

**SENATE, No. 3422**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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INTRODUCED FEBRUARY 9, 2021

**Sponsored by:**

**Senator TROY SINGLETON**

**District 7 (Burlington)**

**Senator NICHOLAS P. SCUTARI**

**District 22 (Middlesex, Somerset and Union)**

**SYNOPSIS**

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

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 2/9/2021)**

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

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

8  
9 1. Section 41 of P.L.2021, c. (C. ) (passed both Houses  
10 on December 17, 2020 as Assembly Bill No. 21(2R) of 2020/2021)  
11 is amended to read as follows:

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

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

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

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

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

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

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

Matter underlined thus is new matter.

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

6 (b) to reimburse the expenses incurred by any county or  
7 municipality for the training costs associated with the attendance  
8 and participation of a police officer from its law enforcement unit,  
9 as those terms are defined in section 2 of P.L.1961, c.56 (C.52:17B-  
10 67), in a program provided by an approved school, also defined in  
11 that section, which trains and certifies the police officer, including a  
12 police officer with a working dog as that term is defined in section  
13 1 of P.L.2006, c.88 (C.10:5-29.7), as a Drug Recognition Expert for  
14 detecting, identifying, and apprehending drug-impaired motor  
15 vehicle operators, and pay for the same training costs incurred by  
16 the Division of State Police in the Department of Law and Public  
17 Safety for the training of a State police officer or trooper, including  
18 an officer or trooper with a working dog, as a Drug Recognition  
19 Expert, as well as its costs in furnishing additional program  
20 instructors to provide Drug Recognition Expert training to police  
21 officers, troopers, and working dogs. A municipality or county  
22 seeking reimbursement shall apply to the commission, itemizing the  
23 costs, with appropriate proofs, for which reimbursement is  
24 requested and provide a copy of the certificate issued to the police  
25 officer to indicate the successful completion of the program by the  
26 police officer, and that officer’s working dog, if applicable; **[and]**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### 16 17 18 STATEMENT

19  
20 This bill requires the Cannabis Regulatory Commission (CRC) to  
21 establish a program to subsidize up to 20 percent of the purchase  
22 price of medical cannabis and medical cannabis products dispensed  
23 to or on behalf registered qualifying patients who are currently  
24 enrolled in the State Medicaid program or the NJ FamilyCare  
25 program. The subsidy will reduce the purchase price of the medical  
26 cannabis or medical cannabis product as listed on the medical  
27 cannabis dispensary’s or clinical registrant’s website, and will be  
28 applied after any other discounts or price reductions are applied.  
29 The price reduction will apply at the point of purchase.

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

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

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

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