

SENATE CONCURRENT RESOLUTION No. 138

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED DECEMBER 7, 2020

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

Senator SANDRA B. CUNNINGHAM

District 31 (Hudson)

SYNOPSIS

Requires that certain revenues from taxes and fees on cannabis and cannabis products be appropriated annually for investment in municipalities designated as “impact zones” and for law enforcement for training, equipment, and support related to enforcement of cannabis laws.

CURRENT VERSION OF TEXT

As introduced.



1 **A CONCURRENT RESOLUTION** proposing to amend Article IV,
2 Section VII, paragraph 13 of the New Jersey Constitution.

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4 **BE IT RESOLVED** by the Senate of the State of New Jersey (the
5 General Assembly concurring):

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7 1. The following proposed amendment to the Constitution of the
8 State of New Jersey is agreed to:

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10 **PROPOSED AMENDMENT**

11
12 Amend Article IV, Section VII, paragraph 13 to read as follows:

13 13. a. The growth, cultivation, processing, manufacturing,
14 preparing, packaging, transferring, and retail purchasing and
15 consumption of cannabis, or products created from or which include
16 cannabis, by persons 21 years of age or older, and not by persons
17 under 21 years of age, shall be lawful and subject to regulation by the
18 Cannabis Regulatory Commission created by P.L.2019, c.153
19 (C.24:6I-5.1 et al.), or any successor to that commission.

20 (1) The commission's or successor's regulatory authority
21 concerning legalized cannabis shall be authorized by law enacted by
22 the Legislature.

23 (2) The receipts from retail purchases of cannabis or products
24 created from or which include cannabis shall only be subject to the
25 tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30
26 (C.54:32B-1 et. seq.), as amended and supplemented, or any other
27 subsequent law of similar effect; provided, however, that a
28 municipality, subject to authorization by law enacted by the
29 Legislature, may adopt an ordinance to impose an additional
30 municipal tax on the sale, or any other form of transfer, of cannabis
31 or products created from or which include cannabis by an authorized
32 party located in a municipality. The municipal tax rate shall not
33 exceed two percent of the receipts from each sale of cannabis or
34 products created from or which include cannabis by an authorized
35 party or the equivalent value from any other form of transfer by an
36 authorized party.

37 As used in this paragraph:

38 "Cannabis" means all parts of the plant Genus Cannabis L.,
39 whether growing or not, the seeds thereof, and every compound,
40 manufacture, salt, derivative, mixture, or preparation of the plant or
41 its seeds. "Cannabis" does not include: cannabis dispensed and
42 consumed for medical purposes pursuant to any law enacted by the
43 Legislature; hemp or hemp products subject to regulation under the
44 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.),
45 or any successor enactment thereto; or unregulated cannabis, referred

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 to as marijuana, and products created from or which include
2 marijuana.

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4 b. (1) There is established the "Municipal Impact Zones Fund."
5 The fund shall be the repository of any State revenue not otherwise
6 dedicated by this Constitution derived from the tax on receipts from
7 retail sales of cannabis and products created from or which include
8 cannabis as set forth in this paragraph, as well as any statutory or
9 regulatory fees or penalties collected by the Cannabis Regulatory
10 Commission or successor to that commission concerning the
11 regulation of legalized cannabis as authorized by law enacted by the
12 Legislature.

13 (2) All money in the fund shall be appropriated annually by the
14 Legislature exclusively for the following purposes:

15 (a) investment in impact zones as defined in this paragraph and
16 investment in residents of such impact zones; and

17 (b) direct aid to State, county, and municipal law enforcement
18 entities, or to any State agency, State authority, county, municipality,
19 or other political subdivision of the State, for law enforcement
20 training, equipment, and support related to enforcement of laws and
21 regulations enacted pursuant to this paragraph concerning cannabis.

22 (3) As used in this paragraph, "impact zone" means a
23 municipality, or a portion of a municipality, as designated by law
24 enacted by the Legislature. The designation shall be based on the
25 existence of past criminal marijuana enterprises in the municipality
26 that have contributed to higher concentrations of law enforcement
27 activity, unemployment, and poverty within the municipality.

28 (cf: Article IV, Section VII, paragraph 13 added effective January 1,
29 2021)

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31 2. When this proposed amendment to the Constitution is finally
32 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it
33 shall be submitted to the people at the next general election occurring
34 more than three months after the final agreement and shall be
35 published at least once in at least one newspaper of each county
36 designated by the President of the Senate, the Speaker of the General
37 Assembly and the Secretary of State, not less than three months prior
38 to the general election.

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40 3. This proposed amendment to the Constitution shall be
41 submitted to the people at that election in the following manner and
42 form:

43 There shall be printed on each official ballot to be used at the
44 general election, the following:

45 a. In every municipality in which voting machines are not used, a
46 legend which shall immediately precede the question as follows:

47 If you favor the proposition printed below make a cross (X), plus
48 (+), or check (✓) in the square opposite the word "Yes." If you are

1 opposed thereto make a cross (X), plus (+) or check (✓) in the square
2 opposite the word "No."

3 b. In every municipality the following question:

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	YES	<p>CONSTITUTIONAL AMENDMENT TO INVEST CERTAIN MONEY FROM THE SALE OF LEGAL CANNABIS FOR “IMPACT ZONES” AND LAW ENFORCEMENT</p> <p>Do you approve amending the Constitution to set aside certain taxes and fees that the State receives from the sale of legal cannabis? The State would give the money to municipal “impact zones” and to law enforcement activities concerning legal cannabis.</p>
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		<p>INTERPRETIVE STATEMENT</p> <p>In November 2020, the voters passed an amendment to the Constitution that legalizes cannabis. The sale of cannabis and cannabis products will be subject to taxes and fees.</p> <p>This amendment requires that money received by the State from these taxes and fees would go into the Municipal Impact Zones Fund. The money in the fund would be spent in two ways: (1) Money would be invested in municipalities and parts of municipalities known as “impact zones.” (2) Money would be given to State, county, and municipal law enforcement organizations or to any State agency, county, municipality, or other State body. This money would be spent on training, equipment, and support for law enforcement to support the laws about legal cannabis.</p> <p>A law enacted by the Legislature would determine whether a municipality or a portion of a municipality is an impact zone. The decision would be based on whether past criminal marijuana enterprises contributed to higher concentrations of law enforcement activity, unemployment, and poverty in the municipality. The money would also be invested in residents of impact zones.</p> <p>A “yes” vote would require the State to set aside money from taxes and fees on cannabis. The State would invest this money in impact zones and on law enforcement in order to support the cannabis laws.</p> <p>A “no” vote means that the Constitution would not specify how money received by the State from taxes and fees on cannabis would be used.</p>
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STATEMENT

Article IV, Section VII, paragraph 13 of the Constitution, approved by the voters on November 3, 2020 and effective December 3, 2020, legalizes the cultivation, manufacturing, and purchase of cannabis and cannabis products by persons 21 years of age and older. Under that constitutional amendment, cannabis and cannabis products will be regulated by the Cannabis Regulatory Commission created by P.L.2019, c.153 (C.24:6I-5.1 et al.), or any successor to

1 that commission. Cannabis and cannabis products will be subject to
 2 taxes under the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-
 3 1 et. seq.), as amended and supplemented, or any other subsequent
 4 law of similar effect. In addition, the constitutional amendment
 5 provides that, subject to authorization by law enacted by the
 6 Legislature, a municipality may adopt an ordinance to impose an
 7 additional municipal tax on the sale, or any other form of transfer, of
 8 cannabis or products created from or which include cannabis by an
 9 authorized party located in a municipality.

10 This proposed constitutional amendment requires that all revenues
 11 not otherwise dedicated by the Constitution that are received by the
 12 State from the tax on receipts from retail sales of cannabis and
 13 cannabis products, as well as any statutory or regulatory fees or
 14 penalties collected by the Cannabis Regulatory Commission or
 15 successor to that commission, would be deposited in a new Municipal
 16 Impact Zones Fund. All money in the Municipal Impact Zones Fund
 17 would be appropriated annually by the Legislature exclusively for the
 18 following purposes:

- 19 (1) investment in impact zones, as defined in the constitutional
- 20 amendment, and in investment in residents of such impact zones; and
- 21 (2) direct aid to State, county, and municipal law enforcement
- 22 entities, or to any State agency, State authority, county, municipality,
- 23 or other political subdivision of the State, for law enforcement
- 24 training, equipment, and support related to enforcement of laws and
- 25 regulations enacted pursuant to this constitutional amendment
- 26 concerning cannabis and cannabis products.

27 The constitutional amendment defines an “impact zone” as a
 28 municipality, or a portion of a municipality, as designated by law
 29 enacted by the Legislature. The designation would be based on the
 30 existence of past criminal marijuana enterprises in the municipality
 31 that have contributed to higher concentrations of law enforcement
 32 activity, unemployment, and poverty within the municipality.