shall be deemed ineligible to hold any
35 ownership or investment interest in a medical cannabis cultivator,
36 medical cannabis manufacturer, medical cannabis dispensary, or
37 clinical registrant for a period of at least two years, commencing
38 from the date of revocation, and for such additional period of time
39 as the commission deems appropriate, based on the duration of the
40 nondisclosure, the size of the individual's or group's investment
41 interest in the permitted entity, the amount of profits, revenue, or
42 income realized by the individual or group from the permitted entity
43 during the period of nondisclosure, and whether the individual had a
44 disqualifying conviction or would otherwise have been deemed
45 ineligible to be a significantly involved person in a medical

1 cannabis cultivator, medical cannabis manufacturer, medical
2 cannabis dispensary, or clinical registrant.

3 For purposes of this section, the term "applicant" shall include
4 any owner, director, officer, or employee of, and any significantly
5 involved person in, a medical cannabis cultivator, medical cannabis
6 manufacturer, medical cannabis dispensary, or clinical registrant.
7 The commission is authorized to exchange fingerprint data with and
8 receive criminal history record background information from the
9 Division of State Police and the Federal Bureau of Investigation
10 consistent with the provisions of applicable ²**[federal and]**² State
11 ²and federal² laws, rules, and regulations. The Division of State
12 Police shall forward criminal history record background
13 information to the commission in a timely manner when requested
14 pursuant to the provisions of this section.

15 An applicant who is required to undergo a criminal history
16 record background check pursuant to this section shall submit to
17 being fingerprinted in accordance with applicable State and federal
18 laws, rules, and regulations. No check of criminal history record
19 background information shall be performed pursuant to this section
20 unless the applicant has furnished the applicant's written consent to
21 that check. An applicant who is required to undergo a criminal
22 history record background check pursuant to this section who
23 refuses to consent to, or cooperate in, the securing of a check of
24 criminal history record background information shall not be
25 considered for a permit to operate, or authorization to be employed
26 at or to be a significantly involved person in, a medical cannabis
27 cultivator, medical cannabis manufacturer, medical cannabis
28 dispensary, or clinical registrant. An applicant shall bear the cost
29 for the criminal history record background check, including all
30 costs of administering and processing the check.

31 (2) The commission shall not approve an applicant for a permit
32 to operate, or authorization to be employed at or to be a
33 significantly involved person in, a medical cannabis cultivator,
34 medical cannabis manufacturer, medical cannabis dispensary, or
35 clinical registrant if the criminal history record background
36 information of the applicant reveals a disqualifying conviction as
37 set forth in subsection c. of this section.

38 (3) Upon receipt of the criminal history record background
39 information from the Division of State Police and the Federal
40 Bureau of Investigation, the commission shall provide written
41 notification to the applicant of the applicant's qualification ²**[for]**²
42 or disqualification for a permit to operate or be a director, officer,
43 or employee of, or a significantly involved person in, a medical
44 cannabis cultivator, medical cannabis manufacturer, medical
45 cannabis dispensary, or clinical registrant.

1 If the applicant is disqualified because of a disqualifying
2 conviction pursuant to the provisions of this section, the conviction
3 that constitutes the basis for the disqualification shall be identified
4 in the written notice.

5 (4) The Division of State Police shall promptly notify the
6 commission in the event that an individual who was the subject of a
7 criminal history record background check conducted pursuant to
8 this section is convicted of a crime or offense in this State after the
9 date the background check was performed. Upon receipt of that
10 notification, the commission shall make a determination regarding
11 the continued eligibility to operate or be a director, officer, or
12 employee of, or a significantly involved person in, a medical
13 cannabis cultivator, medical cannabis manufacturer, medical
14 cannabis dispensary, or clinical registrant.

15 (5) Notwithstanding the provisions of subsection c. of this
16 section to the contrary, the commission may offer provisional
17 authority for an applicant to be an owner, director, officer, or
18 employee of, or a significantly involved person in, a medical
19 cannabis cultivator, medical cannabis manufacturer, medical
20 cannabis dispensary, or clinical registrant for a period not to exceed
21 three months if the applicant submits to the commission a sworn
22 statement attesting that the person has not been convicted of any
23 disqualifying conviction pursuant to this section.

24 (6) Notwithstanding the provisions of subsection c. of this
25 section to the contrary, no applicant to be an owner, director,
26 officer, or employee of, or a significantly involved person in, a
27 medical cannabis cultivator, medical cannabis manufacturer,
28 medical cannabis dispensary, or clinical registrant 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
39 occurred;

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

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

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

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

1 (h) any evidence of rehabilitation, including good conduct in
2 prison or in the community, counseling or psychiatric treatment
3 received, acquisition of additional academic or vocational
4 schooling, successful participation in correctional work-release
5 programs, or the recommendation of those who have had the
6 individual under their supervision.

7 e. The commission shall issue a permit to operate or be an
8 owner, director, officer, or employee of, or a significantly involved
9 person in, a medical cannabis cultivator, medical cannabis
10 manufacturer, or medical cannabis dispensary if the commission
11 finds that issuing such a permit would be consistent with the
12 purposes of P.L.2009, c.307 (C.24:6I-1 et al.) and the requirements
13 of this section and section 11 of P.L.2019, c.153 (C.24:6I-7.1) are
14 met. The denial of an application shall be considered a final agency
15 decision, subject to review by the Appellate Division of the
16 Superior Court. A permit to operate a medical cannabis cultivator,
17 medical cannabis manufacturer, or medical cannabis dispensary
18 issued on or after the effective date of P.L.2019, c.153 (C.24:6I-5.1
19 et al.) shall be valid for one year and shall be renewable annually.

20 f. A person who has been issued a permit pursuant to this
21 section or a clinical registrant permit pursuant to section 13 of
22 P.L.2019, c.153 (C.24:6I-7.3) shall display the permit at the front
23 entrance to the premises of the permitted facility at all times when
24 the facility is engaged in conduct authorized pursuant to P.L.2009,
25 c.307 (C.24:6I-1 et al.) involving medical cannabis, including, but
26 not limited to, the cultivating, manufacturing, or dispensing of
27 medical cannabis.

28 g. A medical cannabis cultivator, medical cannabis
29 manufacturer, medical cannabis dispensary, or clinical registrant
30 shall report any change in information to the commission not later
31 than 10 days after such change, or the permit shall be deemed null
32 and void.

33 h. Each medical cannabis dispensary and clinical registrant
34 shall maintain and make available on its Internet website, if any, a
35 standard price list that shall apply to all medical cannabis, medical
36 cannabis products, and related supplies and paraphernalia sold or
37 dispensed by the medical cannabis dispensary or clinical registrant,
38 which prices shall be reasonable and consistent with the actual costs
39 incurred by the medical cannabis dispensary or clinical registrant in
40 connection with acquiring and selling, transferring, or dispensing
41 the medical cannabis or medical cannabis product and related
42 supplies and paraphernalia. The prices charged by the medical
43 cannabis dispensary or clinical registrant shall not deviate from the
44 prices indicated on the entity's current price list, provided that a
45 price list maintained by a medical cannabis dispensary or clinical
46 registrant may allow for medical cannabis to be made available at a
47 reduced price or without charge to qualifying patients who have a

1 demonstrated financial hardship, as that term shall be defined by the
2 commission by regulation. A price list required pursuant to this
3 subsection may be revised no more than once per month, and each
4 medical cannabis dispensary and clinical registrant shall be
5 responsible for ensuring that the commission has a copy of the
6 facility's current price list. A medical cannabis dispensary or
7 clinical registrant shall be liable to a civil penalty of \$1,000 for
8 each sale that occurs at a price that deviates from the entity's
9 current price list, and to a civil penalty of \$10,000 for each week
10 during which the entity's current price list is not on file with the
11 commission. Any civil penalties collected by the commission
12 pursuant to this section shall be ²deposited in the "Cannabis
13 Regulatory, Enforcement Assistance, and Marketplace
14 Modernization Fund" established under section 41 of P.L. _____,
15 c. (C. _____) (pending before the Legislature as this bill), and²
16 used by the commission for the purposes of administering the State
17 medical cannabis program.

18 i. The commission shall adopt regulations to:

19 (1) require such written documentation of each delivery or
20 dispensation of cannabis to, and pickup of cannabis for, a registered
21 qualifying patient, including the date and amount dispensed, and, in
22 the case of delivery, the date and times the delivery commenced and
23 was completed, the address where the medical cannabis was
24 delivered, the name of the patient or caregiver to whom the medical
25 cannabis was delivered, and the name, handler certification number,
26 and delivery certification number of the medical cannabis handler
27 who performed the delivery, to be maintained in the records of the
28 medical cannabis dispensary or clinical registrant, as the
29 commission determines necessary to ensure effective
30 documentation of the operations of each medical cannabis
31 dispensary or clinical registrant;

32 (2) monitor, oversee, and investigate all activities performed by
33 medical cannabis cultivators, medical cannabis manufacturers,
34 medical cannabis dispensaries, and clinical registrants;

35 (3) ensure adequate security of all facilities 24 hours per day
36 and security of all delivery methods to registered qualifying
37 patients; and

38 (4) establish thresholds for administrative action to be taken
39 against a medical cannabis cultivator, medical cannabis
40 manufacturer, medical cannabis dispensary, or clinical registrant
41 and its employees, officers, investors, directors, or governing board
42 pursuant to subsection m. of this section, including, but not limited
43 to, specific penalties or disciplinary actions that may be imposed in
44 a summary proceeding.

45 j. (1) Each medical cannabis cultivator, medical cannabis
46 manufacturer, medical cannabis dispensary, and clinical registrant
47 shall require the owners, directors, officers, and employees at the

1 permitted facility to complete at least eight hours of ongoing
2 training each calendar year. The training shall be tailored to the
3 roles and responsibilities of the individual's job function, and shall
4 include training on confidentiality and such other topics as shall be
5 required by the commission.

6 (2) Each medical cannabis dispensary and clinical registrant
7 shall consider whether to make interpreter services available to the
8 population served, including for individuals with a visual or hearing
9 impairment. The commission shall provide assistance to any
10 medical cannabis dispensary or clinical registrant that seeks to
11 provide such services in locating appropriate interpreter resources.
12 A medical cannabis dispensary or clinical registrant shall assume
13 the cost of providing interpreter services pursuant to this
14 subsection.

15 k. (1) The first six alternative treatment centers issued permits
16 following the effective date of P.L.2009, c.307 (C.24:6I-1 et al.)
17 shall be authorized to sell or transfer such permit and other assets to
18 a for-profit entity, provided that: the sale or transfer is approved by
19 the commission; each owner, director, officer, and employee of, and
20 significantly involved person in, the entity seeking to purchase or
21 receive the transfer of the permit, undergoes a criminal history
22 record background check pursuant to subsection d. of this section,
23 provided that nothing in this subsection shall be construed to
24 require any individual to undergo a criminal history record
25 background check if the individual would otherwise be exempt from
26 undergoing a criminal history record background check pursuant to
27 subsection d. of this section; the commission finds that the sale or
28 transfer of the permit would be consistent with the purposes of
29 P.L.2009, c.307 (C.24:6I-1 et al.); and no such sale or transfer shall
30 be authorized more than one year after the effective date of
31 P.L.2019, c.153 (C.24:6I-5.1 et al.). The sale or transfer of a permit
32 pursuant to this subsection shall not be subject to the requirements
33 of the "New Jersey Nonprofit Corporation Act," N.J.S.15A:1-1 et
34 seq., provided that, prior to or at the time of the sale or transfer, all
35 debts and obligations of the nonprofit entity are either paid in full or
36 assumed by the for-profit entity purchasing or acquiring the permit,
37 or a reserve fund is established for the purpose of paying in full the
38 debts and obligations of the nonprofit entity, and the for-profit
39 entity pays the full value of all assets held by the nonprofit entity,
40 as reflected on the nonprofit entity's balance sheet, in addition to
41 the agreed-upon price for the sale or transfer of the entity's
42 alternative treatment center permit. Until such time as the members
43 of the Cannabis Regulatory Commission are appointed and the
44 commission first organizes, the Department of Health shall have
45 full authority to approve a sale or transfer pursuant to this
46 paragraph.

1 (2) The sale or transfer of any interest of five percent or more in
2 a medical cannabis cultivator, medical cannabis manufacturer,
3 medical cannabis dispensary, or clinical registrant permit shall be
4 subject to approval by the commission and conditioned on the entity
5 that is purchasing or receiving transfer of the interest in the medical
6 cannabis cultivator, medical cannabis manufacturer, medical
7 cannabis dispensary, or clinical registrant permit completing a
8 criminal history record background check pursuant to the
9 requirements of subsection d. of this section.

10 l. No employee of any department, division, agency, board, or
11 other State, county, or local government entity involved in the
12 process of reviewing, processing, or making determinations with
13 regard to medical cannabis cultivator, medical cannabis
14 manufacturer, medical cannabis dispensary, or clinical registrant
15 permit applications shall have any direct or indirect financial
16 interest in the cultivating, manufacturing, or dispensing of medical
17 cannabis or related paraphernalia, or otherwise receive anything of
18 value from an applicant for a medical cannabis cultivator, medical
19 cannabis manufacturer, medical cannabis dispensary, or clinical
20 registrant permit in exchange for reviewing, processing, or making
21 any recommendations with respect to a permit application.

22 m. In the event that a medical cannabis cultivator, medical
23 cannabis manufacturer, medical cannabis dispensary, or clinical
24 registrant fails to comply with any requirements set forth in
25 P.L.2009, c.307 (C.24:6I-1 et al.) or any related law or regulation,
26 the commission may invoke penalties or take administrative action
27 against the medical cannabis cultivator, medical cannabis
28 manufacturer, medical cannabis dispensary, or clinical registrant
29 and its employees, officers, investors, directors, or governing board,
30 including, but not limited to, assessing fines, referring matters to
31 another State agency, and suspending or terminating any permit
32 held by the medical cannabis cultivator, medical cannabis
33 manufacturer, medical cannabis dispensary, or clinical registrant.
34 Any penalties imposed or administrative actions taken by the
35 commission pursuant to this subsection may be imposed in a
36 summary proceeding.

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

38

39 35. (New section) Medical Cannabis Provisions.

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

42 a. to limit any privileges or rights of a registered qualifying
43 patient, designated caregiver, institutional caregiver, or alternative
44 treatment center as provided in the “Jake Honig Compassionate Use
45 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or

1 P.L.2015, c.158 (C.18A:40-12.22 et al.) concerning the ²**medical**²
2 use of ²medical² cannabis ²and medical cannabis products² ;
3 b. to authorize an alternative treatment center to ²**dispense**²
4 provide² cannabis ²items² to or on behalf of a person who is not a
5 registered qualifying patient, unless that alternative treatment center
6 is deemed to be licensed to engage in the retail sale of cannabis
7 ²items² pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) and
8 issued a license by the commission following receipt of a
9 municipality's written approval for a cannabis retailer pursuant to
10 subparagraph (a) of paragraph (3) of subsection a. of section 33 of
11 P.L. , c. (C.) (pending before the Legislature as this bill), or
12 otherwise has applied for a license, and been approved and issued a
13 license by the commission pursuant to P.L. , c. (C.)
14 (pending before the Legislature as this bill) to simultaneously
15 operate as a cannabis retailer, and the alternative treatment center
16 has certified to the commission ¹**],** and to the municipality in which
17 it is located and intends to engage in retail sales,¹ pursuant to
18 paragraph (3) of subsection a. of that section ²33 (C. _____),² ¹ that
19 it has sufficient quantities of medical cannabis and medical
20 cannabis products available to meet the reasonably anticipated
21 ²**need**² needs² of registered qualifying patients, and the
22 commission ¹**],** and municipality, if applicable,¹ has accepted the
23 alternative treatment center's certification;
24 c. to authorize an alternative treatment center to purchase or
25 acquire cannabis or cannabis ¹**products**¹ items¹ in a manner or
26 from a source not permitted under the "Jake Honig Compassionate
27 Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) or
28 P.L.2015, c.158 (C.18A:40-12.22 et al.), unless that alternative
29 treatment center is deemed to be a licensed cannabis establishment
30 ²or delivery service² pursuant to section 7 of P.L.2009, c.307
31 (C.24:6I-7) and issued a license by the commission following
32 receipt of a municipality's written approval for the cannabis
33 establishment ²or delivery service² pursuant to subparagraph (a) of
34 paragraph (3) of subsection a. of section 33 of P.L. ,
35 c. (C.) (pending before the Legislature as this bill), or
36 otherwise has applied for a license, and been approved and issued a
37 license by the commission pursuant to P.L. , c. (C.)
38 (pending before the Legislature as this bill) to simultaneously
39 operate as a cannabis establishment ²or delivery service² , and the
40 alternative treatment center has certified to the commission ¹**],** and
41 if operating as a cannabis retailer, to the municipality in which it is
42 located and intends to engage in retail sales,¹ pursuant to paragraph
43 (3) of subsection a. of that section ²33 (C. _____),² ¹ that it has
44 sufficient quantities of medical cannabis and, if applicable, medical
45 cannabis products available to meet the reasonably anticipated
46 ²**treatment**² needs of registered qualifying patients, and the

1 commission ¹【, and municipality, if applicable,】¹ has accepted the
2 alternative treatment center’s certification;
3 d. to authorize an alternative treatment center issued a permit
4 under section 7 of P.L.2009, c.307 (C.24:6I-7) to operate on the
5 same premises as a cannabis license holder or applicant for a
6 license, unless that alternative treatment center is deemed to be a
7 licensed cannabis establishment ²or delivery service² pursuant to
8 section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a license by the
9 commission following receipt of a municipality’s written approval
10 for the cannabis establishment ²or delivery service² pursuant to
11 subparagraph (a) of paragraph (3) of subsection a. of section 33 of
12 P.L. , c. (C.) (pending before the Legislature as this bill), or
13 otherwise has applied for a license, and been approved and issued a
14 license by the commission pursuant to P.L. , c. (C.)
15 (pending before the Legislature as this bill) to simultaneously
16 operate as a cannabis establishment ²or delivery service² , and the
17 alternative treatment center has certified to the commission ¹【, and
18 if operating as a cannabis retailer, to the municipality in which it is
19 located and intends to engage in retail sales,】 pursuant to paragraph
20 (3) of subsection a. of that section ²33 (C. _____),² ¹ that it has
21 sufficient quantities of medical cannabis and, if applicable, medical
22 cannabis products available to meet the reasonably anticipated
23 ²【treatment】² needs of registered qualifying patients, and the
24 commission ¹【, and municipality, if applicable,】¹ has accepted the
25 alternative treatment center’s certification ¹【; or

26 In determining whether to accept, pursuant to this section, an
27 alternative treatment center’s certification that it has sufficient
28 quantities of medical cannabis or medical cannabis products
29 available to meet the reasonably anticipated needs of registered
30 qualifying patients, the commission, and if applicable a
31 municipality in consultation with the commission, shall
32 assess patient enrollment, inventory, sales of medical cannabis and
33 medical cannabis products, and any other factors determined by the
34 commission through regulation. If an alternative treatment center is
35 found by the commission to not have sufficient quantities of
36 medical cannabis or medical cannabis products available to meet
37 the reasonably anticipated needs of qualified patients, the
38 commission may issue fines, limit retail sales, temporarily suspend
39 the alternative treatment center’s cannabis establishment license, or
40 issue any other penalties determined by the commission through
41 regulation.】¹

42
43 36. (New section) Medical Cannabis – Additional Regulatory
44 Requirements.

45 ¹【a.】¹ An alternative treatment center issued a permit under
46 section 7 of P.L.2009, c.307 (C.24:6I-7) shall, as a condition of
47 engaging in operations associated with ¹【personal use】¹ cannabis

1 ¹or cannabis items¹ , after being deemed to be licensed pursuant to
 2 that section and issued a license by the commission following
 3 receipt of a municipality's written approval for a cannabis
 4 ¹**[retailer]** establishment¹ ²or delivery service² pursuant to
 5 subparagraph (a) of paragraph (3) of subsection a. of section 33 of
 6 P.L. , c. (C.) (pending before the Legislature as this bill), or
 7 otherwise issued a license by the commission pursuant to P.L. ,
 8 c. (C.) (pending before the Legislature as this bill) to
 9 simultaneously operate as a cannabis establishment ²or delivery
 10 service² , certify to the commission ¹**[**, and if operating as a
 11 cannabis retailer, to the municipality in which it is located and
 12 intends to engage in retail sales,**]** pursuant to paragraph (3) of
 13 subsection a. of that section ²33 (C.),² ¹ that it has sufficient
 14 quantities of medical cannabis and, if applicable, medical cannabis
 15 products available to meet the reasonably anticipated ²**[treatment]**²
 16 needs of registered qualifying patients, and the commission ¹**[**, and
 17 municipality, if applicable,**]**¹ has accepted the alternative treatment
 18 center's certification.

19 ¹**[**b. In determining whether to accept, pursuant to this section, an
 20 alternative treatment center's certification that it has sufficient
 21 quantities of medical cannabis or medical cannabis products
 22 available to meet the reasonably anticipated needs of registered
 23 qualifying patients, the commission, and if applicable a
 24 municipality in consultation with the commission, shall
 25 assess patient enrollment, inventory, sales of medical cannabis and
 26 medical cannabis products, and any other factors determined by the
 27 commission through regulation. If an alternative treatment center is
 28 found by the commission to not have sufficient quantities of
 29 medical cannabis or medical cannabis products available to meet
 30 the reasonably anticipated needs of qualified patients, the
 31 commission may issue fines, limit retail sales, temporarily suspend
 32 the alternative treatment center's cannabis establishment license, or
 33 issue any other penalties determined by the commission through
 34 regulation.**]**¹

35
 36 37. (New section) ²**[Businesses]** Business² Treatment of
 37 Cannabis Establishments, Distributors, and Delivery Services.

38 With respect to the business treatment of cannabis
 39 establishments, distributors, and delivery services:

40 a. A financial institution, as defined by section 2 of P.L.1983,
 41 c.466 (C.17:16K-2), shall not, subject to the suspension or
 42 revocation of a charter or other available enforcement action by the
 43 Commissioner of Banking and Insurance, engage in any
 44 discriminatory activities with respect to the banking activities of a
 45 cannabis establishment, distributor, or delivery service, or the
 46 banking activities of a person associated with a cannabis
 47 establishment, distributor, or delivery service.

1 b. (1) In no case shall a cannabis ¹**[grower]** cultivator¹ operate
2 or be located on land that is valued, assessed or taxed as an
3 agricultural or horticultural use pursuant to the "Farmland
4 Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

5 (2) As used in this paragraph, "State or local economic
6 incentive" means a financial incentive, awarded by the State, any
7 political subdivision of the State, or any agency or instrumentality
8 of the State or political subdivision of the State, to any non-
9 governmental person, association, for-profit or non-profit
10 corporation, joint venture, limited liability company, partnership,
11 sole proprietorship, or other form of business organization or entity,
12 or agreed to between the government and non-governmental parties,
13 for the purpose of stimulating economic development or
14 redevelopment in New Jersey, including, but not limited to, a bond,
15 grant, loan, loan guarantee, matching fund, tax credit, or other tax
16 expenditure.

17 (a) (i) A person or entity issued a license to operate as a
18 cannabis ¹**[grower]** cultivator¹, cannabis ¹**[processor]**
19 manufacturer¹, cannabis wholesaler, cannabis distributor, cannabis
20 retailer, or cannabis delivery service, or that employs a certified
21 personal use cannabis handler to perform work for or on behalf of a
22 cannabis establishment, distributor, or delivery service shall not be
23 eligible for a State or local economic incentive.

24 (ii) The issuance of a license to operate as a cannabis ¹**[grower]**
25 cultivator¹, cannabis ¹**[processor]** manufacturer¹, cannabis
26 wholesaler, cannabis distributor, cannabis retailer, or cannabis
27 delivery service, or the issuance of a certification to perform work
28 for or on behalf of a cannabis establishment, distributor, or delivery
29 service to a person or entity that has been awarded a State or local
30 economic incentive shall invalidate the right of the person or entity
31 to benefit from the economic incentive as of the date of issuance of
32 the license or certification.

33 (b) (i) A property owner, developer, or operator of a project to
34 be used, in whole or in part, ²**[as]** by or to benefit² a cannabis
35 ¹**[grower]** cultivator¹, cannabis ¹**[processor]** manufacturer¹,
36 cannabis wholesaler, cannabis distributor, cannabis retailer, or
37 cannabis delivery service, or to employ a certified personal use
38 cannabis handler to perform work for or on behalf of a cannabis
39 establishment, distributor, or delivery service, shall not be eligible
40 for a State or local economic incentive during the period of time
41 that the economic incentive is in effect.

42 (ii) The issuance of a license to operate as a cannabis ¹**[grower]**
43 cultivator¹, cannabis ¹**[processor]** manufacturer¹, cannabis
44 wholesaler, cannabis distributor, cannabis retailer, or cannabis
45 delivery service, or issuance of a certification ²**[to a personal use**
46 **cannabis handler employed by a person or entity]**² to perform work

1 for or on behalf of a cannabis establishment, distributor, or delivery
2 service at a location that is the subject of a State or local economic
3 incentive shall invalidate the right of a property owner, developer,
4 or operator to benefit from the economic incentive as of the date of
5 issuance of the license ²or certification² .

6
7 38. Section 29 of P.L.2019, c.153 (C.24:6I-22) is amended to
8 read as follows:

9 29. a. (1) The commission shall develop and maintain a system
10 for tracking :

11 (a) the cultivation of medical cannabis, the manufacturing of
12 medical cannabis products, the transfer of medical cannabis and
13 medical cannabis products between medical cannabis cultivators,
14 medical cannabis manufacturers, medical cannabis dispensaries,
15 clinical registrants, ²[and]² testing laboratories as authorized
16 pursuant to paragraph (5) of subsection a. of section 7 of P.L.2009,
17 c.307 (C.24:6I-7) ²[and] ² subsection h. of section 27 of P.L.2019,
18 c.153 (C.24:6I-20), ²and cannabis testing facilities pursuant to
19 section 18 of P.L. , c. (C.) (pending before the Legislature
20 as this bill,² and the dispensing or delivery of medical cannabis to
21 registered qualifying patients, designated caregivers, and
22 institutional caregivers; and

23 (b) the production of personal use cannabis, the ¹[processing]
24 manufacturing¹ of cannabis items, the transportation by cannabis
25 distributors or other transfer of cannabis items between the
26 premises of cannabis ¹[growers] cultivators¹ , cannabis
27 ¹[processors] manufacturers¹ , cannabis wholesalers, cannabis
28 retailers, and ²authorized laboratories and² testing facilities, the
29 retail sale of cannabis items to persons 21 years of age or older, and
30 the delivery of cannabis items to persons 21 years of age or older
31 ²through cannabis delivery services or² by personal use cannabis
32 handlers as authorized pursuant to P.L. , c. (C.) (pending
33 before the Legislature as this bill).

34 (2) The tracking system shall, among other features as
35 determined by the commission, utilize a stamp affixed to a
36 container or package for medical cannabis or personal use cannabis
37 items to assist in the collection of the information required to be
38 tracked pursuant to subsection c. of this section.

39 (a) The commission, in consultation with the Director of the
40 Division of Taxation, shall secure stamps based on the designs,
41 specifications, and denominations prescribed by the commission in
42 regulation, and which incorporate encryption, security, and
43 counterfeit-resistant features to prevent the unauthorized
44 duplication or counterfeiting of any stamp. The stamp shall be
45 readable by a scanner or similar device that may be used by the

1 commission, the Director of the Division of Taxation, **[and]**
2 medical cannabis cultivators, medical cannabis manufacturers,
3 medical cannabis dispensaries, **[or]** and clinical registrants , and
4 personal use cannabis ¹**[growers]** cultivators¹ , cannabis
5 ¹**[processors]** manufacturers¹ , cannabis wholesalers, cannabis
6 distributors, cannabis retailers, and cannabis delivery services.

7 (b) The commission, and the Director of the Division of
8 Taxation if authorized by the commission, shall make stamps
9 available for purchase by medical cannabis cultivators, medical
10 cannabis manufacturers, and clinical registrants, and personal use
11 cannabis ¹**[growers]** cultivators¹ , cannabis ¹**[processors]**
12 manufacturers¹ , cannabis wholesalers, cannabis distributors,
13 cannabis retailers, and cannabis delivery services, which shall be
14 the only entities authorized to affix a stamp to a container or
15 package for medical cannabis or personal use cannabis ¹items¹ in
16 accordance with applicable regulations promulgated by the
17 commission in consultation with the Director of the Division of
18 Taxation. The price charged by the commission **[to medical**
19 **cannabis cultivators, medical cannabis manufacturers, and clinical**
20 **registrants]** for a stamp **[required pursuant to this paragraph]** shall
21 be reasonable and commensurate with the cost of producing the
22 stamp.

23 (c) A medical cannabis cultivator, medical cannabis
24 manufacturer, medical cannabis dispensary, clinical registrant, or
25 certified medical cannabis handler , or a personal use cannabis
26 ¹**[grower]** cultivator¹ , cannabis ¹**[processor]** manufacturer¹ ,
27 cannabis wholesaler, cannabis distributor, cannabis retailer,
28 cannabis delivery service, or certified personal use cannabis
29 handler, shall not purchase, sell, offer for sale, transfer, transport, or
30 deliver any medical cannabis or personal use cannabis item unless a
31 stamp is properly affixed to the container or package for the
32 medical cannabis or personal use cannabis item.

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

35 (1) preventing the diversion of medical cannabis and personal
36 use cannabis items to criminal enterprises, gangs, cartels, persons
37 not authorized to possess medical cannabis or personal use cannabis
38 items, and other states;

39 (2) preventing persons from substituting or tampering with
40 medical cannabis and personal use cannabis items;

41 (3) ensuring an accurate accounting of the cultivation,
42 manufacturing, transferring, dispensing, and delivery of medical
43 cannabis , and the production, ¹**[processing]** manufacturing¹ ,
44 transporting, transferring, sale, and delivery of personal use
45 cannabis items;

- 1 (4) ensuring that the testing results from licensed testing
2 laboratories and facilities are accurately reported; and
- 3 (5) ensuring compliance with the rules and regulations adopted
4 by the commission and any other law of this State that charges the
5 commission with a duty, function, or power related to medical
6 cannabis or personal use cannabis items.
- 7 c. The system developed and maintained under this section
8 shall be capable of tracking, at a minimum:
- 9 (1) the propagation of immature medical cannabis plants and
10 personal use cannabis plants, the production of medical cannabis by
11 a medical cannabis cultivator , and the production of personal use
12 cannabis by a cannabis ¹[grower] cultivator¹;
- 13 (2) the utilization of medical cannabis in the manufacture ²[
14 production,]² and creation of medical cannabis products by a
15 medical cannabis manufacturer , the ¹[processing] manufacturing¹
16 of personal use cannabis items by a cannabis ¹[processor]
17 manufacturer¹ , the receiving, storing, and sending of personal use
18 cannabis items by a cannabis wholesaler, and the transporting in
19 bulk cannabis items by a cannabis distributor;
- 20 (3) the transfer of medical cannabis and medical cannabis
21 products , and personal use cannabis items, to and from licensed
22 testing laboratories and facilities for testing purposes;
- 23 (4) the dispensing of medical cannabis by a medical cannabis
24 dispensary or clinical registrant , and the selling ¹[and delivery]¹ of
25 personal use cannabis items by a cannabis retailer ¹[or cannabis
26 delivery service]¹;
- 27 (5) the furnishing of medical cannabis by a medical cannabis
28 dispensary or clinical registrant to a medical cannabis handler for
29 delivery , and the furnishing of personal use cannabis items by a
30 cannabis retailer to a personal use cannabis handler for delivery;
- 31 (6) the delivery of medical cannabis by a medical cannabis
32 handler , and the delivery of personal use cannabis items by a
33 personal use cannabis handler;
- 34 (7) the purchase, sale, or other transfer of medical cannabis and
35 medical cannabis products between medical cannabis cultivators,
36 medical cannabis manufacturers, medical cannabis dispensaries, and
37 clinical registrants as authorized pursuant to paragraph (5) of
38 subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) and
39 subsection h. of section 27 of P.L.2019, c.153 (C.24:6I-20) , and the
40 purchase, sale, transporting, or other transfer of personal use
41 ²cannabis and² cannabis items by or between cannabis ¹[growers]
42 cultivators¹ , cannabis ¹[processors] manufacturers¹ , cannabis
43 wholesalers, cannabis distributors, cannabis retailers, and cannabis
44 delivery services as authorized pursuant to P.L. _____, c. (C. _____)
45 (pending before the Legislature as this bill); and

1 (8) any other information that the commission determines is
2 reasonably necessary to accomplish ²~~the~~ its² duties, functions,
3 and powers ²~~of the commission~~².

4 (cf: P.L.2019, c.153, s.29)

5
6 ¹39. (New section) ²Optional² Social Equity Excise Fee
7 Assessed on Class 1 Cannabis Cultivator Licensees.

8 a. There may be a Social Equity Excise Fee imposed by the
9 commission on the cultivation of cannabis by any cannabis
10 cultivator licensed pursuant to the provisions of P.L. _____,
11 c. (C. _____) (pending before the Legislature as this bill), or on the
12 cultivation of cannabis for the personal use cannabis marketplace
13 and not for the medical cannabis marketplace by any alternative
14 treatment center deemed to be licensed to engage in personal use
15 cannabis activities pursuant to section 7 of P.L.2009, c.307
16 (C.24:6I-7) and issued a Class 1 ²Cannabis² Cultivator license by
17 the commission pursuant to subparagraph (a) of paragraph (3) of
18 subsection a. of section 33 of P.L. _____, c. (C. _____) (pending before
19 the Legislature as this bill). The excise fee, if imposed by the
20 commission pursuant to this section, shall be imposed on the
21 receipts from the sale, or equivalent value of the transfer, of usable
22 cannabis by a cannabis cultivator to any other cannabis
23 establishment, other than another cannabis cultivator. Any sale by a
24 cannabis cultivator for which the excise fee is imposed pursuant to
25 this section shall be exempt from the tax imposed under the "Sales
26 and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

27 (1) Immediately following the adoption of the commission's
28 initial rules and regulations pursuant to subparagraph (a) of
29 paragraph (1) of subsection d. of section 6 of P.L. _____, c. (C. _____)
30 (pending before the Legislature as this bill), there may be an excise
31 fee imposed on a cannabis cultivator's sale or transfer as described
32 in this subsection in the amount of 1/3 of 1% of the Statewide
33 average retail price of an ounce of usable cannabis for consumer
34 purchase, and any fractional portion of an ounce sold or transferred
35 shall be subject to the fee on a proportional basis, during the
36 calendar year the fee may be imposed in accordance with this
37 paragraph; and

38 (2) Beginning nine months following the first sale or transfer of
39 usable cannabis subject to the excise fee as described in paragraph
40 (1) of this subsection, which sale or transfer is made by a cannabis
41 cultivator that is not also an alternative treatment center deemed to
42 be licensed to engage in personal use cannabis activities pursuant to
43 section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a Class 1
44 ²Cannabis² Cultivator license by the commission pursuant to
45 subparagraph (a) of paragraph (3) of subsection a. of section 33 of
46 P.L. _____, c. (C. _____) (pending before the Legislature as this bill),
47 the excise fee may be adjusted annually based upon the Statewide

1 average retail price of usable cannabis for consumer purchase in the
2 calendar year next preceding the year in which the adjusted fee
3 would be imposed, and the adjusted excise fee shall be ²**[based on]**
4 by² the ounces of usable cannabis sold or transferred by a cannabis
5 cultivator, and any fractional portion of an ounce sold or transferred
6 shall be subject to the fee on a proportional basis, as follows:

7 (a) up to \$10 per ounce, as established by the commission, if the
8 average retail price of an ounce of usable cannabis ²**[is]** was² \$350
9 or more;

10 (b) up to \$30 per ounce, as established by the commission, if the
11 average retail price of an ounce of usable cannabis ²**[is]** was² less
12 than \$350 but at least \$250;

13 (c) up to \$40 per ounce, as established by the commission, if the
14 average retail price of an ounce of usable cannabis ²**[is]** was² less
15 than \$250 but at least \$200; ²**and**²

16 (d) up to \$60 per ounce, as established by the commission, if the
17 average retail price of an ounce of usable cannabis ²**[is]**² less than
18 \$200.

19 b. (1) Any excise fee imposed pursuant to this section shall be
20 collected from the cannabis establishment purchasing or acquiring
21 the usable cannabis or paid by the cannabis cultivator, and remitted
22 to the Director of the Division of Taxation. The fee shall be stated,
23 charged, and shown separately on any sales slip, invoice, receipt, or
24 other statement or memorandum of the price paid or payable, or
25 equivalent value of the transfer, for the usable cannabis.

26 (2) Every cannabis cultivator required to collect or pay any
27 excise fee imposed by this section shall be personally liable for the
28 fee imposed, collected, or required to be collected or paid under this
29 section. Any cannabis cultivator shall have the same right with
30 respect to collecting the fee from the cannabis establishment
31 purchasing or acquiring the usable cannabis, or with respect to non-
32 payment of the fee by the cannabis establishment, as if the fee were
33 a part of the purchase price or value of the transfer of the usable
34 cannabis, and payable at the same time; provided, however, that the
35 director shall be joined as a party in any action or proceeding
36 brought to collect the fee.

37 c. Any excise fee imposed shall be reported and paid to the
38 ²**[director]** Director of the Division of Taxation² on a monthly
39 basis, in a manner prescribed by the director.

40 d. Except as otherwise provided in the “Cannabis Regulatory,
41 Enforcement Assistance, and Marketplace Modernization Act,”
42 P.L. , c. (C.) (pending before the Legislature as ²**[Senate**
43 **Bill No 21]** this bill²), any excise ²**[Fee]** fee² imposed pursuant to
44 this section shall be governed by the provisions of the “State
45 Uniform Tax Procedure Law,” R.S.54:48-1 et seq.

46 e. Any excise fee imposed under this section shall not apply to
47 sales or transfers of usable cannabis by a cannabis cultivator to a

1 licensed medical cannabis alternative treatment center for use in
 2 medical cannabis dispensing pursuant to the “Jake Honig
 3 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
 4 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

5 f. Any excise fee revenue collected pursuant to this section
 6 shall be deposited by the Director of the Office of Management and
 7 Budget into the “Cannabis Regulatory, Enforcement Assistance, and
 8 Marketplace Modernization Fund” established ²[pursuant to]
 9 under² section 41 of P.L. , c. (C.) (pending before the
 10 Legislature as this bill), and shall be used for annual appropriations
 11 for investing in social equity programs as set forth in that section.

12 g. As used in this section:

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

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

19 “Usable cannabis” means the same as that term is defined in
 20 section 3 of P.L. , c. (C.) (pending before the Legislature as
 21 this bill).¹

22
 23 ¹[39.] 40.¹ (New section) ²[Local Cannabis Taxation;]
 24 Optional² Local Cannabis Transfer Tax and User Tax.

25 a. (1) A municipality may adopt an ordinance imposing a
 26 transfer tax on the sale of ²cannabis or² cannabis items by a
 27 cannabis establishment that is located in the municipality. At the
 28 discretion of the municipality, the tax may be imposed on: ²receipts
 29 from the sale of cannabis by a cannabis cultivator to another
 30 cannabis cultivator;² receipts from the sale of ¹[cannabis or]¹
 31 cannabis items from one cannabis establishment to another cannabis
 32 establishment; receipts from the retail sales ¹of cannabis items¹ by a
 33 cannabis retailer to retail ²[customers] consumers² who are 21
 34 years of age or older; or any combination thereof. Each
 35 municipality shall set its own rate or rates, but in no case shall a
 36 rate exceed: two percent of the receipts from each sale by a
 37 cannabis ¹[grower] cultivator¹; two percent of the receipts from
 38 each sale by a cannabis ¹[processor] manufacturer¹; one percent of
 39 the receipts from each sale by a cannabis wholesaler; and two
 40 percent of the receipts from each sale by a cannabis retailer.

41 (2) A local tax ordinance adopted pursuant to paragraph (1) of
 42 this subsection shall also include provisions for imposing a user tax,
 43 at the equivalent transfer tax rates, on any concurrent license
 44 holder, as permitted by section 33 of P.L. , c. (C.) (pending
 45 before the Legislature as this bill), operating more than one
 46 cannabis establishment. The user tax shall be imposed on the value
 47 of each transfer or use of ²cannabis or² cannabis items not

1 otherwise subject to the transfer tax imposed pursuant to paragraph
2 (1) of this subsection, from the license holder's establishment that is
3 located in the municipality to any of the other license holder's
4 establishments, whether located in the municipality or another
5 municipality.

6 b. (1) A transfer tax or user tax imposed pursuant this section
7 shall be in addition to any other tax imposed by law. Any
8 transaction for which the transfer tax or user tax is imposed, or
9 could be imposed, pursuant to this section, other than those which
10 generate receipts from the retail sales by cannabis retailers, shall be
11 exempt from the tax imposed under the "Sales and Use Tax Act,"
12 P.L.1966, c.30 (C.54:32B-1 et seq.). The transfer tax or user tax
13 shall be collected or paid, and remitted to the municipality by the
14 cannabis establishment from the cannabis establishment purchasing
15 or receiving the ²cannabis or² cannabis item, or from the
16 ²[customer] consumer² at the point of sale, on behalf of the
17 municipality by the cannabis ²[establishment] retailer² selling ²[or
18 transferring]² the cannabis item ²to that consumer² . The transfer
19 tax or user tax shall be stated, charged, and shown separately on any
20 sales slip, invoice, receipt, or other statement or memorandum of
21 the price paid or payable ¹, or equivalent value of the transfer,¹ for
22 the ²cannabis or² cannabis item.

23 (2) Every cannabis establishment required to collect a transfer
24 tax or user tax imposed by ordinance pursuant to this section shall
25 be personally liable for the transfer tax or user tax imposed,
26 collected, or required to be collected under this section. Any
27 cannabis establishment shall have the same right with respect to
28 collecting the transfer tax or user tax from another cannabis
29 establishment or the ²[customer] consumer² as if the transfer tax or
30 user tax was a part of the sale and payable at the same time, or with
31 respect to non-payment of the transfer tax or user tax by the
32 cannabis establishment or ²[customer] consumer², as if the transfer
33 tax or user tax was a part of the purchase price of the ²cannabis or²
34 cannabis item, ¹or equivalent value of the transfer of the ²cannabis
35 or² cannabis item,¹ and payable at the same time; provided,
36 however, that the chief fiscal officer of the municipality which
37 imposes the transfer tax or user tax shall be joined as a party in any
38 action or proceeding brought to collect the transfer tax or user tax.

39 (3) No cannabis establishment required to collect a transfer tax
40 or user tax imposed by ordinance pursuant to this section shall
41 advertise or hold out to any person or to the public in general, in
42 any manner, directly or indirectly, that the transfer tax or user tax
43 will not be separately charged and stated to another cannabis
44 establishment or the ²[customer] consumer,² or that the transfer tax
45 or user tax will be refunded to the cannabis establishment or the
46 ²[customer] consumer².

1 c. (1) All revenues collected from a transfer tax or user tax
2 imposed by ordinance pursuant to this section shall be remitted to
3 the chief financial officer of the municipality in a manner
4 prescribed by the municipality. The chief financial officer shall
5 collect and administer any transfer tax or user tax imposed by
6 ordinance pursuant to this section. The municipality shall enforce
7 the payment of delinquent taxes or transfer fees imposed by
8 ordinance pursuant to this section in the same manner as provided
9 for municipal real property taxes.

10 (2) (a) In the event that the transfer tax or user tax imposed by
11 ordinance pursuant to this section is not paid as and when due by a
12 cannabis establishment, the unpaid balance, and any interest
13 accruing thereon, shall be a lien on the parcel of real property
14 comprising the cannabis ²**[establishment]** establishment's
15 premises² in the same manner as all other unpaid municipal taxes,
16 fees, or other charges. The lien shall be superior and paramount to
17 the interest in the parcel of any owner, lessee, tenant, mortgagee, or
18 other person, except the lien of municipal taxes, and shall be on a
19 parity with and deemed equal to the municipal lien on the parcel for
20 unpaid property taxes due and owing in the same year.

21 (b) A municipality shall file in the office of its tax collector a
22 statement showing the amount and due date of the unpaid balance
23 and identifying the lot and block number of the parcel of real
24 property that comprises the delinquent cannabis ²**[establishment]**
25 establishment's premises². The lien shall be enforced as a
26 municipal lien in the same manner as all other municipal liens are
27 enforced.

28 d. As used in this section:

29 ¹**["Cannabis" means the same as that term is defined in section 3**
30 **of P.L. , c. (C.) (pending before the Legislature as this**
31 **bill).]**

32 ²"Cannabis" means the same as that term is defined in section 3
33 of P.L. , c. (C.) (pending before the Legislature as this
34 bill).²

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
45 section 3 of P.L. , c. (C.) (pending before the Legislature
46 as this 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
6 as 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 ²“Consumer” means the same as that term is defined in section 3
11 of P.L. , c. (C.) (pending before the Legislature as this bill).

12 “Premises” means the same as that term is defined in section 3 of
13 P.L. , c. (C.) (pending before the Legislature as this bill).²
14

15 ¹**[40.] 41.¹** (New section) Cannabis Regulatory, Enforcement
16 Assistance, and Marketplace Modernization Fund.

17 a. ²**[¹(1)¹]²** All fees and penalties collected by the commission,
18 and all tax revenues on retail sales ²**[, if any]** of cannabis items²,
19 and all tax revenues collected pursuant to the provisions of the
20 “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009,
21 c.307 (C.24:6I-1 et al.), except for amounts credited to the Property
22 Tax Reform Account in the Property Tax Relief Fund pursuant to
23 paragraph ¹**[1]** ¹7¹ of Section I of Article VIII of the New Jersey
24 Constitution, ¹as well as all revenues, if any, collected for the
25 Social Equity Excise Fee pursuant to section 39 of P.L. ,
26 c. (C.) (pending before the Legislature as this bill),¹ shall be
27 deposited in a special nonlapsing fund which shall be known as the
28 “Cannabis Regulatory, Enforcement Assistance, and Marketplace
29 Modernization Fund.”

30 b. Monies in the fund ¹, other than any monies derived from the
31 Social Equity Excise Fee to be appropriated annually in accordance
32 with subsection d. of this section,¹ shall be ¹**[used by the**
33 **commission to]** appropriated annually as follows¹:

34 (1) ¹at least 70 percent ²of all tax revenues on retail sales of
35 cannabis items² shall be appropriated for investments, including
36 through grants, loans, reimbursements of expenses, and other
37 financial assistance, in municipalities defined as an “impact zone”
38 pursuant to section 3 of P.L. , c. (C.) (pending before the
39 Legislature as this bill), as well as provide direct financial
40 assistance to qualifying persons residing therein as ²**[determined]**
41 recommended² by the commission; and

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

44 (a) ¹to oversee the development, regulation, and enforcement of
45 activities associated with the personal use of cannabis pursuant to
46 P.L. , c. (C.), and assist with assuming responsibility from

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

6 ¹[and

7 (2)] (b) to¹ reimburse the expenses incurred by any county or
8 municipality for the training costs associated with the attendance
9 and participation of a police officer from its law enforcement unit,
10 as those terms are defined in section 2 of P.L.1961, c.56 (C.52:17B-
11 67), in a program provided by an approved school, also defined in
12 that section, which trains and certifies the police officer, including a
13 police officer with a working dog as that term is defined in section
14 1 of P.L.2006, c.88 (C.10:5-29.7), as a Drug Recognition Expert for
15 detecting, identifying, and apprehending drug-impaired motor
16 vehicle operators, and pay for ¹the same training¹ costs incurred by
17 the ¹Division of¹ State Police ¹in the Department of Law and Public
18 Safety for the training of a State police officer or trooper, including
19 an officer or trooper with a working dog, as a Drug Recognition
20 Expert, as well as its costs¹ in furnishing additional program
21 instructors to provide Drug Recognition Expert training to police
22 officers ¹, troopers,¹ and working dogs. A municipality or county
23 seeking reimbursement shall apply to the commission, itemizing the
24 costs, with appropriate proofs, for which reimbursement is
25 requested and provide a copy of the certificate issued to the police
26 officer to indicate the successful completion of the program by the
27 police officer, and that officer’s working dog, if applicable ¹; and

28 (c) for further investments, including through grants, loans,
29 reimbursements of expenses, and other financial assistance, in
30 municipalities defined as an “impact zone” pursuant to section 3 of
31 P.L. , c. (C.) (pending before the Legislature as this bill), as
32 well as provide direct financial assistance to qualifying persons
33 residing therein as ²[determined] recommended² by the
34 commission.

35 The monies appropriated pursuant to paragraph (1) of this
36 subsection shall be offset by any revenue constitutionally dedicated
37 to municipalities defined as an “impact zone” pursuant to section 3
38 of P.L. , c. (C.) (pending before the Legislature as this
39 bill)¹.

40 c. Any remaining ²available² monies, after the ²[commission
41 uses the ¹available¹] appropriation of those² monies in the fund in
42 accordance with subsection b. of this section, shall be deposited in
43 the State’s General Fund.

44 ¹d. (1) (a) Not less than 60 days prior to the first day of each
45 State fiscal year, the commission shall consult and make
46 recommendations to the Governor and Legislature for making social
47 equity appropriations based upon the amount of any revenues

1 collected during the current fiscal year for the Social Equity Excise
2 Fee pursuant to section 39 of P.L. , c. (C.) (pending before the
3 Legislature as this bill), or, if the commission has not imposed or
4 adjusted the excise fee in the current fiscal year pursuant to that
5 section, then appropriations to be made from the General Fund in an
6 amount equal to the revenues that would have been collected had it
7 imposed or adjusted the fee, in order to invest, through grants,
8 loans, reimbursements of expenses, and other financial assistance,
9 in private for-profit and non-profit organizations, public entities,
10 including any municipality defined as an “impact zone” pursuant to
11 section 3 of P.L. , c. (C.) (pending before the Legislature as
12 this bill), as well as provide direct financial assistance to qualifying
13 persons as ²[determined] recommended² by the commission, in
14 order to create, expand, or promote educational and economic
15 opportunities and activities, and the health and well-being of both
16 communities and individuals.

17 (b) Not less than 30 days prior to submitting its
18 recommendations to the Governor and Legislature pursuant to
19 subparagraph (a) of this paragraph, the commission shall hold at
20 least three regional public ²[hearing] hearings² throughout the
21 State, with at least one hearing in the northern, central, and southern
22 regions of the State, to solicit the public input on the social equity
23 investments to be made as described in this ²[section] subsection² .

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

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

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

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

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

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

1 Cannabis Business Development established by section 32 of
2 P.L.2019, c.153 (24:6I-25).

3 (4) Prior to the first day of each fiscal year, the Legislature shall
4 provide to the commission a statement which lists the investments,
5 including the investment recipients and investment amount, to be
6 made by appropriations as set forth in paragraph (1) of this
7 subsection based upon recommendations presented to the Governor
8 and Legislature pursuant to paragraphs (1) through (3) of this
9 subsection, and how the ²[investment is] investments are² intended
10 to support and advance social equity as described in this
11 subsection.¹

12
13 ²42. R.S. 24:1-1 is amended to read as follows:

14 As used in this Title:

15 a. "State department," "department of health" and "department"
16 mean the "State Department of Health."

17 b. "Council" means the Public Health Council in the State
18 Department of Health.

19 c. "Local board" or "local board of health" means the board of
20 health of any municipality, or the boards, bodies, or officers in such
21 municipality lawfully exercising the powers of a local board of
22 health under the laws governing such municipality, and includes
23 any consolidated local board of health or county local board of
24 health created and established pursuant to law.

25 d. "Food" means (1) articles used for food or drink for man or
26 other animals (2) chewing gum and (3) articles used for components
27 of any such article.

28 e. "Drug" means (1) articles recognized in the official United
29 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the
30 United States, or official National Formulary, or any supplement to
31 any of them; and (2) articles intended for use in the diagnosis, cure,
32 mitigation, treatment or prevention of disease in man or other
33 animals; and (3) articles (other than food) intended to affect the
34 structure or any function of the body of man or other animals; and
35 (4) articles intended for use as a component of any article specified
36 in **[clause]** (1), (2), or (3) of this definition; but does not include
37 biological products, or devices or their components, parts, or
38 accessories. The term "drug" also does not include: hemp and
39 hemp products cultivated, handled, processed, transported, or sold
40 pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238
41 (C.4:28-6 et al.); cannabis as defined in section 3 of P.L. ,
42 c. (C.) (pending before the Legislature as this bill) which is
43 cultivated and produced for use in a cannabis item, as defined in
44 that section, in accordance with the "New Jersey Cannabis
45 Regulatory, Enforcement Assistance, and Marketplace
46 Modernization Act," P.L. , c. (C.) (pending before the
47 Legislature as this bill); and cannabis resin as defined in that section

1 3 (C.) which is extracted for use in a cannabis item, as defined
2 in that section, in accordance with that act.

3 f. "Package" or "container" means wrapper, case, basket,
4 hamper, can, bottle, jar, tube, cask, vessel, tub, firkin, keg, jug,
5 barrel, or other receptacles, but the word, "package" shall not
6 include open containers which permit a visual and physical
7 inspection by the purchaser at retail, nor bags and other receptacles
8 which are filled in the presence of the purchaser at retail.

9 g. "Device" means instruments, apparatus, and contrivances,
10 including their components, parts, and accessories, intended (1) for
11 use in the diagnosis, cure, mitigation, treatment, or prevention of
12 disease in man or other animals; or (2) to affect the structure or any
13 function of the body of man or other animals.

14 h. "Cosmetic" means (1) articles intended to be rubbed, poured,
15 sprinkled, or sprayed on, introduced into, or otherwise applied to
16 the human body or any part thereof for cleansing, beautifying,
17 promoting attractiveness, or altering the appearance, and (2) articles
18 intended for use as a component of any such articles; except that
19 such term shall not include soap.

20 i. "New drug" means (1) any drug the composition of which is
21 such that such drug is not generally recognized, among experts
22 qualified by scientific training and experience to evaluate the safety
23 of drugs, as safe for use under the conditions prescribed,
24 recommended, or suggested in the labeling thereof, and (2) any drug
25 the composition of which is such that such drug, as a result of
26 investigations to determine its safety for use under such conditions,
27 has become so recognized, but which has not, otherwise than in
28 such investigations, been used to a material extent or for a material
29 time under such conditions.

30 j. "Label" means a display of written, printed, or graphic
31 matter upon the immediate container of any article; and a
32 requirement made by or under authority of this subtitle that any
33 word, statement or other information appear on the label shall not
34 be considered to be complied with unless such word, statement, or
35 other information also appears on the outside container or wrapper,
36 if any there be, of the retail package of such article, or is easily
37 legible through the outside container or wrapper. The term
38 "immediate container" does not include package liners.

39 k. "Labeling" means all labels and other written, printed or
40 graphic matter (1) upon an article or any of its containers or
41 wrappers, or (2) accompanying such article.

42 l. "Official compendium" means the official United States
43 Pharmacopoeia, official Homeopathic Pharmacopoeia of the United
44 States, official National Formulary, or any supplement to any of
45 them.

46 m. If an article is alleged to be misbranded because the labeling
47 is misleading, then in determining whether such labeling is
48 misleading there shall be taken into account [] , among other

1 things **1]** , not only representations made or suggested by
2 statement, word, design, or any combination thereof, but also the
3 extent to which such labeling fails to reveal facts material in the
4 light of such representations or material with respect to
5 consequences which may result from the use of the article to which
6 such labeling relates under the conditions of use prescribed in the
7 labeling thereof or under such conditions of use as are customary or
8 usual.

9 n. The representation of a drug as an antiseptic shall be
10 considered to be a representation that it is a germicide, except in the
11 case of a drug purporting to be, or represented as, an antiseptic for
12 inhibitory use as a wet dressing, ointment, dusting powder, or such
13 other use as involves prolonged contact with the body.

14 o. The provisions of this act regarding the selling of food,
15 drugs, devices, or cosmetics, shall be considered to include the
16 manufacture, production, processing, packing, exposure, offer,
17 possession, and holding of any such article for sale; and the sale,
18 dispensing, and giving away of any such article and the supplying
19 or applying of any such articles in the conduct of any food, drug or
20 cosmetic establishment.

21 p. The term "Federal Act" means the Federal Food, Drug and
22 Cosmetic Act (Title 21, U.S.C. s.301 et seq.; 52 Stat. 1040 et seq.).²
23 (cf: P.L.2015, c.130, s.4)

24
25 ¹**[41.]** ²**[42.1]** ^{43.2} Section 2 of P.L.1970, c.226 (C.24:21-2) is
26 amended to read as follows:

27 2. As used in P.L.1970, c.226 (C.24:21-1 et seq.):

28 "Administer" means the direct application of a controlled
29 dangerous substance, whether by injection, inhalation, ingestion, or
30 any other means, to the body of a patient or research subject by: (1)
31 a practitioner ²**[(²** or, in the practitioner's presence, by the
32 practitioner's lawfully authorized agent ²**)]²**, or (2) the patient or
33 research subject at the lawful direction and in the presence of the
34 practitioner.

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

39 "Commissioner" means the Commissioner of Health.

40 "Controlled dangerous substance" means a drug, substance, or
41 immediate precursor in Schedules I through V of article 2 of
42 P.L.1970, c.226 (C.24:21-1 et seq.) ², marijuana, and hashish as
43 defined in this section². The term shall not include distilled spirits,
44 wine, malt beverages, as those terms are defined or used in
45 R.S.33:1-1 et seq., ²**[or]**² tobacco and tobacco products ², and
46 cannabis and cannabis ²**[resin]** items² as those terms are defined in

1 section 3 of P.L. , c. (C.) (pending before the Legislature as
2 this bill)².

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

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

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

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

22 "Dispenser" means a practitioner who dispenses.

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

25 "Distributor" means a person who distributes.

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

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

31 "Drugs" means ²[(a)] (1)² substances recognized in the official
32 United States Pharmacopoeia, official Homeopathic Pharmacopoeia
33 of the United States, or official National Formulary, or any
34 supplement to any of them; and ²[(b)] (2)² substances intended for
35 use in the diagnosis, cure, mitigation, treatment, or prevention of
36 disease in man or other animals; and ²[(c)] (3)² substances ²[(1)]²
37 other than food ²[()]² intended to affect the structure or any
38 function of the body of man or other animals; and ²[(d)] (4)²
39 substances intended for use as a component of any article specified
40 in ²[(subsections (a)] (1)², ²[(b)] (2)², and ²[(c)] (3)² of this
41 ²[(section)] definition²; but does not include devices or their
42 components, parts or accessories. "Drugs" shall not mean ²[:² hemp
43 ²[(or a] and² hemp ²[(product)] products² cultivated, handled,
44 processed, transported, or sold pursuant to the "New Jersey Hemp
45 Farming Act," P.L.2019, c.238 (C.4:28-6 et al.) ²; cannabis as
46 defined in section 3 of P.L. , c. (C.) (pending before the
47 Legislature as this bill) which is cultivated and produced for use in

1 a cannabis item, as defined in that section, in accordance with the
2 “New Jersey Cannabis Regulatory, Enforcement Assistance, and
3 Marketplace Modernization Act,” P.L. , c. (C.) (pending
4 before the Legislature as this bill); and cannabis resin as defined in
5 that section 3 (C.) which is extracted for use in a cannabis
6 item, as defined in that section, in accordance with that act².

7 "Hashish" means the resin extracted from any part of the plant
8 **[genus] Cannabis sativa L.** and any compound, manufacture, salt,
9 derivative, mixture, or preparation of such resin. "Hashish" shall
10 not mean: hemp ²**[or a]** and² hemp ²**[product]** products²
11 cultivated, handled, processed, transported, or sold pursuant to the
12 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.);
13 ²**[or]** and² cannabis resin as defined in section 3 of P.L. ,
14 c. (C.) (pending before the Legislature as this bill) which is
15 extracted for use in a cannabis item, as defined in that section, in
16 accordance with the “New Jersey Cannabis Regulatory,
17 Enforcement Assistance, and Marketplace Modernization Act,”
18 P.L. , c. (C.) (pending before the Legislature as this bill).

19 "Marihuana" means all parts of the plant **[genus] Cannabis**
20 sativa L., whether growing or not; the seeds thereof; and every
21 compound, manufacture, salt, derivative, mixture, or preparation of
22 the plant or its seeds, except those containing resin extracted from
23 the plant **;** but shall not include the mature stalks of the plant, fiber
24 produced from the stalks, oil or cake made from the seeds of the
25 plant, any other compound, manufacture, salt, derivative, mixture,
26 or preparation of such mature stalks, fiber, oil, or cake, or the
27 sterilized seed of the plant which is incapable of germination**].**
28 "Marihuana" shall not mean: hemp ²**[or a]** and² hemp ²**[product]**
29 products² cultivated, handled, processed, transported, or sold
30 pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238
31 (C.4:28-6 et al.); ²**[or]** and² cannabis as defined in section 3 of
32 P.L. , c. (C.) (pending before the Legislature as this bill)
33 which is cultivated and ²**[processed]** produced² for use in a
34 cannabis item, as defined in that section, in accordance with the
35 “New Jersey Cannabis Regulatory, Enforcement Assistance, and
36 Marketplace Modernization Act,” P.L. , c. (C.) (pending
37 before the Legislature as this bill).

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
41 natural origin, or independently by means of chemical synthesis, or
42 by a combination of extraction and chemical synthesis, and includes
43 any packaging or repackaging of the substance or labeling or
44 relabeling of its container, except that this term does not include the
45 preparation or compounding of a controlled dangerous substance by
46 an individual for the individual's own use or the preparation,
47 compounding, packaging, or labeling of a controlled dangerous

1 substance: (1) by a practitioner as an incident to the practitioner's
2 administering or dispensing of a controlled dangerous substance in
3 the course of the practitioner's professional practice, or (2) by a
4 practitioner ²[(1) ² or under the practitioner's supervision ²[(1) ² for
5 the purpose of, or as an incident to, research, teaching, or chemical
6 analysis and not for sale.

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

11 ²[(a) ² (1) ² Opium, coca leaves, and opiates;

12 ²[(b) ² (2) ² A compound, manufacture, salt, derivative, or
13 preparation of opium, coca leaves, or opiates;

14 ²[(c) ² (3) ² A substance ²[(1) ² and any compound, manufacture,
15 salt, derivative, or preparation thereof ²[(1) ² which is chemically
16 identical with any of the substances referred to in ²[(subsections (a) ²
17 (1) ² and ²[(b) ² (2) ² of this definition ², except that the words
18 "narcotic drug" as used in P.L.1970, c.226 (C.24:21-1 et seq.) shall
19 not include decocainized coca leaves or extracts of coca leaves,
20 which extracts do not contain cocaine or ecgonine.

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

29 "Opiate" means any dangerous substance having an addiction-
30 forming or addiction-sustaining liability similar to morphine or
31 being capable of conversion into a drug having such addiction-
32 forming or addiction-sustaining liability. It does not include, unless
33 specifically designated as controlled under section 3 of P.L.1970,
34 c.226 (C.24:21-1 et seq.), the dextrorotatory isomer of 3-methoxy-
35 n-methylmorphinan and its salts (dextromethorphan). It does
36 include its racemic and levorotatory forms.

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

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

41 "Pharmacist" means a registered pharmacist of this State.

42 "Pharmacy owner" means the owner of a store or other place of
43 business where controlled dangerous substances are compounded or
44 dispensed by a registered pharmacist; but nothing in this chapter
45 contained shall be construed as conferring on a person who is not
46 registered or licensed as a pharmacist any authority, right, or

1 privilege that is not granted to the person by the pharmacy laws of
2 this State.

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

5 "Practitioner" means a physician, dentist, veterinarian, scientific
6 investigator, laboratory, pharmacy, hospital, or other person
7 licensed, registered, or otherwise permitted to distribute, dispense,
8 conduct research with respect to, or administer a controlled
9 dangerous substance in the course of professional practice or
10 research in this State. ²As referred to in this definition:²

11 ²**[(a)] (1)**² "Physician" means a physician authorized by law to
12 practice medicine in this or any other state.

13 ²**[(b)] (2)**² "Veterinarian" means a veterinarian authorized by
14 law to practice veterinary medicine in this State.

15 ²**[(c)] (3)**² "Dentist" means a dentist authorized by law to
16 practice dentistry in this State.

17 ²**[(d)] (4)**² "Hospital" means any federal institution, or any
18 institution for the care and treatment of the sick and injured,
19 operated or approved by the appropriate State department as proper
20 to be entrusted with the custody and professional use of controlled
21 dangerous substances.

22 ²**[(e)] (5)**² "Laboratory" means a laboratory to be entrusted with
23 the custody of narcotic drugs and the use of controlled dangerous
24 substances for scientific, experimental, and medical purposes and
25 for purposes of instruction approved by the Department of Health.

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

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

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

44 "Ultimate user" means a person who lawfully possesses a
45 controlled dangerous substance for the person's own use or for the
46 use of a member of the person's household or for administration to

1 an animal owned by the person or by a member of the person's
2 household.

3 (cf: P.L.2019, c.238, s.11)

4

5 ¹[42.] ²[43.¹] 44.² Section 5 of P.L.1970, c.226 (C.24:21-5) is
6 amended to read as follows:

7 5. Schedule I.

8 a. Tests. The director shall place a substance in Schedule I if he
9 finds that the substance: (1) has high potential for abuse; and (2)
10 has no accepted medical use in treatment in the United States; or
11 lacks accepted safety for use in treatment under medical
12 supervision.

13 b. The controlled dangerous substances listed in this section are
14 included in Schedule I, subject to any revision and republishing by
15 the director pursuant to subsection d. of section 3 of P.L.1970,
16 c.226 (C.24:21-3), and except to the extent provided in any other
17 schedule.

18 c. Any of the following opiates, including their isomers, esters,
19 and ethers, unless specifically excepted, whenever the existence of
20 such isomers, esters, ethers and salts is possible within the specific
21 chemical designation:

- 22 (1) Acetylmethadol
- 23 (2) Allylprodine
- 24 (3) Alphacetylmethadol
- 25 (4) Alphameprodine
- 26 (5) Alphamethadol
- 27 (6) Benzethidine
- 28 (7) Betacetylmethadol
- 29 (8) Betameprodine
- 30 (9) Betamethadol
- 31 (10) Betaprodine
- 32 (11) Clonitazene
- 33 (12) Dextromoramide
- 34 (13) Dextrorphan
- 35 (14) Diampromide
- 36 (15) Diethylthiambutene
- 37 (16) Dimenoxadol
- 38 (17) Dimepheptanol
- 39 (18) Dimethylthiambutene
- 40 (19) Dioxaphetyl butyrate
- 41 (20) Dipipanone
- 42 (21) Ethylmethylthiambutene
- 43 (22) Etonitazene
- 44 (23) Etoxadine
- 45 (24) Furethidine
- 46 (25) Hydroxypethidine
- 47 (26) Ketobemidone
- 48 (27) Levomoramide

- 1 (28) Levophenacymorphan
- 2 (29) Morpheridine
- 3 (30) Noracymethadol
- 4 (31) Norlevorphanol
- 5 (32) Normethadone
- 6 (33) Norpipanone
- 7 (34) Phenadoxone
- 8 (35) Phenampromide
- 9 (36) Phenomorphan
- 10 (37) Phenoperidine
- 11 (38) Piritramide
- 12 (39) Proheptazine
- 13 (40) Properidine
- 14 (41) Racemoramide
- 15 (42) Trimeperidine.

16 d. Any of the following narcotic substances, their salts, isomers
17 and salts of isomers, unless specifically excepted, whenever the
18 existence of such salts, isomers and salts of isomers is possible
19 within the specific chemical designation:

- 20 (1) Acetorphine
- 21 (2) Acetylcodone
- 22 (3) Acetyldihydrocodeine
- 23 (4) Benzylmorphine
- 24 (5) Codeine methylbromide
- 25 (6) Codeine-N-Oxide
- 26 (7) Cyprenorphine
- 27 (8) Desomorphine
- 28 (9) Dihydromorphine
- 29 (10) Etorphine
- 30 (11) Heroin
- 31 (12) Hydromorphanol
- 32 (13) Methyldesorphine
- 33 (14) Methylhydromorphine
- 34 (15) Morphine methylbromide
- 35 (16) Morphine methylsulfonate
- 36 (17) Morphine-N-Oxide
- 37 (18) Myrophine
- 38 (19) Nicocodeine
- 39 (20) Nicomorphine
- 40 (21) Normorphine
- 41 (22) Phoclodine
- 42 (23) Thebacon.

43 e. Any material, compound, mixture or preparation which
44 contains any quantity of the following hallucinogenic substances,
45 their salts, isomers and salts of isomers, unless specifically
46 excepted, whenever the existence of such salts, isomers, and salts of
47 isomers is possible within the specific chemical designation:

- 48 (1) 3,4-methylenedioxy amphetamine

- 1 (2) 5-methoxy-3,4-methylenedioxy amphetamine
 2 (3) 3,4,5-trimethoxy amphetamine
 3 (4) Bufotenine
 4 (5) Diethyltryptamine
 5 (6) Dimethyltryptamine
 6 (7) 4-methyl-2,5-dimethoxylamphetamine
 7 (8) Ibogaine
 8 (9) Lysergic acid diethylamide
 9 (10) Marihuana; except that on and after the effective date of the
 10 “New Jersey Cannabis Regulatory, Enforcement Assistance, and
 11 Marketplace Modernization Act,” P.L. , c. (C.) (pending
 12 before the Legislature as this bill), marihuana shall no longer be
 13 included in Schedule I, and shall not be designated or rescheduled
 14 and included in any other schedule by the director pursuant to the
 15 director’s designation and rescheduling authority set forth in section
 16 3 of P.L.1970, c.226 (C.24:21-3).
 17 (11) Mescaline
 18 (12) Peyote
 19 (13) N-ethyl-3-piperidyl benzilate
 20 (14) N-methyl-3-piperidyl benzilate
 21 (15) Psilocybin
 22 (16) Psilocyn
 23 (17) Tetrahydrocannabinols, except when found in hemp or a
 24 hemp product cultivated, handled, processed, transported, or sold
 25 pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238
 26 (C.4:28-6 et al.), ²or ²cannabis or² a cannabis item ^{2,2} as ²those
 27 terms are² defined in section 3 of P.L. , c. (C.) (pending
 28 before the Legislature as this bill) ^{2,2} that is grown, cultivated,
 29 produced, or ²**[processed]** ²manufactured² in accordance with the
 30 “New Jersey Cannabis Regulatory, Enforcement Assistance, and
 31 Marketplace Modernization Act,” P.L. , c. (C.) (pending
 32 before the Legislature as this bill).
 33 (cf: P.L.2019, c.238, s.12)

34
 35 ¹**[43.]** ²**[44.1]** ²45. R.S.24:5-18 is amended to read as follows:
 36 24:5-18. For the purposes of this subtitle a drug or device shall
 37 also be deemed to be misbranded:
 38 a. If its labeling is false or misleading in any particular.
 39 b. If in package form unless it bears a label containing the
 40 name and place of business of the manufacturer, packer, or
 41 distributor.
 42 c. If any word, statement or other information required by or
 43 under authority of this subtitle to appear on the label or labeling is
 44 not prominently placed thereon with such conspicuousness (as
 45 compared with other words, statements or designs in the labeling)
 46 and in such terms as to render it likely to be read and understood by

1 the ordinary individual under customary conditions of purchase and
2 use.

3 d. If it is for use by man and contains any quantity of the
4 narcotic or hypnotic substance alpha-eucaine, barbituric acid, beta-
5 eucaine, bromal, cannabis other than as defined in section 3 of
6 P.L. , c. (C.) (pending before the Legislature as this bill),
7 carbromal, chloral, coca, cocaine, codeine, heroin, marihuana,
8 morphine, opium, paraldehyde, peyote, or sulphonmethane; or any
9 chemical derivative of such substance, which derivative has been by
10 the Department of Health of the State of New Jersey after
11 investigation found to be, and by regulations under this subtitle
12 designated as, habit forming; unless its label bears the name and
13 quantity or proportion of such substance, or derivative and in
14 juxtaposition therewith, the statement "Warning--May be habit
15 forming."

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

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

41 g. If it purports to be a drug the name of which is recognized in
42 an official compendium, unless it is packaged and labeled as
43 prescribed therein; provided, that the method of packing may be
44 modified with the consent of the State department. Whenever a
45 drug is recognized in both the United States Pharmacopoeia and the
46 Homeopathic Pharmacopoeia of the United States it shall be subject
47 to the requirements of the United States Pharmacopoeia unless it is
48 labeled and offered for sale as a homeopathic drug, in which case it

1 shall be subject to the provisions of the Homeopathic
2 Pharmacopoeia of the United States and not to those of the United
3 States Pharmacopoeia.

4 h. If it has been found by the Department of Health of the State
5 of New Jersey to be a drug liable to deterioration, unless it is
6 packaged in such form and manner, and its label bears a statement
7 of such precautions, as the Department of Health of the State of
8 New Jersey may by regulations require as necessary for the
9 protection of the public health. No such regulation shall be
10 established for any drug recognized in an official compendium until
11 the State department shall have informed the appropriate body
12 charged with the revision of such compendium of the need for such
13 packaging or labeling requirements and such body shall have failed
14 within a reasonable time to prescribe such requirements.

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

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

21 k. If it is a depressant or stimulant drug as defined pursuant to
22 law and not in the possession or control of a person specified by
23 law as entitled to possession or control of such depressant or
24 stimulant drug. Any depressant or stimulant drug misbranded under
25 the preceding sentence shall be deemed dangerous or fraudulent for
26 purposes of marking and detaining under the provisions of section
27 24:4-12 of this Title.

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

29

30 ¹[44.] ²[45.¹] 46.² (New section) Personal Use of Cannabis
31 ²[or Cannabis Resin] Items².

32 Notwithstanding any other provision of law, the following acts
33 are not unlawful and shall not be an offense or a basis for seizure or
34 forfeiture of assets under N.J.S.2C:64-1 et seq. or other applicable
35 law for persons 21 years of age or older, provided the acts are
36 consistent with the relevant definitions set forth in section 3 of
37 P.L. , c. (C.) (pending before the Legislature as this bill),
38 and when an act involves ¹[cannabis or]¹ a cannabis item, it was
39 first obtained ¹directly¹ from a licensed cannabis retailer ¹or
40 delivered by a licensed cannabis delivery service making delivery
41 of a purchase order fulfilled by that licensed cannabis retailer for
42 off-premises delivery¹, evidenced by it being in its original
43 packaging or by a sales slip, invoice, receipt, or other statement or
44 memorandum:

45 a. Possessing, displaying, purchasing, or transporting: cannabis
46 paraphernalia; one ounce (28.35 grams) or less of ¹useable¹
47 cannabis; the equivalent of one ounce (28.35 grams) or less of

1 'usable' cannabis **'[infused]** as a cannabis' product in solid, liquid,
2 or concentrate form, based upon an equivalency calculation for
3 different product forms set by the Cannabis Regulatory
4 Commission, established pursuant to section 31 of P.L.2019, c.153
5 (C.24:6I-24), in its regulations, and for which the commission may
6 utilize research conducted in other states on the issue of product
7 equivalency calculations when setting this equivalency; or 5 grams
8 (0.176 ounce) or less of cannabis resin. Possessing, displaying,
9 purchasing, or transporting at any one time any amount of
10 **'[cannabis or] any'** cannabis **'[resin]** items described herein' in an
11 amount greater than as permitted pursuant to this subsection **'[**, or
12 an infused product in solid, liquid, or concentrate form with more
13 than the equivalency permitted pursuant to this subsection**']'** shall
14 be considered a violation of the "Comprehensive Drug Reform Act
15 of 1987," P.L.1987, c.106 (N.J.S.2C:35-1 et al.), and subject the
16 person to **'[a civil penalty or]'** prosecution as if the person
17 possessed, displayed, purchased, or transported marijuana or
18 hashish in violation of that act;

19 b. Transferring without remuneration: one ounce (28.35 grams)
20 or less of 'useable' cannabis; the equivalent of one ounce (28.35
21 grams) or less of 'usable' cannabis **'[infused]** as a cannabis'
22 product in solid, liquid, or concentrate form, based upon the
23 equivalency calculation for different product forms set by the
24 commission pursuant to subsection a. of this section; or five grams
25 (0.176 ounce) or less of cannabis resin to a person who is of legal
26 age for purchasing cannabis items, provided that such transfer is for
27 non-promotional, non-business purposes. Transferring at any one
28 time any amount of **'[cannabis or] any'** cannabis **'[resin]** items
29 described herein' in an amount greater than as permitted pursuant to
30 this subsection **'[**, or an infused product in solid, liquid, or
31 concentrate form with more than the equivalency permitted
32 pursuant to this subsection**']'**, or to a person who is not of legal age
33 to purchase cannabis items, shall be considered a violation of the
34 "Comprehensive Drug Reform Act of 1987," P.L.1987, c.106
35 (N.J.S.2C:35-1 et al.), and subject the person to prosecution as if
36 the person distributed marijuana or hashish in violation of that act,
37 unless the transfer to a person who is not of legal age was done by a
38 cannabis establishment licensed pursuant to P.L. , c. (C.)
39 (pending before the Legislature as this bill), or an employee or
40 agent thereof, in which case it is a civil violation and the civil
41 penalty set forth in subsection b. of section **'[57]'** **'[58]'** **'[64]'**
42 P.L. , c. (C.) (pending before the Legislature as this bill)
43 shall apply;

44 c. Taking delivery of or consuming a lawfully possessed
45 cannabis item, provided that nothing in this section shall permit a
46 person to smoke, vape, or aerosolize any cannabis item in a public
47 place. This prohibition includes the smoking, vaping, or

1 aerosolizing of a cannabis item in any public place pursuant to law
2 that prohibits the smoking of tobacco, including N.J.S.2C:33-13 and
3 the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-
4 55 et seq.), and any indoor public place, as that term is defined in
5 section 3 of P.L.2005, c.383 (C.26:3D-57), or portion thereof, even
6 if the smoking of tobacco is otherwise permitted in that place or
7 portion thereof pursuant to the “New Jersey Smoke-Free Air Act”;
8 except that the smoking, vaping, or aerosolizing of a cannabis item
9 shall be permitted in a cannabis consumption area as set forth in
10 section 28 of P.L.2019, c.153 (C.24:6I-21), and may be permitted
11 by the person or entity that owns or controls a hotel, motel, or other
12 lodging establishment as defined in section 1 of P.L.1967, c.95
13 (C.29:4-5) in up to 20 percent of its guest rooms. The smoking,
14 vaping, or aerosolizing of a cannabis item may also be prohibited or
15 otherwise regulated in multifamily housing that is a multiple
16 dwelling as defined in section 3 of P.L.1967, c.76 (C.55:13A-3), as
17 decided by the person or entity that owns or controls the
18 multifamily housing, ¹or prohibited or otherwise regulated in the
19 structure or specific units of the structure of a cooperative as
20 defined in section 3 of P.L.1987, c.381 (C.46:8D-3) by the
21 corporation or other legal entity that owns the structure,¹ or
22 prohibited or otherwise regulated in the units of a condominium, as
23 those terms are defined by section 3 of P.L.1969, c.257 (C.46:8B-
24 3), if approved by the association for the condominium and a
25 majority of all of the condominium’s unit owners, as those terms
26 are defined in that section. Except as otherwise provided by P.L. ,
27 c. (C.) (pending before the Legislature as this bill), any
28 penalties that may be assessed for the smoking of tobacco where
29 prohibited under the “New Jersey Smoke-Free Air Act” shall be
30 applicable to the smoking, vaping, or aerosolizing of cannabis
31 ¹items¹ where prohibited. Concerning the consumption of any
32 cannabis item, other than by smoking, vaping, or aerosolizing: a
33 person or entity that owns or controls a property, other than
34 multifamily housing that is a multiple dwelling as defined in section
35 3 of P.L.1967, c.76 (C.55:13A-3), ¹the structure or specific units of
36 the structure of a cooperative as defined in section 3 of P.L.1987,
37 c.381 (C.46:8D-3),¹ a unit of a condominium, as those terms are
38 defined by section 3 of P.L.1969, c.257 (C.46:8B-3), or a site in a
39 mobile home park as defined in section 3 of P.L.1983, c.386
40 (C.40:55D-102), which site is leased to the owner of a
41 manufactured home, as defined in that section, that is installed
42 thereon, may prohibit or otherwise regulate the consumption of
43 cannabis items on or in that property, including a casino hotel
44 facility as defined in section 19 of P.L.1977, c.110 (C.5:12-19) with
45 respect to a hotel property, a casino as defined in section 6 of
46 P.L.1977, c.110 (C.5:12-6), or casino simulcasting facility
47 authorized pursuant to the “Casino Simulcasting Act,” P.L.1992,

1 c.19 (C.5:12-191 et al.); and a municipality may enact an ordinance
2 making it an unlawful act for any person 21 years of age or older to
3 consume, other than by smoking, vaping, or aerosolizing, any
4 cannabis item in a public place, including any indoor public place
5 as that term is defined in section 3 of P.L.2005, c.383 (C.26:3D-57),
6 or portion thereof, and providing a civil penalty for a violation in
7 accordance with section ¹[70] ²[71¹] 77² of P.L. , c. (C.)
8 (pending before the Legislature as this bill); and

9 d. Assisting another person to engage in any of the acts
10 described in subsections a. through c. of this section, provided that
11 the person being assisted is of legal age to purchase cannabis items
12 and the assistance being provided is without remuneration.

13
14 ¹[45.] ²[46.¹] 47.² (New section) Licensee and Consumer
15 Protections.

16 a. ¹[Individuals] Except as otherwise set forth in section ²[47]
17 48² of P.L. , c. (C.) (pending before the Legislature as this
18 bill) with respect to employers, employment actions, and
19 employment policies, individuals,¹ and licensed cannabis
20 establishments, distributors, and delivery services ^{1,1} shall not be
21 subject to arrest, prosecution, or penalty in any manner, or denied
22 any right or privilege, including but not limited to civil liability or
23 disciplinary action by a business, occupational, or professional
24 licensing board or bureau, solely for conduct permitted under
25 P.L. , c. (C.) (pending before the Legislature as this bill).

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

29 (1) with respect to a student, ²tenant, or² employee, ¹other than
30 as set forth in section ²[47] 48² of P.L. , c. (C.) (pending
31 before the Legislature as this bill),¹ ²[or tenant,]² shall not form the
32 basis for refusal to enroll or employ or lease to or otherwise
33 penalize that person, unless failing to do so would put the school,
34 employer, or landlord in violation of a federal contract or cause it to
35 lose federal funding;

36 (2) with respect to a patient ^{1,1} shall not constitute the use of an
37 illicit substance resulting in denial of medical care, including organ
38 transplant, and a patient's use of cannabis items may only be
39 considered with respect to evidence-based clinical criteria; and

40 (3) with respect to a parent or legal guardian of a child or
41 newborn infant, or a pregnant woman ^{1,1} shall not form the sole or
42 primary basis for any action or proceeding by the Division of Child
43 Protection and Permanency, or any successor agencies; provided,
44 however, that nothing in this paragraph shall preclude any action or
45 proceeding by the division based on harm or risk of harm to a child
46 or the use of information on the presence of cannabinoid

1 metabolites in the bodily fluids of any person in any action or
2 proceeding.

3

4 ¹[46.] ²[47.1] 48.² (New section) Employers, Driving, Minors
5 and Control of Property.

6 a. ¹(1)¹ No employer shall refuse to hire or employ any person
7 or shall discharge from employment or take any adverse action
8 against any employee with respect to compensation, terms,
9 conditions, or other privileges of employment because that person
10 does or does not smoke, vape, aerosolize or otherwise use cannabis
11 items, ¹[unless the] ²[however] and an employee shall not be
12 subject to any adverse action by an employer solely due to the
13 presence of cannabinoid metabolites in the employee's bodily fluid
14 from engaging in conduct permitted under P.L. , c. (C.)
15 (pending before the Legislature as this bill). However² , an¹
16 employer ¹[has a rational
17 basis for doing so which is reasonably related to the employment,
18 including the responsibilities of the] may require an¹ employee ¹[or
19 prospective employee] to undergo a drug test upon ²[any]
20 reasonable² suspicion of an employee's usage of a cannabis item
21 while engaged in the performance of the employee's work
22 responsibilities, or upon finding any observable signs of
23 intoxication related to usage of a cannabis item, or following a
24 work-related accident subject to investigation by the employer ²[,
25 as well as random drug testing, and any test administered] . A drug
26 test may also be done randomly by the employer, or as part of a pre-
27 employment screening, or regular screening of current employees to
28 determine use during an employee's prescribed work hours. The
29 drug test² shall ²[be] include² scientifically reliable ²[or by a
30 Workplace Impairment Recognition Expert certified pursuant to]
31 objective testing methods and procedures, such as testing of blood,
32 urine, or saliva, and a physical evaluation in order to determine an
33 employee's state of impairment. The physical evaluation shall be
34 conducted by an individual with the necessary certification to opine
35 on the employee's state of impairment, or lack thereof, related to
36 the usage of a cannabis item in accordance with² paragraph (2) of
37 this subsection ²[, and the] . The² employer may ²[utilize] use² the
38 results of ²[that] the² drug test when determining the appropriate
39 employment action concerning the employee, including, but not
40 limited to dismissal, suspension, demotion, or other disciplinary
41 action.

42 (2) (a) In order to better ensure the protections for prospective
43 employees and employees against refusals to hire or employ, or
44 against being discharged or having ²[another] any other² adverse
45 action taken by an employer, while simultaneously supporting the
46 authority of employers to require employees undergo drug tests

1 under the circumstances set forth in paragraph (1) of this
 2 subsection, as well as employer efforts to maintain a drug- and
 3 alcohol-free workplace or other drug- or alcohol workplace policy
 4 as described in paragraph (1) of subsection b. of this section, the
 5 commission, in consultation with the Police Training Commission
 6 established pursuant to section 5 of P.L.1961, c.56 (C.52:17B-70),
 7 shall prescribe standards in regulation for a Workplace Impairment
 8 Recognition Expert certification, to be issued to full- or part-time
 9 employees, or others contracted to perform services on behalf of an
 10 employer, ²[demonstrating] based on² education and training in
 11 detecting and identifying an employee's usage of, or impairment
 12 from, a cannabis item or other intoxicating substance, ²[or] and²
 13 for assisting in the investigation of workplace accidents. The
 14 commission's regulations shall also prescribe minimum curriculum
 15 courses of study for the certifications, as well as standards for the
 16 commission's approval and continuation of approval of non-profit
 17 and for-profit programs, organizations, or schools and their
 18 instructors to offer courses of study, and may include the use of a
 19 Police Training Commission approved school as that term is
 20 defined in section 2 of P.L.1961, c.56 (C.52:17B-67) if consented to
 21 by the Police Training Commission.

22 (b) Any person who demonstrates to the commission's
 23 satisfaction that the person has successfully completed a Drug
 24 Recognition Expert program provided by a Police Training
 25 Commission approved school, or another program or course
 26 conducted by any ²[Federal] federal², State, or other public or
 27 private agency, the requirements of which are substantially
 28 equivalent to the requirements established by the commission
 29 pursuant to subparagraph (a) of this paragraph for a Workplace
 30 Impairment Recognition Expert certification, may, at the discretion
 31 of the commission, be issued this certification, subject to
 32 subsequent continuation of certification approval by the
 33 commission¹.

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

36 (1) ²(a)² Requires an employer to amend or repeal, or affect,
 37 restrict or preempt the rights and obligations of employers to
 38 maintain a ¹[drug and alcohol free] drug- and alcohol-free¹
 39 workplace or require an employer to permit or accommodate the
 40 use, consumption, being under the influence, possession, transfer,
 41 display, transportation, sale, or growth of cannabis or cannabis
 42 items in the workplace, or to affect the ability of employers to have
 43 policies prohibiting ¹use of¹ cannabis ¹[use] items¹ or intoxication
 44 by employees during work hours ¹[.]¹

45 ²(b) If any of the provisions set forth in this paragraph or
 46 subsection a. of this section result in a provable adverse impact on
 47 an employer subject to the requirements of a federal contract, then

1 the employer may revise their employee prohibitions consistent
2 with federal law, rules, and regulations;²

3 (2) Is intended to allow driving under the influence of cannabis
4 items or driving while impaired by cannabis items or to supersede
5 laws related to driving under the influence of marijuana or cannabis
6 items or driving while impaired by marijuana or cannabis items
7 ¹[.]¹

8 (3) Is intended to permit the transfer of cannabis items, with or
9 without remuneration, to a person under ²[the age of]² 21 ²years of
10 age² or to allow a person under ²[the age of]² 21 ²years of age² to
11 purchase, possess, use, transport, grow, or consume cannabis items,
12 unless the person is under ²[the age of]² 21 ²years of age², but at
13 least 18 years of age, and an employee of a cannabis establishment,
14 distributor, or delivery service acting in the person's employment
15 capacity ¹[.]¹

16 (4) Shall, consistent with subsection c. of section ¹[44] ²[45¹]
17 46² of P.L. , c. (C.) (pending before the Legislature as
18 this bill), prohibit a person or entity that owns or controls a property
19 from prohibiting or otherwise regulating the consumption, use,
20 display, transfer, distribution, sale, or transportation of cannabis
21 items on or in that property, or portion thereof, including a hotel
22 property that is a casino hotel facility as defined in section 19 of
23 P.L.1977, c.110 (C.5:12-19), a casino as defined in section 6 of
24 P.L.1977, c.110 (C.5:12-6), or casino simulcasting facility
25 authorized pursuant to the "Casino Simulcasting Act," P.L.1992,
26 c.19 (C.5:12-191 et al.), provided that a person or entity that owns
27 or controls multifamily housing that is a multiple dwelling as
28 defined in section 3 of P.L.1967, c.76 (C.55:13A-3), ¹the structure
29 or specific units of the structure of a cooperative as defined in
30 section 3 of P.L.1987, c.381 (C.46:8D-3),¹ a unit of a condominium
31 as defined in section 3 of P.L.1969, c.257 (C.46:8B-3), or a site in a
32 mobile home park as defined in section 3 of P.L.1983, c.386
33 (C.40:55D-102), which site is leased to the owner of a
34 manufactured home, as defined in that section, that is installed
35 thereon, may only prohibit or otherwise regulate the smoking,
36 vaping, or aerosolizing, but not other consumption, of cannabis
37 items, and further provided that municipalities may not prohibit
38 delivery, possession, or consumption of cannabis items by a person
39 21 years of age or older as permitted by section ¹[44] ²[45¹]
40 46² of P.L. , c. (C.) (pending before the Legislature as this bill)
41 ¹[.]¹

42 (5) Is intended to permit any person to possess, consume, use,
43 display, transfer, distribute, sell, transport, or grow ¹or manufacture
44 cannabis or¹ cannabis items in a school, hospital, detention facility,
45 adult correctional facility, or youth ²[correction] correctional²
46 facility ¹[.]¹

1 (6) Is intended to permit the smoking, vaping, or aerosolizing of
2 cannabis items in any place that any other law prohibits the
3 smoking of tobacco, including N.J.S.2C:33-13 and the “New Jersey
4 Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.). Except
5 as otherwise provided by P.L. , c. (C.) (pending before the
6 Legislature as this bill), any fines or civil penalties that may be
7 assessed for the smoking of tobacco in designated places shall be
8 applicable to the smoking, vaping, or aerosolizing of cannabis
9 items.

10
11 ¹[47.] ²[48.¹] 49.² (New section) Consuming, including by
12 smoking, vaping, or aerosolizing, any cannabis item available for
13 lawful consumption pursuant to the “New Jersey Cannabis
14 Regulatory, Enforcement Assistance, and Marketplace
15 Modernization Act,” P.L. , c. (C.) (pending before the
16 Legislature as this bill), is prohibited in any area of any building of,
17 on the grounds of, or in any facility owned, leased, or controlled by,
18 any public or private institution of higher education or a related
19 entity thereof, regardless of whether the area or facility is an indoor
20 place or is outdoors. As used in this section “related entity”
21 includes, but is not limited to, the foundation, auxiliary services
22 corporation, or alumni association, or any subsidiary thereof, of an
23 institution of higher ²[learning] education². Any penalties that
24 may be assessed for the smoking of tobacco where prohibited under
25 the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-
26 55 et seq.), shall be applicable to the consumption of cannabis items
27 where prohibited by this section.

28
29 ¹[48.] ²[49.¹] 50.² (New section) Lawful Operation of
30 Cannabis Establishments, Distributors, and Delivery Services.

31 Notwithstanding any other provision of law, the following acts
32 are not unlawful and shall not be a criminal offense or a basis for
33 seizure or forfeiture of assets under N.J.S.2C:64-1 et seq. or other
34 applicable law, provided the acts are undertaken by a person 21
35 years of age or older while acting within the scope of authority
36 provided by a license, or are undertaken by a person 18 years of age
37 or older while acting within the scope of authority as an employee
38 of a licensed cannabis establishment, distributor, or delivery
39 service, or provided by a cannabis handler certification issued
40 pursuant to P.L. , c. (C.) (pending before the Legislature as
41 this bill) and are consistent with the relevant definitions set forth in
42 section 3 of P.L. , c. (C.) (pending before the Legislature as
43 this bill):

44 a. manufacturing, possessing, or purchasing cannabis
45 paraphernalia or the sale of cannabis paraphernalia to a person who
46 is 21 years of age or older;

47 b. possessing, displaying, transporting, or delivering cannabis
48 items; purchasing cannabis ¹[items]¹ from a cannabis ¹[cultivation

1 facility] cultivator¹; purchasing cannabis items from a cannabis
2 ¹[product manufacturing facility] manufacturer¹ ²or wholesaler² ;
3 or selling cannabis items to consumers, if the person conducting the
4 activities described in this subsection has obtained a current, valid
5 license to operate as a cannabis retailer or is acting in his capacity
6 as an owner, employee, or agent of a licensed cannabis retailer;

7 c. cultivating, harvesting, ²[processing,]² packaging,
8 transporting, displaying, or possessing cannabis; delivering or
9 transferring cannabis ¹items¹ to a cannabis testing facility; selling
10 cannabis ¹items¹ to a cannabis ¹[cultivation facility] cultivator¹, a
11 cannabis ¹[product manufacturing facility] manufacturer¹, ¹a
12 cannabis wholesaler.¹ or a cannabis retailer; or purchasing cannabis
13 ¹items¹ from a cannabis ¹[cultivation facility] cultivator¹, if the
14 person conducting the activities described in this subsection has
15 obtained a current, valid license to operate ¹as¹ a cannabis
16 ¹[cultivation facility] cultivator¹ or is acting in his capacity as an
17 owner, employee, or agent of a licensed cannabis ¹[cultivation
18 facility] cultivator¹;

19 d. packaging, ¹[processing] manufacturing¹, transporting,
20 ¹[manufacturing]¹ , displaying, or possessing cannabis items;
21 ²[delivering] transporting² or transferring cannabis items to a
22 cannabis testing facility; selling cannabis items to a cannabis
23 retailer or a cannabis ¹[product manufacturing facility]
24 manufacturer¹; purchasing cannabis ¹items¹ from a cannabis
25 ¹[cultivation facility] cultivator¹; or purchasing cannabis items
26 from a cannabis ¹[product manufacturing facility] manufacturer¹, if
27 the person conducting the activities described in this subsection has
28 obtained a current, valid license to operate ¹as¹ a cannabis
29 ¹[product manufacturing facility] manufacturer¹ or is acting in his
30 capacity as an owner, employee, or agent of a licensed cannabis
31 ¹[product manufacturing facility] manufacturer¹;

32 e. possessing, cultivating, ¹[processing] manufacturing¹ ,
33 repackaging, storing, transporting, displaying, ²or² transferring ²[,
34 or delivering]² cannabis items if the person has obtained a current,
35 valid license to operate a cannabis testing facility or is acting in his
36 capacity as an owner, employee, or agent of a licensed cannabis
37 testing facility; and

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

42

43 ¹[49.] ²[50.] ¹51.² (New section) Contract Enforceability.

44 No contract shall be unenforceable on the basis that
45 manufacturing, distributing, dispensing, possessing, or using any

1 cannabis item or marijuana is prohibited by federal law. No contract
2 entered into by a licensee, its employees, or its agents as permitted
3 pursuant to a valid license issued by the commission, or by those
4 who allow property to be used by a licensee, its employees, or its
5 agents as permitted pursuant to a valid license issued by the
6 commission, shall be deemed unenforceable on the basis that the
7 actions or conduct permitted pursuant to the license are prohibited
8 by federal law.

9
10 ¹[50.] ²[51.¹] 52.² (New section) Federal and Interstate
11 Relations.

12 a. Law enforcement agencies in this State shall not cooperate
13 with or provide assistance to the government of the United States or
14 any agency thereof in enforcing the “Controlled Substances Act,”
15 21 U.S.C. 801 et seq., solely for actions consistent with P.L. ,
16 c. (C.) (pending before the Legislature as this bill), except
17 pursuant to a valid court order.

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

23 c. The commission may not revoke or refuse to issue or renew
24 a license or certification pursuant to section 20, 22, 23, 24, 25,
25 ²[or]² 26 ²,or 27² of P.L. , c. (C.) (pending before the
26 Legislature as this bill) on the basis that manufacturing,
27 transporting, distributing, dispensing, delivering, possessing, or
28 using any cannabis item or marijuana is prohibited by federal law.

29 d. Nothing in this section shall be construed to limit the
30 authority of an agency or subdivision of any agency of this State to
31 cooperate with or assist the government of the United States or any
32 agency thereof, or the government of another state or agency
33 thereof, in matters pertaining to illegal interstate trafficking of
34 marijuana, hashish, ²cannabis,² or cannabis items.

35
36 ¹[51.] ²[52.¹] 53.² (New section) Limitations.

37 The provisions of P.L. , c. (C.) (pending before the
38 Legislature as this bill) concerning the development, regulation, and
39 enforcement of activities associated with personal use cannabis, as
40 well as acts involving personal use cannabis or cannabis ²[resin]
41 items², shall not be construed:

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

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

46 c. To prohibit a recipient of a federal grant or an applicant for a
47 federal grant from prohibiting the manufacture, transportation,

1 delivery, possession, or use of cannabis items to the extent
2 necessary to satisfy federal requirements for the grant;

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

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

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

12

13 ¹[52.] ²[53.1] ²54. N.J.S.2C:35-2 is amended to read as
14 follows:

15 2C:35-2. As used in this chapter:

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

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

27 "Controlled dangerous substance" means a drug, substance, or
28 immediate precursor in Schedules I through V, marijuana and
29 hashish as defined in this section, any substance the distribution of
30 which is specifically prohibited in N.J.S.2C:35-3, in section 3 of
31 P.L.1997, c.194 (C.2C:35-5.2), in section 5 of P.L.1997, c.194
32 (C.2C:35-5.3), in section 2 of P.L.2011, c.120 (C.2C:35-5.3a), or in
33 section 2 of P.L.2013, c.35 (C.2C:35-5.3b), and any drug or
34 substance which, when ingested, is metabolized or otherwise
35 becomes a controlled dangerous substance in the human body.
36 When any statute refers to controlled dangerous substances, or to a
37 specific controlled dangerous substance, it shall also be deemed to
38 refer to any drug or substance which, when ingested, is metabolized
39 or otherwise becomes a controlled dangerous substance or the
40 specific controlled dangerous substance, and to any substance that
41 is an immediate precursor of a controlled dangerous substance or
42 the specific controlled dangerous substance. The term shall not
43 include distilled spirits, wine, malt beverages, as those terms are
44 defined or used in R.S.33:1-1 et seq., **[or]** tobacco and tobacco
45 products, or cannabis ²[or] and² cannabis ²[resin]² as defined in
46 section 3 of P.L. , c. (C.) (pending before the Legislature as
47 this bill). The term, wherever it appears in any law or

1 administrative regulation of this State, shall include controlled
2 substance analogs.

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

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

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

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

31 "Distribute" means to deliver other than by administering or
32 dispensing a controlled dangerous substance or controlled substance
33 analog. "Distributor" means a person who distributes.

34 "Drugs" means ²[(a)] (1)² substances recognized in the official
35 United States Pharmacopoeia, official Homeopathic Pharmacopoeia
36 of the United States, or official National Formulary, or any
37 supplement to any of them; and ²[(b)] (2)² substances intended for
38 use in the diagnosis, cure, mitigation, treatment, or prevention of
39 disease in man or other animals; and ²[(c)] (3)² substances ²[(1)] ²
40 other than food ²[(2)] ² intended to affect the structure or any
41 function of the body of man or other animals; and ²[(d)] (4)²
42 substances intended for use as a component of any ²[article]
43 substance² specified in ²[subsections] (a) (1)², ²[(b)] (2)², and
44 ²[(c)] (3)² of this ²[section] definition²; but does not include
45 devices or their components, parts, or accessories. ²The term
46 "drug" also does not include: hemp and hemp products cultivated,
47 handled, processed, transported, or sold pursuant to the "New Jersey

1 Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.); cannabis as
2 defined in section 3 of P.L. , c. (C.) (pending before the
3 Legislature as this bill) which is cultivated and produced for use in
4 a cannabis item, as defined in that section, in accordance with the
5 "New Jersey Cannabis Regulatory, Enforcement Assistance, and
6 Marketplace Modernization Act," P.L. , c. (C.) (pending
7 before the Legislature as this bill); and cannabis resin as defined in
8 that section 3 (C.) which is extracted for use in a cannabis
9 item, as defined in that section, in accordance with that act.²

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

20 "Hashish" means the resin extracted from any part of the plant
21 **[Genus] Cannabis sativa L.** and any compound, manufacture, salt,
22 derivative, mixture, or preparation of such resin. "Hashish" shall
23 not mean: hemp ²**[or a]** and² hemp ²**[product]** products² cultivated,
24 handled, processed, transported, or sold pursuant to the "New
25 Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.); or
26 cannabis resin as defined in section 3 of P.L. , c. (C.)
27 (pending before the Legislature as this bill) which is extracted for
28 use in a cannabis item, as defined in that section, in accordance with
29 the "New Jersey Cannabis Regulatory, Enforcement Assistance, and
30 Marketplace Modernization Act," P.L. , c. (C.) (pending
31 before the Legislature as this bill).

32 "Manufacture" means the production, preparation, propagation,
33 compounding, conversion, or processing of a controlled dangerous
34 substance or controlled substance analog, either directly or by
35 extraction from substances of natural origin, or independently by
36 means of chemical synthesis, or by a combination of extraction and
37 chemical synthesis, and includes any packaging or repackaging of
38 the substance or labeling or relabeling of its container, except that
39 this term does not include the preparation or compounding of a
40 controlled dangerous substance or controlled substance analog by
41 an individual for his own use or the preparation, compounding,
42 packaging, or labeling of a controlled dangerous substance: (1) by
43 a practitioner as an incident to his administering or dispensing of a
44 controlled dangerous substance or controlled substance analog in
45 the course of his professional practice, or (2) by a practitioner
46 ²**[]**,² or under his supervision²**[]**,² for the purpose of, or as an
47 incident to, research, teaching, or chemical analysis and not for
48 sale.

1 "Marijuana" means all parts of the plant **[Genus]** *Cannabis*
2 *sativa* L., whether growing or not; the seeds thereof, and every
3 compound, manufacture, salt, derivative, mixture, or preparation of
4 the plant or its seeds, except those containing resin extracted from
5 the plant **;** but shall not include the mature stalks of the plant, fiber
6 produced from the stalks, oil, or cake made from the seeds of the
7 plant, any other compound, manufacture, salt, derivative, mixture,
8 or preparation of mature stalks, fiber, oil, or cake, or the sterilized
9 seed of the plant which is incapable of germination**].** "Marijuana"
10 shall not mean: hemp ²**[or a]** and² hemp ²**[product]** products²
11 cultivated, handled, processed, transported, or sold pursuant to the
12 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.);
13 or cannabis as defined in section 3 of P.L. , c. (C.)
14 (pending before the Legislature as this bill) which is cultivated and
15 ²**[processed]** produced² for use in a cannabis item, as defined in
16 that section, in accordance with the "New Jersey Cannabis
17 Regulatory, Enforcement Assistance, and Marketplace
18 Modernization Act," P.L. , c. (C.) (pending before the
19 Legislature as this bill).

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

24 ²**[(a)] (1)²** Opium, coca leaves, and opiates;

25 ²**[(b)] (2)²** A compound, manufacture, salt, derivative, or
26 preparation of opium, coca leaves, or opiates;

27 ²**[(c)] (3)²** A substance ²**[(1)² and any compound, manufacture,**
28 **salt, derivative, or preparation thereof ²[(1)²]** ² which is chemically
29 identical with any of the substances referred to in ²**[(a)]**
30 **(1)² and ²[(b)] (3) of this definition²,** except that the words
31 "narcotic drug" as used in this act shall not include decocainized
32 coca leaves or extracts of coca leaves, which extracts do not contain
33 cocaine or ecogine.

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

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

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

1 "Plant" means an organism having leaves and a readily
2 observable root formation, including, but not limited to, a cutting
3 having roots, a rootball or root hairs.

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

6 "Practitioner" means a physician, dentist, veterinarian, scientific
7 investigator, laboratory, pharmacy, hospital, or other person
8 licensed, registered, or otherwise permitted to distribute, dispense,
9 conduct research with respect to, or administer a controlled
10 dangerous substance or controlled substance analog in the course of
11 professional practice or research in this State. ²As used in this
12 definition:²

13 ²**[(a)] (1)**² "Physician" means a physician authorized by law to
14 practice medicine in this or any other state and any other person
15 authorized by law to treat sick and injured human beings in this or
16 any other state.

17 ²**[(b)] (2)**² "Veterinarian" means a veterinarian authorized by
18 law to practice veterinary medicine in this State.

19 ²**[(c)] (3)**² "Dentist" means a dentist authorized by law to
20 practice dentistry in this State.

21 ²**[(d)] (4)**² "Hospital" means any federal institution, or any
22 institution for the care and treatment of the sick and injured,
23 operated or approved by the appropriate State department as proper
24 to be entrusted with the custody and professional use of controlled
25 dangerous substances or controlled substance analogs.

26 ²**[(e)] (5)**² "Laboratory" means a laboratory to be entrusted with
27 the custody of narcotic drugs and the use of controlled dangerous
28 substances or controlled substance analogs for scientific,
29 experimental, and medical purposes and for purposes of instruction
30 approved by the Department of Health.

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

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

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

46 "Schedules I, II, III, IV, and V" are the schedules set forth in
47 sections 5 through 8 of P.L.1970, c.226 (C.24:21-5 through 24:21-

1 8) and in section 4 of P.L.1971, c.3 (C.24:21-8.1) and as modified
2 by any regulations issued by the Director of the Division of
3 Consumer Affairs in the Department of Law and Public Safety
4 pursuant to the director's authority as provided in section 3 of
5 P.L.1970, c.226 (C.24:21-3).

6 "State" means the State of New Jersey.

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

12 "Prescription legend drug" means any drug which under federal
13 or State law requires dispensing by prescription or order of a
14 licensed physician, veterinarian, or dentist and is required to bear
15 the statement "Rx only" or similar wording indicating that such
16 drug may be sold or dispensed only upon the prescription of a
17 licensed medical practitioner and is not a controlled dangerous
18 substance or stramonium preparation.

19 "Stramonium preparation" means a substance prepared from any
20 part of the stramonium plant in the form of a powder, pipe mixture,
21 cigarette, or any other form with or without other ingredients.

22 "Stramonium plant" means the plant *Datura Stramonium* Linne,
23 including *Datura Tatula* Linne.

24 (cf: P.L.2019, c.238, s.10)

25
26 ²55. N.J.S.2C:35-5 is amended to read as follows:

27 2C:35-5. Manufacturing, Distributing or Dispensing. a. Except
28 as authorized by P.L.1970, c.226 (C.24:21-1 et seq.), it shall be
29 unlawful for any person knowingly or purposely:

30 (1) To manufacture, distribute or dispense, or to possess or have
31 under his control with intent to manufacture, distribute or dispense,
32 a controlled dangerous substance or controlled substance analog; or

33 (2) To create, distribute, or possess or have under his control
34 with intent to distribute, a counterfeit controlled dangerous
35 substance.

36 b. Any person who violates subsection a. with respect to:

37 (1) Heroin, or its analog, or coca leaves and any salt, compound,
38 derivative, or preparation of coca leaves, and any salt, compound,
39 derivative, or preparation thereof which is chemically equivalent or
40 identical with any of these substances, or analogs, except that the
41 substances shall not include decocainized coca leaves or extractions
42 which do not contain cocaine or ecogine, or 3,4-
43 methylenedioxyamphetamine or 3,4-
44 methylenedioxyamphetamine, in a quantity of five ounces or more
45 including any adulterants or dilutants is guilty of a crime of the first
46 degree. The defendant shall, except as provided in N.J.S.2C:35-12,
47 be sentenced to a term of imprisonment by the court. The term of
48 imprisonment shall include the imposition of a minimum term

1 which shall be fixed at, or between, one-third and one-half of the
2 sentence imposed, during which the defendant shall be ineligible for
3 parole. Notwithstanding the provisions of subsection a. of
4 N.J.S.2C:43-3, a fine of up to **【\$500,000.00】** \$500,000 may be
5 imposed;

6 (2) A substance referred to in paragraph (1) of this subsection,
7 in a quantity of one-half ounce or more but less than five ounces,
8 including any adulterants or dilutants is guilty of a crime of the
9 second degree;

10 (3) A substance referred to paragraph (1) of this subsection in a
11 quantity less than one-half ounce including any adulterants or
12 dilutants is guilty of a crime of the third degree except that,
13 notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a
14 fine of up to **【\$75,000.00】** \$75,000 may be imposed;

15 (4) A substance classified as a narcotic drug in Schedule I or II
16 other than those specifically covered in this section, or the analog of
17 any such substance, in a quantity of one ounce or more including
18 any adulterants or dilutants is guilty of a crime of the second
19 degree;

20 (5) A substance classified as a narcotic drug in Schedule I or II
21 other than those specifically covered in this section, or the analog of
22 any such substance, in a quantity of less than one ounce including
23 any adulterants or dilutants is guilty of a crime of the third degree
24 except that, notwithstanding the provisions of subsection b. of
25 N.J.S.2C:43-3, a fine of up to **【\$75,000.00】** \$75,000 may be
26 imposed;

27 (6) Lysergic acid diethylamide, or its analog, in a quantity of
28 100 milligrams or more including any adulterants or dilutants, or
29 phencyclidine, or its analog, in a quantity of 10 grams or more
30 including any adulterants or dilutants, is guilty of a crime of the
31 first degree. Except as provided in N.J.S.2C:35-12, the court shall
32 impose a term of imprisonment which shall include the imposition
33 of a minimum term, fixed at, or between, one-third and one-half of
34 the sentence imposed by the court, during which the defendant shall
35 be ineligible for parole. Notwithstanding the provisions of
36 subsection a. of N.J.S.2C:43-3, a fine of up to **【\$500,000.00】**
37 \$500,000 may be imposed;

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

44 (8) Methamphetamine, or its analog, or phenyl-2-propanone
45 (P2P), in a quantity of five ounces or more including any
46 adulterants or dilutants is guilty of a crime of the first degree.

1 Notwithstanding the provisions of subsection a. of N.J.S.2C:43-3, a
2 fine of up to ~~【\$300,000.00】~~ \$300,000 may be imposed;

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

7 (b) Methamphetamine, or its analog, or phenyl-2-propanone
8 (P2P), in a quantity of less than one-half ounce including any
9 adulterants or dilutants is guilty of a crime of the third degree
10 except that notwithstanding the provisions of subsection b. of
11 N.J.S.2C:43-3, a fine of up to ~~【\$75,000.00】~~ \$75,000 may be
12 imposed;

13 (10) (a) Marijuana in a quantity of 25 pounds or more
14 including any adulterants or dilutants, or 50 or more marijuana
15 plants, regardless of weight, or hashish in a quantity of five pounds
16 or more including any adulterants or dilutants, is guilty of a crime
17 of the first degree. Notwithstanding the provisions of subsection a.
18 of N.J.S.2C:43-3, a fine of up to ~~【\$300,000.00】~~ \$300,000 may be
19 imposed;

20 (b) Marijuana in a quantity of five pounds or more but less than
21 25 pounds including any adulterants or dilutants, or 10 or more but
22 fewer than 50 marijuana plants, regardless of weight, or hashish in a
23 quantity of one pound or more but less than five pounds, including
24 any adulterants and dilutants, is guilty of a crime of the second
25 degree;

26 (11) **【Marijuana】** (a) Prior to the effective date of P.L. _____,
27 c. (C. _____) (pending before the Legislature as this bill), marijuana
28 in a quantity of one ounce or more but less than five pounds
29 including any adulterants or dilutants, or hashish in a quantity of
30 five grams or more but less than one pound including any
31 adulterants or dilutants, is guilty of a crime of the third degree
32 except that, notwithstanding the provisions of subsection b. of
33 N.J.S.2C:43-3, a fine of up to ~~【\$25,000.00】~~ \$25,000 may be
34 imposed;

35 (b) On and after the effective date of P.L. _____, c. (C. _____)
36 (pending before the Legislature as this bill), marijuana in a quantity
37 of more than one ounce but less than five pounds including any
38 adulterants or dilutants, or hashish in a quantity of more than five
39 grams but less than one pound including any adulterants or
40 dilutants, is guilty of a crime of the third degree except that,
41 notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a
42 fine of up to \$25,000 may be imposed;

43 (12) **【Marijuana】** (a) Prior to the effective date of P.L. _____,
44 c. (C. _____) (pending before the Legislature as this bill), marijuana
45 in a quantity of less than one ounce including any adulterants or
46 dilutants, or hashish in a quantity of less than five grams including

1 any adulterants or dilutants, is guilty of a crime of the fourth
2 degree;

3 (b) On and after the effective date of P.L. , c. (C.)
4 (pending before the Legislature as this bill), marijuana in a quantity
5 of one ounce or less including any adulterants or dilutants, or
6 hashish in a quantity of five grams or less including any adulterants
7 or dilutants, is, for a first offense, subject to a written warning,
8 which also indicates that any subsequent violation is a crime
9 punishable by a term of imprisonment, a fine, or both, and for a
10 second or subsequent offense, is guilty of a crime of the fourth
11 degree;

12 (i) The odor of marijuana or hashish, or burnt marijuana or
13 hashish, shall not constitute reasonable articulable suspicion to
14 initiate a search of a person to determine a violation of
15 subparagraph (b) of paragraph (12) of this subsection. A person
16 who violates this subparagraph shall not be subject to arrest,
17 detention, or otherwise be taken into custody, unless the person is
18 being arrested, detained, or otherwise taken into custody for also
19 committing another violation of law for which that action is legally
20 permitted or required;

21 (ii) A person shall not be deprived of any legal or civil right,
22 privilege, benefit, or opportunity provided pursuant to any law
23 solely by reason of committing a violation of subparagraph (b) of
24 paragraph (12) of this subsection, nor shall committing one or more
25 violations modify any legal or civil right, privilege, benefit, or
26 opportunity provided pursuant to any law, including, but not limited
27 to, the granting, renewal, forfeiture, or denial of a license, permit,
28 or certification, qualification for and the receipt, alteration,
29 continuation, or denial of any form of financial assistance, housing
30 assistance, or other social services, rights of or custody by a
31 biological parent, or adoptive or foster parent, or other legal
32 guardian of a child or newborn infant, or pregnant woman, in any
33 action or proceeding by the Division of Child Protection and
34 Permanency in the Department of Children and Families, or
35 qualification, approval, or disapproval to serve as a foster parent or
36 other legal guardian;

37 (iii) All local and county law enforcement authorities shall,
38 following the submission process used for the uniform crime
39 reporting system established by P.L.1966, c.37 (C.52:17B-
40 5.1 et seq.), submit a quarterly report to the Uniform Crime
41 Reporting Unit, within the Division of State Police in the
42 Department of Law and Public Safety, or to another designated
43 recipient determined by the Attorney General, containing the
44 number of violations of subparagraph (b) of paragraph (12) of this
45 subsection committed within their respective jurisdictions, plus the
46 race, ethnicity, gender, and age of each person committing a
47 violation, and the disposition of each person's violation. These
48 violations and associated information, along with a quarterly

1 summary of violations investigated, and associated information
2 collected, by the Division of State Police for the same period shall
3 be summarized by county and municipality in an annual report, and
4 both quarterly summaries and annual reports shall be made
5 available at no cost to the public on the Division of State Police's
6 Internet website;

7 (13) Any other controlled dangerous substance classified in
8 Schedule I, II, III or IV, or its analog, is guilty of a crime of the
9 third degree, except that, notwithstanding the provisions of
10 subsection b. of N.J.S.2C:43-3, a fine of up to **[\$25,000.00]**
11 \$25,000 may be imposed; or

12 (14) Any Schedule V substance, or its analog, is guilty of a
13 crime of the fourth degree except that, notwithstanding the
14 provisions of subsection b. of N.J.S.2C:43-3, a fine of up to
15 **[\$25,000.00]** \$25,000 may be imposed.

16 c. Where the degree of the offense for violation of this section
17 depends on the quantity of the substance, the quantity involved
18 shall be determined by the trier of fact, other than with respect to a
19 first violation of subparagraph (b) of paragraph (12) of subsection
20 b. of this section which is subject to a written warning as set forth in
21 that subparagraph. Where the indictment or accusation so provides,
22 the quantity involved in individual acts of manufacturing,
23 distribution, dispensing or possessing with intent to distribute may
24 be aggregated in determining the grade of the offense, whether
25 distribution or dispensing is to the same person or several persons,
26 provided that each individual act of manufacturing, distribution,
27 dispensing or possession with intent to distribute was committed
28 within the applicable statute of limitations.²

29 (cf: P.L.2000, c.136, s.1)

30
31 ²56. N.J.S.2C:35-10 is amended to read as follows:

32 2C:35-10. Possession, Use or Being Under the Influence, or
33 Failure to Make Lawful Disposition.

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

42 (1) A controlled dangerous substance, or its analog, classified in
43 Schedule I, II, III or IV other than those specifically covered in this
44 section, is guilty of a crime of the third degree except that,
45 notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a
46 fine of up to **[\$35,000.00]** \$35,000 may be imposed;

1 (2) Any controlled dangerous substance, or its analog, classified
2 in Schedule V, is guilty of a crime of the fourth degree except that,
3 notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a
4 fine of up to ~~【\$15,000.00】~~ \$15,000 may be imposed;

5 (3) ~~【Possession】~~ (a) Prior to the effective date of P.L. _____,
6 c. (C. _____) (pending before the Legislature as this bill),
7 possession of more than 50 grams of marijuana, including any
8 adulterants or dilutants, or more than five grams of hashish is guilty
9 of a crime of the fourth degree, except that, notwithstanding the
10 provisions of subsection b. of N.J.S.2C:43-3, a fine of up to
11 【\$25,000.00】 \$25,000 may be imposed; 【or】

12 (b) On and after to the effective date of P.L. _____, c. (C. _____)
13 (pending before the Legislature as this bill), possession of more
14 than six ounces of marijuana, including any adulterants or dilutants,
15 or more than 17 grams of hashish is guilty of a crime of the fourth
16 degree, except that, notwithstanding the provisions of subsection b.
17 of N.J.S.2C:43-3, a fine of up to \$25,000 may be imposed;

18 (i) The odor of marijuana or hashish, or burnt marijuana or
19 hashish, shall not constitute reasonable articulable suspicion to
20 initiate a search of a person to determine a violation of
21 subparagraph (b) of paragraph (3) of this subsection. A person
22 who violates this paragraph shall not be subject to arrest, detention,
23 or otherwise be taken into custody, unless the person is being
24 arrested, detained, or otherwise taken into custody for also
25 committing another violation of law for which that action is legally
26 permitted or required;

27 (ii) A person shall not be deprived of any legal or civil right,
28 privilege, benefit, or opportunity provided pursuant to any law
29 solely by reason of committing a violation of subparagraph (b) of
30 paragraph (3) of this subsection, nor shall committing one or more
31 violations modify any legal or civil right, privilege, benefit, or
32 opportunity provided pursuant to any law, including, but not limited
33 to, the granting, renewal, forfeiture, or denial of a license, permit,
34 or certification, qualification for and the receipt, alteration,
35 continuation, or denial of any form of financial assistance, housing
36 assistance, or other social services, rights of or custody by a
37 biological parent, or adoptive or foster parent, or other legal
38 guardian of a child or newborn infant, or pregnant woman, in any
39 action or proceeding by the Division of Child Protection and
40 Permanency in the Department of Children and Families, or
41 qualification, approval, or disapproval to serve as a foster parent or
42 other legal guardian;

43 (iii) All local and county law enforcement authorities shall,
44 following the submission process used for the uniform crime
45 reporting system established by P.L.1966, c.37 (C.52:17B-
46 5.1 et seq.), submit a quarterly report to the Uniform Crime
47 Reporting Unit, within the Division of State Police in the
48 Department of Law and Public Safety, or to another designated

1 recipient determined by the Attorney General, containing the
2 number of violations of subparagraph (b) of paragraph (3) of this
3 subsection committed within their respective jurisdictions, plus the
4 race, ethnicity, gender, and age of each person committing a
5 violation, and the disposition of each person's violation. These
6 violations and associated information, along with a quarterly
7 summary of violations investigated, and associated information
8 collected, by the Division of State Police for the same period shall
9 be summarized by county and municipality in an annual report, and
10 both quarterly summaries and annual reports shall be made
11 available at no cost to the public on the Division of State Police's
12 Internet website; or

13 (4) **【Possession】** (a) Prior to the effective date of P.L. _____,
14 c. (C. _____) (pending before the Legislature as this bill),
15 possession of 50 grams or less of marijuana, including any
16 adulterants or dilutants, or five grams or less of hashish is a
17 disorderly person;

18 (b) On and after the effective date of P.L. _____, c. (C. _____)
19 (pending before the Legislature as this bill), possession of six
20 ounces or less of marijuana, including any adulterants or dilutants,
21 or 17 grams or less of hashish is not subject to any punishment, as
22 this possession is not a crime, offense, act of delinquency, or civil
23 violation of law;

24 Any person who commits any offense **【defined in】** set forth in
25 paragraphs (1) through (3) of this **【section】** subsection while on any
26 property used for school purposes which is owned by or leased to
27 any elementary or secondary school or school board, or within
28 1,000 feet of any such school property or a school bus, or while on
29 any school bus, and who is not sentenced to a term of
30 imprisonment, shall, in addition to any other sentence which the
31 court may impose, be required to perform not less than 100 hours of
32 community service.

33 b. (1) Any person who uses or who is under the influence of
34 any controlled dangerous substance, or its analog, not including
35 marijuana or hashish, for a purpose other than the treatment of
36 sickness or injury as lawfully prescribed or administered by a
37 physician is a disorderly person.

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

1 (2) Notwithstanding that using or being under the influence of
2 marijuana or hashish is not a punishable crime, offense, act of
3 delinquency, or civil violation pursuant to this subsection, the
4 smoking, vaping, or aerosolizing of marijuana or hashish may be
5 prohibited or otherwise regulated on or in any property by the
6 person or entity that owns or controls that property, including
7 multifamily housing that is a multiple dwelling as defined in section
8 3 of P.L.1967, c.76 (C.55:13A-3), the structure or specific units of
9 the structure of a cooperative as defined in section 3 of P.L.1987,
10 c.381 (C.46:8D-3), the units of a condominium, as those terms are
11 defined by section 3 of P.L.1969, c.257 (C.46:8B-3), or a site in a
12 mobile home park as defined in section 3 of P.L.1983, c.386
13 (C.40:55D-102), which site is leased to the owner of a
14 manufactured home, as defined in that section, that is installed
15 thereon.

16 c. Any person who knowingly obtains or possesses a controlled
17 dangerous substance or controlled substance analog in violation of
18 paragraph (1) or (2) of subsection a. of this section and who fails to
19 voluntarily deliver the substance to the nearest law enforcement
20 officer is guilty of a disorderly persons offense. Nothing in this
21 subsection shall be construed to preclude a prosecution or
22 conviction for any other offense defined in this title or any other
23 statute.²

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

25

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

27 2C:36-1. Drug paraphernalia, defined; determination.

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

38 **[a.]** (1) kits used or intended for use in planting, propagating,
39 cultivating, growing or harvesting of any species of plant, other
40 than the plant Cannabis sativa L., which is a controlled dangerous
41 substance or from which a controlled dangerous substance can be
42 derived;

43 **[b.]** (2) kits used or intended for use in manufacturing,
44 compounding, converting, producing, processing, or preparing
45 controlled dangerous substances or controlled substance analogs;

- 1 **【c.】** (3) isomerization devices used or intended for use in
2 increasing the potency of any species of plant, other than the plant
3 Cannabis sativa L., which is a controlled dangerous substance;
- 4 **【d.】** (4) testing equipment used or intended for use identifying,
5 or in analyzing the strength, effectiveness or purity of controlled
6 dangerous substances or controlled substance analogs;
- 7 **【e.】** (5) scales and balances used or intended for use in weighing
8 or measuring controlled dangerous substances or controlled
9 substance analogs;
- 10 **【f.】** (6) dilutants and adulterants, such as quinine hydrochloride,
11 mannitol, mannite, dextrose and lactose, used or intended for use in
12 cutting controlled dangerous substances or controlled substance
13 analogs;
- 14 **【g.】** separation gins and sifters used or intended for use in
15 removing twigs and seeds from, or in otherwise cleaning or
16 refining, marihuana;
- 17 **【h.】** (7) blenders, bowls, containers, spoons and mixing devices
18 used or intended for use in compounding controlled dangerous
19 substances or controlled substance analogs;
- 20 **【i.】** (8) capsules, balloons, envelopes and other containers used
21 or intended for use in packaging small quantities of controlled
22 dangerous substances or controlled substance analogs;
- 23 **【j.】** (9) containers and other objects used or intended for use in
24 storing or concealing controlled dangerous substances, controlled
25 substance analogs or toxic chemicals;
- 26 **【k.】** (10) objects used or intended for use in ingesting, inhaling,
27 or otherwise introducing **【marihuana,】** cocaine, **【hashish, hashish**
28 **oil,】** nitrous oxide or the fumes of a toxic chemical into the human
29 body, such as **【(1)】** (a) metal, wooden, acrylic, glass, stone, plastic,
30 or ceramic pipes with or without screens, permanent screens,
31 **【hashish heads,】** or punctured metal bowls; **【(2)】** (b) water pipes;
32 **【(3)】** (c) carburetion tubes and devices; **【(4)】** (d) smoking and
33 carburetion masks; **【(5)】** (e) roach clips, meaning objects used to
34 hold burning material **【, such as a marihuana cigarette,】** that has
35 become too small or too short to be held in the hand; **【(6)】** (f)
36 miniature cocaine spoons, and cocaine vials; **【(7)】** (g) chamber
37 pipes; **【(8)】** (h) carburetor pipes; **【(9)】** (i) electric pipes; **【(10)】** (j)
38 air-driven pipes; **【(11)】** (k) chillums; **【(12)】** (l) bongos; **【(13)】** (m)
39 ice pipes or chillers; **【(14)】** (n) compressed gas containers, such as
40 tanks, cartridges or canisters, that contain food grade or
41 pharmaceutical grade nitrous oxide as a principal ingredient; **【(15)】**
42 (o) chargers or charging bottles, meaning metal, ceramic or plastic
43 devices that contain an interior pin that may be used to expel
44 compressed gas from a cartridge or canister; and **【(16)】** (p) tubes,
45 balloons, bags, fabrics, bottles or other containers used to

1 concentrate or hold in suspension a toxic chemical or the fumes of a
2 toxic chemical.

3 **b.** In determining whether or not an object is drug
4 paraphernalia, the trier of fact, in addition to or as part of the
5 proofs, may consider the following factors:

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

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

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

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

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

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

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

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

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

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

31 (2) If an object appears to be for use, intended for use, or
32 designed for use with cannabis or cannabis items in accordance with
33 the “New Jersey Cannabis Regulatory, Enforcement Assistance, and
34 Marketplace Modernization Act,” P.L. , c. (C.) (pending
35 before the Legislature as this bill), the object is presumed to be a
36 lawful cannabis paraphernalia as defined in section 3 of that act
37 (C.), and does not alone constitute reasonable articulable
38 suspicion that the object is a drug paraphernalia, notwithstanding
39 that the object could also be used with an illegal controlled
40 substance or controlled substance analog, unless the owner or any
41 other person in proximity to or in control of the object was in
42 possession of an illegal controlled dangerous substance or
43 controlled substance analog, or the object was in proximity of an
44 illegally possessed controlled dangerous substance or controlled
45 substance analog to indicate its use, intended use, or design for use

1 with that controlled dangerous substance or controlled substance
2 analog.²

3 (cf: P.L.2007, c.31, s.2)

4

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

6 2C:36-2. a. Use or possession with intent to use, disorderly
7 persons offense. It shall be unlawful for any person to use, or to
8 possess with intent to use, drug paraphernalia to plant, propagate,
9 cultivate, grow, harvest, manufacture, compound, convert, produce,
10 process, prepare, test, analyze, pack, repack, store, contain, conceal,
11 ingest, inhale, or otherwise introduce into the human body a
12 controlled dangerous substance, controlled substance analog or
13 toxic chemical in violation of the provisions of chapter 35 of this
14 title, other than when used, or possessed with intent to use, for
15 ingesting, inhaling, or otherwise introducing marijuana or hashish
16 into the human body. Any person who violates this section is guilty
17 of a disorderly persons offense.

18 b. Notwithstanding that using or possessing with intent to use
19 drug paraphernalia to ingest, inhale, or otherwise introduce
20 marijuana or hashish into the human body is not a punishable crime,
21 offense, act of delinquency, or civil violation pursuant to this
22 section, the use of drug paraphernalia for that purpose may be
23 prohibited or otherwise regulated on or in any property by the
24 person or entity that owns or controls that property, including
25 multifamily housing that is a multiple dwelling as defined in section
26 3 of P.L.1967, c.76 (C.55:13A-3), the structure or specific units of
27 the structure of a cooperative as defined in section 3 of P.L.1987,
28 c.381 (C.46:8D-3), the units of a condominium, as those terms are
29 defined by section 3 of P.L.1969, c.257 (C.46:8B-3), or a site in a
30 mobile home park as defined in section 3 of P.L.1983, c.386
31 (C.40:55D-102), which site is leased to the owner of a
32 manufactured home, as defined in that section, that is installed
33 thereon.²

34 (cf: P.L.2007, c.31, s.3)

35

36 ²59.(New section) a. Except to the extent required to dismiss,
37 withdraw, or terminate the charge, no prosecutor shall pursue any
38 charge, including any charge of delinquency, based on crimes or
39 offenses pending with a court on the first day of the fifth month
40 next following the effective date of P.L. , c. (C.) (pending
41 before the Legislature as this bill) that occurred prior to that
42 effective date, involving manufacturing, distributing, or dispensing,
43 or possessing or having under control with intent to manufacture,
44 distribute, or dispense, marijuana or hashish in violation of
45 paragraph (12) of subsection b. of N.J.S.2C:35-5, or obtaining,
46 possessing, using, being under the influence of, or failing to make
47 lawful disposition of marijuana or hashish in violation of paragraph
48 (3) or (4) of subsection a., or subsection b., or subsection c. of

1 N.J.S.2C:35-10, or a violation involving marijuana or hashish as
2 described herein and a violation of N.J.S.2C:36-2 for using or
3 possessing with intent to use drug paraphernalia with that marijuana
4 or hashish, alone or in combination with each other, or a violation
5 involving marijuana or hashish and a violation of section 1 of
6 P.L.1964, c.289 (C.39:4-49.1) for possession of a controlled
7 dangerous substance while operating a motor vehicle, alone or in
8 combination with each other, or any disorderly persons offense or
9 petty disorderly persons offense subject to conditional discharge
10 pursuant to N.J.S.2C:36A-1. These non-prosecutable charges and
11 cases shall be expeditiously dismissed, which may be accomplished
12 by appropriate action by the prosecutor based upon guidelines
13 issued by the Attorney General, or the court's own motion based
14 upon administrative directives issued by the Administrative
15 Director of the Courts.

16 b. (1) On the first day of the fifth month next following the
17 effective date of P.L. , c. (C.)(pending before the
18 Legislature as this bill), any guilty verdict, plea, placement in a
19 diversionary program, or other entry of guilt on a matter that was
20 entered prior to that effective date, but the judgment of conviction
21 or final disposition on the matter was not entered prior to that date,
22 and the guilty verdict, plea, placement in a diversionary program, or
23 other entry of guilt solely involved one or more crimes or offenses,
24 or delinquent acts which if committed by an adult would constitute
25 one or more crimes or offenses, enumerated in subsection a. of this
26 section, that guilty verdict, plea, placement in a diversionary
27 program, or other entry of guilt shall be vacated by operation of
28 law. The Administrative Director of the Courts, in consultation
29 with the Attorney General, may take any administrative action as
30 may be necessary to vacate the guilty verdict, plea, placement in a
31 diversionary program, or other entry of guilt.

32 (2) On the first day of the fifth month next following the
33 effective date of P.L. , c. (C.)(pending before the
34 Legislature as this bill), any conviction, remaining sentence,
35 ongoing supervision, or unpaid court-ordered financial assessment
36 as defined in section 8 of P.L.2017, c.244 (C.2C:52-23.1) of any
37 person who, on that effective date, is or will be serving a sentence
38 of incarceration, probation, parole or other form of community
39 supervision as a result of the person's conviction or adjudication of
40 delinquency solely for one or more crimes or offenses, or
41 delinquent acts which if committed by an adult would constitute one
42 or more crimes or offenses, enumerated in subsection a. of this
43 section, shall have the conviction, remaining sentence, ongoing
44 supervision, or unpaid court-ordered financial assessment vacated
45 by operation of law. The Administrative Director of the Courts, in
46 consultation with the Attorney General, may take any
47 administrative action as may be necessary to vacate the conviction,

1 remaining sentence, ongoing supervision, or unpaid court-ordered
2 financial assessment.²

3
4 ²60. (New section) On the first day of the fifth month next
5 following the effective date of P.L. , c. (C.) (pending before
6 the Legislature as this bill), any case that, prior to that effective
7 date, includes a conviction or adjudication of delinquency solely for
8 one or more crimes or offenses involving manufacturing,
9 distributing, or dispensing, or possessing or having under control
10 with intent to manufacture, distribute, or dispense, marijuana or
11 hashish in violation of paragraph (12) of subsection b. of
12 N.J.S.2C:35-5, or obtaining, possessing, using, being under the
13 influence of, or failing to make lawful disposition of marijuana or
14 hashish in violation of paragraph (3) or (4) of subsection a., or
15 subsection b., or subsection c. of N.J.S.2C:35-10, or a violation
16 involving marijuana or hashish as described herein and a violation
17 of N.J.S.2C:36-2 for using or possessing with intent to use drug
18 paraphernalia with that marijuana or hashish, alone or in
19 combination with each other, or any disorderly persons offense or
20 petty disorderly persons offense subject to conditional discharge
21 pursuant to N.J.S.2C:36A-1, shall be expunged by operation of law,
22 and any remaining sentence, ongoing supervision, or unpaid court-
23 ordered financial assessment as defined in section 8 of P.L.2017,
24 c.244 (C.2C:52-23.1) shall be vacated by operation of law. The
25 Administrative Director of the Courts, in consultation with the
26 Attorney General, may take any administrative action as may be
27 necessary to expeditiously effectuate the expungement of records
28 associated with any expunged matter.²

29
30 ¹[53.] ²[54.1] ¹61.² (New section) Criminal Investigation.

31 None of the following shall, individually or collectively,
32 constitute reasonable articulable suspicion of a crime, unless on
33 property used for school purposes which is owned by a school or
34 school board, or at any detention facility, adult correctional facility,
35 or youth correction facility:

36 a. The odor of cannabis or burnt cannabis;

37 b. The possession of or the suspicion of possession of
38 marijuana or hashish without evidence of quantity in excess of any
39 amount that would exceed the amount of cannabis ¹[or cannabis
40 resin] ¹items¹ which may be lawfully possessed pursuant to section
41 ¹[44] ²[45¹] ¹46.² of P.L. , c. (C.) (pending before the
42 Legislature as this bill); or

43 c. The possession of marijuana or hashish without evidence of
44 quantity in excess of any amount that would exceed the amount of
45 cannabis ¹[or cannabis resin] ²[¹items¹] ²items² which may be
46 lawfully possessed pursuant to section ¹[44] ²[45¹] ¹46.² of P.L. ,

1 c. (C.) (pending before the Legislature as this bill), in
2 proximity to any amount of cash or currency.

3

4 ¹~~54.~~ ²~~55.~~¹ N.J.S 2C:36-1 is amended to read as follows:

5 2C:36-1. Drug paraphernalia, defined; determination.

6 a. As used in this act, "drug paraphernalia" means all
7 equipment, products and materials of any kind which are used or
8 intended for use in planting, propagating, cultivating, growing,
9 harvesting, manufacturing, compounding, converting, producing,
10 processing, preparing, testing, analyzing, packaging, repackaging,
11 storing, containing, concealing, ingesting, inhaling, or otherwise
12 introducing into the human body a controlled dangerous substance,
13 controlled substance analog or toxic chemical in violation of the
14 provisions of chapter 35 of this title. It shall include, but not be
15 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
19 dangerous 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,
27 or 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
38 refining, **[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
43 or 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
6 screens, hashish heads, or punctured metal bowls; **【(2)】** (b) water
7 pipes; **【(3)】** (c) carburetion tubes and devices; **【(4)】** (d) smoking
8 and carburetion masks; **【(5)】** (e) roach clips, meaning objects used
9 to hold burning material, such as a marihuana cigarette, that has
10 become too small or too short to be held in the hand; **【(6)】** (f)
11 miniature cocaine spoons, and cocaine vials; **【(7)】** (g) chamber
12 pipes; **【(8)】** (h) carburetor pipes; **【(9)】** (i) electric pipes; **【(10)】** (j)
13 air-driven pipes; **【(11)】** (k) chillums; **【(12)】** (l) bonges; **【(13)】** (m)
14 ice pipes or chillers; **【(14)】** (n) compressed gas containers, such as
15 tanks, cartridges or canisters, that contain food grade or
16 pharmaceutical grade nitrous oxide as a principal ingredient; **【(15)】**
17 (o) chargers or charging bottles, meaning metal, ceramic or plastic
18 devices that contain an interior pin that may be used to expel
19 compressed gas from a cartridge or canister; and **【(16)】** (p) tubes,
20 balloons, bags, fabrics, bottles or other containers used to
21 concentrate or hold in suspension a toxic chemical or the fumes of a
22 toxic chemical.

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

26 **【a.】** (1) (a) statements by an owner or by anyone in control of
27 the object concerning its use;

28 **【b.】** (b) the proximity of the object **【of】** to illegally possessed
29 controlled dangerous substances, controlled substance analogs or
30 toxic chemicals;

31 **【c.】** (c) the existence of any residue of illegally possessed
32 controlled dangerous substances, controlled substance analogs or
33 toxic chemicals on the object;

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

40 **【e.】** (e) instructions, oral or written, provided with the object
41 concerning its use;

42 **【f.】** (f) descriptive materials accompanying the object which
43 explain or depict its use;

44 **【g.】** (g) national or local advertising whose purpose the person
45 knows or should know is to promote the sale of objects intended for
46 use as drug paraphernalia;

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

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

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

5 (2) If an object appears to be for use, intended for use, or
6 designed for use with cannabis or cannabis items in accordance with
7 the “New Jersey Cannabis Regulatory, Enforcement Assistance, and
8 Marketplace Modernization Act,” P.L. , c. (C.) (pending
9 before the Legislature as this bill), the object is presumed to be a
10 lawful cannabis paraphernalia as defined in section 3 of that act
11 (C.), and does not alone constitute reasonable articulable
12 suspicion that the object is a drug paraphernalia, notwithstanding
13 that the object could also be used with marijuana, hashish, or
14 another illegal controlled substance or controlled substance analog,
15 unless the owner or any other person in proximity to or in control of
16 the object was in possession of marijuana, hashish, or another
17 illegal controlled dangerous substance or controlled substance
18 analog, or the object was in proximity of marijuana, hashish, or
19 another illegally possessed controlled dangerous substance or
20 controlled substance analog to indicate its use, intended use, or
21 design for use with that controlled dangerous substance or
22 controlled substance analog.

23 (cf: P.L.2007, c.31, s.2)]²

24

25 ¹**[55.]** ²**[56.1]** 62.² N.J.S.2C:35-16 is amended to read as
26 follows:

27 2C:35-16. a. In addition to any disposition authorized by this
28 title, the provisions of section 24 of P.L.1982, c.77 (C.2A:4A-43),
29 or any other statute indicating the dispositions that can be ordered
30 for an adjudication of delinquency, and notwithstanding the
31 provisions of subsection c. of N.J.S.2C:43-2, a person convicted of
32 or adjudicated delinquent for a violation of any offense defined in
33 this chapter or chapter 36 of this title shall forthwith forfeit his right
34 to operate a motor vehicle over the highways of this State for a
35 period to be fixed by the court at not less than six months or more
36 than two years which shall commence on the day the sentence is
37 imposed unless the court finds compelling circumstances
38 warranting an exception or except as provided in subsection e. of
39 this section. For the purposes of this section, compelling
40 circumstances warranting an exception exist if the forfeiture of the
41 person's right to operate a motor vehicle over the highways of this
42 State will result in extreme hardship and alternative means of
43 transportation are not available. In the case of a person who at the
44 time of the imposition of sentence is less than 17 years of age, the
45 period of any suspension of driving privileges authorized herein,
46 including a suspension of the privilege of operating a motorized
47 bicycle, shall commence on the day the sentence is imposed and

1 shall run for a period as fixed by the court of not less than six
2 months or more than two years after the day the person reaches the
3 age of 17 years. If the driving privilege of any person is under
4 revocation, suspension, or postponement for a violation of any
5 provision of this title or Title 39 of the Revised Statutes at the time
6 of any conviction or adjudication of delinquency for a violation of
7 any offense defined in this chapter or chapter 36 of this title, any
8 revocation, suspension, or postponement period imposed herein
9 shall commence as of the date of termination of the existing
10 revocation, suspension, or postponement.

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

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

45 d. After sentencing and upon notice to the prosecutor, a person
46 subject to suspension or postponement of driving privileges under
47 this section may seek revocation of the remaining portion of any
48 suspension or postponement based on compelling circumstances

1 warranting an exception that were not raised at the time of
2 sentencing. The court may revoke the suspension or postponement
3 if it finds compelling circumstances.

4 e. Provided that the person was not convicted of or adjudicated
5 delinquent for a violation of any offense defined in this chapter or
6 chapter 36 of this ²[title] Title² other than those enumerated in this
7 subsection, the forfeiture or postponement of driving privileges set
8 forth in subsection a. of this section shall not apply to any person
9 convicted of or adjudicated delinquent for an offense which if
10 committed by an adult would constitute: ²[(1)]² distribution of, or
11 possessing or having under control with intent to distribute,
12 marijuana or hashish in violation of paragraph (11) of subsection b.
13 of N.J.S.2C:35-5, or a lesser amount of marijuana or hashish in
14 violation of paragraph (12) of subsection b. that section, or a
15 violation of either of those paragraphs based on an amount of
16 marijuana or hashish described herein and a violation of subsection
17 a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of
18 section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or
19 possessing or having under control with intent to distribute, on or
20 within 1,000 feet of any school property, or on or within 500 feet of
21 the real property comprising a public housing facility, public park,
22 or public building;

23 ²[(2) using, being under the influence of, or failing to make
24 lawful disposition] or possession² of marijuana or hashish in
25 violation of paragraph (3) of subsection a. ²[, or subsection b. or
26 subsection c.]² of N.J.S.2C:35-10 ²]; or

27 (3) a violation involving marijuana or hashish as described in
28 paragraph (1) or (2) of this subsection and using or possessing with
29 intent to use drug paraphernalia with that marijuana or hashish in
30 violation of N.J.S.2C:36-2]².

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

32

33 ¹[56.] ²[57.¹] 63.² N.J.S.2B:12-31 is amended to read as
34 follows:

35 2B:12-31. Suspension of driving privileges.

36 a. (1) If a defendant charged with a disorderly persons offense,
37 a petty disorderly persons offense, a violation of a municipal
38 ordinance, or a violation of any other law of this State for which a
39 penalty may be imposed fails to appear at any scheduled court
40 proceeding after written notice has been given to said defendant
41 pursuant to the Rules of Court, a municipal court may order the
42 suspension of the person's driving privileges or nonresident
43 reciprocity privilege or prohibit the person from receiving or
44 obtaining driving privileges until the pending matter is adjudicated
45 or otherwise disposed of, except by dismissal for failure of
46 defendant to appear.

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

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

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

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

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

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

27 (a) A fee of \$3.00 which shall be transferred to the **【Division**
 28 **of】** New Jersey Motor 【Vehicles】 Vehicle Commission;

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

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

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

34
 35 ¹**【57.】** ²**【58.1】** 64.² (New section) Prohibition of Persons Under
 36 the Legal Age Purchasing Cannabis or Cannabis Resin.

37 Consistent with the relevant definitions set forth in section 3 of
 38 P.L. , c. (C.) (pending before the Legislature as this bill):

39 a. A cannabis establishment licensee, cannabis distributor
 40 licensee, or cannabis delivery service licensee, either directly or
 41 indirectly by an agent or employee, shall not sell, offer for sale,
 42 distribute for commercial purpose at no cost or minimal cost, or
 43 give or furnish for consumption, any cannabis items to a person
 44 under 21 years of age.

45 b. Any licensee or employee or agent of a licensee who allows
 46 a person under the age of 21 to procure cannabis items which,
 47 pursuant to section ¹**【44】** ²**【45.1】** 46.² of P.L. , c. (C.)

1 (pending before the Legislature as this bill) are not unlawful for
2 persons 21 years of age or older to procure for personal use, shall be
3 subject to a civil penalty of not less than \$250 for the first violation;
4 \$500 for the second violation; and \$1,000 for the third and each
5 subsequent violation; in addition, subject to a hearing, a licensee's
6 license may be revoked, suspended, or otherwise limited. The
7 penalties provided for in this subsection shall be recovered by a
8 summary proceeding pursuant to the "Penalty Enforcement Law of
9 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

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

14 (1) That the purchaser of the cannabis item falsely represented
15 that the ¹["person] purchaser¹ was of legal age to make the
16 purchase, by producing ¹["either"]¹ a ¹["United States passport;
17 driver's license or non-driver identification card issued by the New
18 Jersey Motor Vehicle Commission; a driver's license issued
19 pursuant to the laws of another state; or any other] government-
20 issued¹ identification card ¹["issued by a state or the United States]
21 as set forth in subparagraph (a) of paragraph (6) of subsection a. of
22 section 18 of P.L. , c. (C.) (pending before the Legislature
23 as this bill)¹ to determine the consumer's ¹identity and¹ age ¹["that
24 bears a picture of the person, the name of the person, the person's
25 date of birth, and a physical description of the person"]¹; and

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

30 d. It shall be unlawful for a person under the age of 21 to
31 purchase, acquire, or attempt to purchase or acquire a cannabis
32 item, even if the cannabis item may be legally purchased by persons
33 at or above the legal age for purchasing cannabis items.

34 For purposes of this subsection, purchasing a cannabis item
35 includes accepting a cannabis item, and acquiring a cannabis item
36 includes consuming a cannabis item.

37 e. It shall be unlawful for a person under the age of 21 to
38 present or offer to a cannabis establishment, distributor, or delivery
39 service, or the cannabis establishment's, distributor's, or delivery
40 service's agent or employee, any written or oral evidence of age or
41 other personal identifying information that is false, fraudulent, or
42 not actually the person's own, including the use of a driver's license
43 or other government-issued form of identification in violation of
44 section 1 of P.L.1983, c.565 (C.2C:21-2.1), N.J.S.2C:21-17, section
45 5 of P.L.2003, c.184 (C.2C:21-17.2), or section 6 of P.L.1968,
46 c.313 (C.33:1-81.7), for the purpose of:

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

3 (2) Gaining access to a cannabis establishment's, distributor's,
4 or delivery service's premises.

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

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

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

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

35
36 ¹[58.] ²[59.1] 65.² Section 1 of P.L.1983, c.565 (C.2C:21-2.1)
37 is amended to read as follows:

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

46 b. A person who knowingly makes, or possesses devices or
47 materials to make, a document or other writing which falsely
48 purports to be a driver's license, birth certificate or other document

1 issued by a governmental agency and which could be used as a
2 means of verifying a person's identity or age or any other personal
3 identifying information is guilty of a crime of the second degree.

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

35 d. A person who knowingly possesses a document or other
36 writing which falsely purports to be a driver's license, birth
37 certificate or other document issued by a governmental agency and
38 which could be used as a means of verifying a person's identity or
39 age or any other personal identifying information is guilty of a
40 crime of the fourth degree. A violation of N.J.S.2C:28-7,
41 constituting a disorderly persons offense, section 1 of P.L.1979,
42 c.264 (C.2C:33-15), R.S.33:1-81 or section 6 of P.L.1968, c.313
43 (C.33:1-81.7) in a case where the person uses the personal
44 identifying information of another to illegally purchase an alcoholic
45 beverage or for using the personal identifying information of
46 another to misrepresent his age for the purpose of obtaining tobacco
47 or other consumer product denied to persons under **[18]** 21 years of
48 age shall not, except as otherwise set forth in this subsection,

1 constitute an offense under this subsection if the actor received only
2 that benefit or service and did not perpetrate or attempt to perpetrate
3 any additional injury or fraud on another. If the personal
4 identifying information of another is used to obtain any cannabis
5 item available for lawful consumption pursuant to the “New Jersey
6 Cannabis Regulatory, Enforcement Assistance, and Marketplace
7 Modernization Act,” P.L. , c. (C.) (pending before the
8 Legislature as this bill), the person shall be subject to a civil penalty
9 of \$50. The penalty provided for in this subsection shall be
10 collected pursuant to the “Penalty Enforcement Law of 1999,”
11 P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding
12 before the municipal court having jurisdiction. A penalty recovered
13 under the provisions of this subsection shall be recovered by and in
14 the name of the State by the local municipality. The penalty shall
15 be paid into the treasury of the municipality in which the violation
16 occurred for the general use of the municipality.

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

42 The court before whom any person is convicted of, or
43 adjudicated delinquent or penalized for a violation of any offense
44 defined in this section shall collect forthwith the New Jersey
45 driver's license or licenses of that person and forward the license or
46 licenses to the Chief Administrator of the New Jersey Motor
47 Vehicle Commission along with a report indicating the first and last
48 day of the suspension or postponement period imposed by the court

1 pursuant to this section. If the court is for any reason unable to
2 collect the license or licenses of the person, the court shall cause a
3 report of the conviction or adjudication of delinquency to be filed
4 with the director. The report shall include the complete name,
5 address, date of birth, eye color and sex of the person and shall
6 indicate the first and last day of the suspension or postponement
7 period imposed by the court pursuant to this section. The court
8 shall inform the person orally and in writing that if the person is
9 convicted of personally operating a motor vehicle during the period
10 of license suspension or postponement imposed pursuant to this
11 section, the person shall, upon conviction, be subject to the
12 penalties set forth in R.S.39:3-40. A person shall be required to
13 acknowledge receipt of the written notice in writing. Failure to
14 receive a written notice or failure to acknowledge in writing the
15 receipt of a written notice shall not be a defense to a subsequent
16 charge of a violation of R.S.39:3-40. If the person is the holder of a
17 driver's license from another jurisdiction, the court shall not collect
18 the license, but shall notify forthwith the director who shall notify
19 the appropriate officials in that licensing jurisdiction. The court
20 shall, however, in accordance with the provisions of this section,
21 revoke the person's non-resident driving privileges in this State.

22 In addition to any other condition imposed, a court, in its
23 discretion, may suspend, revoke or postpone the driving privileges
24 of a person admitted to supervisory treatment under N.J.S.2C:36A-1
25 or N.J.S.2C:43-12 without a plea of guilty or finding of guilt.
26 (cf: P.L.2005, c.224, s.1)
27

28 ¹[59.] ²[60.¹] 66.² N.J.S.2C:21-17 is amended to read as
29 follows:

30 2C:21-17. Impersonation; Theft of identity; crime.

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

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

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

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

47 (4) Obtains any personal identifying information pertaining to
48 another person and uses that information, or assists another person

1 in using the information, in order to assume the identity of or
2 represent himself as another person, without that person's
3 authorization and with the purpose to fraudulently obtain or attempt
4 to obtain a benefit or services, or avoid the payment of debt or other
5 legal obligation or avoid prosecution for a crime by using the name
6 of the other person; or

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

16 As used in this section:

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

21 b. (Deleted by amendment, P.L.2005, c.224).

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

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

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

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

37 d. A violation of N.J.S.2C:28-7, constituting a disorderly
38 persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15),
39 R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case
40 where the person uses the personal identifying information of
41 another to illegally purchase an alcoholic beverage or for using the
42 personal identifying information of another to misrepresent **[his]**
43 the person's age for the purpose of obtaining tobacco or other
44 consumer product denied to persons under **[19] 21** years of age
45 shall not, except as otherwise set forth in this subsection, constitute
46 an offense under this section if the actor received only that benefit
47 or service and did not perpetrate or attempt to perpetrate any
48 additional injury or fraud on another. If a person used the personal

1 identifying information of another to misrepresent the person's age
2 for the purpose of illegally obtaining any cannabis item available for
3 lawful consumption pursuant to the "New Jersey Cannabis
4 Regulatory, Enforcement Assistance, and Marketplace Modernization
5 Act," P.L. , c. (C.) (pending before the Legislature as this
6 bill), the person shall be subject to a civil penalty of \$50. The civil
7 penalty provided for in this subsection shall be collected pursuant to
8 the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-
9 10 et seq.), in a summary proceeding before the municipal court
10 having jurisdiction. A civil penalty recovered under the provisions
11 of this subsection shall be recovered by and in the name of the State
12 by the local municipality. The penalty shall be paid into the
13 treasury of the municipality in which the violation occurred for the
14 general use of the municipality.

15 e. The sentencing court shall issue such orders as are necessary
16 to correct any public record or government document that contains
17 false information as a result of a theft of identity. The sentencing
18 court may provide restitution to the victim in accordance with the
19 provisions of section 4 of P.L.2002, c.85 (C.2C:21-17.1).
20 (cf: P.L.2013, c.241, s.1)

21

22 ¹~~60.~~ ²~~61.1~~ ~~67.~~² Section 5 of P.L.2003, c.184 (C.2C:21-17.2)
23 is amended to read as follows:

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

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

39 c. A violation of N.J.S.2C:28-7, constituting a disorderly
40 persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15),
41 R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case
42 where the person uses the personal identifying information of
43 another to illegally purchase an alcoholic beverage or for using the
44 personal identifying information of another to misrepresent his age
45 for the purpose of obtaining tobacco or other consumer product
46 denied to persons under ~~18~~ 21 years of age shall not, except as
47 otherwise set forth in this subsection, constitute an offense under
48 this section if the actor received only that benefit or service and did

1 not perpetrate or attempt to perpetrate any additional injury or fraud
2 on another. If the personal identifying information of another is
3 used to obtain any cannabis item available for lawful consumption
4 pursuant to the “New Jersey Cannabis Regulatory, Enforcement
5 Assistance, and Marketplace Modernization Act,” P.L. _____,
6 c. (C. _____) (pending before the Legislature as this bill), the person
7 shall be subject to a civil penalty of \$50. The civil penalty provided
8 for in this subsection shall be collected pursuant to the “Penalty
9 Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.),
10 in a summary proceeding before the municipal court having
11 jurisdiction. A civil penalty recovered under the provisions of this
12 subsection shall be recovered by and in the name of the State by the
13 local municipality. The penalty shall be paid into the treasury of
14 the municipality in which the violation occurred for the general use
15 of the municipality.

16 (cf: P.L.2005, c.224, s.4)

17

18 ¹**[61.]** ²**[62.1]** ²**68.** The title of P.L.1968, c.313 is amended to
19 read as follows:

20 AN ACT relating to the establishing of proof of age for purposes of
21 purchasing alcoholic beverages or cannabis items in certain
22 cases.

23 (cf: P.L.1968, c.313, title)

24

25 ¹**[62.]** ²**[63.1]** ²**69.** Section 6 of P.L.1968, c.313 (C.33:1-81.7)
26 is amended to read as follows:

27 6. It shall be unlawful for the owner of an identification card,
28 as defined by this act, to transfer said card to any other person for
29 the purpose of aiding such person to secure alcoholic beverages or
30 cannabis items available for lawful consumption pursuant to the
31 “New Jersey Cannabis Regulatory, Enforcement Assistance, and
32 Marketplace Modernization Act,” P.L. _____, c. (C. _____) (pending
33 before the Legislature as this bill). Any person who shall transfer
34 such identification card for the purpose of aiding such transferee to
35 obtain alcoholic beverages shall be guilty of a **[misdemeanor]**
36 disorderly persons offense and, upon conviction thereof, shall be
37 sentenced to pay a fine of not more than \$300.00, or undergo
38 imprisonment for not more than 60 days. Any person not entitled
39 thereto who shall have unlawfully procured or have issued or
40 transferred to him, as aforesaid, identification card or any person
41 who shall make any false statement on any card required by
42 subsection (c) hereof to be signed by him shall be guilty of a
43 **[misdemeanor]** disorderly persons offense and, upon conviction
44 thereof, shall be sentenced to pay a fine of not more than \$300.00,
45 or undergo imprisonment for not more than 60 days.

46 (cf: P.L.1968, c.313, s.6)

1 ¹【63.】 ²【64.1】 70.² The title of P.L.1991, c.169 is amended to
2 read as follows:

3 **AN ACT** concerning the retail sale of alcoholic beverages or
4 cannabis items, amending R.S.33:1-81 and P.L.1979, c.264 and
5 supplementing chapter 1 of Title 33 of the Revised Statutes.
6 (cf: P.L.1991, c.169, title)

7

8 ¹【64.】 ²【65.1】 71.² Section 3 of P.L.1991, c.169 (C.33:1-81.1a)
9 is amended to read as follows:

10 3. A parent, guardian or other person having legal custody of a
11 person under 18 years of age found in violation of R.S.33:1-81 or
12 section 1 of P.L.1979, c.264 (C.2C:33-15) with respect to
13 purchasing, possessing, or consuming any alcoholic beverage or
14 cannabis item available for lawful consumption pursuant to the
15 “New Jersey Cannabis Regulatory, Enforcement Assistance, and
16 Marketplace Modernization Act,” P.L. , c. (C.) (pending
17 before the Legislature as this bill) shall be notified of the violation
18 in writing. The parent, guardian or other person having legal
19 custody of a person under 18 years of age shall be subject to a fine
20 in the amount of \$500.00 upon any subsequent violation of
21 R.S.33:1-81 or section 1 of P.L.1979, c.264 (C.2C:33-15) on the
22 part of such person if it is shown that the parent, guardian or other
23 person having legal custody failed or neglected to exercise
24 reasonable supervision or control over the conduct of the person
25 under 18 years of age.

26 (cf: P.L.1991, c.169, s.3)

27

28 ¹【65.】 ²【66.1】 72.² The title of P.L.1979, c.264 is amended to
29 read as follows:

30 **AN ACT** concerning certain alcoholic beverage and cannabis item
31 offenses by persons under the legal age to purchase alcoholic
32 beverages and cannabis items, and supplementing chapter 33 of
33 Title 2C of the New Jersey Statutes.

34 (cf: P.L.1979, c.264, title)

35

36 ¹【66.】 ²【67.1】 73.² Section 1 of P.L.1979, c.264 (C.2C:33-15)
37 is amended to read as follows:

38 1. a. (1) Any person under the legal age to purchase alcoholic
39 beverages who knowingly possesses without legal authority or who
40 knowingly consumes any alcoholic beverage in any school, public
41 conveyance, public place, or place of public assembly, or motor
42 vehicle, is guilty of a petty disorderly persons offense, and shall ¹,
43 in the case of an adult under the legal age to purchase alcoholic
44 beverages,¹ be fined not less than **【\$500】** \$250.

45 (2) (a) Any person under the legal age to purchase cannabis
46 items who knowingly possesses without legal authority any
47 cannabis item, the amount of which may be lawfully possessed by a

1 person of the legal age to purchase cannabis items pursuant to
2 section ¹[44] ²[45¹] 46.² of P.L. , c. (C.) (pending before
3 the Legislature as this bill), in any school, public conveyance,
4 public place, or place of public assembly, or motor vehicle, is guilty
5 of a petty disorderly persons offense, and shall ¹, in the case of an
6 adult under the legal age to purchase cannabis items, ¹ be fined not
7 less than \$250.

8 (b) Any person under the legal age to purchase cannabis items
9 who knowingly possesses without legal authority any cannabis
10 item, the amount of which exceeds what may be lawfully possessed
11 by a person of the legal age to purchase cannabis items pursuant to
12 section ¹[44] ²[45¹] 46² of P.L. , c. (C.) (pending before
13 the Legislature as this bill), or who knowingly consumes any
14 cannabis item in any school, public conveyance, public place, or
15 place of public assembly, or motor vehicle, is guilty of a disorderly
16 persons offense, and shall ¹, in the case of an adult under the legal
17 age to purchase cannabis items, ¹ be fined not less than \$500.

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

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

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

46 If the person convicted under this section is not a New Jersey
47 resident, the court shall suspend or postpone, as appropriate, the

1 non-resident driving privilege of the person based on the age of the
2 person and submit to the commission the required report. The court
3 shall not collect the license of a non-resident convicted under this
4 section. Upon receipt of a report by the court, the commission shall
5 notify the appropriate officials in the licensing jurisdiction of the
6 suspension or postponement.

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

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

30 e. The provisions of section 3 of P.L.1991, c.169 (C.33:1-
31 81.1a) shall apply to a parent, guardian or other person with legal
32 custody of a person under 18 years of age who is found to be in
33 violation of this section.

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

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

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

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

45 (4) the underage person and, if applicable, one or two other
46 persons acting in concert with the underage person who made the 9-
47 1-1 call remained on the scene with the person under the legal age
48 in need of medical assistance until assistance arrived and

1 cooperated with medical assistance and law enforcement personnel
2 on the scene.

3 The underage person who received medical assistance also shall
4 be immune from prosecution under this section.

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

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

12

13 ¹[67.] ²[68.1] 74.² The title of P.L.1981, c.197 is amended to
14 read as follows:

15 AN ACT concerning the unauthorized bringing of alcoholic
16 beverages or cannabis items onto school premises, and
17 supplementing chapter 33 of Title 2C of the New Jersey Statutes.

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

19

20 ¹[68.] ²[69.1] 75.² Section 1 of P.L.1981, c.197 (C.2C:33-16)
21 is amended to read as follows:

22 1. Any person of legal age to purchase alcoholic beverages or
23 cannabis items, who, in the case of alcoholic beverages, knowingly
24 and without the express written permission of the school board, its
25 delegated authority, or any school principal, brings or possesses any
26 alcoholic beverages, or in the case of cannabis items, brings,
27 possesses, or consumes, including by smoking, vaping, or
28 aerosolizing, any cannabis items, on any property used for school
29 purposes which is owned by any school or school board, is guilty
30 of a disorderly persons offense. For purposes of this section, an
31 alcoholic beverage includes powdered alcohol as defined by
32 R.S.33:1-1, and a cannabis item includes any item available for
33 lawful consumption pursuant to the “New Jersey Cannabis
34 Regulatory, Enforcement Assistance, and Marketplace Modernization
35 Act,” P.L. , c. (C.) (pending before the Legislature as this
36 bill).

37 (cf: P.L.1981, c.197, s.1)

38

39 ¹[69.] ²[70.1] 76.² R.S.40:48-1 is amended to read as follows:

40 40:48-1. Ordinances; general purpose. The governing body of
41 every municipality may make, amend, repeal and enforce
42 ordinances to:

43 Finances and property. 1. Manage, regulate and control the
44 finances and property, real and personal, of the municipality;

45 Contracts and contractor's bonds. 2. Prescribe the form and
46 manner of execution and approval of all contracts to be executed by
47 the municipality and of all bonds to be given to it;

1 Officers and employees; duties, terms and salaries. 3. Prescribe
2 and define, except as otherwise provided by law, the duties and
3 terms of office or employment, of all officers and employees; and to
4 provide for the employment and compensation of such officials and
5 employees, in addition to those provided for by statute, as may be
6 deemed necessary for the efficient conduct of the affairs of the
7 municipality;

8 Fees. 4. Fix the fees of any officer or employee of the
9 municipality for any service rendered in connection with his office
10 or position, for which no specific fee or compensation is provided.
11 In the case of salaried officers or employees, such fee shall be paid
12 into the municipal treasury;

13 Salaries instead of fees; disposition of fees. 5. Provide that any
14 officer or employee receiving compensation for his services, in
15 whole or in part by fees, whether paid by the municipality or
16 otherwise, shall be paid a salary to be fixed in the ordinance, and
17 thereafter all fees received by such officer or employee shall be
18 paid into the municipal treasury;

19 Maintain order. 6. Prevent vice, drunkenness and immorality; to
20 preserve the public peace and order; to prevent and quell riots,
21 disturbances and disorderly assemblages; to prohibit the
22 consumption of alcoholic beverages or cannabis items by underage
23 persons on private property pursuant to section 1 of P.L.2000, c.33
24 (C.40:48-1.2);

25 Punish beggars; prevention of loitering. 7. Restrain and punish
26 drunkards, vagrants, mendicants and street beggars; to prevent
27 loitering, lounging or sleeping in the streets, parks or public places;

28 Auctions and noises. 8. Regulate the ringing of bells and the
29 crying of goods and other commodities for sale at auction or
30 otherwise, and to prevent disturbing noises;

31 Swimming; bathing costume; prohibition of public nudity. 9.
32 Regulate or prohibit swimming or bathing in the waters of, in, or
33 bounding the municipality, and to regulate or prohibit persons from
34 appearing upon the public streets, parks and places clad in bathing
35 costumes or robes, or costumes of a similar character; regulate or
36 prohibit persons from appearing in a state of nudity upon all lands
37 within its borders which are under the jurisdiction of the State
38 including, without limitation, all lands owned by, controlled by,
39 managed by or leased by the State;

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

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

1 municipality; to authorize the destruction of dogs running at large
2 therein;

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

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

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

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

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

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

29 Firearms and fireworks. 18. Regulate and prohibit the sale and
30 use of guns, pistols, firearms, and fireworks of all descriptions;

31 Soft coal. 19. Regulate the use of soft coal in locomotives,
32 factories, power houses and other places;

33 Theaters, schools, churches and public places. 20. Regulate the
34 use of theaters, cinema houses, public halls, schools, churches, and
35 other places where numbers of people assemble, and the exits
36 therefrom, so that escape therefrom may be easily and safely made
37 in case of fire or panic; and to regulate any machinery, scenery,
38 lights, wires and other apparatus, equipment or appliances used in
39 all places of public amusement;

40 Excavations. 21. Regulate excavations below the established
41 grade or curb line of any street, not greater than eight feet, which
42 the owner of any land may make, in the erection of any building
43 upon his own property; and to provide for the giving of notice, in
44 writing, of such intended excavation to any adjoining owner or
45 owners, and that they will be required to protect and care for their
46 several foundation walls that may be endangered by such
47 excavation; and to provide that in case of the neglect or refusal, for
48 10 days, of such adjoining owner or owners to take proper action to

1 secure and protect the foundations of any adjacent building or other
2 structure, that the party or parties giving such notice, or their
3 agents, contractors or employees, may enter into and upon such
4 adjoining property and do all necessary work to make such
5 foundations secure, and may recover the cost of such work and
6 labor in so protecting such adjacent property; and to make such
7 further and other provisions in relation to the proper conduct and
8 performance of said work as the governing body or board of the
9 municipality may deem necessary and proper;

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

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

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

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

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

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

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

42 Fences. 29. Regulate the size, height and dimensions of any
43 fences between the lands of adjoining owners, whether built or
44 erected as division or partition fences between such lands, and
45 whether the same exist or be erected entirely or only partly upon the
46 lands of any such adjoining owners, or along or immediately
47 adjacent to any division or partition line of such lands. To provide,
48 in such ordinance, the manner of securing, fastening or shoring such

1 fences, and for surveying the land when required by statute, and to
2 prohibit in any such ordinance the use at a height of under 10 feet
3 from the ground, of any device, such as wire or cable, that would be
4 dangerous to pedestrians, equestrians, bicyclists, or drivers of off-
5 the-road vehicles, unless that device is clearly visible to pedestrians,
6 equestrians, bicyclists or drivers of off-the-road vehicles. In the
7 case of fences thereafter erected contrary to the provisions thereof,
8 the governing body may provide for a penalty for the violation of
9 such ordinance, and in the case of such fence or fences erected or
10 existing at the time of the passage of any such ordinance, may
11 provide therein for the removal, change or alteration thereof, so as
12 to make such fence or fences comply with the provisions of any
13 such ordinance;

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

16 Government Energy Aggregation Programs. 31. Establish
17 programs and procedures pursuant to which the municipality may
18 act as a government aggregator pursuant to sections 40 through 43
19 of P.L.1999, c.23 (C.48:3-89 through C.48:3-92), section 45 of
20 P.L.1999, c.23 (C.48:3-94), and sections 1, 2 and 6 of P.L.2003,
21 c.24 (C.48:3-93.1 through C.48:3-93.3). Notwithstanding the
22 provisions of any other law, rule or regulation to the contrary, a
23 municipality acting as a government aggregator pursuant to
24 P.L.1999, c.23 (C.48:3-49 et al.) shall not be deemed to be a public
25 utility pursuant to R.S.40:62-24 or R.S.48:1-1 et seq. or be deemed
26 to be operating any form of public utility service pursuant to
27 R.S.40:62-1 et seq., to the extent such municipality is solely
28 engaged in the provision of such aggregation service and not
29 otherwise owning or operating any plant or facility for the
30 production or distribution of gas, electricity, steam or other product
31 as provided in R.S.40:62-12;

32 Joint municipal action on consent for the provision of cable
33 television service. 32. Establish programs and procedures pursuant
34 to which a municipality may act together with one or more
35 municipalities in granting municipal consent for the provision of
36 cable television service pursuant to the provisions of the "Cable
37 Television Act," P.L.1972, c.186 (C.48:5A-1 et seq.) as amended
38 and supplemented. Notwithstanding the provisions of any other
39 law, rule or regulation to the contrary, two or more municipalities
40 acting jointly pursuant to the provisions of P.L.1972, c.186
41 (C.48:5A-1 et seq.) shall not be deemed a public utility pursuant to
42 R.S.48:1-1 et seq., to the extent those municipalities are solely
43 engaged in granting municipal consent jointly and are not otherwise
44 owning or operating any facility for the provision of cable
45 television service as provided in P.L.1972, c.186 (C.48:5A-1 et
46 seq.);

47 Private cable television service aggregation programs. 33.
48 Establish programs and procedures pursuant to which a

1 municipality may employ the services of a private aggregator for
2 the purpose of facilitating the joint action of two or more
3 municipalities in granting municipal consent for the provision of
4 cable television service provided that any such municipality shall
5 adhere to the provisions of the "Cable Television Act," P.L.1972,
6 c.186 (C.48:5A-1 et seq.) as amended and supplemented, and to the
7 provisions of the "Local Public Contracts Law," P.L.1971, c.198
8 (C.40A:11-1 et seq.) as amended and supplemented.
9 Notwithstanding the provisions of any other law, rule or regulation
10 to the contrary, a municipality that employs the services of a private
11 aggregator pursuant to the provisions of P.L.1972, c.186 (C.48:5A-
12 1 et seq.) shall not be deemed a public utility pursuant to R.S.48:1-
13 1 et seq., to the extent that the municipality is solely engaged in
14 employing the services of a private aggregator for the purpose of
15 facilitating the joint action of two or more municipalities in
16 granting municipal consent and is not otherwise owning or
17 operating any facility for the provision of cable television service as
18 provided in P.L.1972, c.186 (C.48:5A-1 et seq.);

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

26 Private Outdoor Video Surveillance Camera Registry. 35.
27 Establish a private outdoor video surveillance camera registry and
28 allow voluntary registration of private outdoor video surveillance
29 cameras as provided in P.L.2015, c.142 (C.40:48-1.6 et al.).
30 (cf: P.L.2015, c.142, s.3)

31
32 ¹[70.] ²[71.1] ²77. (New section) A municipality may enact an
33 ordinance making it unlawful for any person who is of legal age to
34 consume, other than by smoking, vaping, or aerosolizing, a cannabis
35 item available for lawful consumption pursuant to the "New Jersey
36 Cannabis Regulatory, Enforcement Assistance, and Marketplace
37 Modernization Act," P.L. , c. (C.) (pending before the
38 Legislature as this bill), in any public place as defined in section 3
39 of that act (C.), other than school property described in section 1
40 of P.L.1981, c.197 (C.2C:33-16) for which unlawful consumption is
41 a disorderly persons offense, or when not prohibited by the owner or
42 person responsible for the operation of that public place. A person
43 may be subject to a civil penalty of up to \$200, which shall be
44 recovered in a civil action by a summary proceeding in the name of
45 the municipality pursuant to the "Penalty Enforcement Law of
46 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The municipal court
47 and the Superior Court shall have jurisdiction of proceedings for the
48 enforcement of the penalty provided by this section.

1 ¹[71.] ²[72.¹] 78.² The title of P.L.2000, c.33 is amended to
2 read as follows:

3 **AN ACT** concerning possession and consumption of alcoholic
4 beverages or cannabis items by underaged persons,
5 supplementing Title 40 of the Revised Statutes and amending
6 R.S.40:48-1.
7 (cf: P.L.2000, c.33, title)
8

9 ¹[72.] ²[73.¹] 79.² Section 1 of P.L.2000, c.33 (C.40:48-1.2) is
10 amended to read as follows:

11 1. a. A municipality may enact an ordinance making it
12 unlawful for any person under the legal age who, without legal
13 authority, knowingly possesses or knowingly consumes an alcoholic
14 beverage or a cannabis item, other than by smoking, vaping, or
15 aerosolizing, on private property.

16 (1) The ordinance shall provide that a violation involving
17 alcoholic beverage activity shall ¹, in the case of an adult under the
18 legal age to purchase an alcoholic beverage,¹ be punished by a fine
19 of \$250 for a first offense and \$350 for any subsequent offense.

20 (2) The ordinance shall provide that a violation involving
21 cannabis activity ¹, in the case of an adult under the legal age to
22 purchase cannabis items,¹ shall be punished as follows:

23 (a) If the cannabis item possessed is an amount which may be
24 lawfully possessed by a person of the legal age to purchase cannabis
25 items pursuant to section ¹[44] ²[45¹] 46² of P.L. , c. (C.)
26 (pending before the Legislature as this bill): for a first offense, a
27 civil penalty of \$100; for a second offense, a civil penalty of \$200;
28 and for a third or subsequent offense, a fine of \$350. The civil
29 penalties provided for in this subparagraph shall be collected
30 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
31 c.274 (C.2A:58-10 et seq.), in a summary proceeding before the
32 municipal court having jurisdiction. A penalty recovered under the
33 provisions of this subparagraph shall be recovered by and in the
34 name of the municipality.

35 (b) If the cannabis item possessed is an amount that exceeds
36 what may be lawfully possessed by a person of the legal age to
37 purchase cannabis items pursuant to section ¹[44] ²[45¹] 46² of
38 P.L. , c. (C.) (pending before the Legislature as this bill), or
39 if any cannabis item is consumed: for a first offense, a fine of \$250;
40 and for a second or subsequent offense, a fine of \$350.

41 b. The ordinance shall provide that the court may, in addition
42 to the fine authorized for this offense, suspend or postpone for six
43 months the driving privilege of the defendant. Upon the conviction
44 of any person and the suspension or postponement of that person's
45 driver's license, the court shall forward a report to the **[Division of]**
46 **New Jersey Motor [Vehicles] Vehicle Commission** stating the first
47 and last day of the suspension or postponement period imposed by

1 the court pursuant to this section. If a person at the time of the
2 imposition of a sentence is less than 17 years of age, the period of
3 license postponement, including a suspension or postponement of
4 the privilege of operating a motorized bicycle, shall commence on
5 the day the sentence is imposed and shall run for a period of six
6 months after the person reaches the age of 17 years.

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

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

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

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

37 (2) As used in this section:

38 "Alcoholic beverage" includes powdered alcohol as defined by
39 R.S.33:1-1.

40 "Guardian" means a person who has qualified as a guardian of
41 the underaged person pursuant to testamentary or court
42 appointment.

43 "Cannabis items" includes any item available for lawful
44 consumption pursuant to the "New Jersey Cannabis Regulatory,
45 Enforcement Assistance, and Marketplace Modernization Act,"
46 P.L. , c. (C.) (pending before the Legislature as this bill).

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

1 d. No ordinance shall prohibit possession of alcoholic
2 beverages by any such person while actually engaged in the
3 performance of employment by a person who is licensed under Title
4 33 of the Revised Statutes, or while actively engaged in the
5 preparation of food while enrolled in a culinary arts or hotel
6 management program at a county vocational school or **[post**
7 **secondary]** post-secondary educational institution, and no
8 ordinance shall prohibit possession of cannabis items by any such
9 person while actually engaged in the performance of employment
10 by a cannabis establishment, distributor, or delivery service as
11 permitted pursuant to the “New Jersey Cannabis Regulatory,
12 Enforcement Assistance, and Marketplace Modernization Act,”
13 P.L. , c. (C.) (pending before the Legislature as this bill);
14 however, no ordinance enacted pursuant to this section shall be
15 construed to preclude the imposition of a penalty under this section,
16 R.S.33:1-81, or any other section of law against a person who is
17 convicted of unlawful alcoholic beverage activity or unlawful
18 cannabis activity on or at premises licensed for the sale of alcoholic
19 beverages or cannabis items.
20 (cf: P.L.2000, c.33, s.1)

21
22 ¹~~[73.]~~ ²~~[74.]~~ ^{80.}² The title of P.L.2009, c.133 is amended to
23 read as follows:
24 **AN ACT** concerning persons under the legal age to possess and
25 consume alcoholic beverages or cannabis items, amending
26 P.L.1979, c.264, and supplementing P.L.2000, c.33 (C.40:48-1.2
27 et al.).
28 (cf: P.L.2009, c.133, title)

29
30 ¹~~[74.]~~ ²~~[75.]~~ ^{81.}² Section 2 of P.L.2009, c.133 (C.40:48-1.2a)
31 is amended to read as follows:

32 2. a. An underage person and one or two other persons shall be
33 immune from prosecution under an ordinance authorized by section
34 1 of P.L.2000, c.33 (C.40:48-1.2) prohibiting any person under the
35 legal age who, without legal authority, knowingly possesses or
36 knowingly consumes an alcoholic beverage or cannabis item on
37 private property if:

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

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

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

47 (4) the underage person and, if applicable, one or two other
48 persons acting in concert with the underage person who made the 9-

1 1-1 call remained on the scene with the person under the legal age
2 in need of medical assistance until assistance arrived and
3 cooperated with medical assistance and law enforcement personnel
4 on the scene.

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

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

10

11 ¹[75.] ²[76.1] 82.² Section 2 of P.L.1981, c.512 (C.39:4-50.4a)
12 is amended to read as follows:

13 2. a. The municipal court shall order any person who, after
14 being arrested for a violation of R.S.39:4-50 or section 1 of
15 P.L.1992, c.189 (C.39:4-50.14), refuses to submit, upon request, to
16 a test provided for in section 2 of P.L.1966, c.142 (C.39:4-50.2):

17 (1) if the refusal was in connection with a first offense under this
18 section, to forfeit the right to operate a motor vehicle over the
19 highways of this State until the person installs an ignition interlock
20 device in one motor vehicle owned, leased, or principally operated
21 by the person, whichever the person most often operates, for the
22 purpose of complying with the provisions of P.L.1999, c.417
23 (C.39:4-50.16 et al.);

24 (2) if the refusal was in connection with a second offense under
25 this section, to forfeit the right to operate a motor vehicle over the
26 highways of this State for a period of not less than one year or more
27 than two years following the installation of an ignition interlock
28 device in one motor vehicle owned, leased, or principally operated
29 by the person, whichever the person most often operates, for the
30 purpose of complying with the provisions of P.L.1999, c.417
31 (C.39:4-50.16 et al.);

32 (3) if the refusal was in connection with a third or subsequent
33 offense under this section, to forfeit the right to operate a motor
34 vehicle over the highways of this State for a period of eight years
35 following the installation of an ignition interlock device in one
36 motor vehicle owned, leased, or principally operated by the person,
37 whichever the person most often operates, for the purpose of
38 complying with the provisions of P.L.1999, c.417 (C.39:4-50.16 et
39 al.). A conviction or administrative determination of a violation of
40 a law of a substantially similar nature in another jurisdiction,
41 regardless of whether that jurisdiction is a signatory to the Interstate
42 Driver License Compact pursuant to P.L.1966, c.73 (C.39:5D-1 et
43 seq.), shall constitute a prior conviction under this section.

44 The municipal court shall determine by a preponderance of the
45 evidence whether the arresting officer had probable cause to believe
46 that the person had been driving or was in actual physical control of
47 a motor vehicle on the public highways or quasi-public areas of this
48 State while the person was under the influence of intoxicating

1 liquor or a narcotic, hallucinogenic, or habit-producing drug, or
2 marijuana or cannabis item as defined in section 3 of P.L. _____,
3 c. (C. _____) (pending before the Legislature as this bill); whether
4 the person was placed under arrest, if appropriate, and whether he
5 refused to submit to the test upon request of the officer; and if these
6 elements of the violation are not established, no conviction shall
7 issue. In addition to any other requirements provided by law, a
8 person whose operator's license is revoked for refusing to submit to
9 a test shall be referred to an Intoxicated Driver Resource Center
10 established by subsection (f) of R.S.39:4-50 and shall satisfy the
11 same requirements of the center for refusal to submit to a test as
12 provided for in section 2 of P.L.1966, c.142 (C.39:4-50.2) in
13 connection with a first, second, third or subsequent offense under
14 this section that must be satisfied by a person convicted of a
15 commensurate violation of this section, or be subject to the same
16 penalties as such a person for failure to do so. For a first offense,
17 the revocation may be concurrent with or consecutive to any
18 revocation imposed for a conviction under the provisions of
19 R.S.39:4-50 arising out of the same incident. For a second or
20 subsequent offense, the revocation shall be consecutive to any
21 revocation imposed for a conviction under the provisions of
22 R.S.39:4-50. In addition to issuing a revocation, the municipal
23 court shall fine a person convicted under this section, a fine of not
24 less than \$300 or more than \$500 for a first offense; a fine of not
25 less than \$500 or more than \$1,000 for a second offense; and a fine
26 of \$1,000 for a third or subsequent offense.

27 b. (Deleted by amendment, P.L.2019, c.248)

28 (cf: P.L.2019, c.248, s.3)

29

30 ¹[76.] ²[77. ¹] ²83. ² Section 1 of P.L.1983, c.307 (C.39:4-51a)
31 is amended to read as follows:

32 1. a. A person shall not consume an alcoholic beverage or
33 cannabis item as defined in section 3 of P.L. _____, c. (C. _____)
34 (pending before the Legislature as this bill) while operating a motor
35 vehicle. A passenger in a motor vehicle shall not consume an
36 alcoholic beverage, and shall not consume by means of smoking,
37 vaping, or aerosolizing a cannabis item, while the motor vehicle is
38 being operated. This subsection shall not apply, with respect to the
39 consumption of an alcoholic beverage, to a passenger of a charter or
40 special bus operated as defined under R.S.48:4-1 or a limousine
41 service.

42 b. A person shall be presumed to have consumed an alcoholic
43 beverage in violation of this section if an unsealed container of an
44 alcoholic beverage is located in the passenger compartment of the
45 motor vehicle, the contents of the alcoholic beverage have been
46 partially consumed and the physical appearance or conduct of the
47 operator of the motor vehicle or a passenger may be associated with
48 the consumption of an alcoholic beverage. For the purposes of this

1 section, the term "unsealed" shall mean a container with its original
2 seal broken, or a container such as a glass or cup.

3 c. For the first offense, a person convicted of violating this
4 section shall be fined ~~【\$200.00】~~ \$200 and shall be informed by the
5 court of the penalties for a second or subsequent violation of this
6 section. For a second or subsequent offense, a person convicted of
7 violating this section shall be fined ~~【\$250.00】~~ \$250 or shall be
8 ordered by the court to perform community service for a period of
9 10 days in such form and on such terms as the court shall deem
10 appropriate under the circumstances.

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

12

13 ¹~~【77.】~~ ²~~【78.1】~~ 84.² Section 6 of P.L.2000, c.83 (C.39:4-51b) is
14 amended to read as follows:

15 6. a. All occupants of a motor vehicle located on a public
16 highway, or the right-of-way of a public highway, shall be
17 prohibited from possessing any open or unsealed alcoholic beverage
18 container or unsealed cannabis item as defined in section 3 of
19 P.L. , c. (C.) (pending before the Legislature as this bill)
20 that is intended to be consumed by means of smoking, vaping, or
21 aerosolizing. This subsection shall not apply, with respect to the
22 possession of an alcoholic beverage, to a passenger of a charter or
23 special bus operated as defined under R.S.48:4-1 or a limousine
24 service.

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

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

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

44

45 ²~~【179.】~~ 85.² Section 6 of P.L.1961, c.56 (C.52:17B-71) is
46 amended to read as follows:

- 1 6. The commission is vested with the power, responsibility and
2 duty:
- 3 a. To prescribe standards for the approval and continuation of
4 approval of schools at which police training courses authorized by
5 this act and in-service police training courses shall be conducted,
6 including but not limited to currently existing regional, county,
7 municipal, and police chief association police training schools or at
8 which basic training courses and in-service training courses shall be
9 conducted for State and county juvenile and adult correctional
10 police officers and juvenile detention officers;
- 11 b. To approve and issue certificates of approval to these
12 schools, to inspect the schools from time to time, and to revoke any
13 approval or certificate issued to the schools;
- 14 c. To prescribe the curriculum, the minimum courses of study,
15 attendance requirements, equipment and facilities, and standards of
16 operation for these schools. Courses of study in crime prevention
17 may be recommended to the Police Training Commission by the
18 Crime Prevention Advisory Committee, established by section 2 of
19 P.L.1985, c.1 (C.52:17B-77.1). The Police Training Commission
20 may prescribe psychological and psychiatric examinations for
21 police recruits while in the schools;
- 22 d. To prescribe minimum qualifications for instructors at these
23 schools and to certify, as qualified, instructors for approved police
24 training schools and to issue appropriate certificates to the
25 instructors;
- 26 e. To certify police officers, correctional police officers,
27 juvenile correctional police officers, and juvenile detention officers
28 who have satisfactorily completed training programs and to issue
29 appropriate certificates to the police officers, correctional police
30 officers, juvenile correctional police officers, and juvenile detention
31 officers;
- 32 f. To advise and consent in the appointment of an
33 administrator of police services by the Attorney General pursuant to
34 section 8 of P.L.1961, c.56 (C.52:17B-73);
- 35 g. (Deleted by amendment, P.L.1985, c.491 **[.]**)
- 36 h. To make rules and regulations as may be reasonably
37 necessary or appropriate to accomplish the purposes and objectives
38 of this act;
- 39 i. To make a continuous study of police training methods and
40 training methods for correctional police officers, juvenile
41 correctional police officers, and juvenile detention officers and to
42 consult and accept the cooperation of any recognized federal or
43 State law enforcement agency or educational institution;
- 44 j. To consult and cooperate with universities, colleges, and
45 institutes in the State for the development of specialized courses of
46 study for police officers in police science and police administration;
- 47 k. To consult and cooperate with other departments and
48 agencies of the State concerned with police training or the training

1 of correctional police officers, juvenile correctional police officers,
2 and juvenile detention officers;

3 l. To participate in unified programs and projects relating to
4 police training and the training of correctional police officers,
5 juvenile correctional police officers, and juvenile detention officers
6 sponsored by any federal, State, or other public or private agency;

7 m. To perform other acts as may be necessary or appropriate to
8 carry out its functions and duties as set forth in this act;

9 n. To extend the time limit for satisfactory completion of police
10 training programs or programs for the training of correctional police
11 officers, juvenile correctional police officers, and juvenile detention
12 officers upon a finding that health, extraordinary workload, or other
13 factors have, singly or in combination, effected a delay in the
14 satisfactory completion of the training program;

15 o. (1) To furnish approved schools, for inclusion in their
16 regular police training courses and curriculum, with information
17 concerning the advisability of high speed chases, the risk caused by
18 them, and the benefits resulting from them;

19 (2) To review and approve new standards and course curricula
20 for police training courses or programs to be offered by approved
21 schools for the training of police officers to be certified as a Drug
22 Recognition Expert for detecting, identifying, and apprehending
23 drug-impaired motor vehicle operators. The commission shall
24 consult with the Cannabis Regulatory Commission established by
25 31 of P.L.2019, c.153 (C.24:6I-24) with respect to any aspects of
26 the course curricula that focus on impairment from the use of
27 cannabis items as defined by section 3 of P.L. , c. (C.)
28 (pending before the Legislature as this bill) or marijuana. Any
29 police officer certified and recognized by the commission as a Drug
30 Recognition Expert prior to the effective date of this section, as
31 amended by the “New Jersey Cannabis Regulatory, Enforcement
32 Assistance, and Marketplace Modernization Act,” P.L. ,
33 c. (C.) (pending before the Legislature as this bill), shall
34 continue to be recognized as certified until that certification has
35 expired or is no longer considered valid as determined by the
36 commission, or the certification is replaced by the police officer
37 with a new certification in accordance with the new standards and
38 course curricula for certification described in this paragraph.

39 p. To review and approve new standards and course curricula
40 developed by the Department of Corrections for both basic and in-
41 service training of State and county correctional police officers and
42 juvenile detention officers. These courses for the State correctional
43 police officers and juvenile detention officers shall be centrally
44 provided at the Corrections Officers' Training Academy of the
45 Department of Corrections. Courses for the county correctional
46 police officers and juvenile detention officers shall also be centrally
47 provided at the Corrections Officers' Training Academy unless an
48 off-grounds training program is established by the county. A

1 county may elect to establish and conduct a basic training program
 2 for correctional police officers and juvenile detention officers
 3 seeking permanent appointment in that county. The Corrections
 4 Officers' Training Academy shall develop the curriculum of the
 5 basic training program to be conducted by a county;

6 q. To administer and distribute the monies in the Law
 7 Enforcement Officers Training and Equipment Fund established by
 8 section 9 of P.L.1996, c.115 (C.2C:43-3.3) and make rules and
 9 regulations for the administration and distribution of the monies as
 10 may be necessary or appropriate to accomplish the purpose for
 11 which the fund was established.¹

12 (cf: P.L.2019, c.219, s.9)

13

14 ²86. (New section) Severability.

15 If any part, section, clause, paragraph, sentence, or provision,
 16 section of P.L. , c. (C.) (pending before the Legislature as
 17 this bill) shall be adjudged by any court of competent jurisdiction to
 18 be unconstitutional or otherwise invalid, that judgment shall not
 19 affect, impair, or invalidate the remainder thereof, but shall be
 20 confined in its operation to the section, clause, paragraph, sentence,
 21 or provision thereof directly involved in the controversy in which
 22 the judgment shall have been rendered.²

23

24 ¹[78.] ²[80.1] 87.² This act shall take effect as follows:

25 a. (1) Sections 1 through 18, 31 and 32, 38 through ¹[43]
 26 ²[45¹] 46², ¹[51] ²[52¹] 53² through ¹[56] ²[57¹] 63², ¹[and
 27 69] ²[70¹] 76² through ¹[74] ²[75] 81², and ²[section 79]
 28 sections 85 and 86² shall take effect immediately; and

29 (2) Sections 19 through 30, 33 through 37, ¹[44] ²[46¹] 47²
 30 through ¹[50] ²[51¹] 52², ¹[57] ²[58¹] 64² through ¹[68] ²[69¹]
 31 75², and ¹[75] ²[76¹] 82² through ¹[77] ²[78¹] 84² shall take
 32 effect immediately, but shall only become operative upon adoption
 33 of the commission's initial rules and regulations pursuant to
 34 subparagraph (a) of paragraph (1) of subsection d. of section 6 of
 35 P.L. , c. (C.) (pending before the Legislature as this bill).

36 b. The Attorney General, State Treasurer, Commissioner of
 37 Health, Commissioner of Banking and Insurance, and the
 38 Administrative Director of the Courts, and once constituted and
 39 organized, the Cannabis Regulatory Commission, may take such
 40 anticipatory administrative action as may be necessary to effectuate
 41 the provisions of P.L. , c. (C.) (pending before the
 42 Legislature as this bill).