

# SENATE, No. 3293

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED DECEMBER 16, 2020

**Sponsored by:**

**Senator DECLAN J. O'SCANLON, JR.**

**District 13 (Monmouth)**

### **SYNOPSIS**

Extends period during which new satellite medical cannabis dispensaries may be approved.

### **CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning medical cannabis and amending P.L.2009,  
2 c.307.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

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

9 24:6I-7 Applications for permits.

10 7. a. (1) The commission shall accept applications from entities  
11 for permits to operate as medical cannabis cultivators, medical  
12 cannabis manufacturers, and medical cannabis dispensaries. For the  
13 purposes of this section, the term "permit" shall be deemed to  
14 include a conditional permit issued pursuant to subsection d. of  
15 section 11 of P.L.2019, c.153 (C.24:6I-7.1) and any permit issued to  
16 a microbusiness pursuant to subsection e. of section 11 of P.L.2019,  
17 c.153 (C.24:6I-7.1).

18 (2) (a) For a period of 18 months after the effective date of  
19 P.L.2019, c.153 (C.24:6I-5.1 et al.):

20 (i) no applicant may concurrently hold more than one permit  
21 issued by the commission pursuant to this section, regardless of  
22 type; and

23 (ii) there shall be no more than 28 active medical cannabis  
24 cultivator permits, including medical cannabis cultivator permits  
25 deemed to be held by alternative treatment centers issued a permit  
26 prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) and  
27 medical cannabis cultivator permits deemed to be held by  
28 alternative treatment centers issued a permit subsequent to the  
29 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an  
30 application submitted prior to the effective date of P.L.2019, c.153  
31 (C.24:6I-5.1 et al.); provided that medical cannabis cultivator  
32 permits issued to microbusinesses pursuant to subsection e. of  
33 section 11 of P.L.2019, c.153 (C.24:6I-7.1) shall not count toward  
34 this limit.

35 (b) Commencing 18 months after the effective date of P.L.2019,  
36 c.153 (C.24:6I-5.1 et al.), a permit holder shall be authorized to  
37 concurrently hold a medical cannabis cultivator permit, a medical  
38 cannabis manufacturer permit, and a medical cannabis dispensary  
39 permit, provided that no permit holder shall be authorized to  
40 concurrently hold more than one permit of each type. The permit  
41 holder may submit an application for a permit of any type that the  
42 permit holder does not currently hold prior to the expiration of the  
43 18-month period described in subparagraph (a) of this paragraph,  
44 provided that no additional permit shall be awarded to the permit  
45 holder during the 18 month period.

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

Matter underlined thus is new matter.

1 (c) The provisions of subparagraph (a) of this paragraph shall  
2 not apply to any alternative treatment center that was issued a  
3 permit prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et  
4 al.), to any alternative treatment center that was issued a permit  
5 after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)  
6 pursuant to an application submitted prior to the effective date of  
7 P.L.2019, c.153 (C.24:6I-5.1 et al.), to one of the four alternative  
8 treatment centers issued a permit pursuant to an application  
9 submitted after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et  
10 al.) pursuant to a request for applications published in the New  
11 Jersey Register prior to the effective date of P.L.2019, c.153  
12 (C.24:6I-5.1 et al.) that are expressly exempt from the provisions of  
13 subparagraph (i) of subparagraph (a) of this paragraph, or to one  
14 of the three alternative treatment centers issued a permit pursuant to  
15 section 11 of P.L.2019, c.153 (C.24:6I-7.1) that are expressly  
16 exempt from the provisions of subparagraph (i) of subparagraph  
17 (a) of this paragraph, which alternative treatment centers shall be  
18 deemed to concurrently hold a medical cannabis cultivator permit, a  
19 medical cannabis manufacturer permit, and a medical cannabis  
20 dispensary permit, and shall be authorized to engage in any conduct  
21 authorized pursuant to those permits in relation to the cultivation,  
22 manufacturing, and dispensing of medical cannabis.

23 (d) No entity may be issued or concurrently hold more than one  
24 medical cannabis cultivator permit, one medical cannabis  
25 manufacturer permit, or one medical cannabis dispensary permit at  
26 one time, and no medical cannabis dispensary shall be authorized to  
27 establish a satellite location on or after the effective date of  
28 P.L.2019, c.153 (C.24:6I-5.1 et al.), except that an alternative  
29 treatment center that was issued a permit prior to the effective date  
30 of P.L.2019, c.153 (C.24:6I-5.1 et al.) or that was issued a permit  
31 after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)  
32 pursuant to an application submitted prior to the effective date of  
33 P.L.2019, c.153 (C.24:6I-5.1 et al.) shall be authorized to maintain  
34 up to two satellite dispensaries, including any satellite dispensary  
35 that was approved pursuant to an application submitted prior to or  
36 within **[18]** 36 months after the effective date of P.L.2019, c.153  
37 (C.24:6I-5.1 et al.). The three alternative treatment centers issued  
38 permits pursuant to section 11 of P.L.2019, c.153 (C.24:6I-7.1) that  
39 are expressly exempt from the provisions of subparagraph (i) of  
40 subparagraph (a) of this paragraph shall be authorized to establish  
41 and maintain up to one satellite dispensary location, provided that  
42 the satellite dispensary was approved pursuant to an application  
43 submitted within **[18]** 36 months after the effective date of  
44 P.L.2019, c.153 (C.24:6I-5.1 et al.).

45 (e) No entity issued a medical cannabis cultivator, medical  
46 cannabis manufacturer, or medical cannabis dispensary permit may  
47 concurrently hold a clinical registrant permit issued pursuant to  
48 section 13 of P.L.2019, c.153 (C.24:6I-7.3), and no entity issued a

1 clinical registrant permit pursuant to section 13 of P.L.2019, c.153  
2 (C.24:6I-7.3) may concurrently hold a medical cannabis cultivator  
3 permit, a medical cannabis manufacturer permit, or a medical  
4 cannabis dispensary permit.

5 (f) Any medical cannabis dispensary permit holder may be  
6 approved by the commission to operate a medical cannabis  
7 consumption area, provided that the permit holder otherwise meets  
8 the requirements of section 28 of P.L.2019, c.153 (C.24:6I-21).

9 (g) An 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.), that was  
11 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-  
12 5.1 et al.) pursuant to an application submitted pursuant to a request  
13 for applications published in the New Jersey Register prior to the  
14 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was  
15 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-  
16 5.1 et al.) pursuant to an application submitted prior to the effective  
17 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), shall be required to  
18 submit an attestation signed by a bona fide labor organization  
19 stating that the alternative treatment center has entered into a labor  
20 peace agreement with such bona fide labor organization no later  
21 than 100 days after the effective date of P.L.2019, c.153 (C.24:6I-  
22 5.1 et al.) or no later than 100 days after the date the alternative  
23 treatment center first opens, whichever date is later. The  
24 maintenance of a labor peace agreement with a bona fide labor  
25 organization shall be an ongoing material condition of maintaining  
26 the alternative treatment center's permit. The failure to submit an  
27 attestation as required pursuant to this subparagraph within 100  
28 days after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)  
29 or within 100 days after the alternative treatment center first opens,  
30 as applicable, shall result in the suspension or revocation of the  
31 alternative treatment center's permit, provided that the commission  
32 may grant an extension to this deadline to the alternative treatment  
33 center based upon extenuating circumstances or for good cause  
34 shown.

35 (3) The commission shall seek to ensure the availability of a  
36 sufficient number of medical cannabis cultivators, medical cannabis  
37 manufacturers, and medical cannabis dispensaries throughout the  
38 State, pursuant to need, including at least two each in the northern,  
39 central, and southern regions of the State. Medical cannabis  
40 cultivators, medical cannabis manufacturers, and medical cannabis  
41 dispensaries issued permits pursuant to this section may be  
42 nonprofit or for-profit entities.

43 (4) The commission shall periodically evaluate whether the  
44 number of medical cannabis cultivator, medical cannabis  
45 manufacturer, and medical cannabis dispensary permits issued are  
46 sufficient to meet the needs of qualifying patients in the State, and  
47 shall make requests for applications and issue such additional  
48 permits as shall be necessary to meet those needs. The types of

1 permits requested and issued, and the locations of any additional  
2 permits that are authorized, shall be in the discretion of the  
3 commission based on the needs of qualifying patients in the State.

4 (5) (a) A medical cannabis cultivator shall be authorized to:  
5 acquire a reasonable initial and ongoing inventory, as determined  
6 by the commission, of cannabis seeds or seedlings and  
7 paraphernalia; possess, cultivate, plant, grow, harvest, and package  
8 medical cannabis, including prerolled forms, for any authorized  
9 purpose, including, but not limited to, research purposes; and  
10 deliver, transfer, transport, distribute, supply, or sell medical  
11 cannabis and related supplies to any medical cannabis cultivator,  
12 medical cannabis manufacturer, medical cannabis dispensary, or  
13 clinical registrant in the State. In no case shall a medical cannabis  
14 cultivator operate or be located on land that is valued, assessed or  
15 taxed as an agricultural or horticultural use pursuant to the  
16 "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et  
17 seq.).

18 (b) A medical cannabis manufacturer shall be authorized to:  
19 purchase or acquire medical cannabis from any medical cannabis  
20 cultivator, medical cannabis manufacturer, or clinical registrant in  
21 the State; possess and utilize medical cannabis in the manufacture,  
22 production, and creation of medical cannabis products; and deliver,  
23 transfer, transport, supply, or sell medical cannabis products and  
24 related supplies to any medical cannabis manufacturer, medical  
25 cannabis dispensary, or clinical registrant in the State.

26 (c) A medical cannabis dispensary shall be authorized to:  
27 purchase or acquire medical cannabis from any medical cannabis  
28 cultivator, medical cannabis dispensary, or clinical registrant in the  
29 State and medical cannabis products and related supplies from any  
30 medical cannabis manufacturer, medical cannabis dispensary, or  
31 clinical registrant in the State; purchase or acquire paraphernalia  
32 from any legal source; and distribute, supply, sell, or dispense  
33 medical cannabis, medical cannabis products, paraphernalia, and  
34 related supplies to qualifying patients or their designated or  
35 institutional caregivers who are registered with the commission  
36 pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4). A medical  
37 cannabis dispensary may furnish medical cannabis, medical  
38 cannabis products, paraphernalia, and related supplies to a medical  
39 cannabis handler for delivery to a registered qualifying patient,  
40 designated caregiver, or institutional caregiver consistent with the  
41 requirements of subsection i. of section 27 of P.L.2019, c.153  
42 (C.24:6I-20).

43 (6) A medical cannabis cultivator shall not be limited in the  
44 number of strains of medical cannabis cultivated, and a medical  
45 cannabis manufacturer shall not be limited in the number or type of  
46 medical cannabis products manufactured, produced, or created. A  
47 medical cannabis manufacturer may package, and a medical  
48 cannabis dispensary may directly dispense medical cannabis and

1 medical cannabis products to qualifying patients and their  
2 designated and institutional caregivers in any authorized form.  
3 Authorized forms shall include dried form, oral lozenges, topical  
4 formulations, transdermal form, sublingual form, tincture form, or  
5 edible form, or any other form as authorized by the commission.  
6 Edible form shall include pills, tablets, capsules, drops or syrups,  
7 oils, chewable forms, and any other form as authorized by the  
8 commission, except that the edible forms made available to minor  
9 patients shall be limited to forms that are medically appropriate for  
10 children, including pills, tablets, capsules, chewable forms, and  
11 drops, oils, syrups, and other liquids.

12 (7) Nonprofit medical cannabis cultivators, medical cannabis  
13 manufacturers, and medical cannabis dispensaries need not be  
14 recognized as a 501(c)(3) organization by the federal Internal  
15 Revenue Service.

16 b. The commission shall require that an applicant provide such  
17 information as the commission determines to be necessary pursuant  
18 to regulations adopted pursuant to P.L.2009, c.307 (C.24:6I-1 et  
19 al.).

20 c. A person who has been convicted of a crime of the first,  
21 second, or third degree under New Jersey law or of a crime  
22 involving any controlled dangerous substance or controlled  
23 substance analog as set forth in chapter 35 of Title 2C of the New  
24 Jersey Statutes except paragraph (11) or (12) of subsection b. of  
25 N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of  
26 N.J.S.2C:35-10, or any similar law of the United States or any other  
27 state shall not be issued a permit to operate as a medical cannabis  
28 cultivator, medical cannabis manufacturer, medical cannabis  
29 dispensary, or clinical registrant or be a director, officer, or  
30 employee of a medical cannabis cultivator, medical cannabis  
31 manufacturer, medical cannabis dispensary, or clinical registrant,  
32 unless such conviction occurred after the effective date of P.L.2009,  
33 c.307 (C.24:6I-1 et al.) and was for a violation of federal law  
34 relating to possession or sale of cannabis for conduct that is  
35 authorized under P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015,  
36 c.158 (C.18A:40-12.22 et al.).

37 d. (1) The commission shall require each applicant seeking a  
38 permit to operate as, to be a director, officer, or employee of, or to  
39 be a significantly involved person in, a medical cannabis cultivator,  
40 medical cannabis manufacturer, medical cannabis dispensary, or  
41 clinical registrant to undergo a criminal history record background  
42 check.

43 Any individual seeking to become a director, officer, or  
44 employee of a medical cannabis cultivator, medical cannabis  
45 manufacturer, medical cannabis dispensary, or clinical registrant,  
46 after issuance of an initial permit shall notify the commission and  
47 shall complete a criminal history record background check and  
48 provide all information as may be required by the commission as a

1 condition of assuming a position as director, officer, or employee of  
2 the permitted entity. An individual who incurs an investment  
3 interest or gains the authority to make controlling decisions in a  
4 permitted entity that makes the individual a significantly involved  
5 person shall notify the commission, complete a criminal history  
6 record background check, and provide all information as may be  
7 required by the commission no later than 30 days after the date the  
8 individual becomes a significantly involved person, or any permit  
9 issued to the individual or group of which the significantly involved  
10 person is a member shall be revoked and the individual or group  
11 shall be deemed ineligible to hold any ownership or investment  
12 interest in a medical cannabis cultivator, medical cannabis  
13 manufacturer, medical cannabis dispensary, or clinical registrant for  
14 a period of at least two years, commencing from the date of  
15 revocation, and for such additional period of time as the  
16 commission deems appropriate, based on the duration of the  
17 nondisclosure, the size of the individual's or group's investment  
18 interest in the permitted entity, the amount of profits, revenue, or  
19 income realized by the individual or group from the permitted entity  
20 during the period of nondisclosure, and whether the individual had a  
21 disqualifying conviction or would otherwise have been deemed  
22 ineligible to be a significantly involved person in a medical  
23 cannabis cultivator, medical cannabis manufacturer, medical  
24 cannabis dispensary, or clinical registrant.

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

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

1 cultivator, medical cannabis manufacturer, medical cannabis  
2 dispensary, or clinical registrant. An applicant shall bear the cost  
3 for the criminal history record background check, including all  
4 costs of administering and processing the check.

5 (2) The commission shall not approve an applicant for a permit  
6 to operate, or authorization to be employed at or to be a  
7 significantly involved person in, a medical cannabis cultivator,  
8 medical cannabis manufacturer, medical cannabis dispensary, or  
9 clinical registrant if the criminal history record background  
10 information of the applicant reveals a disqualifying conviction as  
11 set forth in subsection c. of this section.

12 (3) Upon receipt of the criminal history record background  
13 information from the Division of State Police and the Federal  
14 Bureau of Investigation, the commission shall provide written  
15 notification to the applicant of the applicant's qualification for or  
16 disqualification for a permit to operate or be a director, officer, or  
17 employee of, or a significantly involved person in, a medical  
18 cannabis cultivator, medical cannabis manufacturer, medical  
19 cannabis dispensary, or clinical registrant.

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

24 (4) 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 to operate or be a director, officer, or  
31 employee of, or a significantly involved person in, a medical  
32 cannabis cultivator, medical cannabis manufacturer, medical  
33 cannabis dispensary, or clinical registrant.

34 (5) Notwithstanding the provisions of subsection c. of this  
35 section to the contrary, the commission may offer provisional  
36 authority for an applicant to be an owner, director, officer, or  
37 employee of, or a significantly involved person in, a medical  
38 cannabis cultivator, medical cannabis manufacturer, medical  
39 cannabis dispensary, or clinical registrant for a period not to exceed  
40 three months if the applicant submits to the commission a sworn  
41 statement attesting that the person has not been convicted of any  
42 disqualifying conviction pursuant to this section.

43 (6) Notwithstanding the provisions of subsection c. of this  
44 section to the contrary, no applicant to be an owner, director,  
45 officer, or employee of, or a significantly involved person in, a  
46 medical cannabis cultivator, medical cannabis manufacturer,  
47 medical cannabis dispensary, or clinical registrant shall be  
48 disqualified on the basis of any conviction disclosed by a criminal



1 history record background check conducted pursuant to this section  
2 if the individual has affirmatively demonstrated to the commission  
3 clear and convincing evidence of rehabilitation. In determining  
4 whether clear and convincing evidence of rehabilitation has been  
5 demonstrated, the following factors shall be considered:

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

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

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

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

12 (e) the age of the individual when the crime or offense was  
13 committed;

14 (f) whether the crime or offense was an isolated or repeated  
15 incident;

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

18 (h) any evidence of rehabilitation, including good conduct in  
19 prison or in the community, counseling or psychiatric treatment  
20 received, acquisition of additional academic or vocational  
21 schooling, successful participation in correctional work-release  
22 programs, or the recommendation of those who have had the  
23 individual under their supervision.

24 e. The commission shall issue a permit to operate or be an  
25 owner, director, officer, or employee of, or a significantly involved  
26 person in, a medical cannabis cultivator, medical cannabis  
27 manufacturer, or medical cannabis dispensary if the commission  
28 finds that issuing such a permit would be consistent with the  
29 purposes of P.L.2009, c.307 (C.24:6I-1 et al.) and the requirements  
30 of this section and section 11 of P.L.2019, c.153 (C.24:6I-7.1) are  
31 met. The denial of an application shall be considered a final agency  
32 decision, subject to review by the Appellate Division of the  
33 Superior Court. A permit to operate a medical cannabis cultivator,  
34 medical cannabis manufacturer, or medical cannabis dispensary  
35 issued on or after the effective date of P.L.2019, c.153 (C.24:6I-5.1  
36 et al.) shall be valid for one year and shall be renewable annually.

37 f. A person who has been issued a permit pursuant to this  
38 section or a clinical registrant permit pursuant to section 13 of  
39 P.L.2019, c.153 (C.24:6I-7.3) shall display the permit at the front  
40 entrance to the premises of the permitted facility at all times when  
41 the facility is engaged in conduct authorized pursuant to P.L.2009,  
42 c.307 (C.24:6I-1 et al.) involving medical cannabis, including, but  
43 not limited to, the cultivating, manufacturing, or dispensing of  
44 medical cannabis.

45 g. A medical cannabis cultivator, medical cannabis  
46 manufacturer, medical cannabis dispensary, or clinical registrant  
47 shall report any change in information to the commission not later

1 than 10 days after such change, or the permit shall be deemed null  
2 and void.

3 h. Each medical cannabis dispensary and clinical registrant  
4 shall maintain and make available on its Internet website, if any, a  
5 standard price list that shall apply to all medical cannabis, medical  
6 cannabis products, and related supplies and paraphernalia sold or  
7 dispensed by the medical cannabis dispensary or clinical registrant,  
8 which prices shall be reasonable and consistent with the actual costs  
9 incurred by the medical cannabis dispensary or clinical registrant in  
10 connection with acquiring and selling, transferring, or dispensing  
11 the medical cannabis or medical cannabis product and related  
12 supplies and paraphernalia. The prices charged by the medical  
13 cannabis dispensary or clinical registrant shall not deviate from the  
14 prices indicated on the entity's current price list, provided that a  
15 price list maintained by a medical cannabis dispensary or clinical  
16 registrant may allow for medical cannabis to be made available at a  
17 reduced price or without charge to qualifying patients who have a  
18 demonstrated financial hardship, as that term shall be defined by the  
19 commission by regulation. A price list required pursuant to this  
20 subsection may be revised no more than once per month, and each  
21 medical cannabis dispensary and clinical registrant shall be  
22 responsible for ensuring that the commission has a copy of the  
23 facility's current price list. A medical cannabis dispensary or  
24 clinical registrant shall be liable to a civil penalty of \$1,000 for  
25 each sale that occurs at a price that deviates from the entity's current  
26 price list, and to a civil penalty of \$10,000 for each week during  
27 which the entity's current price list is not on file with the  
28 commission. Any civil penalties collected by the commission  
29 pursuant to this section shall be used by the commission for the  
30 purposes of administering the State medical cannabis program.

31 i. The commission shall adopt regulations to:

32 (1) require such written documentation of each delivery or  
33 dispensation of cannabis to, and pickup of cannabis for, a registered  
34 qualifying patient, including the date and amount dispensed, and, in  
35 the case of delivery, the date and times the delivery commenced and  
36 was completed, the address where the medical cannabis was  
37 delivered, the name of the patient or caregiver to whom the medical  
38 cannabis was delivered, and the name, handler certification number,  
39 and delivery certification number of the medical cannabis handler  
40 who performed the delivery, to be maintained in the records of the  
41 medical cannabis dispensary or clinical registrant, as the  
42 commission determines necessary to ensure effective  
43 documentation of the operations of each medical cannabis  
44 dispensary or clinical registrant;

45 (2) monitor, oversee, and investigate all activities performed by  
46 medical cannabis cultivators, medical cannabis manufacturers,  
47 medical cannabis dispensaries, and clinical registrants;

1 (3) ensure adequate security of all facilities 24 hours per day  
2 and security of all delivery methods to registered qualifying  
3 patients; and

4 (4) establish thresholds for administrative action to be taken  
5 against a medical cannabis cultivator, medical cannabis  
6 manufacturer, medical cannabis dispensary, or clinical registrant  
7 and its employees, officers, investors, directors, or governing board  
8 pursuant to subsection m. of this section, including, but not limited  
9 to, specific penalties or disciplinary actions that may be imposed in  
10 a summary proceeding.

11 j. (1) Each medical cannabis cultivator, medical cannabis  
12 manufacturer, medical cannabis dispensary, and clinical registrant  
13 shall require the owners, directors, officers, and employees at the  
14 permitted facility to complete at least eight hours of ongoing  
15 training each calendar year. The training shall be tailored to the  
16 roles and responsibilities of the individual's job function, and shall  
17 include training on confidentiality and such other topics as shall be  
18 required by the commission.

19 (2) Each medical cannabis dispensary and clinical registrant  
20 shall consider whether to make interpreter services available to the  
21 population served, including for individuals with a visual or hearing  
22 impairment. The commission shall provide assistance to any  
23 medical cannabis dispensary or clinical registrant that seeks to  
24 provide such services in locating appropriate interpreter resources.  
25 A medical cannabis dispensary or clinical registrant shall assume  
26 the cost of providing interpreter services pursuant to this  
27 subsection.

28 k. (1) The first six alternative treatment centers issued permits  
29 following the effective date of P.L.2009, c.307 (C.24:6I-1 et al.)  
30 shall be authorized to sell or transfer such permit and other assets to  
31 a for-profit entity, provided that: the sale or transfer is approved by  
32 the commission; each owner, director, officer, and employee of, and  
33 significantly involved person in, the entity seeking to purchase or  
34 receive the transfer of the permit, undergoes a criminal history  
35 record background check pursuant to subsection d. of this section,  
36 provided that nothing in this subsection shall be construed to  
37 require any individual to undergo a criminal history record  
38 background check if the individual would otherwise be exempt from  
39 undergoing a criminal history record background check pursuant to  
40 subsection d. of this section; the commission finds that the sale or  
41 transfer of the permit would be consistent with the purposes of  
42 P.L.2009, c.307 (C.24:6I-1 et al.); and no such sale or transfer shall  
43 be authorized more than one year after the effective date of  
44 P.L.2019, c.153 (C.24:6I-5.1 et al.). The sale or transfer of a permit  
45 pursuant to this subsection shall not be subject to the requirements  
46 of the "New Jersey Nonprofit Corporation Act," N.J.S.15A:1-1 et  
47 seq., provided that, prior to or at the time of the sale or transfer, all  
48 debts and obligations of the nonprofit entity are either paid in full or

1 assumed by the for-profit entity purchasing or acquiring the permit,  
2 or a reserve fund is established for the purpose of paying in full the  
3 debts and obligations of the nonprofit entity, and the for-profit  
4 entity pays the full value of all assets held by the nonprofit entity,  
5 as reflected on the nonprofit entity's balance sheet, in addition to the  
6 agreed-upon price for the sale or transfer of the entity's alternative  
7 treatment center permit. Until such time as the members of the  
8 Cannabis Regulatory Commission are appointed and the  
9 commission first organizes, the Department of Health shall have  
10 full authority to approve a sale or transfer pursuant to this  
11 paragraph.

12 (2) The sale or transfer of any interest of five percent or more in  
13 a medical cannabis cultivator, medical cannabis manufacturer,  
14 medical cannabis dispensary, or clinical registrant permit shall be  
15 subject to approval by the commission and conditioned on the entity  
16 that is purchasing or receiving transfer of the interest in the medical  
17 cannabis cultivator, medical cannabis manufacturer, medical  
18 cannabis dispensary, or clinical registrant permit completing a  
19 criminal history record background check pursuant to the  
20 requirements of subsection d. of this section.

21 l. No employee of any department, division, agency, board, or  
22 other State, county, or local government entity involved in the  
23 process of reviewing, processing, or making determinations with  
24 regard to medical cannabis cultivator, medical cannabis  
25 manufacturer, medical cannabis dispensary, or clinical registrant  
26 permit applications shall have any direct or indirect financial  
27 interest in the cultivating, manufacturing, or dispensing of medical  
28 cannabis or related paraphernalia, or otherwise receive anything of  
29 value from an applicant for a medical cannabis cultivator, medical  
30 cannabis manufacturer, medical cannabis dispensary, or clinical  
31 registrant permit in exchange for reviewing, processing, or making  
32 any recommendations with respect to a permit application.

33 m. In the event that a medical cannabis cultivator, medical  
34 cannabis manufacturer, medical cannabis dispensary, or clinical  
35 registrant fails to comply with any requirements set forth in  
36 P.L.2009, c.307 (C.24:6I-1 et al.) or any related law or regulation,  
37 the commission may invoke penalties or take administrative action  
38 against the medical cannabis cultivator, medical cannabis  
39 manufacturer, medical cannabis dispensary, or clinical registrant  
40 and its employees, officers, investors, directors, or governing board,  
41 including, but not limited to, assessing fines, referring matters to  
42 another State agency, and suspending or terminating any permit  
43 held by the medical cannabis cultivator, medical cannabis  
44 manufacturer, medical cannabis dispensary, or clinical registrant.  
45 Any penalties imposed or administrative actions taken by the  
46 commission pursuant to this subsection may be imposed in a  
47 summary proceeding.

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

1       2. This act shall take effect immediately.

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STATEMENT

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6       Current law allows certain medical cannabis alternative  
7 treatment centers (ATCs) to maintain a satellite medical cannabis  
8 dispensary site, if the site was applied for and approved prior to, or  
9 within 18 months after, the effective date of P.L.2019, c.153. The  
10 effective date of P.L.2019, c.153 was July 2, 2019, meaning the  
11 period during which new satellite dispensary permits may be  
12 approved will end in January 2021. This bill extends the period  
13 during which satellite dispensary sites may be approved to 36  
14 months after the effective date of P.L.2019, c.153, or July 2022.

15       A pending lawsuit concerning a prior request for applications for  
16 new ATC permits has halted progress in approving new ATCs,  
17 including new satellite dispensaries. It is the sponsor's belief that  
18 satellite dispensaries are a key component in expanding access to  
19 and the availability of medical cannabis throughout the State, and  
20 that extending the window during which new satellite dispensaries  
21 may be approved will help realize this goal.