

[Second Reprint]

ASSEMBLY, No. 21

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED NOVEMBER 5, 2020

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District 20 (Union)

Assemblyman JAMEL C. HOLLEY

District 20 (Union)

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District 22 (Middlesex, Somerset and Union)

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

Co-Sponsored by:

Assemblywoman Jasey, Assemblyman Calabrese and Assemblywoman Lopez

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 Assembly Appropriations Committee on December 14, 2020, with amendments.

(Sponsorship Updated As Of: 12/17/2020)

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:

¹Assembly AAP committee amendments adopted November 19, 2020.

²Assembly AAP committee amendments adopted December 14, 2020.

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

5 l. A controlled system of cannabis manufacturing, distribution,
6 and ²**[sale] sales**² 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] legalized**² 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 ¹[grower]
2 cultivator¹, ¹[also referred to as a cannabis cultivation facility]¹, a
3 cannabis ¹[processor] manufacturer¹, ¹[also referred to as a
4 cannabis product manufacturing facility]¹, 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, ¹[cannabis
23 resin]¹, cannabis product, ¹[and]¹ 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“Cannabis 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. ¹△
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;

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
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 **【. If】** ¹**【, and if】** . **【If】**¹ 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 or】**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】**¹ 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
47 employment, requiring an individual to retire from employment, or

1 discriminating against an individual in compensation or in any
2 terms, conditions, or privileges of employment.

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

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

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

16 "Commissioner" means the Commissioner of Health.

17 "Common ownership or control" means:

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

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

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

27 "Department" means the Department of Health.

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

29 (1) is at least 18 years old;

30 (2) has agreed to assist with a registered qualifying patient's
31 medical use of cannabis, is not currently serving as ²_a² designated
32 caregiver for more than one other qualifying patient, and is not the
33 qualifying patient's health care practitioner;

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

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

46 (5) has been designated as ²_a² designated caregiver by the
47 patient when registering or renewing a registration with the
48 commission or in other written notification to the commission.

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

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

15 "Health care practitioner" means a physician, advanced practice
16 nurse, or physician assistant licensed or certified pursuant to Title
17 45 of the Revised Statutes who:

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

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

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

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

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

36 (1) is at least 18 years old;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

46 "Pediatric specialist" means a physician who is a board-certified
47 pediatrician or pediatric specialist, or an advanced practice nurse or

1 physician assistant who is certified as a pediatric specialist by an
2 appropriate professional certification or licensing entity.

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

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

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

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

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

45 "Terminally ill" means having an illness or condition with a
46 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,
48 board, commission, corporation, institution, department or other

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

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

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

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

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

6

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

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

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

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

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

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

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

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

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

34 (d) the data compiled by the Office of Minority, Disabled
35 Veterans, and Women Cannabis Business Development pursuant to
36 section 32 of P.L.2019, c.153 (C.24:6I-25) about participation in the
37 lawful operation of cannabis establishments ², distributors, and
38 delivery services² by persons from socially and economically
39 disadvantaged communities, including minority, disabled veterans',
40 and women's business licensing and business development in the
41 personal use cannabis marketplace, and the data shall include the
42 office's analysis of the total number of licenses applied for and
43 issued since the distribution of the previous report to the Governor
44 and Legislature compared with the total number of minority
45 businesses and women's businesses, as these terms are defined in
46 section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled
47 veterans' businesses, as defined in section 2 of P.L.2015, c.116

1 (C.52:32-31.2), that submitted applications for licenses and whether
2 they were approved, reapproved, or denied.

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

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

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

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

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

40

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

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

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

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

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

1 business interests, and sources of income of each dependent child or
2 stepchild, recognized by blood or by law, of the member, or of the
3 spouse, domestic partner, or partner in a civil union couple residing
4 in the same household as the member. Each statement shall be
5 under oath and shall be filed at the time of appointment and
6 annually thereafter.

7 (2) Each employee of the commission, except for secretarial and
8 clerical personnel, shall file with the State Ethics Commission a
9 financial disclosure statement listing all assets and liabilities,
10 property and business interests, and sources of income of the
11 employee and the employee's spouse, domestic partner, or partner in
12 a civil union couple, as the case may be. Such statement shall be
13 under oath and shall be filed at the time of employment and
14 annually thereafter. Notwithstanding the provisions of subsection
15 (n) of section 10 of P.L.1971, c.182 (C.52:13D-21), only financial
16 disclosure statements filed by a commission employee who is in a
17 policy-making management position shall be posted on the Internet
18 website of the State Ethics Commission.
19 (cf: P.L.2019, c.153, s.33)

20

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

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

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

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

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

40 (1) No commission member or employee shall be permitted to
41 enter and engage in any activities, nor have any interest, directly or
42 indirectly, in any medical cannabis cultivator, medical cannabis
43 manufacturer, medical cannabis dispensary, or clinical registrant
44 issued a permit by the commission in accordance with P.L.2009,
45 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
46 medical cannabis handler to perform transfers or deliveries of

1 medical cannabis, or any cannabis ¹[grower] cultivator¹, cannabis
2 ¹[processor] manufacturer¹, cannabis wholesaler, cannabis
3 distributor, cannabis retailer, or cannabis delivery service issued a
4 license by the commission in accordance with P.L. _____, c. (C. _____)
5 (pending before the Legislature as this bill) or any entity that
6 employs or uses a certified personal use cannabis handler to
7 perform work for or on behalf of a licensed cannabis establishment,
8 distributor, or delivery service, except in the course of the
9 member's or employee's duties; provided that nothing in this
10 paragraph shall be construed to prohibit a member or employee who
11 is a registered qualifying patient, or who is serving as a designated
12 caregiver or institutional caregiver for a registered qualifying
13 patient, from being dispensed medical cannabis consistent with the
14 requirements of P.L.2009, c.307 (C.24:6I-1 et al.) ¹; and further
15 provided that nothing in this paragraph shall be construed to
16 prohibit a member or employee from being sold cannabis items by a
17 cannabis retailer as a consumer as authorized by P.L. _____,
18 c. (C. _____) (pending before the Legislature as this bill)¹.

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

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

42 (4) No commission member or employee shall act in the
43 member's or employee's official capacity in a matter concerning
44 any holder of, or applicant for, a medical cannabis cultivator,
45 medical cannabis manufacturer, medical cannabis dispensary, or

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

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

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

43 d. No commission member or employee shall have any interest,
44 direct or indirect, in any holder of, or applicant for, a medical
45 cannabis cultivator, medical cannabis manufacturer, medical
46 cannabis dispensary, or clinical registrant permit or **[in]** any entity

1 that employs any certified medical cannabis handler to perform
2 transfers or deliveries of medical cannabis, or a cannabis ¹ **[grower]**
3 cultivator¹ , cannabis ¹ **[processor]** manufacturer¹ , cannabis
4 wholesaler, cannabis distributor, cannabis retailer, or cannabis
5 delivery service license or any entity that employs or uses a
6 certified personal use cannabis handler to perform work for or on
7 behalf of a licensed cannabis establishment, distributor, or delivery
8 service, during the member's term of office or employee's term of
9 employment.

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

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

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

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

31 (b) directly or indirectly coerce, attempt to coerce, command, or
32 advise any person to pay, lend, or contribute anything of value to a
33 party, committee, organization, agency, or person for political
34 purposes; or

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

40 g. For the purpose of applying the provisions of the "New
41 Jersey Conflicts of Interest Law," any consultant or other person
42 under contract for services to the commission shall be deemed to be
43 a special State employee, except that the restrictions of section 4 of
44 P.L.1981, c.142 (C.52:13D-17.2) shall not apply to such person.
45 Such person and any corporation, firm, or partnership in which the

1 person has an interest or by which the person is employed shall not
2 represent any person or party other than the commission.

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

4

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

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

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

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

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

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

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

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

42

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

45 36. a. (1) No holder of, or applicant for, a medical cannabis
 46 cultivator, medical cannabis manufacturer, medical cannabis

1 dispensary, or clinical registrant permit issued pursuant to P.L.2009,
2 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
3 medical cannabis handler to perform transfers or deliveries of
4 medical cannabis, or a cannabis '[grower] cultivator', cannabis
5 '[processor] manufacturer', cannabis wholesaler, cannabis
6 distributor, cannabis retailer, or cannabis delivery service license
7 issued pursuant to P.L. , c. (C.) (pending before the
8 Legislature as this bill) 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 shall employ or offer to employ, or provide, transfer, or sell, or
12 offer to provide, transfer, or sell any interest, direct or indirect, in
13 any medical cannabis cultivator, medical cannabis manufacturer,
14 medical cannabis dispensary, or clinical registrant permit holder, or
15 any cannabis '[grower] cultivator', cannabis '[processor]
16 manufacturer', cannabis wholesaler, cannabis distributor, cannabis
17 retailer, or cannabis delivery service license holder, to any person
18 restricted from such transactions by the provisions of sections 33
19 through 35 of P.L.2019, c.153 (C.24:6I-26 through C.24:6I-28).

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

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

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

35 c. The State Ethics Commission, established pursuant to the
36 "New Jersey Conflicts of Interest Law," P.L.1971, c.182
37 (C.52:13D-12 et seq.), shall enforce the provisions of sections 33
38 through 36 of P.L.2019, c.153 (C.24:6I-26 through C.24:6I-29), and
39 upon a finding of a violation, impose a civil penalty of not less than
40 \$500 nor more than \$10,000, which penalty may be collected in a
41 summary proceeding pursuant to the "Penalty Enforcement Law of
42 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). If a violation also
43 represents a crime or disorderly persons offense as set forth in
44 subsection b. of this section, the State Ethics Commission shall also
45 refer the matter to the Attorney General or appropriate county

1 prosecutor for further investigation and prosecution.

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

3

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

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

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

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

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

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

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

42 f. "Person" means any natural person, association or
43 corporation.

44 g. "Interest" means: (1) the ownership or control of more than
45 10 percent of the profits or assets of a firm, association, or
46 partnership, or more than 10 percent of the stock in a corporation

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

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

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

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

35

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

37 **AN ACT** concerning casino activity, and personal use and medical
38 cannabis activities, and the conduct of certain elected and appointed
39 public officers and employees as it relates thereto, amending and
40 supplementing P.L.1971, c.182, amending P.L.1977, c.110,
41 P.L.1980, c.28 and P.L.1980, c.69 , and repealing section 2 of
42 P.L.1980, c.79.

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

44

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

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

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

11 (b) with respect to casino activity **[,]** ¹ any State officer or
12 employee subject to financial disclosure by law or executive order
13 and any other State officer or employee with responsibility for
14 matters affecting casino activity; any special State officer or
15 employee with responsibility for matters affecting casino activity;
16 any member of the Legislature; any full-time professional employee
17 of the Legislature; members of the Casino Reinvestment
18 Development Authority; or

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

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

37 (b) any member of the governing body or the municipal judge of
38 a municipality, any member of the planning board or zoning board
39 of adjustment, or any professional planner, or consultant regularly
40 employed or retained by such planning board or zoning board of
41 adjustment, of a municipality wherein a medical cannabis
42 cultivator, medical cannabis manufacturer, medical cannabis
43 dispensary, or clinical registrant issued a permit pursuant to
44 P.L.2009, c.307 (C.24:6I-1 et al.), or wherein a cannabis ¹[grower]
45 cultivator¹ , cannabis ¹[processor] manufacturer¹ , cannabis
46 wholesaler, cannabis distributor, cannabis retailer, ²or² cannabis

1 delivery service issued a license pursuant to P.L. , c. (C.)
2 (pending before the Legislature as this bill), is located.

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

40 (2) No State officer or employee, nor any person, nor any
41 member of the immediate family of any State officer or employee,
42 or person, nor any partnership, firm, or corporation with which any
43 such State officer or employee or person is associated or in which
44 he has an interest, nor any partner, officer, director, or employee
45 while he is associated with such partnership, firm, or corporation,
46 shall hold, directly or indirectly, an interest in, or hold employment

1 with, or represent, appear for, or negotiate on behalf of, or derive
2 any remuneration, payment, benefit, or any other thing of value for
3 any services, including but not limited to consulting or similar
4 services, from any holder of, or applicant for, a license, permit, or
5 other approval to conduct Internet gaming, or any holding or
6 intermediary company with respect thereto, or any Internet gaming
7 affiliate of any holder of, or applicant for, a casino license, or any
8 holding or intermediary company with respect thereto, or any
9 business, association, enterprise, or other entity that is organized, in
10 whole or in part, for the purpose of promoting, advocating for, or
11 advancing the interests of the Internet gaming industry generally or
12 any Internet gaming-related business or businesses in connection
13 with any cause, application, or matter, except as provided in section
14 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State
15 officer or employee other than a State officer or employee included
16 in the definition of person, and (b) a member of the immediate
17 family of a State officer or employee, or of a person, may hold
18 employment with the holder of, or applicant for, a license, permit,
19 or other approval to conduct Internet gaming, or any holding or
20 intermediary company with respect thereto, or any Internet gaming
21 affiliate of any holder of, or applicant for, a casino license, or any
22 holding or intermediary company with respect thereto if, in the
23 judgment of the State Ethics Commission, the Joint Legislative
24 Committee on Ethical Standards, or the Supreme Court, as
25 appropriate, such employment will not interfere with the
26 responsibilities of the State officer or employee, or person, and will
27 not create a conflict of interest, or reasonable risk of the public
28 perception of a conflict of interest, on the part of the State officer or
29 employee, or person.

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

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

1 affecting medical cannabis activity or personal use cannabis activity
2 may hold employment directly with any holder of or applicant for a
3 medical cannabis cultivator, medical cannabis manufacturer,
4 medical cannabis dispensary, or clinical registrant permit, or any
5 entity that employs any certified medical cannabis handler to
6 perform transfers or deliveries of medical cannabis, or any holding
7 or intermediary company thereof, or a cannabis ¹**[grower]**
8 cultivator¹, cannabis ¹**[processor]** ²**[manufacture**¹
9 manufacturer², cannabis wholesaler, cannabis distributor, cannabis
10 retailer, or cannabis delivery service license or any entity that
11 employs or uses a certified personal use cannabis handler to
12 perform work for or on behalf of a licensed cannabis establishment,
13 distributor, or delivery service ^{2, 2} or any holding or intermediary
14 company with respect to thereto, and if so employed may hold,
15 directly or indirectly, an interest in, or represent, appear for, or
16 negotiate on behalf of, that employer, except as otherwise
17 prohibited by law.

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

33 (a) a member of the immediate family of a person may hold
34 employment with the holder of, or applicant for, a casino license if,
35 in the judgment of the State Ethics Commission, the Joint
36 Legislative Committee on Ethical Standards, or the Supreme Court,
37 as appropriate, such employment will not interfere with the
38 responsibilities of the person and will not create a conflict of
39 interest, or reasonable risk of the public perception of a conflict of
40 interest, on the part of the person;

41 (b) an employee who is terminated as a result of a reduction in
42 the workforce at the agency where employed, other than an
43 employee who held a policy-making management position at any
44 time during the five years prior to termination of employment, may,
45 at any time prior to the end of the two-year period, accept
46 employment with the holder of, or applicant for, a casino license if,

1 in the judgment of the State Ethics Commission, the Joint
2 Legislative Committee on Ethical Standards, or the Supreme Court,
3 as appropriate, such employment 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 employee. In no case shall the restrictions
6 of this subsection apply to a secretarial or clerical employee.

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

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

38 (2) No person or any member of the person's immediate family,
39 nor any partnership, firm, or corporation with which such person is
40 associated or in which the person has an interest, nor any partner,
41 officer, director, or employee while the person is associated with
42 such partnership, firm, or corporation, shall, within two years next
43 subsequent to the termination of the office or employment of such
44 person, hold, directly or indirectly, an interest in, or hold
45 employment with, or represent, appear for, or negotiate on behalf
46 of, any holder of, or applicant for, a medical cannabis cultivator,

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

29 (a) a member of the immediate family of a person may hold
30 employment with the holder of, or applicant for, a medical cannabis
31 cultivator, medical cannabis manufacturer, medical cannabis
32 dispensary, or clinical registrant permit issued pursuant to P.L.2009,
33 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
34 medical cannabis handler to perform transfers or deliveries of
35 medical cannabis, or a cannabis ¹**[grower] cultivator**¹ , cannabis
36 ¹**[processor] manufacturer**¹ , cannabis wholesaler, cannabis
37 distributor, cannabis retailer, or cannabis delivery service license
38 issued pursuant to P.L. _____, c. (C. _____) (pending before the
39 Legislature as this bill) 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 if,
42 in the judgment of the State Ethics Commission, the Joint
43 Legislative Committee on Ethical Standards, or the Supreme Court,
44 as appropriate, such employment will not interfere with the
45 responsibilities of the person and will not create a conflict of

1 interest, or reasonable risk of the public perception of a conflict of
2 interest, on the part of the person;

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

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

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

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

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

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

6 (2) No person shall solicit or accept, directly or indirectly, any
7 complimentary service or discount from any holder of, or applicant
8 for, a medical cannabis cultivator, medical cannabis manufacturer,
9 medical cannabis dispensary, or clinical registrant permit issued
10 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that
11 employs any certified medical cannabis handler to perform transfers
12 or deliveries of medical cannabis, or a cannabis ¹[grower]
13 cultivator¹ , cannabis ¹[processor] manufacturer¹ , cannabis
14 wholesaler, cannabis distributor, cannabis retailer, or cannabis
15 delivery service license issued pursuant to P.L. _____,
16 c. (C. _____) (pending before the Legislature as this bill) or any
17 entity that employs or uses a certified personal use cannabis handler
18 to perform work for or on behalf of a licensed cannabis
19 establishment, distributor, or delivery service which the person
20 knows or has reason to know is other than a service or discount that
21 is offered to members of the general public in like circumstance.

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

33 (2) No person shall influence, or attempt to influence, by use of
34 the person's official authority, the decision of the Cannabis
35 Regulatory Commission in any application for a medical cannabis
36 cultivator, medical cannabis manufacturer, medical cannabis
37 dispensary, or clinical registrant permit, or a cannabis ¹[grower]
38 cultivator¹ , cannabis ¹[processor] manufacturer¹ , cannabis
39 wholesaler, cannabis distributor, cannabis retailer, or cannabis
40 delivery service license, or in any proceeding to enforce the
41 provisions of P.L.1981, c.142 (C.52:13D-17.2 et al.), P.L.2009,
42 c.307 (C.24:6I-1 et al.), ²P.L. _____, c. (C. _____) (pending before the
43 Legislature as this bill,² or the regulations of the Cannabis
44 Regulatory Commission. Any such attempt shall be promptly
45 reported to the Attorney General; provided, however, that nothing
46 in this section shall be deemed to proscribe a request for

1 information by any person concerning the status of any permit or
2 license application, or any proceeding to enforce the provisions of
3 P.L.1981, c.142 (C.52:13D-17.2 et al.), P.L.2009, c.307 (C.24:6I-1
4 et al.), P.L. , c. (C.) (pending before the Legislature as this
5 bill), or the regulations of the Cannabis Regulatory Commission.

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

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

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

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

33 b. (1) The office shall establish and administer, under the
34 direction of the commission, unified practices and procedures for
35 promoting participation in the medical cannabis **【industry】** and
36 personal use cannabis industries by persons from socially and
37 economically disadvantaged communities, including by prospective
38 and existing ownership of minority businesses and women's
39 businesses, as these terms are defined in section 2 of P.L.1986,
40 c.195 (C.52:27H-21.18), and disabled veterans' businesses as
41 defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), to be issued
42 medical cannabis cultivator, medical cannabis manufacturer,
43 medical cannabis dispensary, and clinical registrant permits or
44 cannabis ¹**【grower】** cultivator¹ , cannabis ¹**【processor】**
45 manufacturer¹ , cannabis wholesaler, cannabis distributor, cannabis
46 retailer, and cannabis delivery service licenses. These unified

1 practices and procedures shall include the certification and
2 subsequent recertification at regular intervals of a business as a
3 minority or women's business, or a disabled veterans' business, in
4 accordance with eligibility criteria and a certification application
5 process established by the commission through regulation in
6 consultation with the office.

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

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

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

39 (b) The effectiveness of the office's ¹【measures】 measures¹
40 designed to promote participation in the personal use cannabis
41 industry shall be assessed by considering whether the measures
42 have resulted in not less than 30 percent of the total number of
43 licenses issued by the commission for personal use cannabis
44 establishments ²【and】 , ² distributors ², and delivery services² under
45 P.L. , c. (C.) (pending before the Legislature as this bill)
46 being issued to minority, women's, and disabled veterans'

1 businesses certified in accordance with the certification process
2 established by the office pursuant to paragraph (1) of subsection b.
3 of this section. Of the resulting total number of licenses issued for
4 personal use cannabis establishments, distributors, and delivery
5 services, the effectiveness of the office's measures shall be further
6 assessed by considering whether those measures have resulted in
7 not less than 15 percent of the licenses being issued to certified
8 minority businesses, and not less than 15 percent of the licenses
9 being issued to certified women's and disabled veterans'
10 businesses.

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

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

35 e. The office shall prepare information regarding its activities
36 pursuant to this section concerning participation in the medical
37 cannabis ~~industry~~ and personal use cannabis industries by persons
38 from socially and economically disadvantaged communities,
39 including medical cannabis and personal use cannabis business
40 development initiatives for minority, women's, and disabled
41 veterans' businesses participating in the medical ²and person use²
42 cannabis ²~~marketplace~~ marketplaces², to be incorporated by the
43 commission into its annual report submitted to the Governor and to
44 the Legislature pursuant to section 14 of P.L.2009, c.307 (C.24:6I-
45 12).

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

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

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

20 b. An initial permit application shall be evaluated according to
21 criteria to be developed by the commission. The commission shall
22 determine the point values to be assigned to each criterion, which
23 shall include bonus points for applicants who are residents of New
24 Jersey.

25 c. The criteria to be developed by the commission pursuant to
26 subsection b. of this section shall include, in addition to the criteria
27 set forth in subsections d. and e. of this section and any other
28 criteria developed by the commission, an analysis of the applicant's
29 operating plan, excluding safety and security criteria, which shall
30 include the following:

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

- 35 (a) State-authorized cultivation of medical cannabis;
36 (b) conventional horticulture or agriculture, familiarity with
37 good agricultural practices, and any relevant certifications or
38 degrees;
39 (c) quality control and quality assurance;
40 (d) recall plans;
41 (e) packaging and labeling;
42 (f) inventory control and tracking software or systems for the
43 production of medical cannabis;
44 (g) analytical chemistry and testing of medical cannabis;
45 (h) water management practices;
46 (i) odor mitigation practices;

- 1 (j) onsite and offsite recordkeeping;
- 2 (k) strain variety and plant genetics;
- 3 (l) pest control and disease management practices, including
- 4 plans for the use of pesticides, nutrients, and additives;
- 5 (m) waste disposal plans; and
- 6 (n) compliance with applicable laws and regulations.

7 (2) In the case of an applicant for a medical cannabis
8 manufacturer permit, the operating plan summary shall include a
9 written description concerning the applicant's qualifications for,
10 experience in, and knowledge of each of the following topics:

11 (a) State-authorized manufacture ²[, production,]² and creation
12 of cannabis products using appropriate extraction methods,
13 including intended use and sourcing of extraction equipment and
14 associated solvents or intended methods and equipment for non-
15 solvent extraction;

16 (b) pharmaceutical manufacturing, good manufacturing
17 practices, and good laboratory practices;

18 (c) quality control and quality assurance;

19 (d) recall plans;

20 (e) packaging and labeling;

21 (f) inventory control and tracking software or systems for the
22 production of medical cannabis;

23 (g) analytical chemistry and testing of medical cannabis and
24 medical cannabis products and formulations;

25 (h) water management practices;

26 (i) odor mitigation practices;

27 (j) onsite and offsite recordkeeping;

28 (k) a list of product formulations or products proposed to be
29 manufactured with estimated cannabinoid profiles, if known,
30 including varieties with high cannabidiol content;

31 (l) intended use and sourcing of all non-cannabis ingredients
32 used in the manufacture ²[, production,]² and creation of cannabis
33 products, including methods to verify or ensure the safety and
34 integrity of those ingredients and their potential to be or contain
35 allergens;

36 (m) waste disposal plans; and

37 (n) compliance with applicable laws and regulations.

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

42 (a) State-authorized dispensation of medical cannabis to
43 qualifying patients;

44 (b) healthcare, medicine, and treatment of patients with
45 qualifying medical conditions;

46 (c) medical cannabis product evaluation procedures;

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

- 1 (l) a sanitation practices plan.
- 2 (3) A summary of the applicant's business experience, including
3 the following, if applicable:
- 4 (a) the applicant's experience operating businesses in highly-
5 regulated industries;
- 6 (b) the applicant's experience in operating alternative treatment
7 centers and related medical cannabis production and dispensation
8 entities under the laws of New Jersey or any other state or
9 jurisdiction within the United States; and
- 10 (c) the applicant's plan to comply with and mitigate the effects
11 of 26 U.S.C. s.280E on cannabis businesses, and for evidence that
12 the applicant is not in arrears with respect to any tax obligation to
13 the State.

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

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

- 27 (a) the proposed location, the surrounding area, and the
28 suitability or advantages of the proposed location, along with a
29 floor plan and optional renderings or architectural or engineering
30 plans;
- 31 (b) the submission of zoning approvals for the proposed
32 location, which shall consist of a letter or affidavit from appropriate
33 municipal officials that the location will conform to municipal
34 zoning requirements allowing for such activities related to the
35 cultivation, manufacturing, or dispensing of medical cannabis,
36 cannabis products, and related supplies as will be conducted at the
37 proposed facility; and
- 38 (c) the submission of proof of local support for the suitability of
39 the location, which may be demonstrated by a resolution adopted by
40 the municipality's governing body indicating that the intended
41 location is appropriately located or otherwise suitable for such
42 activities related to the cultivation, manufacturing, or dispensing of
43 medical cannabis, cannabis products, and related supplies as will be
44 conducted at the proposed facility.

45 Notwithstanding any other provision of this subsection, an
46 application shall be disqualified from consideration unless it

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

13 (5) A community impact, social responsibility, and research
14 statement, which shall include, but shall not be limited to, the
15 following:

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

22 (b) a written description of the applicant's record of social
23 responsibility, philanthropy, and ties to the proposed host
24 community;

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

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

33 In evaluating the information submitted pursuant to
34 subparagraphs (b) and (c) of this paragraph, the commission shall
35 afford the greatest weight to responses pertaining to the applicant
36 itself, controlling owners, and entities with common ownership or
37 control with the applicant; followed by responses pertaining to
38 those with a 15 percent or greater ownership interest in the
39 applicant's organization; followed by significantly involved persons
40 in the applicant's organization; followed by other officers,
41 directors, and current and prospective employees of the applicant
42 who have a bona fide relationship with the applicant's organization
43 as of the ²[submission]² date of the application.

44 (6) A workforce development and job creation plan, which may
45 include ²[, but shall not be limited to a description of the
46 applicant's workforce development and job creation plan, which

1 may include² information on the applicant's history of job creation
2 and planned job creation at the proposed facility; education,
3 training, and resources to be made available for employees; any
4 relevant certifications; and a diversity plan.

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

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

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

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

28 (8) Whether any of the applicant's majority or controlling
29 owners were previously approved by the commission to serve as an
30 officer, director, principal, or key employee of an alternative
31 treatment center, ²or personal use cannabis establishment,
32 distributor, or delivery service,² provided any such individual
33 served in that capacity at the alternative treatment center for six or
34 more months.

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

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

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

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

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

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

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

25 e. In addition to the information to be submitted pursuant to
26 subsections c. and d. of this section, the commission shall require
27 all permit applicants, other than applicants ²[issued] ~~for~~² a
28 conditional permit, ²or for an entity that is a microbusiness pursuant
29 to subsection e. of section 11 of P.L.2019, c.153 (C.24:6I-7.1),² to
30 submit an attestation signed by a bona fide labor organization
31 stating that the applicant has entered into a labor peace agreement
32 with such bona fide labor organization. Except in the case of an
33 entity holding an unconverted conditional permit, the maintenance
34 of a labor peace agreement with a bona fide labor organization shall
35 be an ongoing material condition of maintaining a medical cannabis
36 cultivator, medical cannabis manufacturer, or medical cannabis
37 dispensary permit. The submission of an attestation and
38 maintenance of a labor peace agreement with a bona fide labor
39 organization by an applicant issued a conditional permit pursuant to
40 subsection d. of section 11 of P.L.2019, c.153 (C.24:6I-7.1) shall be
41 a requirement for conversion of a conditional permit into a full
42 permit. The failure to enter into a collective bargaining agreement
43 within 200 days after the date that a medical cannabis cultivator,
44 medical cannabis manufacturer, or medical cannabis dispensary first
45 opens shall result in the suspension or revocation of such permit or
46 conditional permit.

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

4 (1) Applicants that are party to a collective bargaining
5 agreement with a ¹bona fide¹ labor organization that currently
6 represents, or is actively seeking to represent, cannabis workers in
7 New Jersey.

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

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

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

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

30 ²[The requirements of this subsection shall not apply to a
31 microbusiness applying for a conditional or annual permit of any
32 type]

33 As used in this subsection, “bona fide labor organization” means
34 a labor organization of any kind or employee representation
35 committee, group, or association, in which employees participate
36 and which exists and is constituted for the purpose, in whole or in
37 part, of collective bargaining or otherwise dealing with medical or
38 personal use cannabis employers concerning grievances, labor
39 disputes, terms or conditions of employment, including wages and
40 rates of pay, or other mutual aid or protection in connection with
41 employment, and may be characterized by: it being a party to one or
42 more executed collective bargaining agreements with medical or
43 personal use cannabis employers, in this State or another state; it
44 having a written constitution or bylaws in the three immediately
45 preceding years; it filing the annual financial report required of

1 labor organizations pursuant to subsection (b) of 29 U.S.C. 431, or
2 it having at least one audited financial report in the three
3 immediately preceding years; it being affiliated with any regional or
4 national association of unions, including but not limited to state and
5 federal labor councils; or it being a member of a national labor
6 organization that has at least 500 general members in a majority of
7 the 50 states of the United States. A bona fide labor organization
8 includes a bona fide building trades labor organization².

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

28 g. The commission shall conduct a disparity study to determine
29 whether race-based measures should be considered when issuing
30 permits pursuant to this section, and shall incorporate the policies,
31 practices, protocols, standards, and criteria developed by the Office
32 of Minority, Disabled Veterans, and Women **【Medical】** Cannabis
33 Business Development pursuant to section 32 of P.L.2019, c.153
34 (C.24:6I-25) to promote participation in the medical cannabis
35 industry by persons from socially and economically disadvantaged
36 communities, including promoting applications for, and the
37 issuance of, medical cannabis cultivator, medical cannabis
38 manufacturer, and medical cannabis dispensary permits to certified
39 minority, women's, and disabled veterans' businesses. To this end,
40 the commission shall seek to issue at least 30 percent of the total
41 number of new medical cannabis cultivator permits, medical
42 cannabis manufacturer permits, and medical cannabis dispensary
43 permits issued on or after the effective date of P.L.2019, c.153
44 (C.24:6I-5.1 et al.) as follows:

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

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

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

18 h. 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 cultivation, manufacturing, dispensing or delivery of medical
22 cannabis, provided that the curriculum is approved by both the
23 commission and the Office of the Secretary of Higher Education
24 and the applicant agrees to maintain the integrated curriculum in
25 perpetuity. An integrated curriculum permit shall be subject to
26 revocation if the IC permit holder fails to maintain or continue the
27 integrated curriculum. In the event that, because of circumstances
28 outside an IC permit holder’s control, the IC permit holder will no
29 longer be able to continue an integrated curriculum, the IC permit
30 holder shall notify the commission and shall make reasonable
31 efforts to establish a new integrated curriculum with an institution
32 of higher education, subject to approval by the commission and the
33 Office of the Secretary of Higher Education. If the IC permit
34 holder is unable to establish a new integrated curriculum within six
35 months after the date the current integrated curriculum arrangement
36 ends, the commission shall revoke the entity’s IC permit, unless the
37 commission finds there are extraordinary circumstances that justify
38 allowing the permit holder to retain the permit without an integrated
39 curriculum and the commission finds that allowing the permit
40 holder to retain the permit would be consistent with the purposes of
41 P.L.2009, c.307 (C.24:6I-1 et al.), in which case the IC permit shall
42 convert to a regular permit of the same type. The commission may
43 revise the application and permit fees or other conditions for an IC
44 permit as may be necessary to encourage applications for IC
45 permits.

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

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

24 k. The provisions of this section shall not apply to any permit
25 applications submitted pursuant to a request for applications
26 published in the New Jersey Register prior to the effective date of
27 P.L.2019, c.153 (C.24:6I-5.1 et al.).
28 (cf: P.L.2019, c.153, s.12)

29
30 17. Section 13 of P.L.2019, c.153 (C.24:6I-7.3) is amended to
31 read as follows:

32 13. a. The commission shall issue clinical registrant permits to
33 qualified applicants that meet the requirements of this section. In
34 addition to any other requirements as the commission establishes by
35 regulation regarding application for and issuance of a clinical
36 registrant permit, each clinical registrant applicant shall:

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

40 (2) submit to the commission any required application and
41 permit fees;

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

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

1 b. The commission shall, no later than 90 days after the
2 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) or upon
3 adoption of rules and regulations as provided in subsection c. of
4 section 18 of P.L.2009, c.307 (C.24:6I-16), whichever occurs first,
5 begin accepting and processing applications for ²~~four~~ five²
6 clinical registrant permits. Thereafter, the commission shall accept
7 applications for and issue such additional clinical registrant permits
8 as it determines to be necessary and consistent with the provisions
9 of P.L.2009, c.307 (C.24:6I-1 et al.). The commission shall make a
10 determination as to a clinical registrant permit application no later
11 than 90 days after receiving the application, which may include a
12 determination that the commission reasonably requires more time to
13 adequately review the application. In reviewing and approving
14 applications for clinical registrant permits, the commission shall
15 seek to incorporate the policies, practices, protocols, standards, and
16 criteria developed by the Office of Minority, Disabled Veterans,
17 and Women **[Medical]** Cannabis Business Development pursuant
18 to section 32 of P.L.2019, c.153 (C.24:6I-25) to promote
19 participation in the medical cannabis industry by persons from
20 socially and economically disadvantaged communities. In no case
21 shall the commission accept, process, or approve an application
22 submitted by an applicant that has contracted with an academic
23 medical center that is part of a health care system that includes
24 another academic medical center that has contracted with an
25 applicant for, or a holder of, a clinical registrant permit.

26 c. A contract between a clinical registrant and an academic
27 medical center shall include a commitment by the academic medical
28 center, or its affiliate, to engage in or oversee clinical research
29 related to the use or adverse effects of **[medical]** cannabis in order
30 to advise the clinical registrant concerning patient health and safety,
31 medical applications, **[and]** dispensing and management of
32 controlled substances, and ways to mitigate adverse health or
33 societal effects of adult, personal use legalization, among other
34 areas. A clinical registrant issued a permit pursuant to this section
35 shall have a written contractual relationship with no more than one
36 academic medical center.

37 d. A clinical registrant issued a permit pursuant to this section
38 shall be authorized to engage in all conduct involving the
39 cultivation, manufacturing, and dispensing of medical cannabis as is
40 authorized for an entity holding medical cannabis cultivator,
41 medical cannabis manufacturer, and medical cannabis dispensary
42 permits pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), including
43 dispensing medical cannabis and medical cannabis products to
44 qualifying patients and designated and institutional caregivers. The
45 clinical registrant shall additionally be authorized to engage in
46 clinical research involving medical cannabis using qualifying

1 patients who consent to being part of such research, subject to any
2 restrictions established by the commission.

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

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

18 (3) The commission may authorize a clinical registrant to
19 dispense medical cannabis and medical cannabis products from
20 more than one physical location if the commission determines that
21 authorizing additional dispensing locations is necessary for the
22 clinical registrant to best serve and treat qualifying patients and
23 clinical trial participants.

24 (4) In no case shall a clinical registrant operate or be located on
25 land that is valued, assessed or taxed as an agricultural or
26 horticultural use pursuant to the "Farmland Assessment Act of
27 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

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

30 g. Clinical registrant permits shall be valid for the term of the
31 contractual relationship between the academic medical center and
32 the clinical registrant. The commission may renew a clinical
33 registrant permit to correspond to any renewal of the contractual
34 relationship between the academic medical center and the clinical
35 registrant.

36 h. Each clinical registrant shall submit the results of the clinical
37 research obtained through an approved clinical registrant permit to
38 the commission no later than one year following the conclusion of
39 the research study or publication of the research study in a peer-
40 reviewed medical journal. Nothing in this subsection shall be
41 deemed to require the disclosure of any clinical research that would
42 infringe on the intellectual property of the clinical registrant or on
43 the confidentiality of patient information.

44 i. Application materials submitted to the commission pursuant
45 to this section shall not be considered a public record pursuant to
46 P.L.1963, c.73 (C.47:1A-1 et seq.) ²[or] ² P.L.2001, c.404

1 (C.47:1A-5 et al.) ², or the common law concerning access to
2 records².

3 (cf: P.L.2019, c.153, s.13)

4

5 18. (New section) Regulation of Cannabis.

6 a. The commission shall adopt rules and regulations, pursuant
7 to subsection d. of section 6 of P.L. , c. (C.) (pending before
8 the Legislature as this bill), which shall be consistent with the intent
9 of P.L. , c. (C.) (pending before the Legislature as this bill).
10 The commission may create an expert task force to make
11 recommendations to the commission about the content of such
12 regulations. Such regulations shall include:

13 (1) Procedures for the application, issuance, denial, renewal,
14 suspension, and revocation of a license or conditional license to
15 operate as a cannabis establishment, distributor, or delivery service.
16 Such procedures shall include a periodic evaluation of whether the
17 number of each class of cannabis establishment, or cannabis
18 distributors or cannabis delivery services, is sufficient to meet the
19 market demands of the State, a result of which is the commission's
20 authority to ¹[make requests for] accept¹ new applications and
21 issue additional licenses as it deems necessary to meet those
22 demands, except as otherwise provided in section 33 of P.L. ,
23 c. (C.) (pending before the Legislature as this bill) regarding
24 an initial period during which the number of Class 1 Cannabis
25 ¹[Grower] Cultivator¹ licenses is capped ¹, which limit shall not
26 apply to cannabis cultivator licenses issued to microbusinesses as
27 set forth in that section¹;

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

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

39 (4) (a) Incorporation of the licensing measures established by
40 the Office of Minority, Disabled Veterans, and Women Cannabis
41 Business Development pursuant to subparagraph (b) of paragraph
42 (1) of subsection c. of section 32 of P.L.2019, c.153 (C.24:6I-25) to
43 promote the licensing of persons from socially and economically
44 disadvantaged communities, and minority businesses and women's
45 businesses, as these terms are defined in section 2 of P.L.1986,
46 c.195 (C.52:27H-21.18), and disabled veterans' businesses as
47 defined in section 2 of P.L.2015, c.116 (C.52:32-31.2). The

1 commission shall coordinate with the office with respect to the
2 incorporation of these licensing measures;

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

14 (5) Security requirements for cannabis establishments and
15 transportation of cannabis ²and cannabis items² ;

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

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

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

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

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

35 (iv) Any other identification card issued by a state ¹, territory, or
36 possession of the United States, the District of Columbia,¹ or the
37 United States that bears a picture of the person, the name of the
38 person, the person's date of birth, and a physical description of the
39 person;

40 (b) No cannabis establishment, distributor, or delivery service
41 shall employ persons under 18 years of age nor shall any cannabis
42 retailer allow persons under the legal age to purchase cannabis
43 items, other than a person employed by the retailer, to enter or
44 remain on the premises of a cannabis retailer unless accompanied
45 by a parent or legal guardian;

1 (c) Packaging and branding regulations to prevent the marketing
2 of cannabis items and cannabis paraphernalia to people under the
3 legal age to purchase cannabis items;

4 (d) No edible cannabis ¹~~['items']~~ products¹ shall be ¹~~['produced']~~
5 manufactured¹, marketed, or sold that are in the shape of, or a shape
6 bearing the likeness or containing characteristics of, a realistic or
7 fictional human, animal, or fruit, or part thereof, including artistic,
8 caricature, or cartoon renderings;

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

14 (a) Cannabis items and cannabis paraphernalia are not
15 packaged, branded, or marketed using any statement, illustration, or
16 image that:

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

18 (ii) Promotes over-consumption;

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

21 (iv) Includes objects, such as toys, characters, or cartoon
22 characters suggesting the presence of a person under the legal age to
23 purchase cannabis items, or any other depiction designed in any
24 manner to be especially appealing to persons under the legal age to
25 purchase cannabis items;

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

37 (c) Cannabis items warning labels adequately inform consumers
38 about safe cannabis use and warn of the consequences of misuse or
39 overuse;

40 (d) Labeling rules that mandate clear identification of health
41 and safety information, including, but not limited to:

42 (i) Net weight;

43 (ii) Production date and expiration date;

44 (iii) ¹~~['An']~~ For a cannabis product, cannabis extract, or other
45 cannabis resin, an¹ ingredient list that includes, but is not limited to,
46 all ingredients used to manufacture the cannabis product ¹, any
47 other inactive or excipient ingredients besides cannabis,¹ and a list
48 of all potential allergens contained within the product;

- 1 (iv) Strain or type of cannabis, listed by scientific terms, if
2 available, and generic or “slang” names;
- 3 (v) Whether the product requires refrigeration;
- 4 (vi) Growth method ²[(¹ ² whether dirt grown, hydroponic, or
5 otherwise ²)] ² and an indication whether the cannabis was grown
6 using all-organic materials, and a complete list of any nonorganic
7 pesticides, fungicides and herbicides used during the cultivation of
8 the cannabis;
- 9 (vii) ¹[(¹ Serving] For a cannabis product, serving¹ size, the total
10 number of servings, and a statement regarding the percentage of
11 THC contained in the cannabis product and in each serving. For
12 example: “The serving size of active THC in this product is X mg.
13 This product contains X servings of cannabis, and the total amount
14 of active THC in this product is X mg.”;
- 15 (viii) Warning labels that include the nationwide toll-free
16 telephone number used to access poison control centers that is
17 maintained in accordance with 42 U.S.C. s.300d-71, as well as
18 include, but are not limited to, one or more of the following
19 ²statements² ¹, if applicable to a particular cannabis item¹:
- 20 -- “This product contains cannabis”;
- 21 -- “This product is infused with cannabis”;
- 22 -- “This product is intended for use by adults 21 years of age or
23 older. Keep out of the reach of children”;
- 24 -- “The intoxicating effects of this product may be delayed by
25 two or more hours”;
- 26 -- “There may be health risks associated with the consumption of
27 this product, including for women who are pregnant, breastfeeding,
28 or planning on becoming pregnant”;
- 29 -- “Do not drive a motor vehicle or operate heavy machinery
30 while using ²[(¹ cannabis] this product²”;
- 31 (e) Labeling rules that mandate the source of ²[(¹ the] a² cannabis
32 ²[(¹ items] item², including, but not limited to, the license number of
33 the cannabis ¹[(¹ cultivation facility] cultivator¹ where the ¹[(¹ usable]
34 cannabis used ²[(¹ to produce] for² the cannabis item was grown, the
35 license number of the cannabis ¹[(¹ product manufacturing facility]
36 manufacturer¹ that ¹[(¹ produced] manufactured¹ the cannabis item,
37 and the license number of the cannabis retailer that sold the
38 cannabis item and the production batch and lot ²[(¹ numbers]
39 number² of the cannabis ²[(¹ items] item²;
- 40 (8) Health and safety regulations and standards for the
41 ²cultivation of cannabis, and the² manufacture and sale of cannabis
42 ¹[(¹ products] items¹ ²[(¹ and the cultivation of cannabis]², including,
43 but not limited to, requirements that:
- 44 (a) Establish accreditation and licensure criteria for cannabis
45 testing facilities, which shall include, as a condition for licensure,
46 the maintenance of a labor peace agreement and entrance into, or
47 good faith effort to enter into, a collective bargaining agreement in

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

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

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

35 (ii) ²[Permits] Permit² the commission to inspect any licensed
36 cannabis testing facility to determine the condition and calibration
37 of any equipment used for testing, and to ensure that a facility’s
38 testing procedures are performed in accordance with the
39 commission’s accreditation requirements for licensure;

40 (c) Every licensed cannabis ¹[cultivation facility] cultivator¹
41 and cannabis ¹[product manufacturing facility] manufacturer¹ shall
42 permit representatives of cannabis testing facilities to make
43 scheduled and unscheduled visits to ²[facilities] their premises² in
44 order to obtain random samples of cannabis items, in a quantity
45 established by the commission, to be transported to cannabis testing
46 facilities for inspection and testing to certify compliance with
47 health, safety, and potency standards adopted by the commission;

- 1 (d) Prescribe methods of producing 'cannabis' , '[processing,]
2 and manufacturing' and packaging cannabis items; conditions of
3 sanitation; safe handling requirements; approved pesticides and
4 pesticide testing requirements, to the extent not inconsistent with
5 approved pesticides and requirements otherwise established under
6 federal and State law; and standards of ingredients, quality, and
7 identity of cannabis items '[produced,]' '[processed]' '[.]'
8 manufactured', packaged, or sold by cannabis establishments;
- 9 (e) Establish accreditation '[and licensing]' criteria for
10 responsible cannabis server and seller training and certification
11 programs for cannabis retailer employees;
- 12 (f) Provide that no licensed cannabis establishment, distributor,
13 or delivery service, or employee of a cannabis establishment
14 '[or]' distributor, 'or delivery service.' shall consume, or allow to
15 be consumed, any cannabis items on the establishment's,
16 distributor's, or delivery service's premises, except as permitted in
17 a cannabis consumption area or 'premises' private area 'for
18 employees' as set forth in section 28 of P.L.2019, c.153 (C.24:6I-
19 21);
- 20 (g) (i) Set appropriate dosage, potency, and serving size limits
21 for '[cannabis and other]' cannabis items, provided that a
22 standardized serving of 'a' cannabis 'product' shall be no more
23 than 10 milligrams of active THC and no individual edible '[retail]
24 cannabis' product '[unit]' for sale shall contain more than 100
25 milligrams of active THC;
- 26 (ii) Require that each single standardized serving of 'a' cannabis
27 'product' in a multiple-serving edible '[cannabis]' product is
28 physically demarked in a way that enables a reasonable person to
29 determine how much of the product constitutes a single serving of
30 active THC, and that each standardized serving of 'the' cannabis
31 'product' shall be easily separable to allow an average person 21
32 years of age or older to physically separate, with minimal effort,
33 individual servings of the product;
- 34 (iii) Require that, if it is impracticable to clearly demark every
35 standardized serving of cannabis 'product' or to make each
36 standardized serving easily separable in an edible cannabis product,
37 the product shall contain no more than 10 milligrams of active THC
38 per unit of sale;
- 39 (h) Establish a universal symbol to indicate that a cannabis item
40 contains cannabis, which shall be marked, stamped, or imprinted
41 directly on an edible retail cannabis '[item] product', or on each
42 single standardized serving in a multiple-serving edible cannabis
43 '[item] product' , unless the item is a loose bulk good such as
44 granola or cereal, a powder, a liquid-infused item, or another form
45 too impractical to be marked, stamped, or imprinted;

- 1 (i) Prohibit the use of a commercially manufactured or
2 trademarked food product as an edible retail cannabis ¹[**item**
3 product¹ , provided that a commercially manufactured or
4 trademarked food product may be used as a component of an edible
5 retail cannabis ¹[**item**] product¹ or part of ¹[**an item's**] a product's¹
6 recipe so long as the commercially manufactured or trademarked
7 food product is used in a way that renders it unrecognizable in the
8 final edible ¹[**retail**] cannabis ¹[**item**] product¹ and the ¹[**item**]
9 product¹ is not advertised as containing the commercially
10 manufactured or trademarked food product;
- 11 (j) Establish screening, hiring, training, and supervising
12 requirements for ¹[**retail store**] cannabis retailer¹ employees and
13 others who manufacture or handle cannabis items;
- 14 (k) Promote general sanitary requirements for the handling,
15 storage, and disposal of cannabis items, and the maintenance of
16 cannabis establishments ¹, and cannabis distribution and cannabis
17 delivery service premises¹ ;
- 18 (l) Provide for rigorous auditing, inspection, and monitoring of
19 cannabis establishments, distributors, and delivery services for
20 compliance with health and safety rules and regulations;
- 21 (m) Require the implementation of security requirements for
22 ¹[**retail outlets**] cannabis retailers¹ and premises where cannabis
23 items are ²[**produced or**]² ¹[**processed**] ²[**manufactured**]¹
24 manufactured², and safety protocols for cannabis establishments,
25 distributors, and delivery services, and their employees;
- 26 (n) Prescribe reasonable restrictions on the manner, methods,
27 and means by which ¹cannabis cultivators ²and cannabis
28 distributors² shall transport cannabis within the State, and all¹
29 licensees shall transport cannabis items within the State; and
- 30 (o) Establish procedures for identification, seizure, confiscation,
31 destruction, or donation to law enforcement for training purposes of
32 ²[**all**]² cannabis or cannabis ¹[**products**] items¹ produced,
33 ²[**processed**] manufactured², sold, or offered for sale within this
34 State which do not conform in all respects to the standards
35 prescribed by P.L. , c. (C.) (pending before the Legislature
36 as this bill);
- 37 (9) Restrictions on the advertising and display of cannabis items
38 and cannabis paraphernalia, including, but not limited to,
39 requirements that:
- 40 (a) Restrict advertising of cannabis items and cannabis
41 paraphernalia in ways that target or are designed to appeal to
42 individuals under the legal age to purchase cannabis items,
43 including, but not limited to depictions of a person under 21 years
44 of age consuming cannabis ¹items¹, or, includes objects, such as
45 toys, characters, or cartoon characters suggesting the presence of a
46 person under 21 years of age, or any other depiction designed in any

1 manner to be especially appealing to a person under 21 years of
2 age;

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

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

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

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

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

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

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

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

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

39 c. (C. _____) (pending before the Legislature as this bill) and any
40 other laws which may hereafter be enacted concerning cannabis, or
41 the ¹production,¹ manufacture, distribution, sale, or delivery
42 thereof, including the inspection and search of ²any² premises for
43 which the license is sought or has been issued, of any building
44 containing the same, of licensed buildings, examination of the
45 books, records, accounts, documents and papers of the licensees or
46 on the licensed premises;

1 (a) The commission shall be authorized ²[, after adequate notice
2 to the owner or the agent of the owner, to make an examination of
3 the books]² and may at any time make an examination of the
4 premises of any person ²or entity² licensed under P.L. ,
5 c. (C.) (pending before the Legislature as this bill) for the
6 purpose of determining compliance with P.L. , c. (C.)
7 (pending before the Legislature as this bill) and the rules of the
8 commission ²]. The commission shall not require the books of any
9 licensee to be maintained on the premises of the licensee ²];

10 (b) The commission may ²[, at any time, examine the books and
11 records of any cannabis licensee,² require ²licensee² compliance
12 with P.L. , c. (C.) (pending before the Legislature as this
13 bill), and may appoint auditors, investigators and other employees
14 that the commission considers necessary to enforce its powers and
15 perform its duties;

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

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

25 (12) Record keeping requirements, including, but not limited to,
26 the following:

27 (a) The obligation of every cannabis ¹[grower] cultivator¹ to
28 keep a complete and accurate record of all sales of cannabis
29 flowers, cannabis leaves, and immature cannabis plants, and a
30 complete and accurate record of the number of cannabis flowers
31 produced, the number of ounces of cannabis leaves produced, the
32 number of immature cannabis plants produced, and the dates of
33 production; the obligation of every cannabis establishment to keep a
34 complete and accurate record of all sales of cannabis ¹items¹ , and a
35 complete and accurate record of the number of ounces of ¹usable¹
36 cannabis ¹[items]¹ sold; the obligation of every cannabis
37 distributor to keep a complete and accurate record of all ¹cannabis
38 and¹ cannabis items transported in bulk, and the sending and
39 receiving cannabis establishments involved in each transportation of
40 the ¹cannabis or¹ cannabis items; and the obligation of every
41 cannabis delivery service to keep a complete and accurate record of
42 all cannabis item deliveries made ²[on behalf of a] to consumers
43 based on orders fulfilled by² of cannabis ²[retailer] retailers²;

44 (b) Such records shall be kept and maintained for four years ²,
45 however there shall not be a requirement that the records be
46 maintained on the premises of a licensee,² and the records shall be

1 in such form and contain such other information as the commission
2 may require; and

3 (c) The commission may, at any time, with adequate notice,
4 examine the books and records of any cannabis establishment,
5 distributor, or delivery service, and may appoint auditors,
6 investigators, and other employees that the commission considers
7 necessary to enforce its powers and ²its² duties ²[as described in
8 P.L. , c. (C.) (pending before the Legislature as this
9 bill)]²;

10 (13) Procedures for inspecting samples of cannabis items,
11 including:

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

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

30 (c) If a ²[representative]² sample inspected and tested under
31 this section does not meet the applicable standards adopted by the
32 commission, the ²[representative]² sample may, upon notice to the
33 commission, be retested at the request of a licensee in a manner
34 prescribed by the commission, and in addition to a retest, or as an
35 alternative thereto, the licensee may also be permitted an
36 opportunity to remediate, upon notice to the commission, the ¹batch
37 or¹ lot from which the failed ²[representative]² sample was taken,
38 which ¹batch or¹ lot shall be subject to a subsequent test of a new
39 representative sample in a manner prescribed by the commission.
40 Any request for a retest of a ²[representative]² sample, and any
41 retest and reporting of results, as well as any ¹batch or¹ lot
42 remediation process undertaken and subsequent testing of that
43 ¹batch or¹ lot, shall be completed within a time period established
44 by the commission. The commission shall also provide a process
45 by which ²[representative]² samples ¹batches¹ and lots that
46 failed retesting or remediation, as applicable, shall be destroyed;

1 (14) Establishing the number of cannabis retailers ² and
2 permissible business arrangements with respect to other types of
3 retailing businesses²:

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

10 ²[(b)] (ii)² the provision of adequate access to licensed sources
11 of ²[useable cannabis and]² cannabis ²[[products] items]² to
12 discourage purchases from the illegal market; and

13 ²(b) A cannabis retailer's premises shall not be located in or
14 upon any premises in which operates a grocery store, delicatessen,
15 indoor food market, or other store engaging in retail sales of food,
16 or in or upon any premises in which operates a store that engages in
17 licensed retail sales of alcoholic beverages, as defined by subsection
18 b. of R.S.33:1-1; and²

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

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

31 c. Once regulations are adopted by the commission pursuant to
32 subsection a. of this section, but prior to the commencement of the
33 application process, the commission shall conduct a series of
34 information sessions in every county in New Jersey to educate
35 residents of New Jersey about the responsibilities, opportunities,
36 requirements, obligations, and processes for application for a
37 license to operate a cannabis establishment, distributor, or delivery
38 service. The commission shall conduct an appropriate number of
39 information sessions in each county considering the population of
40 each county, but no fewer than one information session in each
41 county. The commission shall publicize the day, time, location, and
42 agenda of each information session broadly through television,
43 radio, Internet, print, and local agencies.

44 d. The commission shall:

45 (1) Examine available research, and may conduct or commission
46 new research or convene an expert task force, to investigate the
47 influence of cannabis and marijuana on the ability of a person to

1 drive a vehicle, on methods for determining whether a person is
2 under the influence of cannabis or marijuana, and on the
3 concentration of ¹active¹ ²delta-9 tetrahydrocannabinol² THC, as
4 defined in section 3 of P.L. , c. (C.) (pending before the
5 Legislature as this bill).² in a person's blood, in each case taking
6 into account all relevant factors; and

7 (2) Report ²the results of the research to the Governor and²,
8 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), ²the
9 results of the research to² the Legislature and make
10 recommendations ²to the Legislature² regarding ²legislation or
11 other² both administrative and² legislative action as the commission
12 deems necessary.

13

14 19. (New section) Application For License or Conditional
15 License.

16 a. Each application for an annual license to operate a cannabis
17 establishment, distributor, or delivery service, or conditional license
18 for a proposed cannabis establishment, distributor, or delivery
19 service, shall be submitted to the commission. A separate license or
20 conditional license shall be required for each location at which a
21 cannabis establishment seeks to operate, or for the location of each
22 premises from which a cannabis distributor or delivery service
23 seeks to operate. Renewal applications for another annual license
24 ²may² shall² be filed ¹up to¹ no later than¹ 90 days prior to the
25 expiration of the establishment's, distributor's, or delivery service's
26 license. A conditional license shall not be renewed, but replaced
27 with an annual license upon the commission's determination of
28 qualification for the annual license, or otherwise expire, as set forth
29 in paragraph (2) of subsection b. of this section.

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

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

37 (b) forward, within ¹seven¹ ¹⁴days of receipt, a copy of each
38 application to the municipality in which the applicant desires to
39 operate the cannabis establishment, distributor, or delivery service;
40 and

41 (c) verify the information contained in the application and
42 review the qualifications for the applicable license class, set forth in
43 section 20, 22, 23, 24, 25, or 26 of P.L. , c. (C.) (pending
44 before the Legislature as this bill), and regulations concerning
45 qualifications for licensure promulgated by the commission for
46 which the applicant seeks licensure, and not more than 90 days after
47 the receipt of an application, make a determination as to whether

1 the application is approved or denied, or that the commission
2 requires more time to adequately review the application.

3 The commission shall deny a license application to any applicant
4 who fails to provide information, documentation and assurances as
5 required by P.L. , c. (C.) (pending before the Legislature as
6 this bill) or as requested by the commission, or who fails to reveal
7 any ²[fact]² material ²fact² to qualification, or who supplies
8 information which is untrue or misleading as to a material fact
9 pertaining to the qualification criteria for licensure. The
10 commission shall approve a license application that meets the
11 requirements of this section unless the commission finds by clear
12 and convincing evidence that the applicant would be manifestly
13 unsuitable to perform the activities for the applicable license class
14 for which licensure is sought.

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

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

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

39 (a) begin accepting and processing applications from applicants
40 within 30 days after the commission's initial rules and regulations
41 have been adopted pursuant to subparagraph (a) of paragraph (1) of
42 subsection d. of section 6 of P.L. , c. (C.) (pending before the
43 Legislature as this bill), and ensure that at least 35 percent of the
44 total licenses issued for each class of cannabis establishment, and
45 for cannabis distributors and delivery services, are conditional
46 licenses, which 35 percent figure shall also include any conditional
47 license issued to an applicant which is subsequently replaced by the
48 commission with an annual license due to that applicant's

1 compliance for the annual license pursuant to subsubparagraph (i)
2 of subparagraph (d) of this paragraph;

3 (b) forward, within ~~seven~~ 14 days of receipt, a copy of each
4 application to the municipality in which the applicant desires to
5 operate a proposed cannabis establishment, or to the municipality in
6 which the premises is located from which the applicant desires to
7 operate a proposed cannabis distributor or delivery service; and

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

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

13 (ii) a listing included with the application, showing all persons
14 with a financial interest who also ~~has~~ have decision making
15 authority for the proposed cannabis establishment, distributor, or
16 delivery service detailed in the application;

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

21 (iv) the name, address, date of birth, and resumes of each
22 executive officer ~~and~~ , all significantly involved persons , and
23 persons with a financial interest who also ~~has~~ have decision
24 making authority for the proposed cannabis establishment,
25 distributor, or delivery service, as well as a photocopy of their
26 driver's licenses or other government-issued form of identification,
27 plus background check information in a form and manner
28 determined by the commission in consultation with the
29 Superintendent of State Police; concerning the background check,
30 an application shall be denied if any person has any disqualifying
31 conviction pursuant to

32 subparagraph (c) of paragraph (4) of subsection a. of section ~~19~~ 19
33 20, ~~21,~~ 22, 23, ~~or~~ 24, 25 or 26 of P.L. , c. (C.)
34 (pending before the Legislature as this bill), based upon the
35 applicable class of cannabis establishment for which the application
36 was submitted, or based upon the application being for a cannabis
37 distributor or delivery service, unless the commission determines
38 pursuant to subsubparagraph (ii) of those subparagraphs that the
39 conviction should not disqualify the application;

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

45 (vi) a certification that each person with a financial interest who
46 also has decision making authority for the proposed cannabis
47 establishment, distributor, or delivery service does not have any
48 financial interest in an application for an annual license under

1 review before the commission or a cannabis establishment ²**[or]** ²
2 distributor ²or delivery service² that is currently operating with an
3 annual license;

4 (vii) the federal and State tax identification numbers for the
5 proposed cannabis establishment, distributor, or delivery service,
6 and proof of business registration with the Division of Revenue in
7 the Department of the Treasury;

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

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

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

17 (xi) any other requirements established by the commission
18 pursuant to regulation; and

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

23 The commission shall deny a ²conditional² license application to
24 any applicant who fails to provide information, documentation and
25 assurances as required by P.L. , c. (C.) (pending before the
26 Legislature as this bill) or as requested by the commission, or who
27 fails to reveal any ²**[fact]**² material ²fact² to qualification, or who
28 supplies information which is untrue or misleading as to a material
29 fact pertaining to the qualification criteria for licensure. The
30 commission shall approve a license application that meets the
31 requirements of this section unless the commission finds by clear
32 and convincing evidence that the applicant would be manifestly
33 unsuitable to perform the activities for the applicable license class
34 for which ²conditional² licensure is sought.

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

1 establishments, distributors, or delivery services and a greater
2 number of applicants seek licenses, the commission shall solicit and
3 consider input from the municipality as to the municipality's
4 preference or preferences for licensure. For each license issued, the
5 commission shall also provide the approved licensee with
6 documentation setting forth the remaining conditions to be satisfied
7 under section 20, 22, 23, 24, 25, or 26 of P.L. , c. (C.)
8 (pending before the Legislature as this bill), or relevant regulations,
9 based upon the applicable class of cannabis establishment for which
10 the conditional license was issued, or based upon the conditional
11 license issued for a cannabis distributor or delivery service, and
12 which were not already required for the issuance of that license, to
13 be completed within 120 days of issuance of the conditional license,
14 which period may be extended upon request to the commission for
15 an additional period of up to 45 days at the discretion of the
16 commission. If the commission subsequently determines during
17 that 120-day period, or during any additional period granted, that
18 the conditional licensee is in compliance with all applicable
19 conditions and is implementing the plans, procedures, protocols,
20 actions, or other measures set forth in its application, the
21 commission shall replace the conditional license by issuing an
22 annual license, which will expire one year from its date of issuance;
23 if the conditional licensee is not in compliance with all applicable
24 conditions or not implementing the plans, procedures, protocols,
25 actions, or other measures set forth in its application, the
26 conditional license shall automatically expire at the end of the 120-
27 day period, or at the end of any additional period granted by the
28 commission;

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

35 c. The commission shall require all applicants for cannabis
36 licenses, other than applicants ²[issued] ~~for~~² a conditional license
37 for any ²[form] class² of cannabis establishment, ²or for a
38 cannabis² distributor ²[.]² or delivery service, or ²[issued] ~~for~~²
39 either a conditional or annual license for an establishment,
40 distributor, or delivery service that is a microbusiness pursuant to
41 subsection f. of this section, to submit an attestation signed by a
42 bona fide labor organization stating that the applicant has entered
43 into a labor peace agreement with such bona fide labor
44 organization. The maintenance of a labor peace agreement with a
45 bona fide labor organization by a licensed cannabis establishment,
46 distributor, or delivery service, other than an establishment that is a
47 microbusiness, shall be an ongoing material condition of the
48 establishment's, distributor's, or delivery service's license. The

1 submission of an attestation and maintenance of a labor peace
2 agreement with a bona fide labor organization by an applicant
3 issued a conditional license for a cannabis establishment,
4 distributor, or delivery service, other than an establishment that is a
5 microbusiness, shall be a requirement for final approval for an
6 annual license. Failure to enter, or to make a good faith effort to
7 enter, into a collective bargaining agreement within 200 days of the
8 opening of a licensed cannabis establishment, distributor, or
9 delivery service, other than an establishment that is a
10 microbusiness, shall result in the suspension or revocation of the
11 establishment's ²[or] ² distributor's ², or delivery service's license.

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

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

1 (a) An initial application for licensure shall be evaluated
2 according to criteria to be developed by the commission. ¹For the
3 point values assigned to each criterion, there] There¹ shall be
4 included bonus points for applicants who are residents of New
5 Jersey.

6 (b) The criteria to be developed by the commission pursuant to
7 subparagraph (a) ²of² this paragraph shall include, in addition to the
8 criteria set forth in subparagraphs (c) and (d) of this paragraph and
9 any other criteria developed by the commission, an analysis of the
10 applicant's operating plan, excluding safety and security criteria,
11 which shall include the following:

12 (i) In the case of an applicant for a cannabis ¹grower
13 cultivator¹ license, the operating plan summary shall include a
14 written description concerning the applicant's qualifications for,
15 experience in, and knowledge of each of the following topics:

- 16 - ¹State-authorized¹ cultivation of ¹personal use¹ cannabis;
- 17 - conventional horticulture or agriculture, familiarity with good
18 agricultural practices, and any relevant certifications or degrees;
- 19 - quality control and quality assurance;
- 20 - recall plans;
- 21 - packaging and labeling;
- 22 - inventory control and tracking software or systems for the
23 production of personal use cannabis;
- 24 - analytical chemistry and testing of ²personal use² cannabis;
- 25 - water management practices;
- 26 - odor mitigation practices;
- 27 - onsite and offsite recordkeeping;
- 28 - strain variety and plant genetics;
- 29 - pest control and disease management practices, including plans
30 for the use of pesticides, nutrients, and additives;
- 31 - waste disposal plans; and
- 32 - compliance with applicable laws and regulations.

33 (ii) In the case of an applicant for a cannabis ¹processor
34 manufacturer¹ license, or, as applicable, a cannabis wholesaler
35 license, cannabis distributor license, or cannabis delivery service
36 license, the operating plan summary shall include a written
37 description concerning the applicant's qualifications for, experience
38 in, and knowledge of each of the following topics:

- 39 - ¹State-authorize¹ manufacture ¹production,¹ and creation
40 of cannabis products using appropriate extraction methods,
41 including intended use and sourcing of extraction equipment and
42 associated solvents or intended methods and equipment for non-
43 solvent extraction;
- 44 - quality control and quality assurance;
- 45 - recall plans;
- 46 - packaging and labeling;

- 1 - inventory control and tracking software or systems for the
2 ²production] manufacturing, warehousing, transportation, or
3 delivery² of ²personal use] ²cannabis and cannabis items;
- 4 - analytical chemistry and testing of ²personal use cannabis
5 and] ²cannabis items;
- 6 - water management practices;
- 7 - odor mitigation practices;
- 8 - onsite and offsite recordkeeping;
- 9 - a list of product formulations or products proposed to be
10 manufactured with estimated cannabinoid profiles, if known,
11 including varieties with high cannabidiol content;
- 12 - intended use and sourcing of all non-cannabis ingredients used
13 in the manufacture ²[, production,] ² and creation of cannabis
14 products, including methods to verify or ensure the safety and
15 integrity of those ingredients and their potential to be or contain
16 allergens;
- 17 - waste disposal plans; and
- 18 - compliance with applicable laws and regulations.
- 19 (iii) In the case of an applicant for a cannabis retailer license, the
20 operating plan summary shall include a written description
21 concerning the applicant's qualifications for, experience in, and
22 knowledge of each of the following topics:
- 23 - ¹State-authorized] ¹ sales of cannabis items to consumers;
- 24 - ¹personal use] ¹ cannabis product evaluation procedures;
- 25 - recall plans;
- 26 - packaging and labeling;
- 27 - inventory control and point-of-sale software or systems for the
28 sale of cannabis items;
- 29 - the routes of administration, strains, varieties, and cannabinoid
30 profiles of ²personal use] ² cannabis and cannabis items;
- 31 - odor mitigation practices;
- 32 - onsite and offsite recordkeeping;
- 33 - waste disposal plans; and
- 34 - compliance with applicable laws and regulations.
- 35 (c) The criteria to be developed by the commission pursuant to
36 subparagraph (a) of this paragraph shall include, in addition to the
37 criteria set forth in subparagraph (b) and (d) of this paragraph and
38 any other criteria developed by the commission, an analysis of the
39 following factors, if applicable:
- 40 (i) The applicant's environmental impact plan.
- 41 (ii) A summary of the applicant's safety and security plans and
42 procedures, which shall include descriptions of the following:
- 43 - plans for the use of security personnel, including contractors;
- 44 - the experience or qualifications of security personnel and
45 proposed contractors;
- 46 - security and surveillance features, including descriptions of any
47 alarm systems, video surveillance systems, and access and visitor

- 1 management systems, along with drawings identifying the proposed
2 locations for surveillance cameras and other security features;
- 3 - plans for the storage of ¹【cannabis and】¹ ²cannabis and²
4 cannabis items, including any safes, vaults, and climate control
5 systems that will be utilized for this purpose;
- 6 - a diversion prevention plan;
- 7 - an emergency management plan;
- 8 - procedures for screening, monitoring, and performing criminal
9 history record background checks of employees;
- 10 - cybersecurity procedures;
- 11 - workplace safety plans and the applicant’s familiarity with
12 federal Occupational Safety and Health Administration regulations;
- 13 - the applicant’s history of workers’ compensation claims and
14 safety assessments;
- 15 - procedures for reporting adverse events; and
- 16 - a sanitation practices plan.
- 17 (iii) A summary of the applicant’s business experience, including
18 the following, if applicable:
- 19 - the applicant’s experience operating businesses in highly-
20 regulated industries;
- 21 - the applicant’s experience in operating cannabis establishments
22 or alternative treatment centers and related ¹【personal use or
23 medical】¹ cannabis production ²【and dispensation】 ²
24 manufacturing, warehousing, or retail² entities, or experience in
25 operating cannabis distributors or delivery services, under the laws
26 of New Jersey or any other state or jurisdiction within the United
27 States; and
- 28 - the applicant’s plan to comply with and mitigate the effects of
29 26 U.S.C. s.280E on cannabis businesses, and for evidence that the
30 applicant is not in arrears with respect to any tax obligation to the
31 State.
- 32 In evaluating the experience described under this
33 subparagraph, the commission shall afford the greatest weight to
34 the experience of the applicant itself, controlling owners, and
35 entities with common ownership or control with the applicant;
36 followed by the experience of those with a 15 percent or greater
37 ownership interest in the applicant’s organization; followed by
38 ²【interest holders】 significantly involved persons² in the
39 applicant’s organization; followed by other officers, directors, and
40 ²【bona fide full-time】 current and prospective² employees of the
41 applicant ²who have a bona fide relationship with application’s
42 organization² as of the ²【submission】² date of the application.
- 43 (iv) A description of the proposed location for the applicant’s
44 site, including the following, if applicable:
- 45 - the proposed location, the surrounding area, and the suitability
46 or advantages of the proposed location, along with a floor plan and
47 optional renderings or architectural or engineering plans;

1 - the submission of zoning approvals for the proposed location,
2 which shall consist of a letter or affidavit from appropriate officials
3 of the municipality that the location will conform to local zoning
4 requirements allowing for activities related to the operations of the
5 proposed cannabis ¹[grower] cultivator¹ , cannabis ¹[processor]
6 ²[mandufacturer¹] manufacturer² , cannabis wholesaler, cannabis
7 distributor, cannabis retailer, or cannabis delivery service ²[and
8 related supplies]² as will be conducted at the proposed facility; and
9 - the submission of proof of local support for the suitability of
10 the location, which may be demonstrated by a resolution adopted by
11 the municipality's governing body indicating that the intended
12 location is appropriately located or otherwise suitable for activities
13 related to the operations of the proposed cannabis ¹[grower]
14 cultivator¹ , cannabis ¹[processor] manufacturer¹ , cannabis
15 wholesaler, cannabis distributor, cannabis retailer, or cannabis
16 delivery service.

17 ²An application for a cannabis retailer shall not include in that
18 application a proposed site that would place the retailer's premises
19 in or upon any premises in which operates a grocery store,
20 delicatessen, indoor food market, or other store engaging in retail
21 sales of food, or in or upon any premises in which operates a store
22 that engages in licensed retail sales of alcoholic beverages, as
23 defined by subsection b. of R.S.33:1-1; any application presented to
24 the commission shall be denied if it includes that form of proposed
25 site.²

26 Notwithstanding any other provision of this subsubparagraph, an
27 application shall be disqualified from consideration unless it
28 includes documentation demonstrating that the applicant will have
29 final control of the premises upon approval of the application,
30 including, but not limited to, a lease agreement, contract for sale,
31 title, deed, or similar documentation. In addition, if the applicant
32 will lease the premises, the application will be disqualified from
33 consideration unless it includes certification from the landlord that
34 the landlord is aware that the tenant's use of the premises will
35 involve ²activities associated with² operations as a cannabis
36 ¹[grower] cultivator¹ , cannabis ¹[processor] manufacturer¹ ,
37 cannabis wholesaler, cannabis distributor, cannabis retailer, or
38 cannabis delivery service. ¹[An application shall not be
39 disqualified from consideration if the application does not include
40 the materials described in this subsubparagraph.]¹

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

44 - a community impact plan summarizing how the applicant
45 intends to have a positive impact on the community in which the
46 proposed cannabis establishment, distributor, or delivery service is

1 to be located, which shall include an economic impact plan and a
2 description of outreach activities;

3 - a written description of the applicant's record of social
4 responsibility, philanthropy, and ties to the proposed host
5 community;

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

10 - a written plan describing any research and development
11 regarding the ²~~medical efficacy or~~² adverse effects of cannabis,
12 and any cannabis-related educational and outreach activities, which
13 the applicant intends to conduct if issued a license by the
14 commission.

15 In evaluating the information submitted pursuant to this
16 subparagraph, the commission shall afford the greatest weight to
17 ²~~the experience of~~ responses pertaining to² the applicant itself,
18 controlling owners, and entities with common ownership or control
19 with the applicant; followed by ²~~the experience of~~² those with a
20 15 percent or greater ownership interest in the applicant's
21 organization; followed by ²~~interest holders~~ significantly involved²
22 persons² in the applicant's organization; followed by other officers,
23 directors, and ²~~bona fide full-time~~ current and prospective²
24 employees of the applicant ²~~who have a bona fide relationship with~~
25 the applicant's organization² as of the ²~~submission~~² date of the
26 application.

27 (vi) A workforce development and job creation plan, which may
28 include ¹~~,~~ but shall not be limited to a description of the
29 applicant's workforce development and job creation plan, which
30 may include¹ information on the applicant's history of job creation
31 and planned job creation at the proposed cannabis establishment,
32 distributor, or delivery service; education, training, and resources to
33 be made available for employees; any relevant certifications; and an
34 optional diversity plan.

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

37 - an executive summary of the applicant's business plan;
38 - a demonstration of the applicant's financial ability to
39 implement its business plan, which may include, but shall not be
40 limited to, bank statements, business and individual financial
41 statements, net worth statements, and debt and equity financing
42 statements; and

43 - a description of the applicant's ¹~~experience complying~~ plan
44 to comply¹ with guidance pertaining to cannabis issued by the
45 Financial Crimes Enforcement Network under 31 U.S.C. s.5311 et
46 seq., the federal "Bank Secrecy Act," which may be demonstrated
47 by submitting letters regarding the applicant's banking history from

1 banks or credit unions that certify they are aware of the business
2 activities of the applicant, or entities with common ownership or
3 control ²[of] with² the ²[applicant's organization] applicant², in
4 any state where the applicant has operated a business related to
5 personal use or medical cannabis. For the purposes of this
6 ²[subparagraph] subsubparagraph², the commission shall consider
7 only bank references involving accounts in the name of the
8 applicant or of an entity with common ownership or control ²[of]
9 with² the ²[applicant's organization] applicant². An applicant who
10 does not submit the information ²[described in this subparagraph]
11 about a plan of compliance with the federal "Bank Secrecy Act"²
12 shall not be disqualified from consideration.

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

19 (ix) ¹[Whether the applicant can demonstrate that its governance
20 structure includes the involvement of a school of medicine or
21 osteopathic medicine licensed and accredited in the United States,
22 or a general acute care hospital, ambulatory care facility, adult day
23 care services program, or pharmacy licensed in New Jersey,
24 provided that:

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

30 - the school, hospital, facility, or pharmacy holds a profit share
31 or ownership interest in the applicant's organization of 10 percent
32 or more, except in the case of an accredited school of medicine or
33 osteopathic medicine that is located and licensed in New Jersey;
34 and

35 - the school, hospital, facility, or pharmacy participates in major
36 decision-making activities within the applicant's organization,
37 which may be demonstrated by representation on the board of
38 directors of the applicant's organization.

39 (x) ¹ Any other information the commission deems relevant in
40 determining whether to grant a license to the applicant.

41 (2) In ranking applications, in addition to the awarding of points
42 as set forth in paragraph (1) of this subsection, the commission shall
43 give priority to the following, regardless of ¹[regardless of]¹
44 whether there is any competition among applications for a particular
45 class of license:

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

4 (b) Applicants that are party to a collective bargaining
5 agreement with a 'bona fide' labor organization that currently
6 represents, or is actively seeking to represent cannabis workers in
7 New Jersey.

8 (c) Applicants that are party to a collective bargaining
9 agreement with a 'bona fide' labor organization that currently
10 represents cannabis workers in another state.

11 (d) Applicants that submit ¹[an attestation affirming that they
12 will use best efforts to utilize] a signed project labor agreement
13 with a bona fide' building trades labor ¹[organizations in]
14 organization, which is a form of pre-hire collective bargaining
15 agreement covering terms and conditions of a specific project,
16 including labor issues and worker grievances associated with that
17 project, for' the construction or retrofit of the facilities associated
18 with the licensed entity.

19 (e) Applicants that submit ¹[an attestation affirming that they
20 have] ¹a 'signed' project labor agreement ¹[, or will utilize a
21 project labor agreement, which is a form of pre-hire collective
22 bargaining agreement covering terms and conditions of a specific
23 project, including labor issues and worker grievances associated
24 with any construction or retrofit of facilities, or] with a bona fide
25 labor organization for any' other applicable project ¹[,] ¹associated
26 with the licensed entity.

27 ²As used in this paragraph, "bona fide labor organization" means
28 "bona fide labor organization" as defined in subsection c. of this
29 section, and includes a bona fide building trades labor
30 organization.²

31 (3) In reviewing an initial ²license² application, unless the
32 information is otherwise solicited by the commission in a specific
33 application question, the commission's evaluation of the application
34 shall be limited to the experience and qualifications of the
35 applicant's organization, including ²controlling owners,² any entities
36 with common ownership or control ²[of] with² the ²[applicant's
37 organization] applicant,² ²[controlling owners or] those with a 15
38 percent or greater ownership² interest ²[holders]² in the applicant's
39 organization, ²[and] significantly involved persons in the
40 applicant's organization,² the ²other² officers, directors, and current
41 ²[full-time existing] or prospective² employees of the
42 ²[applicant's organization] applicant who have a bona fide
43 relationship with the applicant's organization as of the date of the
44 application, and consultants and independent contractors who have
45 a bona fide relationship with the applicant as of the date of the
46 application². Responses pertaining to ²[consultants, independent

1 contractors,]² applicants who are exempt from the criminal history
2 record background check requirements of P.L. , c. (C.)
3 (pending before the Legislature as this bill) ²[, and prospective or
4 part-time employees of the entity]² shall not be considered. Each
5 applicant shall certify as to the status of the individuals and entities
6 included in the application.

7 (4) The commission shall give special consideration to any
8 applicant that has entered into an agreement with an institution of
9 higher education to create an integrated curriculum involving the
10 ²[growing] cultivation², ²[processing] manufacturing²,
11 wholesaling, distributing, ²[and] ² retail sales ², or delivery² of
12 personal use cannabis ²[and] or² cannabis items, provided that the
13 curriculum is approved by both the commission and the
14 ²[Department] Office² of ²the Secretary of Higher² Education and
15 the applicant agrees to maintain the integrated curriculum in
16 perpetuity. An integrated curriculum ²[permit] license² shall be
17 subject to revocation if the license holder fails to maintain or
18 continue the integrated curriculum. In the event that, because of
19 circumstances outside a license holder's control, the license holder
20 will no longer be able to continue an integrated curriculum, the
21 license holder shall notify the commission and shall make
22 reasonable efforts to establish a new integrated curriculum with an
23 institution of higher education, subject to approval by the
24 commission and the ²[Department] Office² of ²the Secretary of
25 Higher² Education. If the license holder is unable to establish a
26 new integrated curriculum within six months after the date the
27 current integrated curriculum arrangement ends, the commission
28 shall revoke the entity's license, unless the commission finds there
29 are extraordinary circumstances that justify allowing the license
30 holder to retain the license without an integrated curriculum and the
31 commission finds that allowing the license holder to retain the
32 license would be consistent with the purposes of P.L. ,
33 c. (C.) (pending before the Legislature as this bill). The
34 commission may revise the application and license fees or other
35 conditions for a license pursuant to this paragraph as may be
36 necessary to encourage applications for ²[license] licensure which
37 involves an integrated curriculum².

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

42 (6) If the commission notifies an applicant that it has performed
43 sufficiently well on multiple applications to be awarded more than
44 one ²[cannabis ¹[grower] cultivator¹ license, cannabis
45 ¹[processor] manufacturer¹ license, cannabis wholesaler license,
46 cannabis distributor license, cannabis retailer license, or cannabis

1 delivery service² license, the applicant shall notify the
2 commission, within seven business days after receiving such notice,
3 as to which ²class of² license it will accept. For any license award
4 that is declined by an applicant pursuant to this paragraph, the
5 commission shall, upon receiving notice from the applicant of the
6 declination, award the license to the applicant for that license class
7 who, in the determination of the commission, best satisfies the
8 commission's criteria while meeting the commission's
9 determination of Statewide marketplace need. If an applicant fails
10 to notify the commission as to which license it will accept, the
11 commission shall have the discretion to determine which license it
12 will award to the applicant, based on the commission's
13 determination of Statewide marketplace need and other applications
14 submitted for cannabis establishments, distributors, or delivery
15 services to be located in the affected regions.

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

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

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

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

33 (ii) has a crime index total of 825 or higher based upon the
34 indexes listed in the ¹[most recently issued]¹ annual Uniform
35 Crime Report by the Division of State Police ¹[as of that effective
36 date]¹; and

37 (iii) has a local average annual unemployment rate that ranks in
38 the top 15 percent of all municipalities in the State ¹[for the
39 calendar year next preceding that effective date]¹, based upon
40 average annual unemployment rates estimated for the relevant
41 calendar year by the Office of Research and Information in the
42 Department of Labor and Workforce Development ²;

43 (c) is a municipality located in a county of the third class, based
44 upon the county's population according to the most recently
45 compiled federal decennial census as of the effective date of P.L. ,
46 c. (C.) (pending before the Legislature as this bill), that

1 meets all of the criteria set forth in subparagraph (b) other than
2 having a crime index total of 825 or higher; or

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

7 (i) with a population of less than 60,000 according to the most
8 recently compiled federal decennial census, that for calendar year
9 2019 ranks in the top 40 percent of municipalities in the State for
10 marijuana- or hashish-related arrests for violation of paragraph (4)
11 of subsection a. of N.J.S.2C:35-10; has a crime index total of 1,000
12 or higher based upon the indexes listed in the 2019 annual Uniform
13 Crime Report by the Division of State Police; but for calendar year
14 2019 does not have a local average annual unemployment rate that
15 ranks in the top 15 percent of all municipalities, based upon average
16 annual unemployment rates estimated for the relevant calendar year
17 by the Office of Research and Information in the Department of
18 Labor and Workforce Development; or

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

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

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

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

42 (c) An applicant who presents a plan, attested to, to employ ¹at
43 least¹ 25 percent of employees who reside in an impact zone, of
44 whom at least 25 percent shall reside in the impact zone nearest to
45 the location, or intended location, of the cannabis establishment,
46 distributor, or delivery service; failure to meet the requisite
47 percentages of employees from an impact zone within 90 days of
48 the opening of a licensed cannabis establishment, distributor, or

1 delivery service shall result in the suspension or revocation of a
2 license or conditional license, as applicable, issued based on an
3 application with an impact zone employment plan.

4 f. (1) The commission shall ensure that at least 10 percent of
5 the total licenses issued for each class of cannabis establishment, or
6 for cannabis distributors and cannabis delivery services, are
7 designated for and only issued to microbusinesses, and that at least
8 25 percent of the total licenses issued be issued to microbusinesses.
9 The determination of the percentage for each class of license issued
10 to microbusinesses shall include the number of conditional licenses
11 issued to microbusinesses for each class, as the percentage of
12 conditional licenses issued for each class pursuant to subparagraph
13 (a) of paragraph (2) of subsection b. of this section shall not be
14 mutually exclusive of the percentage of licenses issued to
15 microbusinesses pursuant to this ²[paragraph] subsection². ²There
16 shall not be any cap or other numerical restriction on the number of
17 licenses issued to microbusinesses pursuant to P.L. , c. (C.)
18 (pending before the Legislature as this bill), and this prohibition on
19 a cap or other numerical restriction shall apply to every class of
20 license issued.² The maximum fee assessed by the commission for
21 issuance or renewal of a license designated and issued to a
22 microbusiness shall be no more than half the fee applicable to a
23 license of the same class issued to a person or entity that is not a
24 microbusiness. ²[A license designated and issued to a
25 microbusiness shall be valid for one year and may be renewed
26 annually.]²

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

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

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

36 (c) concerning business operations, and capacity and quantity
37 restrictions:

38 (i) employ no more than 10 employees;

39 (ii) operate a cannabis establishment occupying an area of no
40 more than 2,500 square feet, and in the case of a cannabis
41 ¹[grower] cultivator¹, grow cannabis on an area no more than 2,500
42 square feet measured on a horizontal plane and grow above that
43 plane not higher than 24 feet; provided, that a cannabis ²[grower's]
44 cultivator's² grow space may, if approved by the commission, be
45 part of a larger premises that is owned or operated by a cannabis
46 ¹[grower] cultivator¹ that is not a licensed microbusiness, allowing
47 for the sharing of ²a² physical ²[facilities] premises² and certain

1 business operations, but only the microbusiness cannabis ¹[grower]
2 cultivator¹ shall grow cannabis on and above the ¹[grower's]
3 cultivator's¹ grow space ²[.].²

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

7 (iv) in the case of a cannabis ¹[processor] manufacturer¹,
8 acquire ²[and process]² no more than 1,000 pounds of ¹usable¹
9 cannabis ¹[in dried form]¹ each month;

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

15 (vi) in the case of a cannabis retailer, acquire for retail sale no
16 more than 1,000 pounds of ¹usable¹ cannabis ¹[in dried form]¹, or
17 the equivalent amount in any ¹[other]¹ form ¹of manufactured
18 cannabis product or cannabis resin¹, or any combination thereof,
19 each month ²[.].²

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

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

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

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

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

41 (a) Any microbusiness that meets the criteria established by the
42 commission for conversion may submit an application to convert its
43 operations. Upon review of the application to confirm the
44 commission's criteria have been met, the commission shall issue a
45 new annual license to the person or entity, and the previously issued
46 license for the microbusiness shall be deemed expired as of the date
47 of issuance of the new annual license. If the commission

1 determines that the criteria have not been met, the conversion
 2 application shall be denied, and the commission shall notify the
 3 microbusiness applicant of the specific reason for its denial, and
 4 provide the applicant with the opportunity for a hearing in
 5 accordance with the “Administrative Procedure Act,” P.L.1968,
 6 c.410 (C.52:14B-1 et seq.).

7 (b) Any new annual license issued pursuant to this paragraph
 8 allowing a microbusiness to convert and continue its operations as a
 9 licensed person or entity that is not a microbusiness subject to the
 10 provisions of this subsection shall be counted towards the
 11 percentages of licenses that are designated for and only issued to
 12 microbusiness as set forth in paragraph (1) of this subsection,
 13 notwithstanding the microbusiness’ converted operations.²

14
 15 20. (New section) Class 1 Cannabis ¹**[Grower]** Cultivator¹
 16 license.

17 A cannabis ¹**[grower]** cultivator¹ shall have a Class 1 Cannabis
 18 ¹**[Grower]** Cultivator¹ license issued by the commission for the
 19 premises at which the cannabis is grown or cultivated. Except for
 20 an initial period during which the number of licenses is capped
 21 pursuant to section 33 of P.L. , c. (C.) (pending before the
 22 Legislature as this bill), ¹except as otherwise provided therein
 23 concerning cannabis cultivator licenses issued to microbusinesses.¹,
 24 the commission shall determine the maximum number of licenses,
 25 of which at least 35 percent shall be conditional licenses issued
 26 pursuant to subparagraph (a) of paragraph (2) of subsection b. of
 27 section ¹**[18]** 19¹ of P.L. , c. (C.) (pending before the
 28 Legislature as this bill), and at least ²**[25]** 10² percent of the total
 29 number of licenses and conditional licenses shall be designated for
 30 and only issued to microbusinesses pursuant subsection f. of that
 31 section. After the initial period during which the number of licenses
 32 is capped pursuant to section 33 of P.L. , c. (C.) (pending
 33 before the Legislature as this bill), ¹except as otherwise provided
 34 therein concerning cannabis cultivator licenses issued to
 35 microbusinesses,¹ the commission shall review the current number
 36 of licenses issued and, ²**[providing]** provided² there exist qualified
 37 applicants, ²the commission shall issue a sufficient number of
 38 licenses to meet the market demands of the State, and² may, as
 39 authorized by paragraph (1) of subsection a. of section 18 of P.L. ,
 40 c. (C.) (pending before the Legislature as this bill), ¹**[make**
 41 **requests for]** accept¹ new applications for additional licenses as it
 42 deems necessary to meet ²**[the market]** those² demands ²**[of the**
 43 **State]**².

44 a. To hold a Class 1 Cannabis ¹**[Grower]** Cultivator¹ license
 45 under this section, an applicant:

1 (1) Shall apply for a license in the manner described in section
2 18 of P.L. , c. (C.) (pending before the Legislature as
3 this bill);

4 (2) Shall have at least one significantly involved person who has
5 resided in this State for at least two years as of the date of the
6 application, and provide proof that this person and any other person
7 with ¹["an investment"] financial¹ interest who also has decision
8 making authority for the cannabis ¹["grower"] cultivator¹ listed on an
9 application submitted under section 18 of P.L. , c. (C.)
10 (pending before the Legislature as this bill) is 21 years of age or
11 older;

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

14 (4) Shall provide for each of the following persons to undergo a
15 criminal history record background check: any owner, other than an
16 owner who holds less than a five percent investment interest in the
17 cannabis ¹["grower"] cultivator¹ or who is a member of a group that
18 holds less than a 20 percent investment interest in the cannabis
19 ¹["grower"] cultivator¹ and no member of that group holds more than
20 a five percent interest in the total group investment, and who lacks
21 the authority to make controlling decisions regarding the cannabis
22 ¹["grower's"] cultivator's¹ operations; any director; any officer; and
23 any employee.

24 (a) Pursuant to this provision, the commission is authorized to
25 exchange fingerprint data with and receive criminal history record
26 background information from the Division of State Police and the
27 Federal Bureau of Investigation consistent with the provisions of
28 applicable ²["federal and"]² State ²and federal² laws, rules, and
29 regulations. The Division of State Police shall forward criminal
30 history record background information to the commission in a
31 timely manner when requested pursuant to the provisions of this
32 section;

33 (b) Each person shall submit to being fingerprinted in
34 accordance with applicable State and federal laws, rules, and
35 regulations. No check of criminal history record background
36 information shall be performed pursuant to this section unless a
37 person has furnished his written consent to that check. A person
38 who refuses to consent to, or cooperate in, the securing of a check
39 of criminal history record background information shall not be
40 considered for licensure as a ¹["grower"] cultivator¹. Each person
41 shall bear the cost for the criminal history record background check,
42 including all costs of administering and processing the check;

43 (c) (i) With respect to determining whether any conviction of a
44 person contained in the criminal history record background check
45 should disqualify an applicant for a Class 1 Cannabis ¹["Grower"]
46 Cultivator¹ license, the commission shall not take into consideration
47 any conviction for a crime or offense that occurred prior to the

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

29 (ii) The commission may approve an applicant for a Class 1
30 Cannabis **'[Grower] ²[Cultivation¹] Cultivator²'** license after
31 conducting a thorough review of any previous conviction of a
32 person that substantially related to the qualifications, functions, or
33 duties for which the license is required that is contained in the
34 criminal history record background information, and this review
35 shall include examining the nature of the indictable offense, the
36 circumstances at the time of committing the offense, and evidence
37 of rehabilitation since conviction. If the commission determines
38 that the reviewed conviction should not disqualify the applicant, the
39 applicant may be approved so long as the applicant is otherwise
40 qualified to be issued the license; and

41 (d) Upon receipt and review of the criminal history record
42 background information from the Division of State Police and the
43 Federal Bureau of Investigation, the commission shall provide
44 written notification to the applicant of the qualification **²[for]**²
45 disqualification for a Class 1 Cannabis **'[Grower] Cultivator'**
46 license.

1 If the applicant is disqualified because the commission
2 determined that a person has a disqualifying conviction pursuant to
3 the provisions of this section, the conviction that constitutes the
4 basis for the disqualification shall be identified in the written
5 notice.

6 (e) The Division of State Police shall promptly notify the
7 commission in the event that a person who was the subject of a
8 criminal history record background check conducted pursuant to
9 this section is convicted of a crime or offense in this State after the
10 date the background check was performed. Upon receipt of that
11 notification, the commission shall make a determination regarding
12 the continued eligibility for the applicant, or following application,
13 for the licensee, to hold a Class 1 Cannabis ¹**[Grower] Cultivator**¹
14 license.

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

16 (1) Provide for the annual renewal of the Class 1 Cannabis
17 ¹**[Grower] Cultivator**¹ license;

18 (2) Establish application, licensure, and renewal of licensure
19 fees for cannabis ¹**[growers] cultivators**¹ in accordance with
20 paragraph (2) of subsection a. of section 18 of P.L. , c. (C.)
21 (pending before the Legislature as this bill);

22 (3) Require ¹**usable**¹ cannabis produced by cannabis ¹**[growers]**
23 **cultivators**¹ to be tested in accordance with P.L. , c. (C.)
24 (pending before the Legislature as this bill);

25 (4) Require cannabis ¹**[growers] cultivators**¹ to submit, at the
26 time of applying for or renewing a license under P.L. ,
27 c. (C.) (pending before the Legislature as this bill), a report
28 describing the applicant's or licensee's electrical and water usage;
29 and

30 (5) Require a cannabis ¹**[grower] cultivator**¹ to meet any public
31 health and safety standards, industry best practices, and all
32 applicable regulations established by the commission ²**[by rule or**
33 **regulation]**² related to the production of cannabis or the
34 propagation of immature cannabis plants and the seeds of the plant
35 Cannabis sativa L. within the plant family Cannabaceae. The
36 commission may regulate the number of immature cannabis plants
37 that may be possessed by a cannabis ¹**[grower] cultivator**¹ licensed
38 under this section ²**[; , and**² the size of the grow canopy a cannabis
39 ¹**[grower] cultivator**¹ licensed under this section uses to grow
40 immature cannabis plants ²**[; and** the weight or size of shipments of
41 immature cannabis plants made by a cannabis ¹**[grower] cultiavtor**¹
42 licensed under this section]².

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

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

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

5 d. (1) The commission shall issue or deny issuance of a Class
6 1 Cannabis ¹[Grower] Cultivator¹ license or conditional license in
7 accordance with the procedures set forth in section 18 of P.L. ,
8 c. (C.) (pending before the Legislature as this bill).

9 (2) The commission may suspend or revoke a Class 1 Cannabis
10 ¹[Grower] Cultivator¹ license or conditional license to operate as a
11 cannabis ¹[cultivation facility] cultivator¹ for cause, which shall be
12 considered a final agency action for the purposes of the
13 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
14 seq.) and shall be subject only to judicial review as provided in the
15 Rules of Court.

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

19 f. As required by the commission in regulation, a licensee or
20 conditional licensee shall report required changes in information
21 about the licensee to the commission within the time specified by
22 the commission.

23

24 21. (New section) Grow Canopies for Licensed Cannabis
25 ¹[Growers] Cultivators¹.

26 a. Subject to subsection b. of this section, the commission shall
27 adopt rules or regulations restricting the size of mature cannabis
28 plant grow canopies at premises for which a license has been issued
29 to a cannabis ¹[grower] cultivator¹ pursuant to P.L. ,
30 c. (C.) (pending before the Legislature as this bill).

31 b. When adopting rules and regulations under this
32 ²[subsection] section², the commission shall consider whether to:

33 (1) Limit the size of mature cannabis plant grow canopies for
34 premises where cannabis is grown outdoors and for premises where
35 cannabis is grown indoors in a manner calculated to result in
36 premises that produce the same amount of harvested cannabis
37 leaves and harvested cannabis flowers, regardless of whether the
38 cannabis is grown outdoors or indoors;

39 (2) Adopt a tiered system under which the permitted size of a
40 cannabis ¹[growers'] cultivators'¹ mature cannabis plant grow
41 canopy ¹[increases] may increase or decrease¹ at the time of
42 licensure renewal ²[.]² in accordance with that tiered system.¹
43 except that the permitted size of a cannabis ¹[grower's] cultivator's¹
44 mature cannabis plant grow canopy may not increase following any
45 year during which the commission disciplined the cannabis
46 ¹[grower] cultivator¹ for violating a provision of ²2² or a rule ²or
47 regulation² adopted under ²2² a provision of P.L. , c. (C.)

1 (pending before the Legislature as this bill); provided, that at the
 2 time of adoption, any growing or cultivation square footage
 3 previously approved or authorized for an alternative treatment
 4 center that was issued a permit prior to the effective date of
 5 P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was issued a permit on
 6 or after that effective date pursuant to an application submitted
 7 prior to that effective date, shall not be reduced, but the
 8 commission's adopted ¹~~tier~~ tiered¹ system shall apply to the
 9 growing or cultivation square footage of that alternative treatment
 10 center thereafter;

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

18 c. This section shall not apply to premises for which a license
 19 has been issued to a cannabis ¹~~grower~~ cultivator¹ pursuant to
 20 section 20 of P.L. , c. (C.) (pending before the
 21 Legislature as this bill), if the premises is used only to propagate
 22 immature cannabis plants.

23
 24 22. (New section) Class 2 Cannabis ¹~~Processor~~
 25 Manufacturer¹ license.

26 A cannabis ¹~~processor~~ manufacturer¹ shall have a Class 2
 27 Cannabis ¹~~Processor~~ Manufacturer¹ license issued by the
 28 commission for the premises at which the cannabis ¹~~product is~~
 29 produced ¹~~items are manufactured~~¹. 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~~
 33 19² of P.L. , c. (C.) (pending before the Legislature as this
 34 bill), and at least ²~~25~~ 10² percent of the total number of licenses
 35 and conditional licenses shall be designated for and only issued to
 36 microbusinesses pursuant to 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 2 Cannabis ¹~~Processor~~ Manufacturer¹
 44 license under this section, an applicant:

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 investment a financial¹ interest who also has decision
5 making authority for the cannabis ¹processor¹ manufacturer¹ listed
6 on an application submitted under section 18 of P.L. ,
7 c. (C.) (pending before the Legislature as this bill) is 21
8 years of age or older;

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

11 (4) Shall provide for each of the following persons to undergo a
12 criminal history record background check: any owner, other than an
13 owner who holds less than a five percent investment interest in the
14 cannabis ¹processor¹ manufacturer¹ or who is a member of a
15 group that holds less than a 20 percent investment interest in the
16 cannabis ¹processor¹ manufacturer¹ and no member of that group
17 holds more than a five percent interest in the total group investment,
18 and who lacks the authority to make controlling decisions regarding
19 the cannabis ¹processor's¹ manufacturer's¹ operations; any
20 director; any officer; and any employee.

21 (a) Pursuant to this provision, the commission is authorized to
22 exchange fingerprint data with and receive criminal history record
23 background information from the Division of State Police and the
24 Federal Bureau of Investigation consistent with the provisions of
25 applicable ²federal and² State ²and federal² laws, rules, and
26 regulations. The Division of State Police shall forward criminal
27 history record background information to the commission in a
28 timely manner when requested pursuant to the provisions of this
29 section;

30 (b) Each person shall submit to being fingerprinted in
31 accordance with applicable State and federal laws, rules, and
32 regulations. No check of criminal history record background
33 information shall be performed pursuant to this section unless a
34 person has furnished his written consent to that check. A person
35 who refuses to consent to, or cooperate in, the securing of a check
36 of criminal history record background information shall not be
37 considered for licensure as a ¹processor¹ manufacturer¹. Each
38 person shall bear the cost for the criminal history record
39 background check, including all costs of administering and
40 processing the check;

41 (c) (i) With respect to determining whether any conviction of a
42 person contained in the criminal history record background check
43 should disqualify an applicant for a Class 2 Cannabis ¹Processor¹
44 Manufacturer¹ license, the commission shall not take into
45 consideration any conviction for a crime or offense that occurred
46 prior to the effective date of P.L. , c. (C.) (pending before
47 the Legislature as this bill) involving a controlled dangerous

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

27 (ii) The commission may approve an applicant for a Class 2
28 Cannabis '1[**Processor**] Manufacturer' license after conducting a
29 thorough review of any previous conviction of a person that
30 substantially related to the qualifications, functions, or duties for
31 which the license is required that is contained in the criminal
32 history record background information, and this review shall
33 include examining the nature of the indictable offense, the
34 circumstances at the time of committing the offense, and evidence
35 of rehabilitation since conviction. If the commission determines
36 that the reviewed conviction should not disqualify the applicant, the
37 applicant may be approved so long as the applicant is otherwise
38 qualified to be issued the license; and

39 (d) Upon receipt and review of the criminal history record
40 background information from the Division of State Police and the
41 Federal Bureau of Investigation, the commission shall provide
42 written notification to the applicant of the qualification ²[for]² or
43 disqualification for a Class 2 Cannabis '1[**Processor**] Manufacturer'
44 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 2 Cannabis ¹Processor
11 Manufacturer¹ license.

12 b. The commission shall adopt rules that:

13 (1) Provide for the annual renewal of the Class 2 Cannabis
14 ¹Processor Manufacturer¹ license;

15 (2) Establish application, licensure, and renewal of licensure
16 fees for cannabis ¹processors manufacturers¹ in accordance with
17 paragraph (2) of subsection a. of section 18 of P.L. , c. (C.)
18 (pending before the Legislature as this bill);

19 (3) Require cannabis ²items² ¹produced manufactured¹ by
20 cannabis ¹processors manufactures¹ to be tested in accordance
21 with P.L. , c. (C.) (pending before the Legislature as this
22 bill); and

23 (4) Require a cannabis ¹processor manufacturer¹ to meet any
24 public health and safety standards, industry best practices, and all
25 applicable regulations established by the commission ²by rule or
26 regulation² related to the ¹processing manufacturing¹ of
27 cannabis ¹items¹ .

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

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

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

35 d. (1) The commission shall issue or deny issuance of a Class
36 2 Cannabis ¹Processor Manufacturer¹ license or conditional
37 license in accordance with the procedures set forth in section 18 of
38 P.L. , c. (C.) (pending before the Legislature as this bill).

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

46 e. A person who has been issued a license or conditional
47 license shall display the license or conditional license at the

1 premises at all times when cannabis ¹[is] ²[products or cannabis
2 extracts] items² are¹ being ¹[processed] manufactured¹.

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

7

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

9 A cannabis wholesaler shall have a Class 3 Cannabis Wholesaler
10 license issued by the commission for the premises at which ¹[the]¹
11 cannabis ¹[is] items are¹ warehoused. The commission shall
12 determine the maximum number of licenses, of which at least 35
13 percent shall be conditional licenses issued pursuant to
14 subparagraph (a) of paragraph (2) of subsection b. of section ²[18]
15 ¹⁹² of P.L. , c. (C.) (pending before the Legislature as this
16 bill), and at least ²[25] ¹⁰² percent of the total number of licenses
17 and conditional licenses shall be designated for and only issued to
18 microbusinesses pursuant subsection f. of that section. Providing
19 there exist qualified applicants, the commission shall issue a
20 sufficient number of licenses to meet the market demands of the
21 State, and may, as authorized by paragraph (1) of subsection a. of
22 section 18 of P.L. , c. (C.) (pending before the Legislature
23 as this bill), ¹[make requests for] accept¹ new applications for
24 additional licenses as it deems necessary to meet those demands.

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

27 (1) Shall apply for a license in the manner described in section
28 18 of P.L. , c. (C.) (pending before the Legislature as
29 this bill);

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

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

40 (4) Shall provide for each of the following persons to undergo a
41 criminal history record background check: any owner, other than an
42 owner who holds less than a five percent investment interest in the
43 cannabis wholesaler or who is a member of a group that holds less
44 than a 20 percent investment interest in the cannabis wholesaler and
45 no member of that group holds more than a five percent interest in
46 the total group investment, and who lacks the authority to make

1 controlling decisions regarding the cannabis wholesaler's
2 operations; any director; any officer; and any employee.

3 (a) Pursuant to this provision, the commission is authorized to
4 exchange fingerprint data with and receive criminal history record
5 background information from the Division of State Police and the
6 Federal Bureau of Investigation consistent with the provisions of
7 applicable ²[[federal and]]² State ²and federal² laws, rules, and
8 regulations. The Division of State Police shall forward criminal
9 history record background information to the commission in a
10 timely manner when requested pursuant to the provisions of this
11 section;

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

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

1 least consider any conviction involving fraud, deceit, or
2 embezzlement, and any conviction for N.J.S.2C:35-6, employing a
3 minor in a drug distribution scheme, or similar indictable offense in
4 this or another jurisdiction involving the use of a minor to dispense
5 or distribute a controlled dangerous substance or controlled
6 substance analog;

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

18 (d) Upon receipt and review of the criminal history record
19 background information from the Division of State Police and the
20 Federal Bureau of Investigation, the commission shall provide
21 written notification to the applicant of the qualification ²**[for]**² or
22 disqualification for a Class 3 Cannabis Wholesaler license.

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

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

36 b. The commission shall adopt rules that:

37 (1) Provide for the annual renewal of the Class 3 Cannabis
38 Wholesaler license;

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

43 (3) Require a cannabis wholesaler to meet any public health and
44 safety standards, industry best practices, and all applicable
45 regulations established by the commission ²**[by rule or regulation]**²
46 related to the warehousing of cannabis ¹items¹.

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

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

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

7 d. (1) The commission shall issue or deny issuance of a Class
8 3 Cannabis Wholesaler license or conditional license in accordance
9 with the procedures set forth in section 18 of P.L. , c. (C.)
10 (pending before the Legislature as this bill).

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

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

20 f. As required by the commission in regulation, a licensee or
21 conditional licensee shall report required changes in information
22 about the licensee to the commission within the time specified by
23 the commission.

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

26 A cannabis distributor shall have a Class 4 Cannabis Distributor
27 license issued by the commission for the premises from which the
28 cannabis distributor will conduct operations to transport cannabis
29 items in bulk. The commission shall determine the maximum
30 number of licenses, of which at least 35 percent shall be conditional
31 licenses issued pursuant to subparagraph (a) of paragraph (2) of
32 subsection b. of section ²~~18~~ 19² of P.L. , c. (C.) (pending
33 before the Legislature as this bill), and at least ²~~25~~ 10² percent of
34 the total number of licenses and conditional licenses shall be
35 designated for and only issued to microbusinesses pursuant
36 subsection f. of that section. Providing there exist qualified
37 applicants, the commission shall issue a sufficient number of
38 licenses to meet the market demands of the State, and may, as
39 authorized by paragraph (1) of subsection a. of section 18 of P.L. ,
40 c. (C.) (pending before the Legislature as this bill), ¹~~make~~
41 requests for] accept¹ new applications for additional licenses as it
42 deems necessary to meet those demands.

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

45 (1) Shall apply for a license in the manner described in section
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 investment a financial interest who also has decision
5 making authority for the cannabis distributor listed on an
6 application submitted under section 18 of P.L. , c. (C.)
7 (pending before the Legislature as this bill) is 21 years of age or
8 older;

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

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

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

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

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

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

36 (d) Upon receipt and review of the criminal history record
37 background information from the Division of State Police and the
38 Federal Bureau of Investigation, the commission shall provide
39 written notification to the applicant of the qualification ²[for]² or
40 disqualification for a Class 4 Cannabis Distributor license.

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

46 (e) The Division of State Police shall promptly notify the
47 commission in the event that an individual who was the subject of a
48 criminal history record background check conducted pursuant to

1 this section is convicted of a crime or offense in this State after the
2 date the background check was performed. Upon receipt of that
3 notification, the commission shall make a determination regarding
4 the continued eligibility for the applicant, or following application,
5 for the licensee to hold a Class 4 Cannabis Distributor license.

6 b. The commission shall adopt rules that:

7 (1) Provide for the annual renewal of the Class 4 Cannabis
8 Distributor license;

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

13 (3) Require a cannabis distributor to meet any public health and
14 safety standards, industry best practices, and all applicable
15 regulations established by the commission ²by rule or regulation²
16 related to the bulk transportation of cannabis items.

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

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

20 (2) Shall be deposited in the "Cannabis Regulatory,
21 Enforcement Assistance, and Marketplace Modernization Fund"
22 established under section ¹[40] 41¹ 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 4 Cannabis Distributor license or conditional license in accordance
26 with the procedures set forth in section 18 of P.L. , c. (C.)
27 (pending before the Legislature as this bill).

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

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

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

44 A cannabis retailer shall have a Class 5 Cannabis Retailer license
45 issued by the commission for the premises at which ¹the¹
46 cannabis ¹is¹ items are¹ retailed ¹, which may include purchase
47 orders for off-premises delivery by a certified cannabis handler
48 working for or on behalf of the cannabis retailer, or consumer

1 purchases to be fulfilled from the retail premises that are presented
2 by a cannabis delivery service with a Class 6 Cannabis Delivery
3 Service license and which will be delivered by the cannabis
4 delivery service to that consumer¹. The commission shall
5 determine the maximum number of licenses, of which at least 35
6 percent shall be conditional licenses issued pursuant to
7 subparagraph (a) of paragraph (2) of subsection b. of section ²[18]
8 ¹⁹² of P.L. , c. (C.) (pending before the Legislature as this
9 bill), and at least ²[25] ¹⁰² percent of the total number of licenses
10 and conditional licenses shall be designated for and only issued to
11 microbusinesses pursuant subsection f. of that section. Providing
12 there exist qualified applicants, the commission shall issue a
13 sufficient number of licenses to meet the market demands of the
14 State, and may, as authorized by paragraph (1) of subsection a. of
15 section 18 of P.L. , c. (C.) (pending before the Legislature
16 as this bill), ¹[make requests for] accept¹ new applications for
17 additional licenses as it deems necessary to meet those demands.

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

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 retailer listed on an application
28 submitted under section 18 of P.L. , c. (C.) (pending
29 before the Legislature as this bill) is 21 years of age or older;

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

32 (4) Shall provide for each of the following persons to undergo a
33 criminal history record background check: any owner, other than an
34 owner who holds less than a five percent investment interest in the
35 cannabis retailer or who is a member of a group that holds less than
36 a 20 percent investment interest in the cannabis retailer and no
37 member of that group holds more than a five percent interest in the
38 total group investment, and who lacks the authority to make
39 controlling decisions regarding the cannabis retailer's operations;
40 any 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 retailer. Each person shall bear the
11 cost for the criminal history record background check, including all
12 costs of administering and processing the check;

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

46 (ii) The commission may approve an applicant for a Class 5
47 Cannabis Retailer license after conducting a thorough review of any
48 previous conviction of a person that substantially related to the

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

9 (d) Upon receipt and review of the criminal history record
10 background information from the Division of State Police and the
11 Federal Bureau of Investigation, the commission shall provide
12 written notification to the applicant of the qualification ²**[for]**² or
13 disqualification for a Class 5 Cannabis Retailer license.

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

19 (e) The Division of State Police shall promptly notify the
20 commission in the event that an individual who was the subject of a
21 criminal history record background check conducted pursuant to
22 this section is convicted of a crime or offense in this State after the
23 date the background check was performed. Upon receipt of that
24 notification, the commission shall make a determination regarding
25 the continued eligibility for the applicant, or following application,
26 for the licensee, to hold a Class 5 Cannabis Retailer license.

27 b. The commission shall adopt rules that:

28 (1) Provide for the annual renewal of the Class 5 Cannabis
29 Retailer license;

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

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

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

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

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

45 d. (1) The commission shall issue or deny issuance of a Class
46 5 Cannabis Retailer license or conditional license in accordance
47 with the procedures set forth in section 18 of P.L. , c. (C.)
48 (pending before the Legislature as this bill).

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

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

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

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

16 (1) A licensed cannabis retailer may operate a cannabis
17 consumption area at which the on-premises consumption of
18 cannabis items either obtained from the retailer, or brought by a
19 person to the consumption area, may occur.

20 (2) Each licensed cannabis retailer may operate only one
21 cannabis consumption area.

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

27 (4) A Class 5 Cannabis Retailer licensee that has been approved
28 for a cannabis consumption area endorsement may transfer cannabis
29 items purchased by a ²[person] consumer² in its retail
30 establishment to ²[the person] that consumer² in its cannabis
31 consumption area. The Class ²[4] 5² Cannabis Retailer licensee
32 shall not transfer to the consumption area an amount of cannabis
33 items that exceed the limits established by the commission.
34

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

36 A cannabis delivery service shall have a Class 6 Cannabis
37 Delivery license issued by the commission for the premises from
38 which the cannabis delivery service will conduct operations to
39 provide courier services for ¹consumer purchases of cannabis items
40 and related supplies fulfilled by¹ a cannabis retailer in order to
41 make deliveries of ¹the¹ cannabis items and related supplies to ¹[a
42 that¹ consumer ¹, and which services include the ability of a
43 consumer to purchase the cannabis items directly through the
44 cannabis delivery service, which after presenting the purchase order
45 to the cannabis retailer for fulfillment, is delivered to that
46 consumer¹. The commission shall determine the maximum number
47 of licenses, of which at least 35 percent shall be conditional licenses

1 issued pursuant to subparagraph (a) of paragraph (2) of subsection
2 b. of section ²[18] ¹⁹ of P.L. , c. (C.) (pending before the
3 Legislature as this bill), and at least ²[25] ¹⁰ percent of the total
4 number of licenses and conditional licenses shall be designated for
5 and only issued to microbusinesses pursuant subsection f. of that
6 section. Providing there exist qualified applicants, the commission
7 shall issue a sufficient number of licenses to meet the market
8 demands of the State, and may, as authorized by paragraph (1) of
9 subsection a. of section 18 of P.L. , c. (C.) (pending before
10 the Legislature as this bill), ¹[make requests for] accept¹ new
11 applications for additional licenses as it deems necessary to meet
12 those demands.

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

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

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

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

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

36 (a) Pursuant to this provision, the commission is authorized to
37 exchange fingerprint data with and receive criminal history record
38 background information from the Division of State Police and the
39 Federal Bureau of Investigation consistent with the provisions of
40 applicable ²[federal and]² State ²and federal² laws, rules, and
41 regulations. The Division of State Police shall forward criminal
42 history record background information to the commission in a
43 timely manner when requested pursuant to the provisions of this
44 section;

45 (b) Each person shall submit to being fingerprinted in
46 accordance with applicable State and federal laws, rules, and
47 regulations. No check of criminal history record background
48 information shall be performed pursuant to this section unless a

1 person has furnished his written consent to that check. A person
2 who refuses to consent to, or cooperate in, the securing of a check
3 of criminal history record background information shall not be
4 considered for licensure as a delivery service. Each person shall
5 bear the cost for the criminal history record background check,
6 including all costs of administering and processing the check;

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

40 (ii) The commission may approve an applicant for a Class '4'
41 '6' Cannabis 'Distributor' 'Delivery' license after conducting a
42 thorough review of any previous conviction of a person that
43 substantially related to the qualifications, functions, or duties for
44 which the license is required that is contained in the criminal
45 history record background information, and this review shall
46 include examining the nature of the indictable offense, the
47 circumstances at the time of committing the offense, and evidence
48 of rehabilitation since conviction. If the commission determines

1 that the reviewed conviction should not disqualify the applicant, the
2 applicant may be approved so long as the applicant is otherwise
3 qualified to be issued the license; and

4 (d) Upon receipt and review of the criminal history record
5 background information from the Division of State Police and the
6 Federal Bureau of Investigation, the commission shall provide
7 written notification to the applicant of the qualification ²~~for~~² or
8 disqualification for a Class 6 Cannabis Delivery license.

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

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

22 b. The commission shall adopt rules that:

23 (1) Provide for the annual renewal of the Class 6 Cannabis
24 Delivery license;

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

29 (3) Require a cannabis delivery service to meet any public
30 health and safety standards, industry best practices, and all
31 applicable regulations established by the commission by rule or
32 regulation related to the delivery of cannabis items and related
33 supplies to a consumer.

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

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

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

41 d. (1) The commission shall issue or deny issuance of a Class
42 6 Cannabis Delivery license or conditional license in accordance
43 with the procedures set forth in section 18 of P.L. , c. (C.)
44 (pending before the Legislature as this bill).

45 (2) The commission may suspend or revoke a Class 6 Cannabis
46 Delivery license or conditional license to operate as a cannabis
47 distributor for cause, which shall be considered a final agency
48 action for the purposes of the "Administrative Procedure Act,"

1 P.L.1968, c.410 (C.52:14B-1 et seq.) and shall be subject only to
2 judicial review as provided in the Rules of Court.

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

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

11

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

14 a. ¹(1)¹ An individual who performs work for or on behalf of a
15 person who holds a license classified pursuant to section 20, 22, 23,
16 24, 25, or 26 of P.L. , c. (C.) (pending before the
17 Legislature as this bill) shall have a valid certification issued by the
18 commission under this section if the individual participates in:

19 ¹[(1)] (a)¹ the possession, securing, or selling of ²cannabis or²
20 cannabis items at the premises for which the license has been
21 issued; ²or²

22 ¹[(2)] (b)¹ the recording of the possession, securing, or selling
23 of ²cannabis or² cannabis items at the premises for which the
24 license has been issued; or

25 ¹[(3)] (c)¹ the transportation ²of cannabis or cannabis items
26 between licensed cannabis establishments or testing facilities,² or
27 delivery of cannabis items ²to consumers² .

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

34 b. A person who holds a license classified pursuant to section
35 20, 22, 23, 24, 25, or 26 of P.L. , c. (C.) (pending before
36 the Legislature as this bill) shall verify that an individual has a valid
37 certification issued under this section before allowing the individual
38 to perform any work described in ²[(subsection a. of)]² this section
39 ²at the premises² for which the license has been issued ²pursuant
40 to those sections².

41 c. The commission shall issue certifications to qualified
42 applicants to perform work described in this section. The
43 commission shall adopt rules and regulations establishing: the
44 qualifications for performing work described in this section; the
45 terms of a certification issued under this section; procedures for
46 applying for and renewing a certification issued under this section;

1 and reasonable application, issuance, and renewal fees for a
2 certification issued under this section.

3 d. ²(1) (a)² The commission may require an individual applying
4 for a certification under this section to successfully complete a
5 course, made available by or through the commission, in which the
6 individual receives training on: checking identification; detecting
7 intoxication; handling ²cannabis and² cannabis items; statutory and
8 regulatory provisions relating to cannabis; and any matter deemed
9 necessary by the commission to protect the public health and safety.
10 The commission or other provider may charge a reasonable fee for
11 the course.

12 ²(b)² The commission shall not require an individual to
13 successfully complete the course more than once, except that the
14 commission may adopt regulations directing continuing education
15 training on a prescribed schedule.

16 ²(2)² As part of a final order suspending a certification issued
17 under this section, the commission may require a holder of a
18 certification to successfully complete the course as a condition of
19 lifting the suspension ²;² and as part of a final order revoking a
20 certification issued under this section ²[,]² the commission shall
21 require an individual to successfully complete the course prior to
22 applying for a new certification.

23 e. (1) Each individual applying for a certification under this
24 section shall undergo a criminal history record background check.
25 The commission is authorized to exchange fingerprint data with and
26 receive criminal history record background information from the
27 Division of State Police and the Federal Bureau of Investigation
28 consistent with the provisions of applicable ²[[federal and]]² State
29 ²and federal² laws, rules, and regulations. The Division of State
30 Police shall forward criminal history record background
31 information to the commission in a timely manner when requested
32 pursuant to the provisions of this subsection.

33 (2) Each individual shall submit to being fingerprinted in
34 accordance with applicable State and federal laws, rules, and
35 regulations. No check of criminal history record background
36 information shall be performed pursuant to this subsection unless
37 the individual has furnished written consent to that check. Any
38 individual who refuses to consent to, or cooperate in, the securing
39 of a check of criminal history record background information shall
40 not be considered for a certification. Each individual shall bear the
41 cost for the criminal history record background check, including all
42 costs of administering and processing the check.

43 (3) Upon receipt and review of the criminal history record
44 background information from the Division of State Police and the
45 Federal Bureau of Investigation, the commission shall provide
46 written notification to the individual of the qualification ²[[for]]² or
47 disqualification for a certification. If the individual is disqualified

1 because of a disqualifying conviction as set forth in subsection f. of
2 this section, the conviction that constitutes the basis for the
3 disqualification shall be identified in the written notice.

4 (4) The Division of State Police shall promptly notify the
5 commission in the event that an individual who was the subject of a
6 criminal history record background check conducted pursuant to
7 this subsection is convicted of a crime in this State after the date the
8 background check was performed. Upon receipt of that
9 notification, the commission shall make a determination regarding
10 the continued eligibility to hold a certification.

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

44 (b) The commission may approve an applicant for a certification
45 after conducting a thorough review of any previous conviction of a
46 person that substantially related to the qualifications, functions, or
47 duties for which certification is required that is contained in the
48 criminal history record background information, and this review

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

7 g. The commission shall deny an application to any applicant
8 who fails to provide information, documentation and assurances as
9 required by P.L. , c. (C.) (pending before the Legislature as
10 this bill) or as requested by the commission, or who fails to reveal
11 any ²**fact**² material ²fact² to qualification, or who supplies
12 information which is untrue or misleading as to a material fact
13 pertaining to the qualification criteria for ²**licensure**²
14 certification².

15 h. The commission may suspend, revoke, or refuse to renew a
16 certification if the individual who is applying for or who holds the
17 certification: violates any provision of P.L. , c. (C.)
18 (pending before the Legislature as this bill) or any rule or regulation
19 adopted under P.L. , c. (C.) (pending before the
20 Legislature as this bill); makes a false statement to the commission;
21 or refuses to cooperate in any investigation by the commission.

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

25 j. In addition to the requirements for regulations set forth in
26 paragraph (1) of subsection d. of section 6 of P.L. ,
27 c. (C.) (pending before the Legislature as this bill) the
28 commission shall ²**enact**² promulgate² regulations to allow for a
29 cannabis ¹**retailer to engage in delivery**¹ retailer's customer
30 orders¹ of cannabis items ¹and related supplies to be delivered off-
31 premises¹ by a certified cannabis handler performing work for or on
32 behalf of a cannabis retailer, ¹**including**¹ as well as¹ a certified
33 cannabis handler employed by a cannabis delivery service providing
34 courier ¹**service**¹ services¹ for ¹consumer purchases of cannabis
35 items and related supplies fulfilled by¹ the cannabis retailer, and
36 which regulations shall include, but not be limited to, the following
37 requirements:

38 (1) ¹**A cannabis retailer may only deliver cannabis items**¹
39 Deliveries shall be made only¹ to a residence, including a temporary
40 residence, in this State.

41 (2) Deliveries shall be made only to a legal consumer by a
42 certified cannabis handler who is an employee of a cannabis
43 retailer, cannabis delivery service, or an approved contractor vender
44 for a cannabis retailer.

45 (3) ¹**A cannabis retailer shall not deliver**¹ Deliveries shall not
46 be made¹ to a residence located on land owned by the federal

1 government or any residence on land or in a building leased by the
2 federal government.

3 (4) ~~1~~ **Each**¹ delivery
4 vehicle ~~1~~ **shall be staffed by**¹ a certified cannabis handler
5 who is an employee of the cannabis retailer ~~1~~ **or cannabis delivery**
6 **service**¹ who shall be at least 18 years of age, or use ~~1~~ **a cannabis**
7 **delivery service or**¹ an approved contract vendor whose ~~1~~ **certified**
8 **cannabis handler**¹ delivery employees shall be at least 18 years of
9 age.

10 (5) All deliveries of cannabis items shall be made in person. A
11 delivery of cannabis items shall not be made through the use of an
12 unmanned vehicle.

13 (6) Each certified cannabis handler shall carry a ~~2~~ **copy of the**²
14 cannabis employee, cannabis delivery service, or contract vendor
15 identification card. The cannabis handler shall present the
16 identification card upon request to State and local law enforcement,
17 and State and local regulatory authorities and agencies.

18 (7) Each certified cannabis handler shall have access to a secure
19 form of communication with the cannabis retailer ~~1~~ **or cannabis**
20 **delivery service making a customer delivery of a purchase order**
21 **fulfilled by the cannabis retailer**¹, such as a cellular telephone, at
22 all times that a delivery vehicle contains cannabis items.

23 (8) During delivery, the certified cannabis handler shall
24 maintain a physical or electronic copy of the ~~1~~ **customer's**¹ delivery
25 request and shall make it available upon request to State and local
26 law enforcement, and State and local regulatory authorities and
27 agencies.

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

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

34 (11) A delivery vehicle shall contain a Global Positioning
35 System (GPS) device for identifying the geographic location of the
36 delivery vehicle. The device shall be either permanently or
37 temporarily affixed to the delivery vehicle while the delivery
38 vehicle is in operation, and the device shall remain active and in the
39 possession of the certified cannabis handler at all times during
40 delivery. At all times, the cannabis retailer ~~1~~ **or cannabis delivery**
41 **service**¹ shall be able to identify the geographic location of all
42 delivery vehicles that are making deliveries for the cannabis retailer
43 ~~1~~, **or for the cannabis delivery service making deliveries of**
44 **customer purchase orders fulfilled by the cannabis retailer, as the**
45 **case may be,**¹ and shall provide that information to the commission
46 upon request.

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

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

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

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

18 (16) While making residential deliveries, a certified cannabis
19 handler shall only travel from the cannabis retailer's licensed
20 premises, or as part of a cannabis delivery service or contract
21 vendor deliveries, between multiple cannabis retailers, then to a
22 residence for delivery; from one residential delivery to another
23 residence for residential delivery; or from a residential delivery
24 back to the cannabis retailer's ¹or cannabis delivery services¹
25 licensed premises. A cannabis handler shall not deviate from the
26 delivery path described in this paragraph, except in the event of
27 emergency or as necessary for rest, fuel, or vehicle repair stops, or
28 because road conditions make continued use of the route or
29 operation of the vehicle unsafe, impossible, or impracticable.

30 (17) The process of delivery begins when the certified cannabis
31 handler leaves the cannabis retailer licensed premises with the
32 ¹customer's purchase order of ²a² ¹ cannabis ²[items] ²item² for
33 delivery. The process of delivering ends when the cannabis handler
34 returns to the cannabis retailer's licensed premises, or delivery
35 service's or contract vendor's premises, after delivering the
36 cannabis item to the consumer.

37 (18) Each cannabis retailer ¹and cannabis delivery ²[servicer]
38 service² ¹ shall maintain a record of each ²cannabis item² delivery
39 of ²[cannabis items]² in a delivery log, which may be written or
40 electronic. For each delivery, the log shall record:

- 41 (a) The date and time that the delivery began and ended;
- 42 (b) The name of the certified cannabis handler;
- 43 (c) The cannabis ²[items] ²item² delivered;
- 44 (d) The ¹batch or¹ lot number of the cannabis ¹item¹; and
- 45 (e) The signature of the consumer who accepted delivery.

46 (19) A cannabis retailer ¹or cannabis delivery service¹ shall
47 report any vehicle accidents, diversions, losses, or other reportable

1 events that occur during delivery to the appropriate State and local
2 authorities, including the commission.

3 ²k. Any cannabis or cannabis item may be transported or
4 delivered, consistent with the requirements set forth in this section
5 and regulations promulgated by the commission, to any location in
6 the State. As set forth in section 33 of P.L. , c. (C.)
7 (pending before the Legislature as this bill), in no case may a
8 municipality restrict the transportation or deliveries of cannabis
9 items to consumers within that municipality by adoption of a
10 municipal ordinance or any other measure, and any restriction to the
11 contrary shall be deemed void and unenforceable.

12 l. The commission may authorize the use of an Internet-based
13 web service developed and maintained by an independent third
14 party entity that does not hold any license or certificate issued
15 pursuant to P.L. , c. (C.) (pending before the Legislature as
16 this bill), and is not a significantly involved person or other investor
17 in any licensee, which may be used by cannabis retailers to receive,
18 process, and fulfill orders by consumers, or used by consumers to
19 request or schedule deliveries of cannabis items pursuant to
20 subsection j. of this section.²

21

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

24 24. a. (1) Each batch of medical cannabis cultivated by a
25 medical cannabis cultivator or a clinical registrant and each batch of
26 a medical cannabis product ²[produced] manufactured² by a
27 medical cannabis manufacturer or a clinical registrant shall be
28 tested in accordance with the requirements of section 26 of
29 P.L.2019, c.153 (C.24:6I-19) by a laboratory licensed pursuant to
30 section 25 of P.L.2019, c.153 (C.24:6I-18) ²or cannabis testing
31 facility licensed pursuant to section 18 of P.L. , c. (C.)
32 (pending before the Legislature as this bill)². The laboratory ²or
33 facility² performing the testing shall produce a written report
34 detailing the results of the testing, a summary of which shall be
35 included in any packaging materials for medical cannabis and
36 medical cannabis products dispensed to qualifying patients and their
37 designated and institutional caregivers. The laboratory ²or facility²
38 may charge a reasonable fee for any test performed pursuant to this
39 section.

40 (2) Each ²[representative]² sample of ¹[personal use]¹ ²usable²
41 cannabis ²[items¹], cannabis products, cannabis extracts, or other
42 cannabis resins² from a ¹[cannabis cultivation facility and each
43 representative sample of a personal use cannabis item from a
44 cannabis product manufacturing facility] ²cannabis² cultivator or
45 cannabis manufacturer¹ ²[shall] may² be tested in accordance with
46 the provisions of section 18 of P.L. , c. (C.) (pending before

1 the Legislature as this bill) by a laboratory licensed pursuant to
2 section 25 of P.L.2019, c.153 (C.24:6I-18).
3 b. The requirements of ²paragraph (1) of² subsection a. of this
4 section shall take effect at such time as the commission certifies
5 that a sufficient number of laboratories have been licensed pursuant
6 to section 25 of P.L.2019, c.153 (C.24:6I-18) , or pursuant to
7 section 18 of P.L. , c. (C.), to ensure that all medical
8 cannabis and medical cannabis products can be promptly tested
9 consistent with the requirements of this section without disrupting
10 patient access to medical cannabis. ²Once the requirements of that
11 paragraph have taken effect, a laboratory licensed pursuant to
12 section 25 of P.L.2019, c.153 (C.24:6I-18) shall not make
13 operational changes that reduce the prompt testing of medical
14 cannabis and medical cannabis products, thereby disrupting patient
15 access to medical cannabis, in order to test samples of usable
16 cannabis, cannabis products, cannabis extracts, or any other
17 cannabis resins in accordance with section 18 of P.L. ,
18 c. (C.) (pending before the Legislature as this bill).²
19 (cf: P.L.2019, c.153, s.24)

20
21 29. Section 25 of P.L.2019, c.153 (C.24:6I-18) is amended to
22 read as follows:

23 25. a. (1) A laboratory that performs testing services pursuant
24 to section 24 of P.L.2019, c.153 (C.24:6I-17) shall be licensed by
25 the commission and may be subject to inspection by the
26 commission to determine the condition and calibration of any
27 equipment used for testing purposes and to ensure that testing of
28 medical cannabis and medical cannabis products is being performed
29 in accordance with the requirements of section 26 of P.L.2019,
30 c.153 (C.24:6I-19), and the testing of ¹[personal use] usable¹
31 cannabis ¹[and personal use] , ¹cannabis ¹[items] ²[product]
32 products² , cannabis ²[extract] extracts² , or any other cannabis
33 ²[resin¹] resins² is being performed in accordance with the
34 requirements of section 18 of P.L. , c. (C.) (pending before
35 the Legislature as this bill). Each applicant for licensure pursuant
36 to this section shall submit an attestation signed by a bona fide
37 labor organization stating that the applicant has entered into a labor
38 peace agreement with such bona fide labor organization. The
39 maintenance of a labor peace agreement with a bona fide labor
40 organization shall be an ongoing material condition of maintaining
41 a license to test ²[medical] all forms of² cannabis.

42 ²As used in this paragraph, “bona fide labor organization” means
43 a labor organization of any kind or employee representation
44 committee, group, or association, in which employees participate
45 and which exists and is constituted for the purpose, in whole or in
46 part, of collective bargaining or otherwise dealing with medical or
47 personal use cannabis employers concerning grievances, labor

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

15 (2) Any laboratory licensed pursuant to this section prior to the
16 effective date of P.L. , c. (C.) to only test medical cannabis
17 and medical cannabis products shall be authorized to test ¹[personal
18 use] usable¹ cannabis ¹[and personal use] ,¹ cannabis ¹[items]
19 ²[product] products² , cannabis ²[extract] extracts² , or any other
20 cannabis ²[resin¹] resins² under an existing license in good
21 standing, if the laboratory certifies to the commission that its
22 facility, and the condition and calibration of any equipment used for
23 testing meet the commission's accreditation requirements for
24 licensure as a cannabis testing facility, ²[and]² its testing
25 procedures will be performed in accordance with the requirements
26 of section 18 of P.L. , c. (C.) (pending before the
27 Legislature as this bill) ², and it will not make operational changes
28 that reduce the prompt testing of medical cannabis and medical
29 cannabis products as required by subsection b. of section 24 of
30 P.L.2019, c.153 (C.24:6I-17)² . The commission shall acknowledge
31 receipt of the laboratory's certification in writing to that laboratory,
32 which shall serve as notice and recognition that the laboratory may
33 test ¹[personal use] usable¹ cannabis ¹[and personal use] ,¹
34 cannabis ¹[items] product, cannabis extract, or any other cannabis
35 resin¹ under the existing license.

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

38 c. A person who has been convicted of a crime involving any
39 controlled dangerous substance or controlled substance analog as
40 set forth in chapter 35 of Title 2C of the New Jersey Statutes except
41 paragraph (4) of subsection a. of N.J.S.2C:35-10, or any similar law
42 of the United States or any other state shall not be issued a license
43 to operate as or be a director, officer, or employee of a medical
44 cannabis testing laboratory, unless such conviction occurred after
45 the effective date of P.L.2009, c.307 (C.24:6I-1 et al.) and was for a
46 violation of federal law relating to possession or sale of cannabis

1 for conduct that is authorized under P.L.2009, c.307 (C.24:6I-1 et
2 al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

3 d. (1) The commission shall require each applicant for
4 licensure as a medical cannabis testing laboratory to undergo a
5 criminal history record background check, except that no criminal
6 history record background check shall be required for an applicant
7 who completed a criminal history record background check as a
8 condition of professional licensure or certification.

9 For purposes of this section, the term "applicant" shall include
10 any owner, director, officer, or employee of a medical cannabis
11 testing laboratory. The commission is authorized to exchange
12 fingerprint data with and receive criminal history record
13 background information from the Division of State Police and the
14 Federal Bureau of Investigation consistent with the provisions of
15 applicable federal and State laws, rules, and regulations. The
16 Division of State Police shall forward criminal history record
17 background information to the commission in a timely manner
18 when requested pursuant to the provisions of this section.

19 An applicant who is required to undergo a criminal history
20 record background check pursuant to this section shall submit to
21 being fingerprinted in accordance with applicable State and federal
22 laws, rules, and regulations. No check of criminal history record
23 background information shall be performed pursuant to this section
24 unless the applicant has furnished the applicant's written consent to
25 that check. An applicant who is required to undergo a criminal
26 history record background check pursuant to this section who
27 refuses to consent to, or cooperate in, the securing of a check of
28 criminal history record background information shall not be
29 considered for a license to operate, or authorization to be employed
30 at, a medical cannabis testing laboratory. An applicant shall bear
31 the cost for the criminal history record background check, including
32 all costs of administering and processing the check.

33 (2) The commission shall not approve an applicant for a license
34 to operate, or authorization to be employed at, a medical cannabis
35 testing laboratory 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 ²[permit] license² to operate or be a
43 director, officer, or employee of a medical cannabis testing
44 laboratory.

45 If the applicant is disqualified because of a disqualifying
46 conviction pursuant to the provisions of this section, the conviction
47 that constitutes the basis for the disqualification shall be identified
48 in the written notice.

1 (4) The Division of State Police shall promptly notify the
2 commission in the event that an individual who was the subject of a
3 criminal history record background check conducted pursuant to
4 this section is convicted of a crime or offense in this State after the
5 date the background check was performed. Upon receipt of that
6 notification, the commission shall make a determination regarding
7 the continued eligibility to operate or be a director, officer, or
8 employee of a medical cannabis testing laboratory.

9 (5) Notwithstanding the provisions of subsection c. of this
10 section to the contrary, the commission may offer provisional
11 authority for an applicant to be an owner, director, officer, or
12 employee of a medical cannabis testing laboratory for a period not
13 to exceed three months if the applicant submits to the commission a
14 sworn statement attesting that the person has not been convicted of
15 any disqualifying conviction pursuant to this section.

16 (6) Notwithstanding the provisions of subsection c. of this
17 section to the contrary, no applicant to be an owner, director,
18 officer, or employee of a medical cannabis testing laboratory shall
19 be disqualified on the basis of any conviction disclosed by a
20 criminal history record background check conducted pursuant to
21 this section if the individual has affirmatively demonstrated to the
22 commission clear and convincing evidence of rehabilitation. In
23 determining whether clear and convincing evidence of rehabilitation
24 has been demonstrated, the following factors shall be considered:

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

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

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

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

31 (e) the age of the individual when the crime or offense was
32 committed;

33 (f) whether the crime or offense was an isolated or repeated
34 incident;

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

37 (h) any evidence of rehabilitation, including good conduct in
38 prison or in the community, counseling or psychiatric treatment
39 received, acquisition of additional academic or vocational
40 schooling, successful participation in correctional work-release
41 programs, or the recommendation of those who have had the
42 individual under their supervision.

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

44

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

47 15. a. The Cannabis Regulatory Commission is authorized to
48 exchange fingerprint data with, and receive information from, the

1 Division of State Police in the Department of Law and Public
2 Safety and the Federal Bureau of Investigation for use in reviewing
3 applications for individuals who are required to complete a criminal
4 history record background check in connection with applications;

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

17 (2) for licenses to operate as, or to be ¹[a] owner, ¹director,
18 officer, or employee of, or a significantly involved person in,
19 cannabis ¹[growers] cultivators¹, cannabis ¹[processors]
20 manufacturers¹, cannabis wholesalers, cannabis distributors,
21 cannabis retailers, cannabis delivery services, and personal use
22 cannabis testing facilities pursuant to sections 18, 20, ¹[21,] ¹22,
23 23, 24, 25, and 26 of P.L. , c. (C.) (pending before the
24 Legislature as this bill).

25 b. The Division of State Police shall promptly notify the
26 Cannabis Regulatory Commission in the event an applicant
27 ¹[seeking to serve as a designated or institutional caregiver, an
28 applicant for a license to operate as, or to be a director, officer, or
29 employee of, a medical cannabis testing laboratory, an applicant for
30 a permit to operate as, or to be a director, officer, or employee of, or
31 a significantly involved person in, a clinical registrant, or an
32 applicant for a permit to operate as, or to be a director, officer, or
33 employee of, or a significantly involved person in, a medical
34 cannabis cultivator, medical cannabis manufacturer, or medical
35 cannabis dispensary], who was the subject of a criminal history
36 record background check conducted pursuant to subsection a. of this
37 section, is convicted of a crime involving possession or sale of a
38 controlled dangerous substance.

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

40

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

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

45 (1) governing the ²[times of operation, location, manner, and]²
46 number of cannabis establishments, distributors, or delivery

1 services ², as well as the location, manner, and times of operation of
2 establishments and distributors, but the time of operation of
3 delivery services shall be subject only to regulation by the
4 commission²; and

5 (2) establishing civil penalties for violation of an ordinance or
6 regulation governing the ²[times of operation, location, manner,
7 and]² number of cannabis establishments, distributors, or delivery
8 services that may operate in such municipality ², or their location,
9 manner, or the times of operations².

10 b. A municipality may prohibit the operation of any one or
11 more classes of cannabis establishment ²,² or cannabis distributors
12 ²[, but not] or² cannabis delivery services, ²but not the delivery of
13 cannabis items and related supplies by a delivery service,² within
14 the jurisdiction of the municipality through the enactment of an
15 ordinance, and this prohibiting ordinance shall apply throughout the
16 municipality, even if that municipality or parts thereof fall within
17 any district, area, or other geographical jurisdiction for which land
18 use planning, site planning, zoning requirements or other
19 development authority is exercised by an independent State
20 authority, commission, instrumentality, or agency pursuant to the
21 enabling legislation that governs its duties, functions, and powers,
22 even if this development authority is expressly stated or interpreted
23 to be exclusive thereunder; the local prohibiting ordinance applies,
24 notwithstanding the provisions of any independent State authority
25 law to the contrary. Only an ordinance to prohibit one or more
26 classes of cannabis establishment ²,² or cannabis distributors ²or
27 cannabis delivery services² enacted pursuant to the specific
28 authority to do so by this section shall be valid and enforceable; any
29 ordinance enacted by a municipality prior to the effective date of
30 this section addressing the issue of prohibiting one or more types of
31 cannabis-related activities within the jurisdiction of the
32 municipality is null and void, and that entity may only prohibit the
33 operation of one or more classes of cannabis establishment ²,² or
34 cannabis distributors ²or cannabis delivery services² by enactment
35 of a new ordinance based upon the specific authority to do so by
36 this section. The failure of a municipality to enact an ordinance
37 prohibiting the operation of one or more classes of cannabis
38 establishment ²,² or cannabis distributors ²or cannabis delivery
39 services² within 180 days after the effective date of P.L. ,
40 c. (C.) (pending before the Legislature as this bill), shall result
41 in any class of cannabis establishment ²,² or a cannabis distributor
42 ²or cannabis delivery service² that is not prohibited from operating
43 within the municipality as being permitted to operate therein as
44 follows: the growing, cultivating, ¹[processing] manufacturing¹ ,
45 and selling and reselling of ¹[cannabis and]¹ ²cannabis and²
46 cannabis items, and operations to transport in bulk cannabis items

1 by a cannabis ¹grower cultivator¹, cannabis ¹processor
2 manufacturer¹, cannabis wholesaler, or ²as a² cannabis distributor
3 ²or cannabis delivery service² shall be permitted uses in all
4 industrial zones of the municipality; and the selling of cannabis
5 items to consumers from a retail store by a cannabis retailer shall be
6 a conditional use in all commercial zones or retail zones, subject to
7 meeting the conditions set forth in any applicable zoning ordinance
8 or receiving a variance from one or more of those conditions in
9 accordance with the “Municipal Land Use Law,” P.L.1975, c.291
10 (C.40:55D-1 et seq.). At the end of a five-year period following the
11 initial failure of a municipality to enact an ordinance prohibiting the
12 operation of one or more classes of cannabis establishment ²,² or
13 cannabis distributors ²or cannabis delivery services², and every
14 five-year period thereafter following a failure to enact a prohibiting
15 ordinance, the municipality shall again be permitted to prohibit the
16 future operation of any one or more classes of cannabis
17 establishment ²,² or cannabis distributors ²or cannabis delivery
18 services² through the enactment of an ordinance ²during a new 180-
19 day period², but this ordinance shall be prospective only and not
20 apply to any cannabis establishment ²or distributor ²or delivery
21 service² operating in the municipality prior to the enactment of the
22 ordinance.

23 c. (1) When the commission receives an application for initial
24 licensing or renewal of an existing license for any cannabis
25 establishment, distributor, or delivery service pursuant to section 19
26 of P.L. , c. (C.) (pending before the Legislature as this bill),
27 or endorsement for a cannabis consumption area pursuant to section
28 28 of P.L.2019, c.153 (C.24:6I-21), the commission shall provide,
29 within ¹seven¹ 14¹ days, a copy of the application to the
30 municipality in which the establishment, distributor, delivery
31 service, or consumption area is to be located, unless the
32 municipality has prohibited the operation of the particular class of
33 business for which licensure is sought pursuant to subsection b. of
34 this section, or in the case of an application seeking a consumption
35 area endorsement, prohibited the operation of cannabis retailers.
36 The ²local jurisdiction² municipality² shall determine whether the
37 application complies with ²its² local restrictions on ²times of
38 operation, location, manner, and² the number of cannabis
39 ²businesses. The local jurisdiction² establishments, distributors,
40 or delivery services, or their location, manner, or times of
41 operation, and the municipality² shall inform the commission
42 whether the application complies with ²its² local restrictions ²on
43 times of operation, location, manner, and the number of cannabis
44 businesses².

45 (2) A municipality may impose a separate local licensing or
46 endorsement requirement as a part of its restrictions on ²times of

1 operation, location, manner, and² the number of cannabis
2 ²~~businesses~~ establishments, distributors, or delivery services, or
3 their location, manner, or times of operation². A municipality may
4 decline to impose any local licensing or endorsement requirements,
5 but a local jurisdiction shall notify the commission that it either
6 approves or denies each application forwarded to it.

7

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

10 28. a. A municipality may authorize, through the enactment of
11 an ordinance, the operation of locally endorsed ~~medical~~ cannabis
12 consumption areas:

13 (1) operated by medical cannabis dispensaries, including any
14 alternative treatment centers deemed to hold a medical cannabis
15 dispensary permit pursuant to section 7 of P.L.2009, c.307 (C.24:6I-
16 7), and clinical registrants within its jurisdiction, at which areas the
17 on-premises consumption of medical cannabis may occur;

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

21 (3) operated by medical cannabis dispensaries, including any
22 alternative treatment centers deemed to hold a medical cannabis
23 dispensary permit pursuant to section 7 of P.L.2009, c.307 (C.24:6I-
24 7), within its jurisdiction that are also deemed to have, pursuant to
25 that section, one or more Class 5 Cannabis Retailer licenses and for
26 which the commission has correspondingly issued one or more
27 licenses following receipt of the municipality's² and commission's²
28 approval to operate as a cannabis retailer pursuant to subparagraph
29 (a) of paragraph (3) of subsection a. of section 33 of P.L. _____,
30 c. (C. _____) (pending before the Legislature as this bill), or
31 medical cannabis dispensaries and alternative treatment centers
32 otherwise issued a license by the commission pursuant to P.L. _____,
33 c. (C. _____) (pending before the Legislature as this bill), to
34 simultaneously operate as a cannabis retailer, at which areas the on-
35 premises consumption of both medical cannabis and personal use
36 cannabis² items² may occur.

37 b. Applications for an endorsement pursuant to this section
38 shall be made to the commission in a form and manner as shall be
39 prescribed by the commission and shall set forth such information
40 as the commission may require. Each application shall be verified
41 by the oath or affirmation of such persons as the commission may
42 prescribe. The endorsement shall be conditioned upon approval by
43 a municipality. An applicant is prohibited from operating a
44 cannabis consumption area without State and local approval. If the
45 applicant does not receive approval from the municipality within
46 one year after the date of State approval, the State endorsement

1 shall expire and may not be renewed. If an application is denied by
2 the municipality or the approval of the municipality is revoked, the
3 commission shall revoke the State endorsement. Any person
4 aggrieved by the local denial of an endorsement application may
5 request a hearing in the Superior Court of the county in which the
6 application was filed. The request for a hearing shall be filed
7 within 30 days after the date the application was denied. The
8 person shall serve a copy of the person's request for a hearing upon
9 the appropriate officer for the municipality that denied the
10 application. The hearing shall be held and a record made thereof
11 within 30 days after the receipt of the application for a hearing. No
12 formal pleading and no filing fee shall be required for the hearing.

13 c. (1) The commission shall deny a State endorsement if the
14 premises on which the applicant proposes to conduct its business
15 does not meet the requirements of P.L.2009, c.307 (C.24:6I-1 et
16 al.) ²~~or~~ ²P.L. , c. (C.) (pending before the Legislature
17 as this bill), ²as applicable,² or for reasons set forth in this section.
18 The commission may revoke or deny ²an initial endorsement,² an
19 endorsement renewal, or reinstatement, ²~~or an initial~~
20 ~~endorsement~~² for good cause.

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

22 (a) the endorsed permit holder , license holder, or applicant has
23 violated, does not meet, or has failed to comply with, any of the
24 terms, conditions, or provisions of this section, any rules ²~~or~~
25 regulations² promulgated pursuant to this section, or any
26 supplemental local laws, rules, or regulations;

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

30 (c) the premises have been operated in a manner that adversely
31 affects the public health or the safety of the immediate
32 neighborhood in which the **[medical cannabis]** consumption area is
33 located.

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

39 d. A **[medical]** cannabis consumption area endorsement shall
40 be valid for one year and may be renewed annually, subject to the
41 approval of the commission and the municipality as set forth in this
42 section. The commission shall establish by ²~~rule~~ ²regulation² the
43 amount of the application fee and renewal fee for the endorsement,
44 which shall not exceed the administrative cost for processing and
45 reviewing the application.

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

4 f. A **【medical】** cannabis consumption area shall be located on
5 the premises of a medical cannabis dispensary **【or】** , clinical
6 registrant, or cannabis retailer, may be indoors or outdoors, and
7 shall be designated by conspicuous signage. The signage shall also
8 indicate whether the cannabis consumption area may be used for the
9 on-premises consumption of medical cannabis, personal use
10 cannabis ²items² , or both.

11 (1) (a) An indoor **【medical】** cannabis consumption area in
12 which medical cannabis may be consumed, or both medical
13 cannabis and personal use cannabis may be consumed, shall be a
14 structurally enclosed area within a medical cannabis dispensary or
15 clinical registrant facility that is separated by solid walls or
16 windows from the area in which medical cannabis is dispensed
17 **【and】** , or in which retail sales of cannabis items occur if the
18 dispensary or facility is also licensed as a cannabis retailer, shall
19 only be accessible through an interior door after first entering the
20 ²dispensary or² facility , and for a dispensary or facility that is also
21 licensed as a cannabis retailer, with respect to any smoking, vaping,
22 or aerosolizing of personal use cannabis ²items² , the consumption
23 area shall comply with all ventilation requirements applicable to
24 cigar lounges, as that term is defined in section 3 of P.L.2005, c.383
25 (C.26:3D-57), in order to permit indoor smoking, vaping, or
26 aerosolizing that is the equivalent of smoking tobacco not in
27 violation of the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383
28 (C.26:3D-55 et seq.). Nothing in this subparagraph shall be
29 construed to authorize the consumption of medical cannabis by
30 smoking, vaping, or aerosolizing in this or any other indoor public
31 place or workplace, as those terms are defined in section 3 of
32 P.L.2005, c.383 (C.26:3D-57).

33 (b) An indoor cannabis consumption area in which only personal
34 use cannabis ²items² may be consumed shall be a structurally
35 enclosed area within a cannabis retailer that is separated by solid
36 walls or windows from the area in which retail sales of cannabis
37 items occur, shall only be accessible through an interior door after
38 first entering the retailer, and shall comply with all ventilation
39 requirements applicable to cigar lounges, as that term is defined in
40 section 3 of P.L.2005, c.383 (C.26:3D-57), in order to permit indoor
41 smoking, vaping, or aerosolizing that is the equivalent of smoking
42 tobacco not in violation of the “New Jersey Smoke-Free Air Act,”
43 P.L.2005, c.383 (C.26:3D-55 et seq.).

44 (2) An outdoor **【medical】** cannabis consumption area shall be
45 an exterior structure on the same premises as the medical cannabis
46 dispensary **【or】** , clinical registrant facility, or cannabis retailer.

1 that is either separate from or connected to the dispensary, facility,
2 or retailer, and that is not required to be completely enclosed, but
3 shall have sufficient walls, fences, or other barriers to prevent any
4 view of patients consuming medical cannabis or persons consuming
5 personal use cannabis ²items within the consumption area² from
6 any sidewalk or other pedestrian or non-motorist right-of-way, as
7 the case may be ²[, within the consumption area]².

8 [(3) Nothing in this subsection shall be construed to authorize
9 the consumption of medical cannabis by smoking in any indoor
10 public place or workplace, as those terms are defined in subsection
11 3 of P.L.2005, c.383 (C.26:3D-57), and the] A medical cannabis
12 dispensary [or] a clinical registrant , or cannabis retailer operating
13 [the] a consumption area shall ensure that any smoking, vaping, or
14 aerosolizing of medical cannabis or personal use cannabis ²items²
15 that occurs in an outdoor [medical] cannabis consumption area
16 does not result in migration, seepage, or recirculation of smoke or
17 other exhaled material to any indoor public place or workplace as
18 those terms are defined in section 3 of P.L.2005, c.383 (C.26:3D-
19 57). The commission may require [a] an outdoor consumption area
20 to include any ventilation features as the commission deems
21 necessary and appropriate.

22 g. (1) A medical cannabis dispensary [or] a clinical registrant ,
23 or cannabis retailer holding a [medical] cannabis consumption area
24 endorsement, and the employees [of the dispensary or clinical
25 registrant] thereof, subject to any regulations for [medical]
26 cannabis consumption areas promulgated by the commission, may
27 permit a person to bring medical cannabis or personal use cannabis
28 ²items² into a [medical] cannabis consumption area , so long as the
29 on-premises consumption of that cannabis is authorized by the
30 endorsement .

31 (2) A medical cannabis dispensary [or], clinical registrant , or
32 cannabis retailer holding a [medical] cannabis consumption area
33 endorsement shall not sell alcohol, including fermented malt
34 beverages or malt, vinous, or spirituous liquor, sell tobacco or
35 nicotine products, or allow the consumption of alcohol, tobacco, or
36 nicotine products on ²the² premises, or operate as a retail food
37 establishment.

38 (3) A medical cannabis dispensary [or] a clinical registrant , or
39 cannabis retailer holding a [medical] cannabis consumption area
40 endorsement shall not allow on-duty employees of the
41 establishment to consume any medical cannabis or personal use
42 cannabis items in the consumption area, other than an on-duty
43 employee who is a registered qualifying patient with a valid
44 authorization for the use of medical cannabis, if the medical

1 cannabis dispensary, clinical registrant, or cannabis retailer does not
2 otherwise provide a private area, that is separate from the area in
3 which medical cannabis is dispensed or in which retail sales of
4 cannabis items occur, for that employee to use medical cannabis.

5 (4) (a) A cannabis retailer, or medical cannabis dispensary or
6 clinical registrant that is also licensed to simultaneously operate as
7 a cannabis retailer, shall limit the amount of personal use cannabis
8 items² sold to a person to be consumed in its consumption area, or
9 brought into its consumption area if permitted pursuant to paragraph
10 (1) of this subsection, to no more than the sales limit set by the
11 commission. The cannabis retailer, medical cannabis dispensary, or
12 clinical registrant shall not engage in multiple sales transactions of
13 personal use cannabis items² to the same person during the same
14 business day when ²[an establishment's] a retailer's, dispensary's,
15 or registrant's² employee knows or reasonably should have known
16 that the sales transaction would result in the person possessing more
17 than the sales limit established by the commission. The cannabis
18 retailer, medical cannabis dispensary, or clinical registrant shall
19 provide, if required by the commission, information regarding the
20 safe consumption of personal use cannabis items² at the point of
21 sale to all persons who make a purchase ^{2,2}.

22 (b) All employees of a cannabis retailer, or medical cannabis
23 dispensary or clinical registrant that is also licensed to
24 simultaneously operate as a cannabis retailer, shall complete any
25 responsible vendor training program established in regulation by the
26 commission concerning consumption areas in which personal use
27 cannabis items² may be consumed.

28 h. (1) Access to a [medical] cannabis consumption area in
29 which medical cannabis may be consumed shall be restricted to
30 employees of the medical cannabis dispensary or clinical registrant
31 and to registered [qualified] qualifying patients and their
32 designated caregivers.

33 (2) Access to a cannabis consumption area in which personal
34 use cannabis items² may be consumed, or both medical cannabis
35 and personal use cannabis items² may be consumed, shall be
36 restricted to employees of the cannabis retailer, or medical cannabis
37 dispensary or clinical registrant that is also licensed to
38 simultaneously operate as a cannabis retailer, and to registered
39 qualifying patients, their designated caregivers, and other persons
40 who are at least 21 years of age. Each person shall be required to
41 produce a form of government-issued identification that may be
42 accepted, pursuant to subparagraph (a) of paragraph (6) of
43 subsection a. of section 18 of P.L. , c. (C.) (pending before
44 the Legislature as this bill), in order to enter the consumption area

1 for purposes of consuming any ²medical² cannabis ²or personal use
 2 cannabis items² .

3 i. When a patient or other person leaves a **[medical]** cannabis
 4 consumption area, the ²**[establishment]** medical cannabis
 5 dispensary, clinical registrant , or cannabis retailer² shall ensure any
 6 remaining unconsumed medical cannabis or personal use cannabis
 7 item that is not taken by the patient **[or]** , the patient's designated
 8 caregiver , or other person is destroyed.

9 j. A medical cannabis dispensary, clinical registrant, or
 10 cannabis retailer operating a cannabis consumption area and its
 11 employees:

12 (1) shall operate the ²**[establishment]** dispensary, registrant, or
 13 retailer² in a decent, orderly, and respectable manner;

14 (2) may remove an individual from ²**[the establishment]** its
 15 premises² for any reason;

16 (3) shall not knowingly permit any activity or acts of disorderly
 17 conduct; and

18 (4) shall not permit rowdiness, undue noise, or other
 19 disturbances or activity offensive to the average citizen or to the
 20 residents of the neighborhood in which the consumption area is
 21 located.

22 k. If an emergency requires law enforcement, firefighters,
 23 emergency medical services providers, or other public safety
 24 personnel to enter a ²**[medical]**² cannabis consumption area,
 25 employees of the ²**[establishment]** medical cannabis dispensary,
 26 clinical registrant, or cannabis retailer² shall prohibit on-site
 27 consumption of medical cannabis ², personal use cannabis items, or
 28 both, as the case may be.² until such personnel have completed their
 29 investigation or services and have left the premises.

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

31

32 33. (New section) Marketplace Regulation.

33 a. (1) (a) For a period of ¹**[18]** ¹24¹ months after the
 34 ²effective² date ²**[determined by the commission pursuant to**
 35 **paragraph (2) of subsection d. of section 6]**² of P.L. ,

36 c. (C.) (pending before the Legislature as this bill), ²**[to be**
 37 **the first date on which cannabis retailers issued licenses and**
 38 **conditional licenses begin retail sales of ¹**[personal use]**¹ cannabis**
 39 **items,² it shall be unlawful for any owner, part owner, stockholder,**
 40 **officer, or director of any corporation, or any other person**
 41 **interested in any cannabis ¹**[cultivation facility]** cultivator¹,
 42 ²**[cannabis testing facility,² cannabis ¹**[product manufacturing**
 43 **facility]** manufacturer¹, cannabis wholesaler, cannabis distributor,
 44 ²**[or]**² cannabis delivery service ², or cannabis testing facility² to****

1 engage in the retailing of any cannabis items in this State, or to
2 own, either in whole or in part, or be directly or indirectly interested
3 in a cannabis retailer, and such interest shall include any payments
4 or delivery of money or property by way of loan or otherwise
5 accompanied by an agreement to sell the product of said cannabis
6 ¹~~["cultivation facility"]~~ cultivator¹ , ²~~["cannabis testing facility,"]~~²
7 cannabis ¹~~["product manufacturing facility"]~~ manufacturer¹ ,
8 cannabis wholesaler, ²~~["or"]~~² cannabis distributor, ²~~or~~ cannabis
9 testing facility,² but does not include any arrangement between a
10 cannabis delivery service and a cannabis retailer for making
11 deliveries of cannabis items to consumers. During this ¹~~["18-~~
12 ~~month"]~~ 24-month¹ period, the holder of a Class 1 Cannabis
13 ¹~~["Grower"]~~ Cultivator¹ license to operate ¹~~as~~¹ a cannabis
14 ¹~~["cultivation facility"]~~ cultivator¹ or a Class 2 Cannabis
15 ¹~~["Processor"]~~ Manufacturer¹ license to operate ¹~~as~~¹ a cannabis
16 ¹~~["product manufacturing facility"]~~ manufacturer¹ may hold one
17 other license to operate another cannabis establishment, other than a
18 Class 3 Cannabis Wholesaler license to operate ²~~as~~² a cannabis
19 wholesaler or a Class 5 Cannabis Retailer license to operate ²~~as~~² a
20 cannabis retailer; and the holder of a Class 3 Cannabis Wholesaler
21 license to operate ²~~as~~² a cannabis wholesaler ²~~["shall be limited to~~
22 ~~just that"]~~ may hold² one ²~~other~~ Class 4 Cannabis Distributor²
23 license ²~~to operate as a cannabis distributor~~² .

24 (b) Throughout the ¹~~["18-month"]~~ 24-month¹ period set forth in
25 subparagraph (a) of this paragraph, the commission, except as
26 authorized by paragraph (2) of subsection b. of this section, shall
27 not allow, providing there exist qualified applicants, more than
28 ¹~~["28"]~~ 37¹ cannabis ¹~~["growers"]~~ cultivators¹ to be simultaneously
29 licensed and engaging in ¹~~["personal use"]~~ cannabis ¹~~["activities"]~~
30 production¹ , which number shall include any alternative treatment
31 centers deemed to be licensed as cannabis ¹~~["growers"]~~ cultivators¹
32 who are issued licenses by the commission pursuant to paragraph
33 (3) of this subsection ¹~~;~~ provided that cannabis cultivator licenses
34 issued to microbusinesses pursuant to subsection f. of section 19 of
35 P.L. , c. (C.) (pending before the Legislature as this bill)
36 shall not count towards this limit¹ .

37 (2) For a period of ¹~~["18 months"]~~ 24 months¹ after the
38 ²~~effective~~² date ²~~["determined by the commission pursuant to~~
39 ~~paragraph (2) of subsection d. of section 6"]~~² of P.L. ,
40 c. (C.) (pending before the Legislature as this bill), ²~~["to be~~
41 ~~the first date on which cannabis retailers issued licenses and~~
42 ~~conditional licenses begin retail sales of ["personal use"]~~¹ cannabis
43 items,² it shall be unlawful for any owner, part owner, stockholder,
44 officer, or director of any corporation, or any other person engaged
45 in any retailing of any cannabis items to engage in the growing of,

1 testing of, ¹ **[processing]** manufacturing¹ of, wholesaling of, or
2 transporting in bulk any cannabis items, or to own either whole or
3 in part, or to be a shareholder, officer or director of a corporation or
4 association, directly or indirectly, interested in any cannabis
5 ¹ **[cultivation]** ² **[cultivatory** facility] cultivator², ² **[cannabis**
6 testing facility,]² cannabis ¹ **[product manufacturing facility]**
7 manufacturer¹, cannabis wholesaler, cannabis distributor, ² **[or]**²
8 cannabis delivery service ² or cannabis testing facility².

9 (3) (a) (i) Except with respect to the cap on the number of
10 cannabis ¹ **[grower]** cultivator¹ licenses set forth in subparagraph
11 (b) of paragraph (1) of this subsection, the provisions of paragraphs
12 (1) and (2) of this subsection shall not apply

13 to any alternative treatment center that was issued a permit prior
14 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or to
15 any alternative treatment center that was issued a permit subsequent
16 to that effective date pursuant to an application submitted prior to
17 that effective date,

18 to the one alternative treatment center, out of four, issued a
19 permit pursuant to an application submitted after the effective date
20 of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to a request for
21 applications published in the New Jersey Register prior to that
22 effective date, that is expressly exempt, pursuant to subsection a. of
23 section 11 of P.L.2019, c.153 (C.24:6I-7.1), from the provisions of
24 subparagraph (i) of subparagraph (a) of paragraph (2) of
25 subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7), which
26 exemption permits the alternative treatment center to concurrently
27 hold more than one medical cannabis permit, and that one
28 alternative treatment center is deemed pursuant to that section 7
29 (C.24:6I-7) to concurrently hold more than one permit, and

30 to the one alternative treatment center, out of three, issued a
31 permit pursuant to an application submitted on or after the effective
32 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that is expressly
33 exempt, pursuant to subsection a. of section 11 of P.L.2019,
34 c.153 (C.24:6I-7.1), from the provisions of subparagraph (i) of
35 subparagraph (a) of paragraph (2) of subsection a. of section 7 of
36 P.L.2009, c.307 (C.24:6I-7), which exemption permits the
37 alternative treatment center to concurrently hold more than one
38 medical cannabis permit, and that one alternative treatment center is
39 deemed pursuant to that section 7 (C.24:6I-7) to concurrently hold
40 more than one permit,

41 and which alternative treatment center is also deemed, pursuant
42 to subparagraph (ii) of subparagraph (c) of paragraph (2) of
43 section 7 of P.L.2009, c.307 (C.24:6I-7), to either concurrently hold
44 a Class 1 Cannabis ¹ **[Grower]** Cultivator¹ license, a Class 2
45 Cannabis ¹ **[Processor]** Manufacturer¹ license, ¹ **[and]**¹ a Class 5
46 Cannabis Retailer license, plus an additional Class 5 Cannabis
47 Retailer license for each satellite dispensary authorized and

1 established by an alternative treatment center pursuant to
2 subparagraph (d) of paragraph (2) of subsection a. of section 7 of
3 P.L.2009, c.307 (C.24:6I-7), ¹and a Class 6 Cannabis Delivery
4 license,¹ or alternatively to hold a Class 3 Cannabis Wholesaler
5 license ², and may also be deemed to hold a Class 4 Cannabis
6 Distributor license² .

7 (ii) For each alternative treatment center deemed to have
8 licenses pursuant to subparagraph (i) of this subparagraph, the
9 commission shall not require the submission of an application for
10 licensure, as the application requirement is deemed satisfied by the
11 alternative treatment center's previously approved permit
12 application that was submitted to the Department of Health or to the
13 commission pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7),
14 but the alternative treatment center shall not begin to operate as any
15 class of cannabis establishment ²distributor, or delivery service²
16 until the alternative treatment center has submitted a written
17 approval for a proposed cannabis establishment ²distributor, or
18 delivery service² from the municipality in which the proposed
19 establishment ²distributor, or delivery service² is to be located,
20 which approval is based on a determination that the proposed
21 establishment ²distributor, or delivery service² complies with the
22 municipality's restrictions on the ²[time, location, manner, and]²
23 number of establishments ²distributor, or delivery services, as well
24 as the location, manner, and times of operation of establishments or
25 distributors² enacted pursuant to section 31 of P.L. of P.L. ,
26 c. (C.) (pending before the Legislature as this bill). The
27 commission shall ¹thereafter only¹ issue the initial license to the
28 alternative treatment center for a cannabis establishment of the
29 appropriate class ¹[upon receipt of the municipality's approval] ²,
30 or for a cannabis distributor or delivery service,² once the
31 commission certifies that it has sufficient quantities of medical
32 cannabis and medical cannabis products available to meet the
33 reasonably anticipated ²[need] needs² of registered qualifying
34 patients in accordance with subparagraph (iii) of this
35 subparagraph¹ . The commission shall begin accepting municipal
36 approvals from alternative treatment centers beginning on the date
37 of adoption of the commission's initial rules and regulations
38 pursuant to subparagraph (a) of paragraph (1) of subsection d. of
39 section 6 of P.L. , c. (C.) (pending before the Legislature as
40 this bill).

41 (iii) An alternative treatment center ¹[issued an initial license]
42 following] with¹ approval ¹[by] from¹ a municipality pursuant to
43 subparagraph (ii) of this subparagraph shall not engage in
44 activities related to the growing, ¹[producing] manufacturing¹ ,
45 ²[or]² wholesaling ², transporting or delivering² of ¹[personal
46 use]¹ cannabis ¹or cannabis items¹ until it has certified to the

1 commission that that it has sufficient quantities of medical cannabis
2 and medical cannabis products available to meet the reasonably
3 anticipated ²[need] needs² of registered qualifying patients, and the
4 commission has accepted the alternative treatment center’s
5 certification ¹ ² which acceptance is conditioned on the
6 commission’s review of the alternative treatment center as set forth
7 in ²[subsubparagrph] subsubparagraph² (iv) of this subparagraph.
8 Upon acceptance of the certification, the commission shall issue the
9 initial license to the alternative treatment center for a cannabis
10 establishment of the appropriate class ²or for a cannabis distributor
11 or delivery service² ¹.

12 Notwithstanding the date determined by the commission
13 pursuant to paragraph (2) of subsection d. of section 6 of P.L. ,
14 c. (C.) (pending before the Legislature as this bill) to be the
15 first date on which cannabis retailers issued licenses and conditional
16 licenses begin retail sales of personal use cannabis items, an
17 alternate treatment center, if approved by ²[a municipality] the
18 commission² to operate as a cannabis retailer, may begin to engage
19 in the retail sale of cannabis items on any date after the date that the
20 commission adopts its initial rules and regulations pursuant to
21 subparagraph (a) of paragraph (1) of subsection d. of section 6 of
22 that act (C.), so long as it has certified to the commission ¹[,
23 and to the municipality in which it is located and intends to engage
24 in retail sales,]¹ that it has sufficient quantities of medical cannabis
25 and, if applicable, medical cannabis products available to meet the
26 reasonably anticipated ²[need] needs² of registered qualifying
27 patients, and ¹[both]¹ the commission ¹[and municipality have]
28 has¹ accepted the alternative treatment center’s certification ¹,
29 which acceptance is conditioned on the commission’s review of the
30 alternative treatment center as set forth in ²[subsubparagrph]
31 subsubparagraph² (iv) of this subparagraph. Upon acceptance of
32 the certification, the commission shall issue the initial cannabis
33 retailer license to the alternative treatment center for engaging in
34 the retail sale of cannabis items¹.

35 (iv) An alternative treatment center issued a license for a
36 cannabis establishment ²or delivery service² shall be authorized to
37 use the same premises for all activities authorized under P.L. ,
38 c. (C.) (pending before the Legislature as this bill) and the
39 “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009,
40 c.307 (C.24:6I-1 et al.), without being required to establish or
41 maintain any physical barriers or separations between operations
42 related to the medical use of cannabis and operations related to
43 personal use ¹of¹ cannabis ¹items¹, provided that the alternative
44 treatment center shall be required to certify that it has sufficient
45 quantities of medical cannabis and, if applicable, medical cannabis
46 products available to meet the reasonably anticipated ²[treatment]²

1 needs of registered qualifying patients, as set forth in
2 subsubparagraph ¹(ii) or¹ (iii) of this subparagraph, ¹[as] and only
3 if accepted by the commission, which is¹ ²[as]² a condition ¹[of
4 selling personal use cannabis at retail] for licensure as a cannabis
5 establishment of the appropriate class ²or as a cannabis delivery
6 service² ¹.

7 In determining whether to accept, pursuant to this subparagraph,
8 an alternative treatment center's certification that it has sufficient
9 quantities of medical cannabis or medical cannabis products
10 available to meet the reasonably anticipated needs of registered
11 qualifying patients, the commission ¹[, and if applicable a
12 municipality in consultation with the commission,]¹ shall
13 assess patient enrollment, inventory, sales of medical cannabis and
14 medical cannabis products, and any other factors determined by the
15 commission through regulation.

16 ¹As a condition of licensure following acceptance of a
17 certification, an alternative treatment center shall meet the
18 anticipated treatment needs of registered qualifying patients before
19 meeting the retail ²[needs] requests² of cannabis consumers, and
20 the alternative treatment center shall not make operational changes
21 that reduce access to medical cannabis for registered qualifying
22 patients in order to operate a cannabis establishment ²or delivery
23 service² ¹. If an alternative treatment center is found by the
24 commission to not have sufficient quantities of medical cannabis or
25 medical cannabis products available to meet the reasonably
26 anticipated needs of qualified patients, the commission may issue
27 fines, limit retail ¹or other¹ sales, temporarily suspend the
28 alternative treatment center's cannabis establishment ², distributor,
29 or delivery service² license, or issue any other penalties determined
30 by the commission through regulation.

31 (b) Beginning on a date determined by the commission, to be
32 not later than one year from the date determined by the commission
33 pursuant to paragraph (2) of subsection d. of section 6 of P.L. ,
34 c. (C.) (pending before the Legislature as this bill) to be the
35 first date on which cannabis retailers issued licenses and conditional
36 licenses begin retail sales of personal use cannabis items, an
37 alternative treatment center deemed to have licenses and issued
38 initial licenses pursuant to subparagraph (a) of this paragraph shall
39 certify to the commission, within a period of time, as determined by
40 the commission, prior to the date on which a license issued to the
41 alternative treatment center is set to expire, the continued material
42 accuracy of the alternative treatment center's previously approved
43 permit application to the Department of Health or to the
44 commission pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7),
45 and its compliance with the provisions of P.L. , c. (C.)
46 (pending before the Legislature as this bill) as required by the
47 commission for its operations concerning ¹[personal use]¹ cannabis

1 ¹or cannabis items¹, and this certification shall be supplemented
2 with a new written approval from the municipality in which the
3 alternative treatment center is operating as a cannabis establishment
4 ²or delivery service² for which the initial license was issued,
5 approving the continued operations as a cannabis establishment
6 ²distributor, or delivery service². The commission shall renew the
7 license of the alternative treatment center based upon a review of
8 the certification and supporting municipality's continued approval.
9 This license renewal process shall thereafter be followed for each
10 expiring license issued to the alternative treatment center.

11 b. Following the ¹~~18~~ 24¹ month period set forth in
12 ²subparagraph (a) of paragraph (1) of² subsection a. of this section,
13 a cannabis ¹~~establishment~~¹ license holder shall be authorized to
14 hold:

15 (1) (a) a Class 1 Cannabis ¹~~Grower~~ Cultivator¹ license, a
16 Class 2 Cannabis ¹~~Processor~~ Manufacturer¹ license, ¹~~and~~¹ a
17 Class 5 Cannabis Retailer license ¹, and a Class 6 Cannabis
18 Delivery license¹ concurrently, provided that no license holder shall
19 be authorized to concurrently hold more than one license of each
20 class, except for an alternative treatment center that was deemed,
21 during the ¹~~18~~ 24¹ month period, to have an additional Class 5
22 Cannabis Retailer license for each satellite dispensary that was
23 authorized and established by the alternative treatment center
24 pursuant to subparagraph (d) of paragraph (2) of subsection a. of
25 section 7 of P.L.2009, c.307 (C.24:6I-7). These additional retailer
26 licenses only permit the retail operation of each satellite dispensary,
27 and shall not be replaced by any other class of cannabis
28 establishment ²distributor, or delivery service² license; or

29 (b) a Class 3 Cannabis Wholesaler license ²and a Class 4
30 Cannabis Distributor license². In no case may a holder of a Class 3
31 Cannabis Wholesaler license concurrently ²~~holder~~ hold² a license
32 of any other class ²~~or~~ of² cannabis establishment ², or
33 concurrently hold a license as a cannabis delivery service².

34 (2) The commission, pursuant to its authority under paragraph
35 (1) of subsection a. of section 18 of P.L. , c. (C.) (pending
36 before the Legislature as this bill) for making periodic evaluations
37 of whether the number of each class of cannabis establishment, or
38 number of cannabis distributors or delivery services, is sufficient to
39 meet the market demands of the State, shall review the limit on the
40 number of cannabis ¹~~grower~~ cultivator¹ licenses set forth in
41 subparagraph (b) of paragraph (1) of subsection a. of this section,
42 and providing there exist qualified applicants, ¹~~may make requests~~
43 for accept¹ new applications for additional licenses as it deems
44 necessary.

45 (3) A license holder may submit an application for a license of
46 any type that the license holder does not currently hold prior to the

1 expiration of the ¹[18] ²⁴ month period set forth in ²subparagraph
2 (a) of paragraph (1) of subsection a. of this section, or thereafter,
3 does not currently hold pursuant to paragraph (1) of this subsection,
4 provided that no license shall be awarded to the license holder
5 during the ¹[18] ²⁴ month period, or thereafter, if issuance of the
6 license would violate the restrictions set forth in subsection a. of
7 this section concerning the classes of licenses that may be
8 concurrently held during that ¹[18] ²⁴ month period, or the
9 restrictions set forth in paragraph (1) of this subsection ¹.

10

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

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

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

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

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

38 (b) Commencing 18 months after the effective date of P.L.2019,
39 c.153 (C.24:6I-5.1 et al.), a permit holder shall be authorized to
40 concurrently hold a medical cannabis cultivator permit, a medical
41 cannabis manufacturer permit, and a medical cannabis dispensary
42 permit, provided that no permit holder shall be authorized to
43 concurrently hold more than one permit of each type. The permit
44 holder may submit an application for a permit of any type that the
45 permit holder does not currently hold prior to the expiration of the
46 18-month period described in subparagraph (a) of this paragraph,

1 provided that no additional permit shall be awarded to the permit
2 holder during the ²~~[18 month]~~ 18-month² period.

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

25 (ii) In addition, each of the alternative treatment centers
26 described in subsubparagraph (i) of this subparagraph, to which the
27 provisions of subparagraph (a) of this paragraph ¹[do] shall¹ not
28 apply ¹,¹ shall, upon the adoption of the initial rules and regulations
29 by the commission pursuant to subparagraph (a) of paragraph (1) of
30 subsection d. of section 6 of P.L. , c. (C.) (pending before
31 the Legislature as this bill), be deemed to either concurrently hold a
32 Class 1 Cannabis ¹[Grower] Cultivator¹ license, a Class 2 Cannabis
33 ¹[Processor] Manufacturer¹ License, ¹[and]¹ a Class 5 Cannabis
34 Retailer license, plus an additional Class 5 Cannabis Retailer
35 license for each satellite dispensary authorized and established by
36 the alternative treatment center pursuant to subparagraph (d) of this
37 paragraph, ¹and a Class 6 Cannabis Delivery license,¹ or hold a
38 Class 3 Cannabis Wholesaler license ², and may also be deemed to
39 hold a Class 4 Cannabis Distributor license² . Any alternative
40 treatment center deemed to hold one or more licenses as described
41 in this subsubparagraph may begin to operate as any authorized
42 class of cannabis establishment ², or establishment and delivery
43 service, or as a cannabis wholesaler and distributor,² upon receipt of
44 written approval from the municipality in which the proposed
45 establishment ²or delivery service, or distributor² is to be located

1 and obtaining an initial license or licenses, as applicable, issued by
2 the commission pursuant to paragraph (3) of subsection a. of section
3 33 of P.L. , c. (C.) (pending before the Legislature as this
4 bill).

5 (d) No entity may be issued or concurrently hold more than one
6 medical cannabis cultivator permit, one medical cannabis
7 manufacturer permit, or one medical cannabis dispensary permit at
8 one time, and no medical cannabis dispensary shall be authorized to
9 establish a satellite location on or after the effective date of
10 P.L.2019, c.153 (C.24:6I-5.1 et al.), except that an alternative
11 treatment center that was issued a permit prior to the effective date
12 of P.L.2019, c.153 (C.24:6I-5.1 et al.) or that was issued a permit
13 after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)
14 pursuant to an application submitted prior to the effective date of
15 P.L.2019, c.153 (C.24:6I-5.1 et al.) shall be authorized to maintain
16 up to two satellite dispensaries, including any satellite dispensary
17 that was approved pursuant to an application submitted prior to or
18 within 18 months after the effective date of P.L.2019, c.153
19 (C.24:6I-5.1 et al.). The three alternative treatment centers issued
20 permits pursuant to section 11 of P.L.2019, c.153 (C.24:6I-7.1) that
21 are expressly exempt from the provisions of subparagraph (i) of
22 subparagraph (a) of this paragraph shall be authorized to establish
23 and maintain up to one satellite dispensary location, provided that
24 the satellite dispensary was approved pursuant to an application
25 submitted within 18 months after the effective date of P.L.2019,
26 c.153 (C.24:6I-5.1 et al.).

27 (e) No entity issued a medical cannabis cultivator, medical
28 cannabis manufacturer, or medical cannabis dispensary permit may
29 concurrently hold a clinical registrant permit issued pursuant to
30 section 13 of P.L.2019, c.153 (C.24:6I-7.3), and no entity issued a
31 clinical registrant permit pursuant to section 13 of P.L.2019, c.153
32 (C.24:6I-7.3) may concurrently hold a medical cannabis cultivator
33 permit, a medical cannabis manufacturer permit, or a medical
34 cannabis dispensary permit.

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

39 (g) An alternative treatment center that was issued a permit prior
40 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), 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 pursuant to a request
43 for applications published in the New Jersey Register prior to the
44 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was
45 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
46 5.1 et al.) pursuant to an application submitted prior to the effective

1 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), shall be required to
2 submit an attestation signed by a bona fide labor organization
3 stating that the alternative treatment center has entered into a labor
4 peace agreement with such bona fide labor organization no later
5 than 100 days after the effective date of P.L.2019, c.153 (C.24:6I-
6 5.1 et al.) or no later than 100 days after the date the alternative
7 treatment center first opens, whichever date is later. The
8 maintenance of a labor peace agreement with a bona fide labor
9 organization shall be an ongoing material condition of maintaining
10 the alternative treatment center's permit. The failure to submit an
11 attestation as required pursuant to this subparagraph within 100
12 days after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)
13 or within 100 days after the alternative treatment center first opens,
14 as applicable, shall result in the suspension or revocation of the
15 alternative treatment center's permit, provided that the commission
16 may grant an extension to this deadline to the alternative treatment
17 center based upon extenuating circumstances or for good cause
18 shown.

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

39 (h) An alternative treatment center that was issued a permit prior
40 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)¹, that
41 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 pursuant to
43 a request for applications published in the New Jersey Register
44 prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or
45 that was issued a permit after the effective date of P.L.2019, c.153
46 (C.24:6I-5.1 et al.) pursuant to an application submitted prior to the

1 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)¹ shall be
2 permitted to cultivate from up to two physical locations, provided
3 that the alternative treatment center's combined mature cannabis
4 plant grow canopy between both locations shall not exceed 150,000
5 square feet of bloom space or the square footage of canopy
6 permitted under the largest tier in the tiered system adopted by the
7 commission pursuant to paragraph (2) of subsection b. of section 21
8 of P.L. , c. (C.) (pending before the Legislature as this bill).

9 (3) The commission shall seek to ensure the availability of a
10 sufficient number of medical cannabis cultivators, medical cannabis
11 manufacturers, and medical cannabis dispensaries throughout the
12 State, pursuant to need, including at least two each in the northern,
13 central, and southern regions of the State. Medical cannabis
14 cultivators, medical cannabis manufacturers, and medical cannabis
15 dispensaries issued permits pursuant to this section may be
16 nonprofit or for-profit entities.

17 (4) The commission shall periodically evaluate whether the
18 number of medical cannabis cultivator, medical cannabis
19 manufacturer, and medical cannabis dispensary permits issued are
20 sufficient to meet the needs of qualifying patients in the State, and
21 shall ²**[make requests for]** accept new² applications and issue such
22 additional permits as shall be necessary to meet those needs. The
23 types of permits requested and issued, and the locations of any
24 additional permits that are authorized, shall be in the discretion of
25 the commission based on the needs of qualifying patients in the
26 State.

27 (5) (a) A medical cannabis cultivator shall be authorized to:
28 acquire a reasonable initial and ongoing inventory, as determined
29 by the commission, of cannabis seeds or seedlings and
30 paraphernalia; possess, cultivate, plant, grow, harvest, and package
31 medical cannabis, including prerolled forms, for any authorized
32 purpose, including, but not limited to, research purposes; and
33 deliver, transfer, transport, distribute, supply, or sell medical
34 cannabis and related supplies to any medical cannabis cultivator,
35 medical cannabis manufacturer, medical cannabis dispensary, or
36 clinical registrant in the State. In no case shall a medical cannabis
37 cultivator operate or be located on land that is valued, assessed or
38 taxed as an agricultural or horticultural use pursuant to the
39 "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et
40 seq.).

41 (b) A medical cannabis manufacturer shall be authorized to:
42 purchase or acquire medical cannabis from any medical cannabis
43 cultivator, medical cannabis manufacturer, or clinical registrant in
44 the State; possess and utilize medical cannabis in the manufacture
45 ²**[, production,]**² and creation of medical cannabis products; and
46 deliver, transfer, transport, supply, or sell medical cannabis

1 products and related supplies to any medical cannabis manufacturer,
2 medical cannabis dispensary, or clinical registrant in the State.

3 (c) A medical cannabis dispensary shall be authorized to:
4 purchase or acquire medical cannabis from any medical cannabis
5 cultivator, medical cannabis dispensary, or clinical registrant in the
6 State and medical cannabis products and related supplies from any
7 medical cannabis manufacturer, medical cannabis dispensary, or
8 clinical registrant in the State; purchase or acquire paraphernalia
9 from any legal source; and distribute, supply, sell, or dispense
10 medical cannabis, medical cannabis products, paraphernalia, and
11 related supplies to qualifying patients or their designated or
12 institutional caregivers who are registered with the commission
13 pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4). A medical
14 cannabis dispensary may furnish medical cannabis, medical
15 cannabis products, paraphernalia, and related supplies to a medical
16 cannabis handler for delivery to a registered qualifying patient,
17 designated caregiver, or institutional caregiver consistent with the
18 requirements of subsection i. of section 27 of P.L.2019, c.153
19 (C.24:6I-20).

20 (6) A medical cannabis cultivator shall not be limited in the
21 number of strains of medical cannabis cultivated, and a medical
22 cannabis manufacturer shall not be limited in the number or type of
23 medical cannabis products manufactured ²【, produced,】² or created.
24 A medical cannabis manufacturer may package, and a medical
25 cannabis dispensary may directly dispense medical cannabis and
26 medical cannabis products to qualifying patients and their
27 designated and institutional caregivers in any authorized form.
28 Authorized forms shall include dried form, oral lozenges, topical
29 formulations, transdermal form, sublingual form, tincture form, or
30 edible form, or any other form as authorized by the commission.
31 Edible form shall include pills, tablets, capsules, drops or syrups,
32 oils, chewable forms, and any other form as authorized by the
33 commission, except that the edible forms made available to minor
34 patients shall be limited to forms that are medically appropriate for
35 children, including pills, tablets, capsules, chewable forms, and
36 drops, oils, syrups, and other liquids.

37 (7) Nonprofit medical cannabis cultivators, medical cannabis
38 manufacturers, and medical cannabis dispensaries need not be
39 recognized as a 501(c)(3) organization by the federal Internal
40 Revenue Service.

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

45 c. A person who has been convicted of a crime of the first,
46 second, or third degree under New Jersey law or of a crime

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

16 d. (1) The commission shall require each applicant seeking a
17 permit to operate as, to be a director, officer, or employee of, or to
18 be a significantly involved person in, a medical cannabis cultivator,
19 medical cannabis manufacturer, medical cannabis dispensary, or
20 clinical registrant to undergo a criminal history record background
21 check.

22 Any individual seeking to become a director, officer, or
23 employee of a medical cannabis cultivator, medical cannabis
24 manufacturer, medical cannabis dispensary, or clinical registrant,
25 after issuance of an initial permit shall notify the commission and
26 shall complete a criminal history record background check and
27 provide all information as may be required by the commission as a
28 condition of assuming a position as director, officer, or employee of
29 the permitted entity. An individual who ²**[incurs]** secures² an
30 investment interest or gains the authority to make controlling
31 decisions in a permitted entity that makes the individual a
32 significantly involved person shall notify the commission, complete
33 a criminal history record background check, and provide all
34 information as may be required by the commission no later than 30
35 days after the date the individual becomes a significantly involved
36 person, or any permit issued to the individual or group of which the
37 significantly involved person is a member shall be revoked and the
38 individual or group shall be deemed ineligible to hold any
39 ownership or investment interest in a medical cannabis cultivator,
40 medical cannabis manufacturer, medical cannabis dispensary, or
41 clinical registrant for a period of at least two years, commencing
42 from the date of revocation, and for such additional period of time
43 as the commission deems appropriate, based on the duration of the
44 nondisclosure, the size of the individual's or group's investment
45 interest in the permitted entity, the amount of profits, revenue, or
46 income realized by the individual or group from the permitted entity

1 during the period of nondisclosure, and whether the individual had a
2 disqualifying conviction or would otherwise have been deemed
3 ineligible to be a significantly involved person in a medical
4 cannabis cultivator, medical cannabis manufacturer, medical
5 cannabis dispensary, or clinical registrant.

6 For purposes of this section, the term "applicant" shall include
7 any owner, director, officer, or employee of, and any significantly
8 involved person in, a medical cannabis cultivator, medical cannabis
9 manufacturer, medical cannabis dispensary, or clinical registrant.
10 The commission is authorized to exchange fingerprint data with and
11 receive criminal history record background information from the
12 Division of State Police and the Federal Bureau of Investigation
13 consistent with the provisions of applicable ²[federal and]² State
14 ²and federal² laws, rules, and regulations. The Division of State
15 Police shall forward criminal history record background
16 information to the commission in a timely manner when requested
17 pursuant to the provisions of this section.

18 An applicant who is required to undergo a criminal history
19 record background check pursuant to this section shall submit to
20 being fingerprinted in accordance with applicable State and federal
21 laws, rules, and regulations. No check of criminal history record
22 background information shall be performed pursuant to this section
23 unless the applicant has furnished the applicant's written consent to
24 that check. An applicant who is required to undergo a criminal
25 history record background check pursuant to this section who
26 refuses to consent to, or cooperate in, the securing of a check of
27 criminal history record background information shall not be
28 considered for a permit to operate, or authorization to be employed
29 at or to be a significantly involved person in, a medical cannabis
30 cultivator, medical cannabis manufacturer, medical cannabis
31 dispensary, or clinical registrant. An applicant shall bear the cost
32 for the criminal history record background check, including all
33 costs of administering and processing the check.

34 (2) The commission shall not approve an applicant for a permit
35 to operate, or authorization to be employed at or to be a
36 significantly involved person in, a medical cannabis cultivator,
37 medical cannabis manufacturer, medical cannabis dispensary, or
38 clinical registrant if the criminal history record background
39 information of the applicant reveals a disqualifying conviction as
40 set forth in subsection c. of this section.

41 (3) Upon receipt of the criminal history record background
42 information from the Division of State Police and the Federal
43 Bureau of Investigation, the commission shall provide written
44 notification to the applicant of the applicant's qualification ²[for]²
45 or disqualification for a permit to operate or be a director, officer,
46 or employee of, or a significantly involved person in, a medical

1 cannabis cultivator, medical cannabis manufacturer, medical
2 cannabis dispensary, or clinical registrant.

3 If the applicant is disqualified because of a disqualifying
4 conviction pursuant to the provisions of this section, the conviction
5 that constitutes the basis for the disqualification shall be identified
6 in the written notice.

7 (4) The Division of State Police shall promptly notify the
8 commission in the event that an individual who was the subject of a
9 criminal history record background check conducted pursuant to
10 this section is convicted of a crime or offense in this State after the
11 date the background check was performed. Upon receipt of that
12 notification, the commission shall make a determination regarding
13 the continued eligibility to operate or be a director, officer, or
14 employee of, or a significantly involved person in, a medical
15 cannabis cultivator, medical cannabis manufacturer, medical
16 cannabis dispensary, or clinical registrant.

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

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

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

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

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

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

43 (e) the age of the individual when the crime or offense was
44 committed;

45 (f) whether the crime or offense was an isolated or repeated
46 incident;

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

3 (h) any evidence of rehabilitation, including good conduct in
4 prison or in the community, counseling or psychiatric treatment
5 received, acquisition of additional academic or vocational
6 schooling, successful participation in correctional work-release
7 programs, or the recommendation of those who have had the
8 individual under their supervision.

9 e. The commission shall issue a permit to operate or be an
10 owner, director, officer, or employee of, or a significantly involved
11 person in, a medical cannabis cultivator, medical cannabis
12 manufacturer, or medical cannabis dispensary if the commission
13 finds that issuing such a permit would be consistent with the
14 purposes of P.L.2009, c.307 (C.24:6I-1 et al.) and the requirements
15 of this section and section 11 of P.L.2019, c.153 (C.24:6I-7.1) are
16 met. The denial of an application shall be considered a final agency
17 decision, subject to review by the Appellate Division of the
18 Superior Court. A permit to operate a medical cannabis cultivator,
19 medical cannabis manufacturer, or medical cannabis dispensary
20 issued on or after the effective date of P.L.2019, c.153 (C.24:6I-5.1
21 et al.) shall be valid for one year and shall be renewable annually.

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

30 g. A medical cannabis cultivator, medical cannabis
31 manufacturer, medical cannabis dispensary, or clinical registrant
32 shall report any change in information to the commission not later
33 than 10 days after such change, or the permit shall be deemed null
34 and void.

35 h. Each medical cannabis dispensary and clinical registrant
36 shall maintain and make available on its Internet website, if any, a
37 standard price list that shall apply to all medical cannabis, medical
38 cannabis products, and related supplies and paraphernalia sold or
39 dispensed by the medical cannabis dispensary or clinical registrant,
40 which prices shall be reasonable and consistent with the actual costs
41 incurred by the medical cannabis dispensary or clinical registrant in
42 connection with acquiring and selling, transferring, or dispensing
43 the medical cannabis or medical cannabis product and related
44 supplies and paraphernalia. The prices charged by the medical
45 cannabis dispensary or clinical registrant shall not deviate from the
46 prices indicated on the entity's current price list, provided that a
47 price list maintained by a medical cannabis dispensary or clinical

1 registrant may allow for medical cannabis to be made available at a
2 reduced price or without charge to qualifying patients who have a
3 demonstrated financial hardship, as that term shall be defined by the
4 commission by regulation. A price list required pursuant to this
5 subsection may be revised no more than once per month, and each
6 medical cannabis dispensary and clinical registrant shall be
7 responsible for ensuring that the commission has a copy of the
8 facility's current price list. A medical cannabis dispensary or
9 clinical registrant shall be liable to a civil penalty of \$1,000 for
10 each sale that occurs at a price that deviates from the entity's
11 current price list, and to a civil penalty of \$10,000 for each week
12 during which the entity's current price list is not on file with the
13 commission. Any civil penalties collected by the commission
14 pursuant to this section shall be ²deposited in the "Cannabis
15 Regulatory, Enforcement Assistance, and Marketplace
16 Modernization Fund" established under section 41 of P.L. _____,
17 c. (C. _____) (pending before the Legislature as this bill), and²
18 used by the commission for the purposes of administering the State
19 medical cannabis program.

20 i. The commission shall adopt regulations to:

21 (1) require such written documentation of each delivery or
22 dispensation of cannabis to, and pickup of cannabis for, a registered
23 qualifying patient, including the date and amount dispensed, and, in
24 the case of delivery, the date and times the delivery commenced and
25 was completed, the address where the medical cannabis was
26 delivered, the name of the patient or caregiver to whom the medical
27 cannabis was delivered, and the name, handler certification number,
28 and delivery certification number of the medical cannabis handler
29 who performed the delivery, to be maintained in the records of the
30 medical cannabis dispensary or clinical registrant, as the
31 commission determines necessary to ensure effective
32 documentation of the operations of each medical cannabis
33 dispensary or clinical registrant;

34 (2) monitor, oversee, and investigate all activities performed by
35 medical cannabis cultivators, medical cannabis manufacturers,
36 medical cannabis dispensaries, and clinical registrants;

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

40 (4) establish thresholds for administrative action to be taken
41 against a medical cannabis cultivator, medical cannabis
42 manufacturer, medical cannabis dispensary, or clinical registrant
43 and its employees, officers, investors, directors, or governing board
44 pursuant to subsection m. of this section, including, but not limited
45 to, specific penalties or disciplinary actions that may be imposed in
46 a summary proceeding.

1 j. (1) Each medical cannabis cultivator, medical cannabis
2 manufacturer, medical cannabis dispensary, and clinical registrant
3 shall require the owners, directors, officers, and employees at the
4 permitted facility to complete at least eight hours of ongoing
5 training each calendar year. The training shall be tailored to the
6 roles and responsibilities of the individual's job function, and shall
7 include training on confidentiality and such other topics as shall be
8 required by the commission.

9 (2) Each medical cannabis dispensary and clinical registrant
10 shall consider whether to make interpreter services available to the
11 population served, including for individuals with a visual or hearing
12 impairment. The commission shall provide assistance to any
13 medical cannabis dispensary or clinical registrant that seeks to
14 provide such services in locating appropriate interpreter resources.
15 A medical cannabis dispensary or clinical registrant shall assume
16 the cost of providing interpreter services pursuant to this
17 subsection.

18 k. (1) The first six alternative treatment centers issued permits
19 following the effective date of P.L.2009, c.307 (C.24:6I-1 et al.)
20 shall be authorized to sell or transfer such permit and other assets to
21 a for-profit entity, provided that: the sale or transfer is approved by
22 the commission; each owner, director, officer, and employee of, and
23 significantly involved person in, the entity seeking to purchase or
24 receive the transfer of the permit, undergoes a criminal history
25 record background check pursuant to subsection d. of this section,
26 provided that nothing in this subsection shall be construed to
27 require any individual to undergo a criminal history record
28 background check if the individual would otherwise be exempt from
29 undergoing a criminal history record background check pursuant to
30 subsection d. of this section; the commission finds that the sale or
31 transfer of the permit would be consistent with the purposes of
32 P.L.2009, c.307 (C.24:6I-1 et al.); and no such sale or transfer shall
33 be authorized more than one year after the effective date of
34 P.L.2019, c.153 (C.24:6I-5.1 et al.). The sale or transfer of a permit
35 pursuant to this subsection shall not be subject to the requirements
36 of the "New Jersey Nonprofit Corporation Act," N.J.S.15A:1-1 et
37 seq., provided that, prior to or at the time of the sale or transfer, all
38 debts and obligations of the nonprofit entity are either paid in full or
39 assumed by the for-profit entity purchasing or acquiring the permit,
40 or a reserve fund is established for the purpose of paying in full the
41 debts and obligations of the nonprofit entity, and the for-profit
42 entity pays the full value of all assets held by the nonprofit entity,
43 as reflected on the nonprofit entity's balance sheet, in addition to
44 the agreed-upon price for the sale or transfer of the entity's
45 alternative treatment center permit. Until such time as the members
46 of the Cannabis Regulatory Commission are appointed and the

1 commission first organizes, the Department of Health shall have
2 full authority to approve a sale or transfer pursuant to this
3 paragraph.

4 (2) The sale or transfer of any interest of five percent or more in
5 a medical cannabis cultivator, medical cannabis manufacturer,
6 medical cannabis dispensary, or clinical registrant permit shall be
7 subject to approval by the commission and conditioned on the entity
8 that is purchasing or receiving transfer of the interest in the medical
9 cannabis cultivator, medical cannabis manufacturer, medical
10 cannabis dispensary, or clinical registrant permit completing a
11 criminal history record background check pursuant to the
12 requirements of subsection d. of this section.

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

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

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

41

42 35. (New section) Medical Cannabis Provisions.

43 Nothing in P.L. , c. (C.) (pending before the
44 Legislature as this bill) shall be construed:

45 a. to limit any privileges or rights of a registered qualifying
46 patient, designated caregiver, institutional caregiver, or alternative
47 treatment center as provided in the “Jake Honig Compassionate Use

1 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or
2 P.L.2015, c.158 (C.18A:40-12.22 et al.) concerning the ²[medical]²
3 use of ²medical² cannabis ²and medical cannabis products² ;
4 b. to authorize an alternative treatment center to ²[dispense]
5 provide² cannabis ²items² to or on behalf of a person who is not a
6 registered qualifying patient, unless that alternative treatment center
7 is deemed to be licensed to engage in the retail sale of cannabis
8 ²items² pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) and
9 issued a license by the commission following receipt of a
10 municipality’s written approval for a cannabis retailer 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 retailer, and the alternative treatment center
17 has certified to the commission ¹[, and to the municipality in which
18 it is located and intends to engage in retail sales,]¹ pursuant to
19 paragraph (3) of subsection a. of that section ²33 (C.),² ¹ that
20 it has sufficient quantities of medical cannabis and medical
21 cannabis products available to meet the reasonably anticipated
22 ²[need]² needs² of registered qualifying patients, and the
23 commission ¹[, and municipality, if applicable,]¹ has accepted the
24 alternative treatment center’s certification;
25 c. to authorize an alternative treatment center to purchase or
26 acquire cannabis or cannabis ¹[products]¹ items¹ in a manner or
27 from a source not permitted under the “Jake Honig Compassionate
28 Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) or
29 P.L.2015, c.158 (C.18A:40-12.22 et al.), unless that alternative
30 treatment center is deemed to be a licensed cannabis establishment
31 ²or delivery service² pursuant to section 7 of P.L.2009, c.307
32 (C.24:6I-7) and issued a license by the commission following
33 receipt of a municipality’s written approval for the cannabis
34 establishment ²or delivery service² pursuant to subparagraph (a) of
35 paragraph (3) of subsection a. of section 33 of P.L. ,
36 c. (C.) (pending before the Legislature as this bill), or
37 otherwise has applied for a license, and been approved and issued a
38 license by the commission pursuant to P.L. , c. (C.)
39 (pending before the Legislature as this bill) to simultaneously
40 operate as a cannabis establishment ²or delivery service² , and the
41 alternative treatment center has certified to the commission ¹[, and
42 if operating as a cannabis retailer, to the municipality in which it is
43 located and intends to engage in retail sales,]¹ pursuant to paragraph
44 (3) of subsection a. of that section ²33 (C.),² ¹ that it has
45 sufficient quantities of medical cannabis and, if applicable, medical
46 cannabis products available to meet the reasonably anticipated

1 ²[treatment]² needs of registered qualifying patients, and the
2 commission ¹[, and municipality, if applicable,]¹ has accepted the
3 alternative treatment center's certification;

4 d. to authorize an alternative treatment center issued a permit
5 under section 7 of P.L.2009, c.307 (C.24:6I-7) to operate on the
6 same premises as a cannabis license holder or applicant for a
7 license, unless that alternative treatment center is deemed to be a
8 licensed cannabis establishment ²or delivery service² pursuant to
9 section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a license by the
10 commission following receipt of a municipality's written approval
11 for the cannabis establishment ²or delivery service² pursuant to
12 subparagraph (a) of paragraph (3) of subsection a. of section 33 of
13 P.L. , c. (C.) (pending before the Legislature as this bill), or
14 otherwise has applied for a license, and been approved and issued a
15 license by the commission pursuant to P.L. , c. (C.)
16 (pending before the Legislature as this bill) to simultaneously
17 operate as a cannabis establishment ²or delivery service² , and the
18 alternative treatment center has certified to the commission ¹[, and
19 if operating as a cannabis retailer, to the municipality in which it is
20 located and intends to engage in retail sales,]¹ pursuant to paragraph
21 (3) of subsection a. of that section ²33 (C. _____),² ¹ that it has
22 sufficient quantities of medical cannabis and, if applicable, medical
23 cannabis products available to meet the reasonably anticipated
24 ²[treatment]² needs of registered qualifying patients, and the
25 commission ¹[, and municipality, if applicable,]¹ has accepted the
26 alternative treatment center's certification ¹]; or

27 In determining whether to accept, pursuant to this section, an
28 alternative treatment center's certification that it has sufficient
29 quantities of medical cannabis or medical cannabis products
30 available to meet the reasonably anticipated needs of registered
31 qualifying patients, the commission, and if applicable a
32 municipality in consultation with the commission, shall
33 assess patient enrollment, inventory, sales of medical cannabis and
34 medical cannabis products, and any other factors determined by the
35 commission through regulation. If an alternative treatment center is
36 found by the commission to not have sufficient quantities of
37 medical cannabis or medical cannabis products available to meet
38 the reasonably anticipated needs of qualified patients, the
39 commission may issue fines, limit retail sales, temporarily suspend
40 the alternative treatment center's cannabis establishment license, or
41 issue any other penalties determined by the commission through
42 regulation.]¹

43
44 36. (New section) Medical Cannabis – Additional Regulatory
45 Requirements.

46 ¹[a.]¹ An alternative treatment center issued a permit under
47 section 7 of P.L.2009, c.307 (C.24:6I-7) shall, as a condition of

1 engaging in operations associated with ¹**personal use**¹ cannabis
2 ¹or cannabis items¹, after being deemed to be licensed pursuant to
3 that section and issued a license by the commission following
4 receipt of a municipality's written approval for a cannabis
5 ¹**retailer**¹ establishment¹ ²or delivery service² pursuant to
6 subparagraph (a) of paragraph (3) of subsection a. of section 33 of
7 P.L. , c. (C.) (pending before the Legislature as this bill), or
8 otherwise issued a license by the commission pursuant to P.L. ,
9 c. (C.) (pending before the Legislature as this bill) to
10 simultaneously operate as a cannabis establishment ²or delivery
11 service², certify to the commission ¹**],** and if operating as a
12 cannabis retailer, to the municipality in which it is located and
13 intends to engage in retail sales, ¹**pursuant to paragraph (3) of**
14 subsection a. of that section ²33 (C.),² ¹ that it has sufficient
15 quantities of medical cannabis and, if applicable, medical cannabis
16 products available to meet the reasonably anticipated ²**treatment**²
17 needs of registered qualifying patients, and the commission ¹**],** and
18 municipality, if applicable, ¹**]** has accepted the alternative treatment
19 center's certification.

20 ¹**[b.** In determining whether to accept, pursuant to this section, an
21 alternative treatment center's certification that it has sufficient
22 quantities of medical cannabis or medical cannabis products
23 available to meet the reasonably anticipated needs of registered
24 qualifying patients, the commission, and if applicable a
25 municipality in consultation with the commission, shall
26 assess patient enrollment, inventory, sales of medical cannabis and
27 medical cannabis products, and any other factors determined by the
28 commission through regulation. If an alternative treatment center is
29 found by the commission to not have sufficient quantities of
30 medical cannabis or medical cannabis products available to meet
31 the reasonably anticipated needs of qualified patients, the
32 commission may issue fines, limit retail sales, temporarily suspend
33 the alternative treatment center's cannabis establishment license, or
34 issue any other penalties determined by the commission through
35 regulation. ¹**]**
36

37 37. (New section) ²**Businesses** Business² Treatment of
38 Cannabis Establishments, Distributors, and Delivery Services.

39 With respect to the business treatment of cannabis
40 establishments, distributors, and delivery services:

41 a. A financial institution, as defined by section 2 of P.L.1983,
42 c.466 (C.17:16K-2), shall not, subject to the suspension or
43 revocation of a charter or other available enforcement action by the
44 Commissioner of Banking and Insurance, engage in any
45 discriminatory activities with respect to the banking activities of a
46 cannabis establishment, distributor, or delivery service, or the

1 banking activities of a person associated with a cannabis
2 establishment, distributor, or delivery service.

3 b. (1) In no case shall a cannabis ¹**[grower]** cultivator¹ operate
4 or be located on land that is valued, assessed or taxed as an
5 agricultural or horticultural use pursuant to the "Farmland
6 Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

7 (2) As used in this paragraph, "State or local economic
8 incentive" means a financial incentive, awarded by the State, any
9 political subdivision of the State, or any agency or instrumentality
10 of the State or political subdivision of the State, to any non-
11 governmental person, association, for-profit or non-profit
12 corporation, joint venture, limited liability company, partnership,
13 sole proprietorship, or other form of business organization or entity,
14 or agreed to between the government and non-governmental parties,
15 for the purpose of stimulating economic development or
16 redevelopment in New Jersey, including, but not limited to, a bond,
17 grant, loan, loan guarantee, matching fund, tax credit, or other tax
18 expenditure.

19 (a) (i) A person or entity issued a license to operate as a
20 cannabis ¹**[grower]** cultivator¹, cannabis ¹**[processor]**
21 manufacturer¹, cannabis wholesaler, cannabis distributor, cannabis
22 retailer, or cannabis delivery service, or that employs a certified
23 personal use cannabis handler to perform work for or on behalf of a
24 cannabis establishment, distributor, or delivery service shall not be
25 eligible for a State or local economic incentive.

26 (ii) The issuance of a license to operate as a cannabis ¹**[grower]**
27 cultivator¹, cannabis ¹**[processor]** manufacturer¹, cannabis
28 wholesaler, cannabis distributor, cannabis retailer, or cannabis
29 delivery service, or the issuance of a certification to perform work
30 for or on behalf of a cannabis establishment, distributor, or delivery
31 service to a person or entity that has been awarded a State or local
32 economic incentive shall invalidate the right of the person or entity
33 to benefit from the economic incentive as of the date of issuance of
34 the license or certification.

35 (b) (i) A property owner, developer, or operator of a project to
36 be used, in whole or in part, ²**[as]** by or to benefit² a cannabis
37 ¹**[grower]** cultivator¹, cannabis ¹**[processor]** manufacturer¹,
38 cannabis wholesaler, cannabis distributor, cannabis retailer, or
39 cannabis delivery service, or to employ a certified personal use
40 cannabis handler to perform work for or on behalf of a cannabis
41 establishment, distributor, or delivery service, shall not be eligible
42 for a State or local economic incentive during the period of time
43 that the economic incentive is in effect.

44 (ii) The issuance of a license to operate as a cannabis ¹**[grower]**
45 cultivator¹, cannabis ¹**[processor]** manufacturer¹, cannabis
46 wholesaler, cannabis distributor, cannabis retailer, or cannabis
47 delivery service, or issuance of a certification ²**[to a personal use**

1 cannabis handler employed by a person or entity² to perform work
2 for or on behalf of a cannabis establishment, distributor, or delivery
3 service at a location that is the subject of a State or local economic
4 incentive shall invalidate the right of a property owner, developer,
5 or operator to benefit from the economic incentive as of the date of
6 issuance of the license ²or certification² .

7
8 38. Section 29 of P.L.2019, c.153 (C.24:6I-22) is amended to
9 read as follows:

10 29. a. (1) The commission shall develop and maintain a system
11 for tracking :

12 (a) the cultivation of medical cannabis, the manufacturing of
13 medical cannabis products, the transfer of medical cannabis and
14 medical cannabis products between medical cannabis cultivators,
15 medical cannabis manufacturers, medical cannabis dispensaries,
16 clinical registrants, ²[and]² testing laboratories as authorized
17 pursuant to paragraph (5) of subsection a. of section 7 of P.L.2009,
18 c.307 (C.24:6I-7) ²[and] ² subsection h. of section 27 of P.L.2019,
19 c.153 (C.24:6I-20), ²and cannabis testing facilities pursuant to
20 section 18 of P.L. , c. (C.) (pending before the Legislature
21 as this bill,² and the dispensing or delivery of medical cannabis to
22 registered qualifying patients, designated caregivers, and
23 institutional caregivers; and

24 (b) the production of personal use cannabis, the ¹[processing]
25 manufacturing¹ of cannabis items, the transportation by cannabis
26 distributors or other transfer of cannabis items between the
27 premises of cannabis ¹[growers] cultivators¹ , cannabis
28 ¹[processors] manufacturers¹ , cannabis wholesalers, cannabis
29 retailers, and ²authorized laboratories and² testing facilities, the
30 retail sale of cannabis items to persons 21 years of age or older, and
31 the delivery of cannabis items to persons 21 years of age or older
32 ²through cannabis delivery services or² by personal use cannabis
33 handlers as authorized pursuant to P.L. , c. (C.) (pending
34 before the Legislature as this bill).

35 (2) The tracking system shall, among other features as
36 determined by the commission, utilize a stamp affixed to a
37 container or package for medical cannabis or personal use cannabis
38 items to assist in the collection of the information required to be
39 tracked pursuant to subsection c. of this section.

40 (a) The commission, in consultation with the Director of the
41 Division of Taxation, shall secure stamps based on the designs,
42 specifications, and denominations prescribed by the commission in
43 regulation, and which incorporate encryption, security, and
44 counterfeit-resistant features to prevent the unauthorized
45 duplication or counterfeiting of any stamp. The stamp shall be

1 readable by a scanner or similar device that may be used by the
2 commission, the Director of the Division of Taxation, **[and]**
3 medical cannabis cultivators, medical cannabis manufacturers,
4 medical cannabis dispensaries, **[or]** and clinical registrants , and
5 personal use cannabis **'[growers]** cultivators' , cannabis
6 **'[processors]** manufacturers' , cannabis wholesalers, cannabis
7 distributors, cannabis retailers, and cannabis delivery services.

8 (b) The commission, and the Director of the Division of
9 Taxation if authorized by the commission, shall make stamps
10 available for purchase by medical cannabis cultivators, medical
11 cannabis manufacturers, and clinical registrants, and personal use
12 cannabis **'[growers]** cultivators' , cannabis **'[processors]**
13 manufacturers' , cannabis wholesalers, cannabis distributors,
14 cannabis retailers, and cannabis delivery services, which shall be
15 the only entities authorized to affix a stamp to a container or
16 package for medical cannabis or personal use cannabis 'items' in
17 accordance with applicable regulations promulgated by the
18 commission in consultation with the Director of the Division of
19 Taxation. The price charged by the commission **[to medical**
20 **cannabis cultivators, medical cannabis manufacturers, and clinical**
21 **registrants]** for a stamp **[required pursuant to this paragraph]** shall
22 be reasonable and commensurate with the cost of producing the
23 stamp.

24 (c) A medical cannabis cultivator, medical cannabis
25 manufacturer, medical cannabis dispensary, clinical registrant, or
26 certified medical cannabis handler , or a personal use cannabis
27 **'[grower]** cultivator' , cannabis **'[processor]** manufacturer' ,
28 cannabis wholesaler, cannabis distributor, cannabis retailer,
29 cannabis delivery service, or certified personal use cannabis
30 handler, shall not purchase, sell, offer for sale, transfer, transport, or
31 deliver any medical cannabis or personal use cannabis item unless a
32 stamp is properly affixed to the container or package for the
33 medical cannabis or personal use cannabis item.

34 b. The purposes of the system developed and maintained under
35 this section include, but are not limited to:

36 (1) preventing the diversion of medical cannabis and personal
37 use cannabis items to criminal enterprises, gangs, cartels, persons
38 not authorized to possess medical cannabis or personal use cannabis
39 items, and other states;

40 (2) preventing persons from substituting or tampering with
41 medical cannabis and personal use cannabis items;

42 (3) ensuring an accurate accounting of the cultivation,
43 manufacturing, transferring, dispensing, and delivery of medical
44 cannabis , and the production, **'[processing]** manufacturing' ,

1 transporting, transferring, sale, and delivery of personal use
2 cannabis items;

3 (4) ensuring that the testing results from licensed testing
4 laboratories and facilities are accurately reported; and

5 (5) ensuring compliance with the rules and regulations adopted
6 by the commission and any other law of this State that charges the
7 commission with a duty, function, or power related to medical
8 cannabis or personal use cannabis items.

9 c. The system developed and maintained under this section
10 shall be capable of tracking, at a minimum:

11 (1) the propagation of immature medical cannabis plants and
12 personal use cannabis plants, the production of medical cannabis by
13 a medical cannabis cultivator , and the production of personal use
14 cannabis by a cannabis ¹grower cultivator¹;

15 (2) the utilization of medical cannabis in the manufacture ²[,
16 production,]² and creation of medical cannabis products by a
17 medical cannabis manufacturer , the ¹processing manufacturing¹
18 of personal use cannabis items by a cannabis ¹processor
19 manufacturer¹ , the receiving, storing, and sending of personal use
20 cannabis items by a cannabis wholesaler, and the transporting in
21 bulk cannabis items by a cannabis distributor;

22 (3) the transfer of medical cannabis and medical cannabis
23 products , and personal use cannabis items, to and from licensed
24 testing laboratories and facilities for testing purposes;

25 (4) the dispensing of medical cannabis by a medical cannabis
26 dispensary or clinical registrant , and the selling ¹and delivery¹ of
27 personal use cannabis items by a cannabis retailer ¹or cannabis
28 delivery service¹;

29 (5) the furnishing of medical cannabis by a medical cannabis
30 dispensary or clinical registrant to a medical cannabis handler for
31 delivery , and the furnishing of personal use cannabis items by a
32 cannabis retailer to a personal use cannabis handler for delivery;

33 (6) the delivery of medical cannabis by a medical cannabis
34 handler , and the delivery of personal use cannabis items by a
35 personal use cannabis handler;

36 (7) the purchase, sale, or other transfer of medical cannabis and
37 medical cannabis products between medical cannabis cultivators,
38 medical cannabis manufacturers, medical cannabis dispensaries, and
39 clinical registrants as authorized pursuant to paragraph (5) of
40 subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) and
41 subsection h. of section 27 of P.L.2019, c.153 (C.24:6I-20) , and the
42 purchase, sale, transporting, or other transfer of personal use
43 ²cannabis and² cannabis items by or between cannabis ¹growers
44 cultivators¹ , cannabis ¹processors manufacturing¹ , cannabis
45 wholesalers, cannabis distributors, cannabis retailers, and cannabis

1 delivery services as authorized pursuant to P.L. , c. (C.)
2 (pending before the Legislature as this bill); and
3 (8) any other information that the commission determines is
4 reasonably necessary to accomplish ²[the] its² duties, functions,
5 and powers ²[of the commission]².
6 (cf: P.L.2019, c.153, s.29)
7

8 ¹39. (New section) ²Optional² Social Equity Excise Fee
9 Assessed on Class 1 Cannabis Cultivator Licensees.

10 a. There may be a Social Equity Excise Fee imposed by the
11 commission on the cultivation of cannabis by any cannabis
12 cultivator licensed pursuant to the provisions of P.L. ,
13 c. (C.) (pending before the Legislature as this bill), or on the
14 cultivation of cannabis for the personal use cannabis marketplace
15 and not for the medical cannabis marketplace by any alternative
16 treatment center deemed to be licensed to engage in personal use
17 cannabis activities pursuant to section 7 of P.L.2009, c.307
18 (C.24:6I-7) and issued a Class 1 ²Cannabis² Cultivator license by
19 the commission pursuant to subparagraph (a) of paragraph (3) of
20 subsection a. of section 33 of P.L. , c. (C.) (pending before
21 the Legislature as this bill). The excise fee, if imposed by the
22 commission pursuant to this section, shall be imposed on the
23 receipts from the sale, or equivalent value of the transfer, of usable
24 cannabis by a cannabis cultivator to any other cannabis
25 establishment, other than another cannabis cultivator. Any sale by a
26 cannabis cultivator for which the excise fee is imposed pursuant to
27 this section shall be exempt from the tax imposed under the “Sales
28 and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.).

29 (1) Immediately following the adoption of the commission’s
30 initial rules and regulations pursuant to subparagraph (a) of
31 paragraph (1) of subsection d. of section 6 of P.L. , c. (C.)
32 (pending before the Legislature as this bill), there may be an excise
33 fee imposed on a cannabis cultivator’s sale or transfer as described
34 in this subsection in the amount of 1/3 of 1% of the Statewide
35 average retail price of an ounce of usable cannabis for consumer
36 purchase, and any fractional portion of an ounce sold or transferred
37 shall be subject to the fee on a proportional basis, during the
38 calendar year the fee may be imposed in accordance with this
39 paragraph; and

40 (2) Beginning nine months following the first sale or transfer of
41 usable cannabis subject to the excise fee as described in paragraph
42 (1) of this subsection, which sale or transfer is made by a cannabis
43 cultivator that is not also an alternative treatment center deemed to
44 be licensed to engage in personal use cannabis activities pursuant to
45 section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a Class 1
46 ²Cannabis² Cultivator license by the commission pursuant to
47 subparagraph (a) of paragraph (3) of subsection a. of section 33 of

1 P.L. , c. (C.) (pending before the Legislature as this bill),
2 the excise fee may be adjusted annually based upon the Statewide
3 average retail price of usable cannabis for consumer purchase in the
4 calendar year next preceding the year in which the adjusted fee
5 would be imposed, and the adjusted excise fee shall be ²[based on]
6 by² the ounces of usable cannabis sold or transferred by a cannabis
7 cultivator, and any fractional portion of an ounce sold or transferred
8 shall be subject to the fee on a proportional basis, as follows:

9 (a) up to \$10 per ounce, as established by the commission, if the
10 average retail price of an ounce of usable cannabis ²[is] was² \$350
11 or more;

12 (b) up to \$30 per ounce, as established by the commission, if the
13 average retail price of an ounce of usable cannabis ²[is] was² less
14 than \$350 but at least \$250;

15 (c) up to \$40 per ounce, as established by the commission, if the
16 average retail price of an ounce of usable cannabis ²[is] was² less
17 than \$250 but at least \$200; ²and²

18 (d) up to \$60 per ounce, as established by the commission, if the
19 average retail price of an ounce of usable cannabis ²[is]² less than
20 \$200.

21 b. (1) Any excise fee imposed pursuant to this section shall be
22 collected from the cannabis establishment purchasing or acquiring
23 the usable cannabis or paid by the cannabis cultivator, and remitted
24 to the Director of the Division of Taxation. The fee shall be stated,
25 charged, and shown separately on any sales slip, invoice, receipt, or
26 other statement or memorandum of the price paid or payable, or
27 equivalent value of the transfer, for the usable cannabis.

28 (2) Every cannabis cultivator required to collect or pay any
29 excise fee imposed by this section shall be personally liable for the
30 fee imposed, collected, or required to be collected or paid under this
31 section. Any cannabis cultivator shall have the same right with
32 respect to collecting the fee from the cannabis establishment
33 purchasing or acquiring the usable cannabis, or with respect to non-
34 payment of the fee by the cannabis establishment, as if the fee were
35 a part of the purchase price or value of the transfer of the usable
36 cannabis, and payable at the same time; provided, however, that the
37 director shall be joined as a party in any action or proceeding
38 brought to collect the fee.

39 c. Any excise fee imposed shall be reported and paid to the
40 ²[director] Director of the Division of Taxation² on a monthly
41 basis, in a manner prescribed by the director.

42 d. Except as otherwise provided in the “Cannabis Regulatory,
43 Enforcement Assistance, and Marketplace Modernization Act,”
44 P.L. , c. (C.) (pending before the Legislature as ²[Senate
45 Bill No 21] this bill²), any excise ²[Fee] fee² imposed pursuant to
46 this section shall be governed by the provisions of the “State
47 Uniform Tax Procedure Law,” R.S.54:48-1 et seq.

1 e. Any excise fee imposed under this section shall not apply to
 2 sales or transfers of usable cannabis by a cannabis cultivator to a
 3 licensed medical cannabis alternative treatment center for use in
 4 medical cannabis dispensing pursuant to the “Jake Honig
 5 Compassionate Use Medical Cannabis Act.” P.L.2009, c.307
 6 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

7 f. Any excise fee revenue collected pursuant to this section
 8 shall be deposited by the Director of the Office of Management and
 9 Budget into the “Cannabis Regulatory, Enforcement Assistance, and
 10 Marketplace Modernization Fund” established ²[pursuant to]
 11 under² section 41 of P.L. , c. (C.) (pending before the
 12 Legislature as this bill), and shall be used for annual appropriations
 13 for investing in social equity programs as set forth in that section.

14 g. As used in this section:

15 “Cannabis cultivator” means the same as that term is defined in
 16 section 3 of P.L. , c. (C.) (pending before the Legislature as
 17 this bill).

18 “Cannabis establishment” means the same as that term is defined
 19 in section 3 of P.L. , c. (C.) (pending before the Legislature
 20 as this bill).

21 “Usable cannabis” means the same as that term is defined in
 22 section 3 of P.L. , c. (C.) (pending before the Legislature as
 23 this bill).¹

24
 25 ¹[39.] 40.¹ (New section) ²[Local Cannabis Taxation;]
 26 Optional² Local Cannabis Transfer Tax and User Tax.

27 a. (1) A municipality may adopt an ordinance imposing a
 28 transfer tax on the sale of ²cannabis or² cannabis items by a
 29 cannabis establishment that is located in the municipality. At the
 30 discretion of the municipality, the tax may be imposed on: ²receipts
 31 from the sale of cannabis by a cannabis cultivator to another
 32 cannabis cultivator;² receipts from the sale of ¹[cannabis or]¹
 33 cannabis items from one cannabis establishment to another cannabis
 34 establishment; receipts from the retail sales ¹of cannabis items¹ by a
 35 cannabis retailer to retail ²[customers] consumers² who are 21
 36 years of age or older; or any combination thereof. Each
 37 municipality shall set its own rate or rates, but in no case shall a
 38 rate exceed: two percent of the receipts from each sale by a
 39 cannabis ¹[grower] cultivator¹; two percent of the receipts from
 40 each sale by a cannabis ¹[processor] manufacturer¹; one percent of
 41 the receipts from each sale by a cannabis wholesaler; and two
 42 percent of the receipts from each sale by a cannabis retailer.

43 (2) A local tax ordinance adopted pursuant to paragraph (1) of
 44 this subsection shall also include provisions for imposing a user tax,
 45 at the equivalent transfer tax rates, on any concurrent license
 46 holder, as permitted by section 33 of P.L. , c. (C.) (pending
 47 before the Legislature as this bill), operating more than one

1 cannabis establishment. The user tax shall be imposed on the value
2 of each transfer or use of ²cannabis or² cannabis items not
3 otherwise subject to the transfer tax imposed pursuant to paragraph
4 (1) of this subsection, from the license holder's establishment that is
5 located in the municipality to any of the other license holder's
6 establishments, whether located in the municipality or another
7 municipality.

8 b. (1) A transfer tax or user tax imposed pursuant this section
9 shall be in addition to any other tax imposed by law. Any
10 transaction for which the transfer tax or user tax is imposed, or
11 could be imposed, pursuant to this section, other than those which
12 generate receipts from the retail sales by cannabis retailers, shall be
13 exempt from the tax imposed under the "Sales and Use Tax Act,"
14 P.L.1966, c.30 (C.54:32B-1 et seq.). The transfer tax or user tax
15 shall be collected or paid, and remitted to the municipality by the
16 cannabis establishment from the cannabis establishment purchasing
17 or receiving the ²cannabis or² cannabis item, or from the
18 ²**[customer]** consumer² at the point of sale, on behalf of the
19 municipality by the cannabis ²**[establishment]** retailer² selling ²**[or**
20 **transferring]**² the cannabis item ²to that consumer². The transfer
21 tax or user tax shall be stated, charged, and shown separately on any
22 sales slip, invoice, receipt, or other statement or memorandum of
23 the price paid or payable ¹, or equivalent value of the transfer,¹ for
24 the ²cannabis or² cannabis item.

25 (2) Every cannabis establishment required to collect a transfer
26 tax or user tax imposed by ordinance pursuant to this section shall
27 be personally liable for the transfer tax or user tax imposed,
28 collected, or required to be collected under this section. Any
29 cannabis establishment shall have the same right with respect to
30 collecting the transfer tax or user tax from another cannabis
31 establishment or the ²**[customer]** consumer² as if the transfer tax or
32 user tax was a part of the sale and payable at the same time, or with
33 respect to non-payment of the transfer tax or user tax by the
34 cannabis establishment or ²**[customer]** consumer², as if the transfer
35 tax or user tax was a part of the purchase price of the ²cannabis or²
36 cannabis item,¹ ¹or equivalent value of the transfer of the² cannabis
37 or² cannabis item,¹ and payable at the same time; provided,
38 however, that the chief fiscal officer of the municipality which
39 imposes the transfer tax or user tax shall be joined as a party in any
40 action or proceeding brought to collect the transfer tax or user tax.

41 (3) No cannabis establishment required to collect a transfer tax
42 or user tax imposed by ordinance pursuant to this section shall
43 advertise or hold out to any person or to the public in general, in
44 any manner, directly or indirectly, that the transfer tax or user tax
45 will not be separately charged and stated to another cannabis
46 establishment or the ²**[customer]** consumer,² or that the transfer tax

1 or user tax will be refunded to the cannabis establishment or the
2 ²~~customer~~ consumer².

3 c. (1) All revenues collected from a transfer tax or user tax
4 imposed by ordinance pursuant to this section shall be remitted to
5 the chief financial officer of the municipality in a manner
6 prescribed by the municipality. The chief financial officer shall
7 collect and administer any transfer tax or user tax imposed by
8 ordinance pursuant to this section. The municipality shall enforce
9 the payment of delinquent taxes or transfer fees imposed by
10 ordinance pursuant to this section in the same manner as provided
11 for municipal real property taxes.

12 (2) (a) In the event that the transfer tax or user tax imposed by
13 ordinance pursuant to this section is not paid as and when due by a
14 cannabis establishment, the unpaid balance, and any interest
15 accruing thereon, shall be a lien on the parcel of real property
16 comprising the cannabis ²~~establishment~~ establishment's
17 premises² in the same manner as all other unpaid municipal taxes,
18 fees, or other charges. The lien shall be superior and paramount to
19 the interest in the parcel of any owner, lessee, tenant, mortgagee, or
20 other person, except the lien of municipal taxes, and shall be on a
21 parity with and deemed equal to the municipal lien on the parcel for
22 unpaid property taxes due and owing in the same year.

23 (b) A municipality shall file in the office of its tax collector a
24 statement showing the amount and due date of the unpaid balance
25 and identifying the lot and block number of the parcel of real
26 property that comprises the delinquent cannabis ²~~establishment~~
27 establishment's premises². The lien shall be enforced as a
28 municipal lien in the same manner as all other municipal liens are
29 enforced.

30 d. As used in this section:

31 ¹~~["Cannabis" means the same as that term is defined in section 3~~
32 ~~of P.L. , c. (C.) (pending before the Legislature as this~~
33 ~~bill).]~~

34 ²~~["Cannabis" means the same as that term is defined in section 3~~
35 ~~of P.L. , c. (C.) (pending before the Legislature as this~~
36 ~~bill).]~~²

37 ~~["Cannabis cultivator" means the same as that term is defined in~~
38 ~~section 3 of P.L. , c. (C.) (pending before the Legislature as~~
39 ~~this bill).]~~¹

40 "Cannabis establishment" means the same as that term is defined
41 in section 3 of P.L. , c. (C.) (pending before the Legislature
42 as this bill).

43 ¹~~["Cannabis grower" means the same as that term is defined in~~
44 ~~section 3 of P.L. , c. (C.) (pending before the Legislature as~~
45 ~~this bill).]~~¹

1 “Cannabis items” means the same as that term is defined in
2 section 3 of P.L. , c. (C.) (pending before the Legislature
3 as this bill).

4 “Cannabis ¹**[processor]** manufacturer¹” means the same as that
5 term is defined in section 3 of P.L. , c. (C.) (pending before
6 the Legislature as this bill).

7 “Cannabis retailer” means the same as that term is defined in
8 section 3 of P.L. , c. (C.) (pending before the Legislature
9 as this bill).

10 “Cannabis wholesaler” means the same as that term is defined in
11 section 3 of P.L. , c. (C.) (pending before the Legislature as
12 this bill).

13 ²“Consumer” means the same as that term is defined in section 3
14 of P.L. , c. (C.) (pending before the Legislature as this bill).

15 “Premises” means the same as that term is defined in section 3 of
16 P.L. , c. (C.) (pending before the Legislature as this bill).²

17
18 ¹**[40.] 41.¹** (New section) Cannabis Regulatory, Enforcement
19 Assistance, and Marketplace Modernization Fund.

20 a. All fees and penalties collected by the commission, and all tax
21 revenues on retail sales ²**[, if any]** of cannabis items², and all tax
22 revenues collected pursuant to the provisions of the “Jake Honig
23 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
24 (C.24:6I-1 et al.), except for amounts credited to the Property Tax
25 Reform Account in the Property Tax Relief Fund pursuant to
26 paragraph ¹**[1]** ¹7¹ of Section I of Article VIII of the New Jersey
27 Constitution, ¹as well as all revenues, if any, collected for the
28 Social Equity Excise Fee pursuant to section 39 of P.L. ,
29 c. (C.) (pending before the Legislature as this bill).¹ shall be
30 deposited in a special nonlapsing fund which shall be known as the
31 “Cannabis Regulatory, Enforcement Assistance, and Marketplace
32 Modernization Fund.”

33 b. Monies in the fund ¹, other than any monies derived from the
34 Social Equity Excise Fee to be appropriated annually in accordance
35 with subsection d. of this section,¹ shall be ²**[used by the**
36 **commission to]** appropriated annually as follows² :

37 (1) ²at least 70 percent of all tax revenues on retail sales of
38 cannabis items shall be appropriated for investments, including
39 through grants, loans, reimbursements of expenses, and other
40 financial assistance, in municipalities defined as an “impact zone”
41 pursuant to section 3 of P.L. , c. (C.) (pending before the
42 Legislature as this bill), as well as provide direct financial
43 assistance to qualifying persons residing therein as recommended
44 by the commission; and

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

1 (a) to² oversee the development, regulation, and enforcement of
2 activities associated with the personal use of cannabis pursuant to
3 P.L. , c. (C.), and assist with assuming responsibility from
4 the Department of Health for the further development and
5 expansion, regulation, and enforcement of activities associated with
6 the medical use of cannabis pursuant to the “Jake Honig
7 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
8 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);
9 **[and]**¹

10 ²**[(2)]** (b) to² reimburse the expenses incurred by any county or
11 municipality for the training costs associated with the attendance
12 and participation of a police officer from its law enforcement unit,
13 as those terms are defined in section 2 of P.L.1961, c.56 (C.52:17B-
14 67), in a program provided by an approved school, also defined in
15 that section, which trains and certifies the police officer, including a
16 police officer with a working dog as that term is defined in section
17 1 of P.L.2006, c.88 (C.10:5-29.7), as a Drug Recognition Expert for
18 detecting, identifying, and apprehending drug-impaired motor
19 vehicle operators, and pay for the same training¹ costs incurred by
20 the Division of¹ State Police in the Department of Law and Public
21 Safety for the training of a State police officer or trooper, including
22 an officer or trooper with a working dog, as a Drug Recognition
23 Expert, as well as its costs¹ in furnishing additional program
24 instructors to provide Drug Recognition Expert training to police
25 officers ¹, troopers,¹ and working dogs. A municipality or county
26 seeking reimbursement shall apply to the commission, itemizing the
27 costs, with appropriate proofs, for which reimbursement is
28 requested and provide a copy of the certificate issued to the police
29 officer to indicate the successful completion of the program by the
30 police officer, and that officer’s working dog, if applicable ²; and

31 (c) for further investments, including through grants, loans,
32 reimbursements of expenses, and other financial assistance, in
33 municipalities defined as an “impact zone” pursuant to section 3 of
34 P.L. , c. (C.) (pending before the Legislature as this bill), as
35 well as provide direct financial assistance to qualifying persons
36 residing therein as recommended by the commission.

37 The monies appropriated pursuant to paragraph (1) of this
38 subsection shall be offset by any revenue constitutionally dedicated
39 to municipalities defined as an “impact zone” pursuant to section 3
40 of P.L. , c. (C.) (pending before the Legislature as this
41 bill)².

42 c. Any remaining ²available² monies, after the ²**[commission**
43 **uses the** ¹available¹ **] appropriation of those**² monies in the fund in
44 accordance with subsection b. of this section, shall be deposited in
45 the State’s General Fund.

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

1 recommendations to the Governor and Legislature for making social
2 equity appropriations based upon the amount of any revenues
3 collected during the current fiscal year for the Social Equity Excise
4 Fee pursuant to section 39 of P.L. , c. (C.) (pending before the
5 Legislature as this bill), or, if the commission has not imposed or
6 adjusted the excise fee in the current fiscal year pursuant to that
7 section, then appropriations to be made from the General Fund in an
8 amount equal to the revenues that would have been collected had it
9 imposed or adjusted the fee, in order to invest, through grants,
10 loans, reimbursements of expenses, and other financial assistance,
11 in 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.) (pending before the Legislature as
14 this bill), as well as provide direct financial assistance to qualifying
15 persons as determined by the commission, in order to create,
16 expand, or promote educational and economic opportunities and
17 activities, and the health and well-being of both communities and
18 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.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 **[(1)]** among other

1 things **[D]**, 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**[J]** or, in the practitioner's presence, by the
32 practitioner's lawfully authorized agent ²**[D]**, 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[(1)]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)] (1) ² Opium, coca leaves, and opiates;

12 ²[(b)] (2) ² A compound, manufacture, salt, derivative, or
13 preparation of opium, coca leaves, or opiates;

14 ²[(c)] (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)]
17 (1) ² and ²[(b)] (2) of this definition², 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) Etoxidine
- 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.), or 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 ²processed² manufactured² 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.] ^{45.} 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
 47 the ordinary individual under customary conditions of purchase and
 48 use.

1 d. If it is for use by man and contains any quantity of the
2 narcotic or hypnotic substance alpha-eucaine, barbituric acid, beta-
3 eucaine, bromal, cannabis other than as defined in section 3 of
4 P.L. , c. (C.) (pending before the Legislature as this bill),
5 carbromal, chloral, coca, cocaine, codeine, heroin, marihuana,
6 morphine, opium, paraldehyde, peyote, or sulphonmethane; or any
7 chemical derivative of such substance, which derivative has been by
8 the Department of Health of the State of New Jersey after
9 investigation found to be, and by regulations under this subtitle
10 designated as, habit forming; unless its label bears the name and
11 quantity or proportion of such substance, or derivative and in
12 juxtaposition therewith, the statement "Warning--May be habit
13 forming."

14 e. If it is a drug and is not designated solely by a name
15 recognized in an official compendium, unless its label bears (1) the
16 common or usual name of the drug, if such there be; and (2) in case
17 it is fabricated from 2 or more ingredients, the common or usual
18 name of each active ingredient, including the kind and quantity or
19 proportion of any alcohol, and also including, whether active or not,
20 the name and quantity or proportion of any bromides, ether,
21 chloroform, acetanilid, acetphanetidid, amidopyrine, antipyrine,
22 atropine, hyoscyne, hyoscyamine, arsenic, digitalis, digitalis
23 glusocides, mercury, ouabain, strophanthin, strychnine, thyroid, or
24 any derivative or preparation of any such substances, contained
25 therein; provided, that to the extent that compliance with the
26 requirements of clause (2) of this paragraph is impracticable,
27 exemptions may be established by regulations promulgated by the
28 State department.

29 f. Unless its labeling bears (1) adequate directions for use; and
30 (2) such adequate warnings against use in those pathological
31 conditions or by children where its use may be dangerous to health,
32 or against unsafe dosage or methods or duration of administration
33 or application, in such manner and form, as are necessary for the
34 protection of users; provided, that where any requirement of clause
35 (1) of this paragraph, as applied to any drug or device, is not
36 necessary for the protection of the public health, the Department of
37 Health of the State of New Jersey may promulgate regulations
38 exempting such drug or device from such requirement.

39 g. If it purports to be a drug the name of which is recognized in
40 an official compendium, unless it is packaged and labeled as
41 prescribed therein; provided, that the method of packing may be
42 modified with the consent of the State department. Whenever a
43 drug is recognized in both the United States Pharmacopoeia and the
44 Homeopathic Pharmacopoeia of the United States it shall be subject
45 to the requirements of the United States Pharmacopoeia unless it is
46 labeled and offered for sale as a homeopathic drug, in which case it
47 shall be subject to the provisions of the Homeopathic

1 Pharmacopoeia of the United States and not to those of the United
2 States Pharmacopoeia.

3 h. If it has been found by the Department of Health of the State
4 of New Jersey to be a drug liable to deterioration, unless it is
5 packaged in such form and manner, and its label bears a statement
6 of such precautions, as the Department of Health of the State of
7 New Jersey may by regulations require as necessary for the
8 protection of the public health. No such regulation shall be
9 established for any drug recognized in an official compendium until
10 the State department shall have informed the appropriate body
11 charged with the revision of such compendium of the need for such
12 packaging or labeling requirements and such body shall have failed
13 within a reasonable time to prescribe such requirements.

14 i. (1) If it is a drug and its container is so made, formed or
15 filled as to be misleading; or (2) if it is an imitation of another drug;
16 or (3) if it is offered for sale under the name of another drug.

17 j. If it is dangerous to health when used in the dosage, or with
18 the frequency or duration prescribed, recommended, or suggested in
19 the labeling thereof.

20 k. If it is a depressant or stimulant drug as defined pursuant to
21 law and not in the possession or control of a person specified by
22 law as entitled to possession or control of such depressant or
23 stimulant drug. Any depressant or stimulant drug misbranded under
24 the preceding sentence shall be deemed dangerous or fraudulent for
25 purposes of marking and detaining under the provisions of section
26 24:4-12 of this Title.

27 (cf: P.L.1966, c.314, s.8)

28

29 ¹[44.] ²[45. ¹] ^{46.}² (New section) Personal Use of Cannabis
30 ²[or Cannabis Resin] Items².

31 Notwithstanding any other provision of law, the following acts
32 are not unlawful and shall not be an offense or a basis for seizure or
33 forfeiture of assets under N.J.S.2C:64-1 et seq. or other applicable
34 law for persons 21 years of age or older, provided the acts are
35 consistent with the relevant definitions set forth in section 3 of
36 P.L. , c. (C.) (pending before the Legislature as this bill),
37 and when an act involves ¹[cannabis or] ¹a cannabis item, it was
38 first obtained ¹directly¹ from a licensed cannabis retailer ¹or
39 delivered by a licensed cannabis delivery service making delivery
40 of a purchase order fulfilled by that licensed cannabis retailer for
41 off-premises delivery¹, evidenced by it being in its original
42 packaging or by a sales slip, invoice, receipt, or other statement or
43 memorandum:

44 a. Possessing, displaying, purchasing, or transporting: cannabis
45 paraphernalia; one ounce (28.35 grams) or less of ¹useable¹
46 cannabis; the equivalent of one ounce (28.35 grams) or less of
47 ¹usable¹ cannabis ¹[infused] ¹as a cannabis¹ product in solid, liquid,

1 or concentrate form, based upon an equivalency calculation for
2 different product forms set by the Cannabis Regulatory
3 Commission, established pursuant to section 31 of P.L.2019, c.153
4 (C.24:6I-24), in its regulations, and for which the commission may
5 utilize research conducted in other states on the issue of product
6 equivalency calculations when setting this equivalency; or 5 grams
7 (0.176 ounce) or less of cannabis resin. Possessing, displaying,
8 purchasing, or transporting at any one time any amount of
9 **‘[cannabis or] any¹ cannabis ‘[resin] items described herein¹** in an
10 amount greater than as permitted pursuant to this subsection **‘[**, or
11 an infused product in solid, liquid, or concentrate form with more
12 than the equivalency permitted pursuant to this subsection¹**’]** shall
13 be considered a violation of the “Comprehensive Drug Reform Act
14 of 1987,” P.L.1987, c.106 (N.J.S.2C:35-1 et al.), and subject the
15 person to **‘[a civil penalty or]’** prosecution as if the person
16 possessed, displayed, purchased, or transported marijuana or
17 hashish in violation of that act;

18 b. Transferring without remuneration: one ounce (28.35 grams)
19 or less of **‘useable¹** cannabis; the equivalent of one ounce (28.35
20 grams) or less of **‘usable¹** cannabis **‘[infused] as a cannabis¹**
21 product in solid, liquid, or concentrate form, based upon the
22 equivalency calculation for different product forms set by the
23 commission pursuant to subsection a. of this section; or five grams
24 (0.176 ounce) or less of cannabis resin to a person who is of legal
25 age for purchasing cannabis items, provided that such transfer is for
26 non-promotional, non-business purposes. Transferring at any one
27 time any amount of **‘[cannabis or] any¹ cannabis ‘[resin] items**
28 **described herein¹** in an amount greater than as permitted pursuant to
29 this subsection **‘[**, or an infused product in solid, liquid, or
30 concentrate form with more than the equivalency permitted
31 pursuant to this subsection¹**’]**, or to a person who is not of legal age
32 to purchase cannabis items, shall be considered a violation of the
33 “Comprehensive Drug Reform Act of 1987,” P.L.1987, c.106
34 (N.J.S.2C:35-1 et al.), and subject the person to prosecution as if
35 the person distributed marijuana or hashish in violation of that act,
36 unless the transfer to a person who is not of legal age was done by a
37 cannabis establishment licensed pursuant to P.L. , c. (C.)
38 (pending before the Legislature as this bill), or an employee or
39 agent thereof, in which case it is a civil violation and the civil
40 penalty set forth in subsection b. of section **‘[57] 2[58¹] 64²**
41 P.L. , c. (C.) (pending before the Legislature as this bill)
42 shall apply;

43 c. Taking delivery of or consuming a lawfully possessed
44 cannabis item, provided that nothing in this section shall permit a
45 person to smoke, vape, or aerosolize any cannabis item in a public
46 place. This prohibition includes the smoking, vaping, or
47 aerosolizing of a cannabis item in any public place pursuant to law

1 that prohibits the smoking of tobacco, including N.J.S.2C:33-13 and
2 the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-
3 55 et seq.), and any indoor public place, as that term is defined in
4 section 3 of P.L.2005, c.383 (C.26:3D-57), or portion thereof, even
5 if the smoking of tobacco is otherwise permitted in that place or
6 portion thereof pursuant to the “New Jersey Smoke-Free Air Act”;
7 except that the smoking, vaping, or aerosolizing of a cannabis item
8 shall be permitted in a cannabis consumption area as set forth in
9 section 28 of P.L.2019, c.153 (C.24:6I-21), and may be permitted
10 by the person or entity that owns or controls a hotel, motel, or other
11 lodging establishment as defined in section 1 of P.L.1967, c.95
12 (C.29:4-5) in up to 20 percent of its guest rooms. The smoking,
13 vaping, or aerosolizing of a cannabis item may also be prohibited or
14 otherwise regulated in multifamily housing that is a multiple
15 dwelling as defined in section 3 of P.L.1967, c.76 (C.55:13A-3), as
16 decided by the person or entity that owns or controls the
17 multifamily housing, ¹or prohibited or otherwise regulated in the
18 structure or specific units of the structure of a cooperative as
19 defined in section 3 of P.L.1987, c.381 (C.46:8D-3) by the
20 corporation or other legal entity that owns the structure.¹ or
21 prohibited or otherwise regulated in the units of a condominium, as
22 those terms are defined by section 3 of P.L.1969, c.257 (C.46:8B-
23 3), if approved by the association for the condominium and a
24 majority of all of the condominium’s unit owners, as those terms
25 are defined in that section. Except as otherwise provided by P.L. ,
26 c. (C.) (pending before the Legislature as this bill), any
27 penalties that may be assessed for the smoking of tobacco where
28 prohibited under the “New Jersey Smoke-Free Air Act” shall be
29 applicable to the smoking, vaping, or aerosolizing of cannabis
30 items¹ where prohibited. Concerning the consumption of any
31 cannabis item, other than by smoking, vaping, or aerosolizing: a
32 person or entity that owns or controls a property, other than
33 multifamily housing that is a multiple dwelling as defined in section
34 3 of P.L.1967, c.76 (C.55:13A-3), ¹the structure or specific units of
35 the structure of a cooperative as defined in section 3 of P.L.1987,
36 c.381 (C.46:8D-3).¹ a unit of a condominium, as those terms are
37 defined by section 3 of P.L.1969, c.257 (C.46:8B-3), or a site in a
38 mobile home park as defined in section 3 of P.L.1983, c.386
39 (C.40:55D-102), which site is leased to the owner of a
40 manufactured home, as defined in that section, that is installed
41 thereon, may prohibit or otherwise regulate the consumption of
42 cannabis items on or in that property, including a casino hotel
43 facility as defined in section 19 of P.L.1977, c.110 (C.5:12-19) with
44 respect to a hotel property, a casino as defined in section 6 of
45 P.L.1977, c.110 (C.5:12-6), or casino simulcasting facility
46 authorized pursuant to the “Casino Simulcasting Act,” P.L.1992,
47 c.19 (C.5:12-191 et al.); and a municipality may enact an ordinance
48 making it an unlawful act for any person 21 years of age or older to

1 consume, other than by smoking, vaping, or aerosolizing, any
2 cannabis item in a public place, including any indoor public place
3 as that term is defined in section 3 of P.L.2005, c.383 (C.26:3D-57),
4 or portion thereof, and providing a civil penalty for a violation in
5 accordance with section ¹[70] ²[71¹] ⁷⁷² of P.L. , c. (C.)
6 (pending before the Legislature as this bill); and

7 d. Assisting another person to engage in any of the acts
8 described in subsections a. through c. of this section, provided that
9 the person being assisted is of legal age to purchase cannabis items
10 and the assistance being provided is without remuneration.

11
12 ¹[45.] ²[46.¹] ^{47.}² (New section) Licensee and Consumer
13 Protections.

14 a. ¹[Individuals] Except as otherwise set forth in section ²[47]
15 48² of P.L. , c. (C.) (pending before the Legislature as this
16 bill) with respect to employers, employment actions, and
17 employment policies, individuals,¹ and licensed cannabis
18 establishments, distributors, and delivery services ¹₁¹ shall not be
19 subject to arrest, prosecution, or penalty in any manner, or denied
20 any right or privilege, including but not limited to civil liability or
21 disciplinary action by a business, occupational, or professional
22 licensing board or bureau, solely for conduct permitted under
23 P.L. , c. (C.) (pending before the Legislature as this bill).

24 b. The presence of cannabinoid metabolites in the bodily fluids
25 of a person engaged in conduct permitted under P.L. , c. (C.)
26 (pending before the Legislature as this bill):

27 (1) with respect to a student, ²tenant, or² employee, ¹other than
28 as set forth in section ²[47] 48² of P.L. , c. (C.) (pending
29 before the Legislature as this bill),¹ ²[or tenant,]² shall not form the
30 basis for refusal to enroll or employ or lease to or otherwise
31 penalize that person, unless failing to do so would put the school,
32 employer, or landlord in violation of a federal contract or cause it to
33 lose federal funding;

34 (2) with respect to a patient ¹₁¹ shall not constitute the use of an
35 illicit substance resulting in denial of medical care, including organ
36 transplant, and a patient's use of cannabis items may only be
37 considered with respect to evidence-based clinical criteria; and

38 (3) with respect to a parent or legal guardian of a child or
39 newborn infant, or a pregnant woman ¹₁¹ shall not form the sole or
40 primary basis for any action or proceeding by the Division of Child
41 Protection and Permanency, or any successor agencies; provided,
42 however, that nothing in this paragraph shall preclude any action or
43 proceeding by the division based on harm or risk of harm to a child
44 or the use of information on the presence of cannabinoid
45 metabolites in the bodily fluids of any person in any action or
46 proceeding.

1 ¹[46.] ²[47.] ¹48.² (New section) Employers, Driving, Minors
2 and Control of Property.

3 a. ¹(1)¹ No employer shall refuse to hire or employ any person
4 or shall discharge from employment or take any adverse action
5 against any employee with respect to compensation, terms,
6 conditions, or other privileges of employment because that person
7 does or does not smoke, vape, aerosolize or otherwise use cannabis
8 items, ¹[unless the] ²[however] and an employee shall not be
9 subject to any adverse action by an employer solely due to the
10 presence of cannabinoid metabolites in the employee's bodily fluid
11 from engaging in conduct permitted under P.L. , c. (C.)
12 (pending before the Legislature as this bill). However² , an¹
13 employer ¹[has a rational basis for doing so which is reasonably
14 related to the employment, including the responsibilities of the]
15 may require an¹ employee ¹[or prospective employee] to undergo a
16 drug test upon reasonable suspicion of an employee's usage of a
17 cannabis item while engaged in the performance of the employee's
18 work responsibilities, or upon finding any observable signs of
19 intoxication related to usage of a cannabis item, or following a
20 work-related accident subject to investigation by the employer ²[,
21 and the] . A drug test may also be done randomly by the
22 employer, or as part of a pre-employment screening, or regular
23 screening of current employees to determine use during an
24 employee's prescribed work hours. The drug test shall include
25 scientifically reliable objective testing methods and procedures,
26 such as testing of blood, urine, or saliva, and a physical evaluation
27 in order to determine an employee's state of impairment. The
28 physical evaluation shall be conducted by an individual with the
29 necessary certification to opine on the employee's state of
30 impairment, or lack thereof, related to the usage of a cannabis item
31 in accordance with paragraph (2) of this subsection. The² employer
32 may ²[utilize] use² the results of ²[that] the² drug test when
33 determining the appropriate employment action concerning the
34 employee, including, but not limited to dismissal, suspension,
35 demotion, or other disciplinary action.

36 (2) (a) In order to better ensure the protections for prospective
37 employees and employees against refusals to hire or employ, or
38 against being discharged or having ²[another] any other² adverse
39 action taken by an employer, while simultaneously supporting the
40 authority of employers to require employees undergo drug tests
41 under the circumstances set forth in paragraph (1) of this
42 subsection, as well as employer efforts to maintain a drug- and
43 alcohol-free workplace or other drug- or alcohol workplace policy
44 as described in paragraph (1) of subsection b. of this section, the
45 commission, in consultation with the Police Training Commission
46 established pursuant to section 5 of P.L.1961, c.56 (C.52:17B-70),
47 shall prescribe standards in regulation for a Workplace Impairment

1 Recognition Expert certification, to be issued to full- or part-time
 2 employees, or others contracted to perform services on behalf of an
 3 employer, ²[demonstrating] based on² education and training in
 4 detecting and identifying an employee's usage of, or impairment
 5 from, a cannabis item or other intoxicating substance, ²[or] and²
 6 for assisting in the investigation of workplace accidents. The
 7 commission's regulations shall also prescribe minimum curriculum
 8 courses of study for the certifications, as well as standards for the
 9 commission's approval and continuation of approval of non-profit
 10 and for-profit programs, organizations, or schools and their
 11 instructors to offer courses of study, and may include the use of a
 12 Police Training Commission approved school as that term is
 13 defined in section 2 of P.L.1961, c.56 (C.52:17B-67) if consented to
 14 by the Police Training Commission.

15 (b) Any person who demonstrates to the commission's
 16 satisfaction that the person has successfully completed a Drug
 17 Recognition Expert program provided by a Police Training
 18 Commission approved school, or another program or course
 19 conducted by any ²[Federal] federal², State, or other public or
 20 private agency, the requirements of which are substantially
 21 equivalent to the requirements established by the commission
 22 pursuant to subparagraph (a) of this paragraph for a Workplace
 23 Impairment Recognition Expert certification, may, at the discretion
 24 of the commission, be issued this certification, subject to
 25 subsequent continuation of certification approval by the
 26 commission¹.

27 b. Nothing in P.L. , c. (C.) (pending before the
 28 Legislature as this bill):

29 (1) ²(a)² Requires an employer to amend or repeal, or affect,
 30 restrict or preempt the rights and obligations of employers to
 31 maintain a ¹[drug and alcohol free] drug- and alcohol-free¹
 32 workplace or require an employer to permit or accommodate the
 33 use, consumption, being under the influence, possession, transfer,
 34 display, transportation, sale, or growth of cannabis or cannabis
 35 items in the workplace, or to affect the ability of employers to have
 36 policies prohibiting ¹use of¹ cannabis ¹[use] items¹ or intoxication
 37 by employees during work hours ¹[.]¹

38 ²(b) If any of the provisions set forth in this paragraph or
 39 subsection a. of this section result in a provable adverse impact on
 40 an employer subject to the requirements of a federal contract, then
 41 the employer may revise their employee prohibitions consistent
 42 with federal law, rules, and regulations;²

43 (2) Is intended to allow driving under the influence of cannabis
 44 items or driving while impaired by cannabis items or to supersede
 45 laws related to driving under the influence of marijuana or cannabis
 46 items or driving while impaired by marijuana or cannabis items
 47 ¹[.]¹

1 (3) Is intended to permit the transfer of cannabis items, with or
2 without remuneration, to a person under ²[the age of]² 21 ²years of
3 age² or to allow a person under ²[the age of]² 21 ²years of age² to
4 purchase, possess, use, transport, grow, or consume cannabis items,
5 unless the person is under ²[the age of]² 21 ²years of age², but at
6 least 18 years of age, and an employee of a cannabis establishment,
7 distributor, or delivery service acting in the person's employment
8 capacity ¹[.]¹;

9 (4) Shall, consistent with subsection c. of section ¹[44] ²[45¹]
10 ⁴⁶² of P.L. , c. (C.) (pending before the Legislature as
11 this bill), prohibit a person or entity that owns or controls a property
12 from prohibiting or otherwise regulating the consumption, use,
13 display, transfer, distribution, sale, or transportation of cannabis
14 items on or in that property, or portion thereof, including a hotel
15 property that is a casino hotel facility as defined in section 19 of
16 P.L.1977, c.110 (C.5:12-19), a casino as defined in section 6 of
17 P.L.1977, c.110 (C.5:12-6), or casino simulcasting facility
18 authorized pursuant to the "Casino Simulcasting Act," P.L.1992,
19 c.19 (C.5:12-191 et al.), provided that a person or entity that owns
20 or controls multifamily housing that is a multiple dwelling as
21 defined in section 3 of P.L.1967, c.76 (C.55:13A-3), ¹the structure
22 or specific units of the structure of a cooperative as defined in
23 section 3 of P.L.1987, c.381 (C.46:8D-3),¹ a unit of a condominium
24 as defined in section 3 of P.L.1969, c.257 (C.46:8B-3), or a site in a
25 mobile home park as defined in section 3 of P.L.1983, c.386
26 (C.40:55D-102), which site is leased to the owner of a
27 manufactured home, as defined in that section, that is installed
28 thereon, may only prohibit or otherwise regulate the smoking,
29 vaping, or aerosolizing, but not other consumption, of cannabis
30 items, and further provided that municipalities may not prohibit
31 delivery, possession, or consumption of cannabis items by a person
32 21 years of age or older as permitted by section ¹[44] ²[45¹] ⁴⁶²
33 P.L. , c. (C.) (pending before the Legislature as this bill)
34 ¹[.]¹;

35 (5) Is intended to permit any person to possess, consume, use,
36 display, transfer, distribute, sell, transport, or grow ¹or manufacture
37 cannabis or¹ cannabis items in a school, hospital, detention facility,
38 adult correctional facility, or youth ²[correction] correctional²
39 facility ¹[.]¹;

40 (6) Is intended to permit the smoking, vaping, or aerosolizing of
41 cannabis items in any place that any other law prohibits the
42 smoking of tobacco, including N.J.S.2C:33-13 and the "New Jersey
43 Smoke-Free Air Act," P.L.2005, c.383 (C.26:3D-55 et seq.). Except
44 as otherwise provided by P.L. , c. (C.) (pending before the
45 Legislature as this bill), any fines or civil penalties that may be
46 assessed for the smoking of tobacco in designated places shall be

1 applicable to the smoking, vaping, or aerosolizing of cannabis
2 items.

3

4 ¹[47.] ²[48.1] ^{49.2} (New section) Consuming, including by
5 smoking, vaping, or aerosolizing, any cannabis item available for
6 lawful consumption pursuant to the “New Jersey Cannabis
7 Regulatory, Enforcement Assistance, and Marketplace
8 Modernization Act,” P.L. , c. (C.) (pending before the
9 Legislature as this bill), is prohibited in any area of any building of,
10 on the grounds of, or in any facility owned, leased, or controlled by,
11 any public or private institution of higher education or a related
12 entity thereof, regardless of whether the area or facility is an indoor
13 place or is outdoors. As used in this section “related entity”
14 includes, but is not limited to, the foundation, auxiliary services
15 corporation, or alumni association, or any subsidiary thereof, of an
16 institution of higher ²[learning] education². Any penalties that
17 may be assessed for the smoking of tobacco where prohibited under
18 the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-
19 55 et seq.), shall be applicable to the consumption of cannabis items
20 where prohibited by this section.

21

22 ¹[48.] ²[49.1] ^{50.2} (New section) Lawful Operation of
23 Cannabis Establishments, Distributors, and Delivery Services.

24 Notwithstanding any other provision of law, the following acts
25 are not unlawful and shall not be a criminal offense or a basis for
26 seizure or forfeiture of assets under N.J.S.2C:64-1 et seq. or other
27 applicable law, provided the acts are undertaken by a person 21
28 years of age or older while acting within the scope of authority
29 provided by a license, or are undertaken by a person 18 years of age
30 or older while acting within the scope of authority as an employee
31 of a licensed cannabis establishment, distributor, or delivery
32 service, or provided by a cannabis handler certification issued
33 pursuant to P.L. , c. (C.) (pending before the Legislature as
34 this bill) and are consistent with the relevant definitions set forth in
35 section 3 of P.L. , c. (C.) (pending before the Legislature as
36 this bill):

37 a. manufacturing, possessing, or purchasing cannabis
38 paraphernalia or the sale of cannabis paraphernalia to a person who
39 is 21 years of age or older;

40 b. possessing, displaying, transporting, or delivering cannabis
41 items; purchasing cannabis ¹items¹ from a cannabis ¹[cultivation
42 facility] cultivator¹; purchasing cannabis items from a cannabis
43 ¹[product manufacturing facility] manufacturer¹ ²or wholesaler² ;
44 or selling cannabis items to consumers, if the person conducting the
45 activities described in this subsection has obtained a current, valid
46 license to operate as a cannabis retailer or is acting in his capacity
47 as an owner, employee, or agent of a licensed cannabis retailer;

1 c. cultivating, harvesting, ²~~processing,~~² packaging,
2 transporting, displaying, or possessing cannabis; delivering or
3 transferring cannabis ¹items¹ to a cannabis testing facility; selling
4 cannabis ¹items¹ to a cannabis ¹~~cultivation facility~~¹ cultivator¹, a
5 cannabis ¹~~product manufacturing facility~~¹ manufacturer¹, ¹a
6 ~~cannabis wholesaler,~~¹ or a cannabis retailer; or purchasing cannabis
7 ¹items¹ from a cannabis ¹~~cultivation facility~~¹ cultivator¹, if the
8 person conducting the activities described in this subsection has
9 obtained a current, valid license to operate ¹as¹ a cannabis
10 ¹~~cultivation facility~~¹ cultivator¹ or is acting in his capacity as an
11 owner, employee, or agent of a licensed cannabis ¹~~cultivation~~¹
12 facility¹ cultivator¹;

13 d. packaging, ¹~~processing~~¹ manufacturing¹, transporting,
14 ¹~~manufacturing~~¹, displaying, or possessing cannabis items;
15 ²~~delivering~~² transporting² or transferring cannabis items to a
16 cannabis testing facility; selling cannabis items to a cannabis
17 retailer or a cannabis ¹~~product manufacturing facility~~¹
18 manufacturer¹; purchasing cannabis ¹items¹ from a cannabis
19 ¹~~cultivation facility~~¹ cultivator¹; or purchasing cannabis items
20 from a cannabis ¹~~product manufacturing facility~~¹ manufacturer¹, if
21 the person conducting the activities described in this subsection has
22 obtained a current, valid license to operate ¹as¹ a cannabis
23 ¹~~product manufacturing facility~~¹ manufacturer¹ or is acting in his
24 capacity as an owner, employee, or agent of a licensed cannabis
25 ¹~~product manufacturing facility~~¹ manufacturer¹;

26 e. possessing, cultivating, ¹~~processing~~¹ manufacturing¹,
27 repackaging, storing, transporting, displaying, ²or² transferring ²~~[~~
28 or delivering² cannabis items if the person has obtained a current,
29 valid license to operate a cannabis testing facility or is acting in his
30 capacity as an owner, employee, or agent of a licensed cannabis
31 testing facility; and

32 f. leasing or otherwise allowing the use of property owned,
33 occupied, or controlled by any person, corporation, or other entity
34 for any of the activities conducted lawfully in accordance with
35 subsections a. through e. of this section.

36

37 ¹[49.] ²~~[50.]~~ ²51.² (New section) Contract Enforceability.

38 No contract shall be unenforceable on the basis that
39 manufacturing, distributing, dispensing, possessing, or using any
40 cannabis item or marijuana is prohibited by federal law. No contract
41 entered into by a licensee, its employees, or its agents as permitted
42 pursuant to a valid license issued by the commission, or by those
43 who allow property to be used by a licensee, its employees, or its
44 agents as permitted pursuant to a valid license issued by the
45 commission, shall be deemed unenforceable on the basis that the

1 actions or conduct permitted pursuant to the license are prohibited
2 by federal law.

3

4 ¹[50.] ²[51.1] 52.² (New section) Federal and Interstate
5 Relations.

6 a. Law enforcement agencies in this State shall not cooperate
7 with or provide assistance to the government of the United States or
8 any agency thereof in enforcing the “Controlled Substances Act,”
9 21 U.S.C. 801 et seq., solely for actions consistent with P.L. ,

10 c. (C.) (pending before the Legislature as this bill), except
11 pursuant to a valid court order.

12 b. No agency or subdivision of an agency of this State may
13 refuse to perform any duty under P.L. , c. (C.) (pending
14 before the Legislature as this bill) on the basis that manufacturing,
15 transporting, distributing, dispensing, delivering, possessing, or
16 using any cannabis item or marijuana is prohibited by federal law.

17 c. The commission may not revoke or refuse to issue or renew
18 a license or certification pursuant to section 20, 22, 23, 24, 25,
19 ²[or]² 26 ², or 27² of P.L. , c. (C.) (pending before the
20 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 d. Nothing in this section shall be construed to limit the
24 authority of an agency or subdivision of any agency of this State to
25 cooperate with or assist the government of the United States or any
26 agency thereof, or the government of another state or agency
27 thereof, in matters pertaining to illegal interstate trafficking of
28 marijuana, hashish, ²cannabis,² or cannabis items.

29

30 ¹[51.] ²[52.1] 53.² (New section) Limitations.

31 The provisions of P.L. , c. (C.) (pending before the
32 Legislature as this bill) concerning the development, regulation, and
33 enforcement of activities associated with personal use cannabis, as
34 well as acts involving personal use cannabis or cannabis ²[resin]
35 items², shall not be construed:

36 a. To amend or affect in any way any State or federal law
37 pertaining to employment matters;

38 b. To amend or affect in any way any State or federal law
39 pertaining to landlord-tenant matters;

40 c. To prohibit a recipient of a federal grant or an applicant for a
41 federal grant from prohibiting the manufacture, transportation,
42 delivery, possession, or use of cannabis items to the extent
43 necessary to satisfy federal requirements for the grant;

44 d. To prohibit a party to a federal contract or a person applying
45 to be a party to a federal contract from prohibiting the manufacture,
46 transport, distribution, delivery, possession, or use of cannabis
47 items to the extent necessary to comply with the terms and

1 conditions of the contract or to satisfy federal requirements for the
2 contract;

3 e. To require a person to violate a federal law; or

4 f. To exempt a person from a federal law or obstruct the
5 enforcement of a federal law.

6

7 ¹[52.] ²[53.¹] ²54.² N.J.S.2C:35-2 is amended to read as
8 follows:

9 2C:35-2. As used in this chapter:

10 "Administer" means the direct application of a controlled
11 dangerous substance or controlled substance analog, whether by
12 injection, inhalation, ingestion, or any other means, to the body of a
13 patient or research subject by: (1) a practitioner ²[(²)]² or, in his
14 presence, by his lawfully authorized agent ²[(²)]², or (2) the patient
15 or research subject at the lawful direction and in the presence of the
16 practitioner.

17 "Agent" means an authorized person who acts on behalf of or at
18 the direction of a manufacturer, distributor, or dispenser but does
19 not include a common or contract carrier, public warehouseman, or
20 employee thereof.

21 "Controlled dangerous substance" means a drug, substance, or
22 immediate precursor in Schedules I through V, marijuana and
23 hashish as defined in this section, any substance the distribution of
24 which is specifically prohibited in N.J.S.2C:35-3, in section 3 of
25 P.L.1997, c.194 (C.2C:35-5.2), in section 5 of P.L.1997, c.194
26 (C.2C:35-5.3), in section 2 of P.L.2011, c.120 (C.2C:35-5.3a), or in
27 section 2 of P.L.2013, c.35 (C.2C:35-5.3b), and any drug or
28 substance which, when ingested, is metabolized or otherwise
29 becomes a controlled dangerous substance in the human body.
30 When any statute refers to controlled dangerous substances, or to a
31 specific controlled dangerous substance, it shall also be deemed to
32 refer to any drug or substance which, when ingested, is metabolized
33 or otherwise becomes a controlled dangerous substance or the
34 specific controlled dangerous substance, and to any substance that
35 is an immediate precursor of a controlled dangerous substance or
36 the specific controlled dangerous substance. The term shall not
37 include distilled spirits, wine, malt beverages, as those terms are
38 defined or used in R.S.33:1-1 et seq., [or] tobacco and tobacco
39 products, or cannabis ²[or] and² cannabis ²[resin]² as defined in
40 section 3 of P.L. , c. (C.) (pending before the Legislature as
41 this bill). The term, wherever it appears in any law or
42 administrative regulation of this State, shall include controlled
43 substance analogs.

44 "Controlled substance analog" means a substance that has a
45 chemical structure substantially similar to that of a controlled
46 dangerous substance and that was specifically designed to produce
47 an effect substantially similar to that of a controlled dangerous
48 substance. The term shall not include a substance manufactured or

1 distributed in conformance with the provisions of an approved new
2 drug application or an exemption for investigational use within the
3 meaning of section 505 of the "Federal Food, Drug and Cosmetic
4 Act," 52 Stat. 1052 (21 U.S.C. s.355).

5 "Counterfeit substance" means a controlled dangerous substance
6 or controlled substance analog which, or the container or labeling of
7 which, without authorization, bears the trademark, trade name, or
8 other identifying mark, imprint, number, or device, or any likeness
9 thereof, of a manufacturer, distributor, or dispenser other than the
10 person or persons who in fact manufactured, distributed, or
11 dispensed the substance and which thereby falsely purports or is
12 represented to be the product of, or to have been distributed by,
13 such other manufacturer, distributor, or dispenser.

14 "Deliver" or "delivery" means the actual, constructive, or
15 attempted transfer from one person to another of a controlled
16 dangerous substance or controlled substance analog, whether or not
17 there is an agency relationship.

18 "Dispense" means to deliver a controlled dangerous substance or
19 controlled substance analog to an ultimate user or research subject
20 by or pursuant to the lawful order of a practitioner, including the
21 prescribing, administering, packaging, labeling, or compounding
22 necessary to prepare the substance for that delivery. "Dispenser"
23 means a practitioner who dispenses.

24 "Distribute" means to deliver other than by administering or
25 dispensing a controlled dangerous substance or controlled substance
26 analog. "Distributor" means a person who distributes.

27 "Drugs" means ²[(a)] (1)² substances recognized in the official
28 United States Pharmacopoeia, official Homeopathic Pharmacopoeia
29 of the United States, or official National Formulary, or any
30 supplement to any of them; and ²[(b)] (2)² substances intended for
31 use in the diagnosis, cure, mitigation, treatment, or prevention of
32 disease in man or other animals; and ²[(c)] (3)² substances ²[(1)] ,²
33 other than food ²[(1)] ,² intended to affect the structure or any
34 function of the body of man or other animals; and ²[(d)] (4)²
35 substances intended for use as a component of any ²[article]
36 substance² specified in ²[subsections] (a)] (1)² , ²[(b)] (2)², and
37 ²[(c)] (3)² of this ²[section] definition²; but does not include
38 devices or their components, parts, or accessories. ²The term
39 "drug" also does not include: hemp and hemp products cultivated,
40 handled, processed, transported, or sold pursuant to the "New Jersey
41 Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.); cannabis as
42 defined in section 3 of P.L. , c. (C.) (pending before the
43 Legislature as this bill) which is cultivated and produced for use in
44 a cannabis item, as defined in that section, in accordance with the
45 "New Jersey Cannabis Regulatory, Enforcement Assistance, and
46 Marketplace Modernization Act," P.L. , c. (C.) (pending
47 before the Legislature as this bill); and cannabis resin as defined in

1 that section 3 (C.) which is extracted for use in a cannabis
2 item, as defined in that section, in accordance with that act.²

3 "Drug or alcohol dependent person" means a person who as a
4 result of using a controlled dangerous substance or controlled
5 substance analog or alcohol has been in a state of psychic or
6 physical dependence, or both, arising from the use of that controlled
7 dangerous substance or controlled substance analog or alcohol on a
8 continuous or repetitive basis. Drug or alcohol dependence is
9 characterized by behavioral and other responses, including but not
10 limited to a strong compulsion to take the substance on a recurring
11 basis in order to experience its psychic effects, or to avoid the
12 discomfort of its absence.

13 "Hashish" means the resin extracted from any part of the plant
14 **[Genus] Cannabis sativa** L. and any compound, manufacture, salt,
15 derivative, mixture, or preparation of such resin. "Hashish" shall
16 not mean: hemp ²[or a] and² hemp ²[product] products² cultivated,
17 handled, processed, transported, or sold pursuant to the "New
18 Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.); or
19 cannabis resin as defined in section 3 of P.L. , c. (C.)
20 (pending before the Legislature as this bill) which is extracted for
21 use in a cannabis item, as defined in that section, in accordance with
22 the "New Jersey Cannabis Regulatory, Enforcement Assistance, and
23 Marketplace Modernization Act," P.L. , c. (C.) (pending
24 before the Legislature as this bill).

25 "Manufacture" means the production, preparation, propagation,
26 compounding, conversion, or processing of a controlled dangerous
27 substance or controlled substance analog, either directly or by
28 extraction from substances of natural origin, or independently by
29 means of chemical synthesis, or by a combination of extraction and
30 chemical synthesis, and includes any packaging or repackaging of
31 the substance or labeling or relabeling of its container, except that
32 this term does not include the preparation or compounding of a
33 controlled dangerous substance or controlled substance analog by
34 an individual for his own use or the preparation, compounding,
35 packaging, or labeling of a controlled dangerous substance: (1) by
36 a practitioner as an incident to his administering or dispensing of a
37 controlled dangerous substance or controlled substance analog in
38 the course of his professional practice, or (2) by a practitioner
39 ²[(² or under his supervision²)]² for the purpose of, or as an
40 incident to, research, teaching, or chemical analysis and not for
41 sale.

42 "Marijuana" means all parts of the plant **[Genus] Cannabis**
43 sativa L., whether growing or not; the seeds thereof, and every
44 compound, manufacture, salt, derivative, mixture, or preparation of
45 the plant or its seeds, except those containing resin extracted from
46 the plant **[**; but shall not include the mature stalks of the plant, fiber
47 produced from the stalks, oil, or cake made from the seeds of the
48 plant, any other compound, manufacture, salt, derivative, mixture,

1 or preparation of mature stalks, fiber, oil, or cake, or the sterilized
2 seed of the plant which is incapable of germination]. "Marijuana"
3 shall not mean: hemp ²[or a] and² hemp ²[product] products²
4 cultivated, handled, processed, transported, or sold pursuant to the
5 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.);
6 or cannabis as defined in section 3 of P.L. _____, c. (C. _____)
7 (pending before the Legislature as this bill) which is cultivated and
8 ²[processed] produced² for use in a cannabis item, as defined in
9 that section, in accordance with the "New Jersey Cannabis
10 Regulatory, Enforcement Assistance, and Marketplace
11 Modernization Act," P.L. _____, c. (C. _____) (pending before the
12 Legislature as this bill).

13 "Narcotic drug" means any of the following, whether produced
14 directly or indirectly by extraction from substances of vegetable
15 origin, or independently by means of chemical synthesis, or by a
16 combination of extraction and chemical synthesis:

17 ²[(a)] (1)² Opium, coca leaves, and opiates;

18 ²[(b)] (2)² A compound, manufacture, salt, derivative, or
19 preparation of opium, coca leaves, or opiates;

20 ²[(c)] (3)² A substance ²[(1)]² and any compound, manufacture,
21 salt, derivative, or preparation thereof ²[(1)]² which is chemically
22 identical with any of the substances referred to in ²[subsections (a)]
23 (1)² and ²[(b)] (3) of this definition², except that the words
24 "narcotic drug" as used in this act shall not include decocainized
25 coca leaves or extracts of coca leaves, which extracts do not contain
26 cocaine or ecogine.

27 "Opiate" means any dangerous substance having an addiction-
28 forming or addiction-sustaining liability similar to morphine or
29 being capable of conversion into a drug having such addiction-
30 forming or addiction-sustaining liability. It does not include, unless
31 specifically designated as controlled pursuant to the provisions of
32 section 3 of P.L.1970, c.226 (C.24:21-3), the dextrorotatory isomer
33 of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan).
34 It does include its racemic and levorotatory forms.

35 "Opium poppy" means the plant of the species *Papaver*
36 *somniferum* L., except the seeds thereof.

37 "Person" means any corporation, association, partnership, trust,
38 other institution or entity, or one or more individuals.

39 "Plant" means an organism having leaves and a readily
40 observable root formation, including, but not limited to, a cutting
41 having roots, a rootball or root hairs.

42 "Poppy straw" means all parts, except the seeds, of the opium
43 poppy, after mowing.

44 "Practitioner" means a physician, dentist, veterinarian, scientific
45 investigator, laboratory, pharmacy, hospital, or other person
46 licensed, registered, or otherwise permitted to distribute, dispense,
47 conduct research with respect to, or administer a controlled

1 dangerous substance or controlled substance analog in the course of
2 professional practice or research in this State. ²As used in this
3 definition:²

4 ²**[(a)] (1)**² "Physician" means a physician authorized by law to
5 practice medicine in this or any other state and any other person
6 authorized by law to treat sick and injured human beings in this or
7 any other state.

8 ²**[(b)] (2)**² "Veterinarian" means a veterinarian authorized by
9 law to practice veterinary medicine in this State.

10 ²**[(c)] (3)**² "Dentist" means a dentist authorized by law to
11 practice dentistry in this State.

12 ²**[(d)] (4)**² "Hospital" means any federal institution, or any
13 institution for the care and treatment of the sick and injured,
14 operated or approved by the appropriate State department as proper
15 to be entrusted with the custody and professional use of controlled
16 dangerous substances or controlled substance analogs.

17 ²**[(e)] (5)**² "Laboratory" means a laboratory to be entrusted with
18 the custody of narcotic drugs and the use of controlled dangerous
19 substances or controlled substance analogs for scientific,
20 experimental, and medical purposes and for purposes of instruction
21 approved by the Department of Health.

22 "Production" includes the manufacture, planting, cultivation,
23 growing, or harvesting of a controlled dangerous substance or
24 controlled substance analog.

25 "Immediate precursor" means a substance which the Division of
26 Consumer Affairs in the Department of Law and Public Safety has
27 found to be and by regulation designates as being the principal
28 compound commonly used or produced primarily for use, and
29 which is an immediate chemical intermediary used or likely to be
30 used in the manufacture of a controlled dangerous substance or
31 controlled substance analog, the control of which is necessary to
32 prevent, curtail, or limit such manufacture.

33 "Residential treatment facility" means any facility licensed and
34 approved by the Department of Human Services and which is
35 approved by any county probation department for the inpatient
36 treatment and rehabilitation of drug or alcohol dependent persons.

37 "Schedules I, II, III, IV, and V" are the schedules set forth in
38 sections 5 through 8 of P.L.1970, c.226 (C.24:21-5 through 24:21-
39 8) and in section 4 of P.L.1971, c.3 (C.24:21-8.1) and as modified
40 by any regulations issued by the Director of the Division of
41 Consumer Affairs in the Department of Law and Public Safety
42 pursuant to the director's authority as provided in section 3 of
43 P.L.1970, c.226 (C.24:21-3).

44 "State" means the State of New Jersey.

45 "Ultimate user" means a person who lawfully possesses a
46 controlled dangerous substance or controlled substance analog for
47 his own use or for the use of a member of his household or for

1 administration to an animal owned by him or by a member of his
2 household.

3 "Prescription legend drug" means any drug which under federal
4 or State law requires dispensing by prescription or order of a
5 licensed physician, veterinarian, or dentist and is required to bear
6 the statement "Rx only" or similar wording indicating that such
7 drug may be sold or dispensed only upon the prescription of a
8 licensed medical practitioner and is not a controlled dangerous
9 substance or stramonium preparation.

10 "Stramonium preparation" means a substance prepared from any
11 part of the stramonium plant in the form of a powder, pipe mixture,
12 cigarette, or any other form with or without other ingredients.

13 "Stramonium plant" means the plant *Datura Stramonium* Linne,
14 including *Datura Tatula* Linne.

15 (cf: P.L.2019, c.238, s.10)

16

17 ²55. N.J.S.2C:35-5 is amended to read as follows:

18 2C:35-5. Manufacturing, Distributing or Dispensing. a. Except
19 as authorized by P.L.1970, c.226 (C.24:21-1 et seq.), it shall be
20 unlawful for any person knowingly or purposely:

21 (1) To manufacture, distribute or dispense, or to possess or have
22 under his control with intent to manufacture, distribute or dispense,
23 a controlled dangerous substance or controlled substance analog; or

24 (2) To create, distribute, or possess or have under his control
25 with intent to distribute, a counterfeit controlled dangerous
26 substance.

27 b. Any person who violates subsection a. with respect to:

28 (1) Heroin, or its analog, or coca leaves and any salt, compound,
29 derivative, or preparation of coca leaves, and any salt, compound,
30 derivative, or preparation thereof which is chemically equivalent or
31 identical with any of these substances, or analogs, except that the
32 substances shall not include decocainized coca leaves or extractions
33 which do not contain cocaine or ecogine, or 3,4-
34 methylenedioxyamphetamine or 3,4-
35 methylenedioxyamphetamine, in a quantity of five ounces or more
36 including any adulterants or dilutants is guilty of a crime of the first
37 degree. The defendant shall, except as provided in N.J.S.2C:35-12,
38 be sentenced to a term of imprisonment by the court. The term of
39 imprisonment shall include the imposition of a minimum term
40 which shall be fixed at, or between, one-third and one-half of the
41 sentence imposed, during which the defendant shall be ineligible for
42 parole. Notwithstanding the provisions of subsection a. of
43 N.J.S.2C:43-3, a fine of up to ~~【\$500,000.00】~~ \$500,000 may be
44 imposed;

45 (2) A substance referred to in paragraph (1) of this subsection,
46 in a quantity of one-half ounce or more but less than five ounces,
47 including any adulterants or dilutants is guilty of a crime of the
48 second degree;

- 1 (3) A substance referred to paragraph (1) of this subsection in a
2 quantity less than one-half ounce including any adulterants or
3 dilutants is guilty of a crime of the third degree except that,
4 notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a
5 fine of up to ~~【\$75,000.00】~~ \$75,000 may be imposed;
- 6 (4) A substance classified as a narcotic drug in Schedule I or II
7 other than those specifically covered in this section, or the analog of
8 any such substance, in a quantity of one ounce or more including
9 any adulterants or dilutants is guilty of a crime of the second
10 degree;
- 11 (5) A substance classified as a narcotic drug in Schedule I or II
12 other than those specifically covered in this section, or the analog of
13 any such substance, in a quantity of less than one ounce including
14 any adulterants or dilutants is guilty of a crime of the third degree
15 except that, notwithstanding the provisions of subsection b. of
16 N.J.S.2C:43-3, a fine of up to ~~【\$75,000.00】~~ \$75,000 may be
17 imposed;
- 18 (6) Lysergic acid diethylamide, or its analog, in a quantity of
19 100 milligrams or more including any adulterants or dilutants, or
20 phencyclidine, or its analog, in a quantity of 10 grams or more
21 including any adulterants or dilutants, is guilty of a crime of the
22 first degree. Except as provided in N.J.S.2C:35-12, the court shall
23 impose a term of imprisonment which shall include the imposition
24 of a minimum term, fixed at, or between, one-third and one-half of
25 the sentence imposed by the court, during which the defendant shall
26 be ineligible for parole. Notwithstanding the provisions of
27 subsection a. of N.J.S.2C:43-3, a fine of up to ~~【\$500,000.00】~~
28 \$500,000 may be imposed;
- 29 (7) Lysergic acid diethylamide, or its analog, in a quantity of
30 less than 100 milligrams including any adulterants or dilutants, or
31 where the amount is undetermined, or phencyclidine, or its analog,
32 in a quantity of less than 10 grams including any adulterants or
33 dilutants, or where the amount is undetermined, is guilty of a crime
34 of the second degree;
- 35 (8) Methamphetamine, or its analog, or phenyl-2-propanone
36 (P2P), in a quantity of five ounces or more including any
37 adulterants or dilutants is guilty of a crime of the first degree.
38 Notwithstanding the provisions of subsection a. of N.J.S.2C:43-3, a
39 fine of up to ~~【\$300,000.00】~~ \$300,000 may be imposed;
- 40 (9) (a) Methamphetamine, or its analog, or phenyl-2-propanone
41 (P2P), in a quantity of one-half ounce or more but less than five
42 ounces including any adulterants or dilutants is guilty of a crime of
43 the second degree;
- 44 (b) Methamphetamine, or its analog, or phenyl-2-propanone
45 (P2P), in a quantity of less than one-half ounce including any
46 adulterants or dilutants is guilty of a crime of the third degree
47 except that notwithstanding the provisions of subsection b. of

1 N.J.S.2C:43-3, a fine of up to ~~【\$75,000.00】~~ \$75,000 may be
2 imposed;

3 (10) (a) Marijuana in a quantity of 25 pounds or more
4 including any adulterants or dilutants, or 50 or more marijuana
5 plants, regardless of weight, or hashish in a quantity of five pounds
6 or more including any adulterants or dilutants, is guilty of a crime
7 of the first degree. Notwithstanding the provisions of subsection a.
8 of N.J.S.2C:43-3, a fine of up to ~~【\$300,000.00】~~ \$300,000 may be
9 imposed;

10 (b) Marijuana in a quantity of five pounds or more but less than
11 25 pounds including any adulterants or dilutants, or 10 or more but
12 fewer than 50 marijuana plants, regardless of weight, or hashish in a
13 quantity of one pound or more but less than five pounds, including
14 any adulterants and dilutants, is guilty of a crime of the second
15 degree;

16 (11) ~~【Marijuana】~~ (a) Prior to the effective date of P.L. _____,
17 c. (C. _____) (pending before the Legislature as this bill), marijuana
18 in a quantity of one ounce or more but less than five pounds
19 including any adulterants or dilutants, or hashish in a quantity of
20 five grams or more but less than one pound including any
21 adulterants or dilutants, is guilty of a crime of the third degree
22 except that, notwithstanding the provisions of subsection b. of
23 N.J.S.2C:43-3, a fine of up to ~~【\$25,000.00】~~ \$25,000 may be
24 imposed;

25 (b) On and after the effective date of P.L. _____, c. (C. _____)
26 (pending before the Legislature as this bill), marijuana in a quantity
27 of more than one ounce but less than five pounds including any
28 adulterants or dilutants, or hashish in a quantity of more than five
29 grams but less than one pound including any adulterants or
30 dilutants, is guilty of a crime of the third degree except that,
31 notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a
32 fine of up to \$25,000 may be imposed;

33 (12) ~~【Marijuana】~~ (a) Prior to the effective date of P.L. _____,
34 c. (C. _____) (pending before the Legislature as this bill), marijuana
35 in a quantity of less than one ounce including any adulterants or
36 dilutants, or hashish in a quantity of less than five grams including
37 any adulterants or dilutants, is guilty of a crime of the fourth
38 degree;

39 (b) On and after the effective date of P.L. _____, c. (C. _____)
40 (pending before the Legislature as this bill), marijuana in a quantity
41 of one ounce or less including any adulterants or dilutants, or
42 hashish in a quantity of five grams or less including any adulterants
43 or dilutants, is, for a first offense, subject to a written warning,
44 which also indicates that any subsequent violation is a crime
45 punishable by a term of imprisonment, a fine, or both, and for a
46 second or subsequent offense, is guilty of a crime of the fourth
47 degree;

1 (i) The odor of marijuana or hashish, or burnt marijuana or
2 hashish, shall not constitute reasonable articulable suspicion to
3 initiate a search of a person to determine a violation of
4 subparagraph (b) of paragraph (12) of this subsection. A person
5 who violates this subparagraph shall not be subject to arrest,
6 detention, or otherwise be taken into custody, unless the person is
7 being arrested, detained, or otherwise taken into custody for also
8 committing another violation of law for which that action is legally
9 permitted or required;

10 (ii) A person shall not be deprived of any legal or civil right,
11 privilege, benefit, or opportunity provided pursuant to any law
12 solely by reason of committing a violation of subparagraph (b) of
13 paragraph (12) of this subsection, nor shall committing one or more
14 violations modify any legal or civil right, privilege, benefit, or
15 opportunity provided pursuant to any law, including, but not limited
16 to, the granting, renewal, forfeiture, or denial of a license, permit,
17 or certification, qualification for and the receipt, alteration,
18 continuation, or denial of any form of financial assistance, housing
19 assistance, or other social services, rights of or custody by a
20 biological parent, or adoptive or foster parent, or other legal
21 guardian of a child or newborn infant, or pregnant woman, in any
22 action or proceeding by the Division of Child Protection and
23 Permanency in the Department of Children and Families, or
24 qualification, approval, or disapproval to serve as a foster parent or
25 other legal guardian;

26 (iii) All local and county law enforcement authorities shall,
27 following the submission process used for the uniform crime
28 reporting system established by P.L.1966, c.37 (C.52:17B-
29 5.1 et seq.), submit a quarterly report to the Uniform Crime
30 Reporting Unit, within the Division of State Police in the
31 Department of Law and Public Safety, or to another designated
32 recipient determined by the Attorney General, containing the
33 number of violations of subparagraph (b) of paragraph (12) of this
34 subsection committed within their respective jurisdictions, plus the
35 race, ethnicity, gender, and age of each person committing a
36 violation, and the disposition of each person's violation. These
37 violations and associated information, along with a quarterly
38 summary of violations investigated, and associated information
39 collected, by the Division of State Police for the same period shall
40 be summarized by county and municipality in an annual report, and
41 both quarterly summaries and annual reports shall be made
42 available at no cost to the public on the Division of State Police's
43 Internet website;

44 (13) Any other controlled dangerous substance classified in
45 Schedule I, II, III or IV, or its analog, is guilty of a crime of the
46 third degree, except that, notwithstanding the provisions of
47 subsection b. of N.J.S.2C:43-3, a fine of up to **[\$25,000.00]**
48 **\$25,000** may be imposed; or

1 (14) Any Schedule V substance, or its analog, is guilty of a
2 crime of the fourth degree except that, notwithstanding the
3 provisions of subsection b. of N.J.S.2C:43-3, a fine of up to
4 ~~【\$25,000.00】~~ \$25,000 may be imposed.

5 c. Where the degree of the offense for violation of this section
6 depends on the quantity of the substance, the quantity involved
7 shall be determined by the trier of fact, other than with respect to a
8 first violation of subparagraph (b) of paragraph (12) of subsection
9 b. of this section which is subject to a written warning as set forth in
10 that subparagraph. Where the indictment or accusation so provides,
11 the quantity involved in individual acts of manufacturing,
12 distribution, dispensing or possessing with intent to distribute may
13 be aggregated in determining the grade of the offense, whether
14 distribution or dispensing is to the same person or several persons,
15 provided that each individual act of manufacturing, distribution,
16 dispensing or possession with intent to distribute was committed
17 within the applicable statute of limitations.²

18 (cf: P.L.2000, c.136, s.1)

19

20 ²56. N.J.S.2C:35-10 is amended to read as follows:

21 2C:35-10. Possession, Use or Being Under the Influence, or
22 Failure to Make Lawful Disposition.

23 a. It is unlawful for any person, knowingly or purposely, to
24 obtain, or to possess, actually or constructively, a controlled
25 dangerous substance or controlled substance analog, unless the
26 substance was obtained directly, or pursuant to a valid prescription
27 or order form from a practitioner, while acting in the course of his
28 professional practice, or except as otherwise authorized by
29 P.L.1970, c.226 (C.24:21-1 et seq.). Any person who violates this
30 section with respect to:

31 (1) A controlled dangerous substance, or its analog, classified in
32 Schedule I, II, III or IV other than those specifically covered in this
33 section, is guilty of a crime of the third degree except that,
34 notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a
35 fine of up to ~~【\$35,000.00】~~ \$35,000 may be imposed;

36 (2) Any controlled dangerous substance, or its analog, classified
37 in Schedule V, is guilty of a crime of the fourth degree except that,
38 notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a
39 fine of up to ~~【\$15,000.00】~~ \$15,000 may be imposed;

40 (3) ~~【Possession】~~ (a) Prior to the effective date of P.L. _____,
41 c. (C. _____) (pending before the Legislature as this bill),
42 possession of more than 50 grams of marijuana, including any
43 adulterants or dilutants, or more than five grams of hashish is guilty
44 of a crime of the fourth degree, except that, notwithstanding the
45 provisions of subsection b. of N.J.S.2C:43-3, a fine of up to
46 ~~【\$25,000.00】~~ \$25,000 may be imposed; ~~【or】~~

1 **(b) On and after to the effective date of P.L. , c. (C.)**
2 **(pending before the Legislature as this bill), possession of more**
3 **than six ounces of marijuana, including any adulterants or dilutants,**
4 **or more than 17 grams of hashish is guilty of a crime of the fourth**
5 **degree, except that, notwithstanding the provisions of subsection b.**
6 **of N.J.S.2C:43-3, a fine of up to \$25,000 may be imposed;**
7 **(i) The odor of marijuana or hashish, or burnt marijuana or**
8 **hashish, shall not constitute reasonable articulable suspicion to**
9 **initiate a search of a person to determine a violation of**
10 **subparagraph (b) of paragraph (3) of this subsection. A person**
11 **who violates this paragraph shall not be subject to arrest, detention,**
12 **or otherwise be taken into custody, unless the person is being**
13 **arrested, detained, or otherwise taken into custody for also**
14 **committing another violation of law for which that action is legally**
15 **permitted or required;**
16 **(ii) A person shall not be deprived of any legal or civil right,**
17 **privilege, benefit, or opportunity provided pursuant to any law**
18 **solely by reason of committing a violation of subparagraph (b) of**
19 **paragraph (3) of this subsection, nor shall committing one or more**
20 **violations modify any legal or civil right, privilege, benefit, or**
21 **opportunity provided pursuant to any law, including, but not limited**
22 **to, the granting, renewal, forfeiture, or denial of a license, permit,**
23 **or certification, qualification for and the receipt, alteration,**
24 **continuation, or denial of any form of financial assistance, housing**
25 **assistance, or other social services, rights of or custody by a**
26 **biological parent, or adoptive or foster parent, or other legal**
27 **guardian of a child or newborn infant, or pregnant woman, in any**
28 **action or proceeding by the Division of Child Protection and**
29 **Permanency in the Department of Children and Families, or**
30 **qualification, approval, or disapproval to serve as a foster parent or**
31 **other legal guardian;**
32 **(iii) All local and county law enforcement authorities shall,**
33 **following the submission process used for the uniform crime**
34 **reporting system established by P.L.1966, c.37 (C.52:17B-**
35 **5.1 et seq.), submit a quarterly report to the Uniform Crime**
36 **Reporting Unit, within the Division of State Police in the**
37 **Department of Law and Public Safety, or to another designated**
38 **recipient determined by the Attorney General, containing the**
39 **number of violations of subparagraph (b) of paragraph (3) of this**
40 **subsection committed within their respective jurisdictions, plus the**
41 **race, ethnicity, gender, and age of each person committing a**
42 **violation, and the disposition of each person's violation. These**
43 **violations and associated information, along with a quarterly**
44 **summary of violations investigated, and associated information**
45 **collected, by the Division of State Police for the same period shall**
46 **be summarized by county and municipality in an annual report, and**
47 **both quarterly summaries and annual reports shall be made**

1 available at no cost to the public on the Division of State Police's
2 Internet website; or

3 (4) ¹**【Possession】** (a) Prior to the effective date of P.L. _____,
4 c. (C. _____) (pending before the Legislature as this bill),
5 possession of 50 grams or less of marijuana, including any
6 adulterants or dilutants, or five grams or less of hashish is a
7 disorderly person;

8 (b) On and after the effective date of P.L. _____, c. (C. _____)
9 (pending before the Legislature as this bill), possession of six
10 ounces or less of marijuana, including any adulterants or dilutants,
11 or 17 grams or less of hashish is not subject to any punishment, as
12 this possession is not a crime, offense, act of delinquency, or civil
13 violation of law;

14 Any person who commits any offense **【defined in】** set forth in
15 paragraphs (1) through (3) of this 【section】 subsection while on any
16 property used for school purposes which is owned by or leased to
17 any elementary or secondary school or school board, or within
18 1,000 feet of any such school property or a school bus, or while on
19 any school bus, and who is not sentenced to a term of
20 imprisonment, shall, in addition to any other sentence which the
21 court may impose, be required to perform not less than 100 hours of
22 community service.

23 b. (1) Any person who uses or who is under the influence of
24 any controlled dangerous substance, or its analog, not including
25 marijuana or hashish, for a purpose other than the treatment of
26 sickness or injury as lawfully prescribed or administered by a
27 physician is a disorderly person.

28 In a prosecution under this subsection, it shall not be necessary
29 for the State to prove that the accused did use or was under the
30 influence of any specific, prohibited drug, but it shall be sufficient
31 for a conviction under this subsection for the State to prove that the
32 accused did use or was under the influence of some prohibited
33 controlled dangerous substance, counterfeit controlled dangerous
34 substance, or controlled substance analog, by proving that the
35 accused did manifest physical and physiological symptoms or
36 reactions caused by the use of any prohibited controlled dangerous
37 substance or controlled substance analog.

38 (2) Notwithstanding that using or being under the influence of
39 marijuana or hashish is not a punishable crime, offense, act of
40 delinquency, or civil violation pursuant to this subsection, the
41 smoking, vaping, or aerosolizing of marijuana or hashish may be
42 prohibited or otherwise regulated on or in any property by the
43 person or entity that owns or controls that property, including
44 multifamily housing that is a multiple dwelling as defined in section
45 3 of P.L.1967, c.76 (C.55:13A-3), the structure or specific units of
46 the structure of a cooperative as defined in section 3 of P.L.1987,
47 c.381 (C.46:8D-3), the units of a condominium, as those terms are
48 defined by section 3 of P.L.1969, c.257 (C.46:8B-3), or a site in a

1 mobile home park as defined in section 3 of P.L.1983, c.386
2 (C.40:55D-102), which site is leased to the owner of a
3 manufactured home, as defined in that section, that is installed
4 thereon.

5 c. Any person who knowingly obtains or possesses a controlled
6 dangerous substance or controlled substance analog in violation of
7 paragraph (1) or (2) of subsection a. of this section and who fails to
8 voluntarily deliver the substance to the nearest law enforcement
9 officer is guilty of a disorderly persons offense. Nothing in this
10 subsection shall be construed to preclude a prosecution or
11 conviction for any other offense defined in this title or any other
12 statute.²

13 (cf: P.L.1997, c.181, s.6)

14

15 ²57. N.J.S 2C:36-1 is amended to read as follows:

16 2C:36-1. Drug paraphernalia, defined; determination.

17 a. As used in this act, "drug paraphernalia" means all
18 equipment, products and materials of any kind which are used or
19 intended for use in planting, propagating, cultivating, growing,
20 harvesting, manufacturing, compounding, converting, producing,
21 processing, preparing, testing, analyzing, packaging, repackaging,
22 storing, containing, concealing, ingesting, inhaling, or otherwise
23 introducing into the human body a controlled dangerous substance,
24 controlled substance analog or toxic chemical, other than marijuana
25 or hashish, in violation of the provisions of chapter 35 of this title.

26 It shall include, but not be limited to:

27 **【a.】** (1) kits used or intended for use in planting, propagating,
28 cultivating, growing or harvesting of any species of plant, other
29 than the plant Cannabis sativa L., which is a controlled dangerous
30 substance or from which a controlled dangerous substance can be
31 derived;

32 **【b.】** (2) kits used or intended for use in manufacturing,
33 compounding, converting, producing, processing, or preparing
34 controlled dangerous substances or controlled substance analogs;

35 **【c.】** (3) isomerization devices used or intended for use in
36 increasing the potency of any species of plant, other than the plant
37 Cannabis sativa L., which is a controlled dangerous substance;

38 **【d.】** (4) testing equipment used or intended for use identifying,
39 or in analyzing the strength, effectiveness or purity of controlled
40 dangerous substances or controlled substance analogs;

41 **【e.】** (5) scales and balances used or intended for use in weighing
42 or measuring controlled dangerous substances or controlled
43 substance analogs;

44 **【f.】** (6) dilutants and adulterants, such as quinine hydrochloride,
45 mannitol, mannite, dextrose and lactose, used or intended for use in
46 cutting controlled dangerous substances or controlled substance
47 analogs;

- 1 **[g.]** separation gins and sifters used or intended for use in
2 removing twigs and seeds from, or in otherwise cleaning or
3 refining, marihuana;
- 4 **[h.]** (7) blenders, bowls, containers, spoons and mixing devices
5 used or intended for use in compounding controlled dangerous
6 substances or controlled substance analogs;
- 7 **[i.]** (8) capsules, balloons, envelopes and other containers used
8 or intended for use in packaging small quantities of controlled
9 dangerous substances or controlled substance analogs;
- 10 **[j.]** (9) containers and other objects used or intended for use in
11 storing or concealing controlled dangerous substances, controlled
12 substance analogs or toxic chemicals;
- 13 **[k.]** (10) objects used or intended for use in ingesting, inhaling,
14 or otherwise introducing **[marihuana,]** cocaine, **[hashish, hashish**
15 **oil,]** nitrous oxide or the fumes of a toxic chemical into the human
16 body, such as **[(1)] (a)** metal, wooden, acrylic, glass, stone, plastic,
17 or ceramic pipes with or without screens, permanent screens,
18 **[hashish heads,]** or punctured metal bowls; **[(2)] (b)** water pipes;
19 **[(3)] (c)** carburetion tubes and devices; **[(4)] (d)** smoking and
20 carburetion masks; **[(5)] (e)** roach clips, meaning objects used to
21 hold burning material **[, such as a marihuana cigarette,]** that has
22 become too small or too short to be held in the hand; **[(6)] (f)**
23 miniature cocaine spoons, and cocaine vials; **[(7)] (g)** chamber
24 pipes; **[(8)] (h)** carburetor pipes; **[(9)] (i)** electric pipes; **[(10)] (j)**
25 air-driven pipes; **[(11)] (k)** chillums; **[(12)] (l)** bongos; **[(13)] (m)**
26 ice pipes or chillers; **[(14)] (n)** compressed gas containers, such as
27 tanks, cartridges or canisters, that contain food grade or
28 pharmaceutical grade nitrous oxide as a principal ingredient; **[(15)]**
29 **(o)** chargers or charging bottles, meaning metal, ceramic or plastic
30 devices that contain an interior pin that may be used to expel
31 compressed gas from a cartridge or canister; and **[(16)] (p)** tubes,
32 balloons, bags, fabrics, bottles or other containers used to
33 concentrate or hold in suspension a toxic chemical or the fumes of a
34 toxic chemical.
- 35 **b.** In determining whether or not an object is drug
36 paraphernalia, the trier of fact, in addition to or as part of the
37 proofs, may consider the following factors:
- 38 **[a.]** (1) (a) statements by an owner or by anyone in control of
39 the object concerning its use;
- 40 **[b.]** (b) the proximity of the object **[of]** to illegally possessed
41 controlled dangerous substances, controlled substance analogs or
42 toxic chemicals;
- 43 **[c.]** (c) the existence of any residue of illegally possessed
44 controlled dangerous substances, controlled substance analogs or
45 toxic chemicals on the object;

1 **[d.]** (d) direct or circumstantial evidence of the intent of an
2 owner, or of anyone in control of the object, to deliver it to persons
3 whom he knows intend to use the object to facilitate a violation of
4 this act; the innocence of an owner, or of anyone in control of the
5 object, as to a direct violation of this act shall not prevent a finding
6 that the object is intended for use as drug paraphernalia;

7 **[e.]** (e) instructions, oral or written, provided with the object
8 concerning its use;

9 **[f.]** (f) descriptive materials accompanying the object which
10 explain or depict its use;

11 **[g.]** (g) national or local advertising whose purpose the person
12 knows or should know is to promote the sale of objects intended for
13 use as drug paraphernalia;

14 **[h.]** (h) the manner in which the object is displayed for sale;

15 **[i.]** (i) the existence and scope of legitimate uses for the object
16 in the community; and

17 **[j.]** (j) expert testimony concerning its use.

18 (2) If an object appears to be for use, intended for use, or
19 designed for use with cannabis or cannabis items in accordance with
20 the “New Jersey Cannabis Regulatory, Enforcement Assistance, and
21 Marketplace Modernization Act,” P.L. , c. (C.) (pending
22 before the Legislature as this bill), the object is presumed to be a
23 lawful cannabis paraphernalia as defined in section 3 of that act
24 (C.), and does not alone constitute reasonable articulable
25 suspicion that the object is a drug paraphernalia, notwithstanding
26 that the object could also be used with an illegal controlled
27 substance or controlled substance analog, unless the owner or any
28 other person in proximity to or in control of the object was in
29 possession of an illegal controlled dangerous substance or
30 controlled substance analog, or the object was in proximity of an
31 illegally possessed controlled dangerous substance or controlled
32 substance analog to indicate its use, intended use, or design for use
33 with that controlled dangerous substance or controlled substance
34 analog.²

35 (cf: P.L.2007, c.31, s.2)

36

37 ²58. N.J.S.2C:36-2 is amended to read as follows:

38 2C:36-2. a. Use or possession with intent to use, disorderly
39 persons offense. It shall be unlawful for any person to use, or to
40 possess with intent to use, drug paraphernalia to plant, propagate,
41 cultivate, grow, harvest, manufacture, compound, convert, produce,
42 process, prepare, test, analyze, pack, repack, store, contain, conceal,
43 ingest, inhale, or otherwise introduce into the human body a
44 controlled dangerous substance, controlled substance analog or
45 toxic chemical in violation of the provisions of chapter 35 of this
46 title, other than when used, or possessed with intent to use, for
47 ingesting, inhaling, or otherwise introducing marijuana or hashish

1 into the human body. Any person who violates this section is guilty
2 of a disorderly persons offense.

3 b. Notwithstanding that using or possessing with intent to use
4 drug paraphernalia to ingest, inhale, or otherwise introduce
5 marijuana or hashish into the human body is not a punishable crime,
6 offense, act of delinquency, or civil violation pursuant to this
7 section, the use of drug paraphernalia for that purpose may be
8 prohibited or otherwise regulated on or in any property by the
9 person or entity that owns or controls that property, including
10 multifamily housing that is a multiple dwelling as defined in section
11 3 of P.L.1967, c.76 (C.55:13A-3), the structure or specific units of
12 the structure of a cooperative as defined in section 3 of P.L.1987,
13 c.381 (C.46:8D-3), the units of a condominium, as those terms are
14 defined by section 3 of P.L.1969, c.257 (C.46:8B-3), or a site in a
15 mobile home park as defined in section 3 of P.L.1983, c.386
16 (C.40:55D-102), which site is leased to the owner of a
17 manufactured home, as defined in that section, that is installed
18 thereon.²

19 (cf: P.L.2007, c.31, s.3)

20
21 ²59.(New section) a. Except to the extent required to dismiss,
22 withdraw, or terminate the charge, no prosecutor shall pursue any
23 charge, including any charge of delinquency, based on crimes or
24 offenses pending with a court on the first day of the fifth month
25 next following the effective date of P.L. , c. (C.) (pending
26 before the Legislature as this bill) that occurred prior to that
27 effective date, involving manufacturing, distributing, or dispensing,
28 or possessing or having under control with intent to manufacture,
29 distribute, or dispense, marijuana or hashish in violation of
30 paragraph (12) of subsection b. of N.J.S.2C:35-5, or obtaining,
31 possessing, using, being under the influence of, or failing to make
32 lawful disposition of marijuana or hashish in violation of paragraph
33 (3) or (4) of subsection a., or subsection b., or subsection c. of
34 N.J.S.2C:35-10, or a violation involving marijuana or hashish as
35 described herein and a violation of N.J.S.2C:36-2 for using or
36 possessing with intent to use drug paraphernalia with that marijuana
37 or hashish, alone or in combination with each other, or a violation
38 involving marijuana or hashish and a violation of section 1 of
39 P.L.1964, c.289 (C.39:4-49.1) for possession of a controlled
40 dangerous substance while operating a motor vehicle, alone or in
41 combination with each other, or any disorderly persons offense or
42 petty disorderly persons offense subject to conditional discharge
43 pursuant to N.J.S.2C:36A-1. These non-prosecutable charges and
44 cases shall be expeditiously dismissed, which may be accomplished
45 by appropriate action by the prosecutor based upon guidelines
46 issued by the Attorney General, or the court's own motion based
47 upon administrative directives issued by the Administrative
48 Director of the Courts.

1 b. (1) On the first day of the fifth month next following the
2 effective date of P.L. , c. (C.) (pending before the
3 Legislature as this bill), any guilty verdict, plea, placement in a
4 diversionary program, or other entry of guilt on a matter that was
5 entered prior to that effective date, but the judgment of conviction
6 or final disposition on the matter was not entered prior to that date,
7 and the guilty verdict, plea, placement in a diversionary program, or
8 other entry of guilt solely involved one or more crimes or offenses,
9 or delinquent acts which if committed by an adult would constitute
10 one or more crimes or offenses, enumerated in subsection a. of this
11 section, that guilty verdict, plea, placement in a diversionary
12 program, or other entry of guilt shall be vacated by operation of
13 law. The Administrative Director of the Courts, in consultation
14 with the Attorney General, may take any administrative action as
15 may be necessary to vacate the guilty verdict, plea, placement in a
16 diversionary program, or other entry of guilt.

17 (2) On the first day of the fifth month next following the
18 effective date of P.L. , c. (C.) (pending before the
19 Legislature as this bill), any conviction, remaining sentence,
20 ongoing supervision, or unpaid court-ordered financial assessment
21 as defined in section 8 of P.L.2017, c.244 (C.2C:52-23.1) of any
22 person who, on that effective date, is or will be serving a sentence
23 of incarceration, probation, parole or other form of community
24 supervision as a result of the person's conviction or adjudication of
25 delinquency solely for one or more crimes or offenses, or
26 delinquent acts which if committed by an adult would constitute one
27 or more crimes or offenses, enumerated in subsection a. of this
28 section, shall have the conviction, remaining sentence, ongoing
29 supervision, or unpaid court-ordered financial assessment vacated
30 by operation of law. The Administrative Director of the Courts, in
31 consultation with the Attorney General, may take any
32 administrative action as may be necessary to vacate the conviction,
33 remaining sentence, ongoing supervision, or unpaid court-ordered
34 financial assessment.²

35
36 ²60. (New section) On the first day of the fifth month next
37 following the effective date of P.L. , c. (C.) (pending before
38 the Legislature as this bill), any case that, prior to that effective
39 date, includes a conviction or adjudication of delinquency solely for
40 one or more crimes or offenses involving manufacturing,
41 distributing, or dispensing, or possessing or having under control
42 with intent to manufacture, distribute, or dispense, marijuana or
43 hashish in violation of paragraph (12) of subsection b. of
44 N.J.S.2C:35-5, or obtaining, possessing, using, being under the
45 influence of, or failing to make lawful disposition of marijuana or
46 hashish in violation of paragraph (3) or (4) of subsection a., or
47 subsection b., or subsection c. of N.J.S.2C:35-10, or a violation
48 involving marijuana or hashish as described herein and a violation

1 of N.J.S.2C:36-2 for using or possessing with intent to use drug
 2 paraphernalia with that marijuana or hashish, alone or in
 3 combination with each other, or any disorderly persons offense or
 4 petty disorderly persons offense subject to conditional discharge
 5 pursuant to N.J.S.2C:36A-1, shall be expunged by operation of law,
 6 and any remaining sentence, ongoing supervision, or unpaid court-
 7 ordered financial assessment as defined in section 8 of P.L.2017,
 8 c.244 (C.2C:52-23.1) shall be vacated by operation of law. The
 9 Administrative Director of the Courts, in consultation with the
 10 Attorney General, may take any administrative action as may be
 11 necessary to expeditiously effectuate the expungement of records
 12 associated with any expunged matter.²

13
 14 ¹[53.] ²[54.] ¹61.² (New section) Criminal Investigation.

15 None of the following shall, individually or collectively,
 16 constitute reasonable articulable suspicion of a crime, unless on
 17 property used for school purposes which is owned by a school or
 18 school board, or at any detention facility, adult correctional facility,
 19 or youth correction facility:

- 20 a. The odor of cannabis or burnt cannabis;
 21 b. The possession of or the suspicion of possession of
 22 marijuana or hashish without evidence of quantity in excess of any
 23 amount that would exceed the amount of cannabis ¹[or cannabis
 24 resin] ¹items¹ which may be lawfully possessed pursuant to section
 25 ¹[44] ²[45] ¹46² of P.L. , c. (C.) (pending before the
 26 Legislature as this bill); or
 27 c. The possession of marijuana or hashish without evidence of
 28 quantity in excess of any amount that would exceed the amount of
 29 cannabis ¹[or cannabis resin] ²[¹items¹] ²items² which may be
 30 lawfully possessed pursuant to section ¹[44] ²[45] ¹46.² of P.L. ,
 31 c. (C.) (pending before the Legislature as this bill), in
 32 proximity to any amount of cash or currency.

33
 34 ¹[54.] ²[55.] ¹N.J.S 2C:36-1 is amended to read as follows:

35 2C:36-1. Drug paraphernalia, defined; determination.

36 a. As used in this act, "drug paraphernalia" means all
 37 equipment, products and materials of any kind which are used or
 38 intended for use in planting, propagating, cultivating, growing,
 39 harvesting, manufacturing, compounding, converting, producing,
 40 processing, preparing, testing, analyzing, packaging, repackaging,
 41 storing, containing, concealing, ingesting, inhaling, or otherwise
 42 introducing into the human body a controlled dangerous substance,
 43 controlled substance analog or toxic chemical in violation of the
 44 provisions of chapter 35 of this title. It shall include, but not be
 45 limited to:

46 ¹[a.] ¹(1) kits used or intended for use in planting, propagating,
 47 cultivating, growing or harvesting of any species of plant which is a

1 controlled dangerous substance or from which a controlled
2 dangerous substance can be derived;

3 **[b.]** (2) kits used or intended for use in manufacturing,
4 compounding, converting, producing, processing, or preparing
5 controlled dangerous substances or controlled substance analogs;

6 **[c.]** (3) isomerization devices used or intended for use in
7 increasing the potency of any species of plant which is a controlled
8 dangerous substance;

9 **[d.]** (4) testing equipment used or intended for use identifying,
10 or in analyzing the strength, effectiveness or purity of controlled
11 dangerous substances or controlled substance analogs;

12 **[e.]** (5) scales and balances used or intended for use in weighing
13 or measuring controlled dangerous substances or controlled
14 substance analogs;

15 **[f.]** (6) dilutants and adulterants, such as quinine hydrochloride,
16 mannitol, mannite, dextrose and lactose, used or intended for use in
17 cutting controlled dangerous substances or controlled substance
18 analogs;

19 **[g.]** (7) separation gins and sifters used or intended for use in
20 removing twigs and seeds from, or in otherwise cleaning or
21 refining, **[marihuana]** marijuana;

22 **[h.]** (8) blenders, bowls, containers, spoons and mixing devices
23 used or intended for use in compounding controlled dangerous
24 substances or controlled substance analogs;

25 **[i.]** (9) capsules, balloons, envelopes and other containers used
26 or intended for use in packaging small quantities of controlled
27 dangerous substances or controlled substance analogs;

28 **[j.]** (10) containers and other objects used or intended for use in
29 storing or concealing controlled dangerous substances, controlled
30 substance analogs or toxic chemicals;

31 **[k.]** (11) objects used or intended for use in ingesting, inhaling,
32 or otherwise introducing **[marihuana]** marijuana, cocaine, hashish,
33 hashish oil, nitrous oxide or the fumes of a toxic chemical into the
34 human body, such as **[(1)]** (a) metal, wooden, acrylic, glass, stone,
35 plastic, or ceramic pipes with or without screens, permanent
36 screens, hashish heads, or punctured metal bowls; **[(2)]** (b) water
37 pipes; **[(3)]** (c) carburetion tubes and devices; **[(4)]** (d) smoking
38 and carburetion masks; **[(5)]** (e) roach clips, meaning objects used
39 to hold burning material, such as a marihuana cigarette, that has
40 become too small or too short to be held in the hand; **[(6)]** (f)
41 miniature cocaine spoons, and cocaine vials; **[(7)]** (g) chamber
42 pipes; **[(8)]** (h) carburetor pipes; **[(9)]** (i) electric pipes; **[(10)]** (j)
43 air-driven pipes; **[(11)]** (k) chillums; **[(12)]** (l) bongos; **[(13)]** (m)
44 ice pipes or chillers; **[(14)]** (n) compressed gas containers, such as
45 tanks, cartridges or canisters, that contain food grade or
46 pharmaceutical grade nitrous oxide as a principal ingredient; **[(15)]**

1 (o) chargers or charging bottles, meaning metal, ceramic or plastic
2 devices that contain an interior pin that may be used to expel
3 compressed gas from a cartridge or canister; and [(16)] (p) tubes,
4 balloons, bags, fabrics, bottles or other containers used to
5 concentrate or hold in suspension a toxic chemical or the fumes of a
6 toxic chemical.

7 b. In determining whether or not an object is drug
8 paraphernalia, the trier of fact, in addition to or as part of the
9 proofs, may consider the following factors:

10 [a.] (1) (a) statements by an owner or by anyone in control of
11 the object concerning its use;

12 [b.] (b) the proximity of the object [of] to illegally possessed
13 controlled dangerous substances, controlled substance analogs or
14 toxic chemicals;

15 [c.] (c) the existence of any residue of illegally possessed
16 controlled dangerous substances, controlled substance analogs or
17 toxic chemicals on the object;

18 [d.] (d) direct or circumstantial evidence of the intent of an
19 owner, or of anyone in control of the object, to deliver it to persons
20 whom he knows intend to use the object to facilitate a violation of
21 this act; the innocence of an owner, or of anyone in control of the
22 object, as to a direct violation of this act shall not prevent a finding
23 that the object is intended for use as drug paraphernalia;

24 [e.] (e) instructions, oral or written, provided with the object
25 concerning its use;

26 [f.] (f) descriptive materials accompanying the object which
27 explain or depict its use;

28 [g.] (g) national or local advertising whose purpose the person
29 knows or should know is to promote the sale of objects intended for
30 use as drug paraphernalia;

31 [h.] (h) the manner in which the object is displayed for sale;

32 [i.] (i) the existence and scope of legitimate uses for the object
33 in the community; and

34 [j.] (j) expert testimony concerning its use.

35 (2) If an object appears to be for use, intended for use, or
36 designed for use with cannabis or cannabis items in accordance with
37 the “New Jersey Cannabis Regulatory, Enforcement Assistance, and
38 Marketplace Modernization Act,” P.L. , c. (C.) (pending
39 before the Legislature as this bill), the object is presumed to be a
40 lawful cannabis paraphernalia as defined in section 3 of that act
41 (C.), and does not alone constitute reasonable articulable
42 suspicion that the object is a drug paraphernalia, notwithstanding
43 that the object could also be used with marijuana, hashish, or
44 another illegal controlled substance or controlled substance analog,
45 unless the owner or any other person in proximity to or in control of
46 the object was in possession of marijuana, hashish, or another
47 illegal controlled dangerous substance or controlled substance

1 analog, or the object was in proximity of marijuana, hashish, or
2 another illegally possessed controlled dangerous substance or
3 controlled substance analog to indicate its use, intended use, or
4 design for use with that controlled dangerous substance or
5 controlled substance analog.

6 (cf: P.L.2007, c.31, s.2)]²

7
8 ¹[55.] ²[56.¹] 62.² N.J.S.2C:35-16 is amended to read as
9 follows:

10 2C:35-16. a. In addition to any disposition authorized by this
11 title, the provisions of section 24 of P.L.1982, c.77 (C.2A:4A-43),
12 or any other statute indicating the dispositions that can be ordered
13 for an adjudication of delinquency, and notwithstanding the
14 provisions of subsection c. of N.J.S.2C:43-2, a person convicted of
15 or adjudicated delinquent for a violation of any offense defined in
16 this chapter or chapter 36 of this title shall forthwith forfeit his right
17 to operate a motor vehicle over the highways of this State for a
18 period to be fixed by the court at not less than six months or more
19 than two years which shall commence on the day the sentence is
20 imposed unless the court finds compelling circumstances
21 warranting an exception or except as provided in subsection e. of
22 this section. For the purposes of this section, compelling
23 circumstances warranting an exception exist if the forfeiture of the
24 person's right to operate a motor vehicle over the highways of this
25 State will result in extreme hardship and alternative means of
26 transportation are not available. In the case of a person who at the
27 time of the imposition of sentence is less than 17 years of age, the
28 period of any suspension of driving privileges authorized herein,
29 including a suspension of the privilege of operating a motorized
30 bicycle, shall commence on the day the sentence is imposed and
31 shall run for a period as fixed by the court of not less than six
32 months or more than two years after the day the person reaches the
33 age of 17 years. If the driving privilege of any person is under
34 revocation, suspension, or postponement for a violation of any
35 provision of this title or Title 39 of the Revised Statutes at the time
36 of any conviction or adjudication of delinquency for a violation of
37 any offense defined in this chapter or chapter 36 of this title, any
38 revocation, suspension, or postponement period imposed herein
39 shall commence as of the date of termination of the existing
40 revocation, suspension, or postponement.

41 b. If forfeiture or postponement of driving privileges is ordered
42 by the court pursuant to subsection a. of this section, the court shall
43 collect forthwith the New Jersey driver's license or licenses of the
44 person and forward such license or licenses to the Chief
45 Administrator of the New Jersey Motor Vehicle Commission along
46 with a report indicating the first and last day of the suspension or
47 postponement period imposed by the court pursuant to this section.
48 If the court is for any reason unable to collect the license or licenses

1 of the person, the court shall cause a report of the conviction or
2 adjudication of delinquency to be filed with the Chief
3 Administrator. That report shall include the complete name,
4 address, date of birth, eye color, and sex of the person and shall
5 indicate the first and last day of the suspension or postponement
6 period imposed by the court pursuant to this section. The court shall
7 inform the person orally and in writing that if the person is
8 convicted of personally operating a motor vehicle during the period
9 of license suspension or postponement imposed pursuant to this
10 section, the person shall, upon conviction, be subject to the
11 penalties set forth in R.S.39:3-40. A person shall be required to
12 acknowledge receipt of the written notice in writing. Failure to
13 receive a written notice or failure to acknowledge in writing the
14 receipt of a written notice shall not be a defense to a subsequent
15 charge of a violation of R.S.39:3-40. If the person is the holder of a
16 driver's license from another jurisdiction, the court shall not collect
17 the license but shall notify forthwith the Chief Administrator who
18 shall notify the appropriate officials in the licensing jurisdiction.
19 The court shall, however, in accordance with the provisions of this
20 section, revoke the person's non-resident driving privilege in this
21 State.

22 c. In addition to any other condition imposed, a court may in
23 its discretion suspend, revoke or postpone in accordance with the
24 provisions of this section the driving privileges of a person admitted
25 to supervisory treatment under N.J.S.2C:36A-1 or N.J.S.2C:43-12
26 without a plea of guilty or finding of guilt.

27 d. After sentencing and upon notice to the prosecutor, a person
28 subject to suspension or postponement of driving privileges under
29 this section may seek revocation of the remaining portion of any
30 suspension or postponement based on compelling circumstances
31 warranting an exception that were not raised at the time of
32 sentencing. The court may revoke the suspension or postponement
33 if it finds compelling circumstances.

34 e. Provided that the person was not convicted of or adjudicated
35 delinquent for a violation of any offense defined in this chapter or
36 chapter 36 of this ²[title] Title² other than those enumerated in this
37 subsection, the forfeiture or postponement of driving privileges set
38 forth in subsection a. of this section shall not apply to any person
39 convicted of or adjudicated delinquent for an offense which if
40 committed by an adult would constitute: ²[(1)]² distribution of, or
41 possessing or having under control with intent to distribute,
42 marijuana or hashish in violation of paragraph (11) of subsection b.
43 of N.J.S.2C:35-5, or a lesser amount of marijuana or hashish in
44 violation of paragraph (12) of subsection b. that section, or a
45 violation of either of those paragraphs based on an amount of
46 marijuana or hashish described herein and a violation of subsection
47 a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of
48 section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or

1 possessing or having under control with intent to distribute, on or
2 within 1,000 feet of any school property, or on or within 500 feet of
3 the real property comprising a public housing facility, public park,
4 or public building;

5 ²[(2) using, being under the influence of, or failing to make
6 lawful disposition] or possession² of marijuana or hashish in
7 violation of paragraph (3) of subsection a. ²[, or subsection b. or
8 subsection c.]² of N.J.S.2C:35-10 ²]; or

9 (3) a violation involving marijuana or hashish as described in
10 paragraph (1) or (2) of this subsection and using or possessing with
11 intent to use drug paraphernalia with that marijuana or hashish in
12 violation of N.J.S.2C:36-2]².

13 (cf: P.L.2008, c.84, s.2)

14

15 ¹[56.] ²[57.¹] 63.² N.J.S.2B:12-31 is amended to read as
16 follows:

17 2B:12-31. Suspension of driving privileges.

18 a. (1) If a defendant charged with a disorderly persons offense,
19 a petty disorderly persons offense, a violation of a municipal
20 ordinance, or a violation of any other law of this State for which a
21 penalty may be imposed fails to appear at any scheduled court
22 proceeding after written notice has been given to said defendant
23 pursuant to the Rules of Court, a municipal court may order the
24 suspension of the person's driving privileges or nonresident
25 reciprocity privilege or prohibit the person from receiving or
26 obtaining driving privileges until the pending matter is adjudicated
27 or otherwise disposed of, except by dismissal for failure of
28 defendant to appear.

29 (2) If a defendant sentenced to pay a fine or costs, make
30 restitution, perform community service, serve a term of probation,
31 or do any other act as a condition of that sentence fails to do so, a
32 municipal court may order the suspension of the person's driving
33 privileges or nonresident reciprocity privilege or prohibit the person
34 from receiving or obtaining driving privileges until the terms and
35 conditions of the sentence have been performed or modified.

36 b. Prior to any action being taken pursuant to the provisions of
37 this section, the defendant shall be given notice of the proposed
38 action and afforded an opportunity to appear before the court to
39 contest the validity of the proposed action.

40 c. The municipal court shall notify the [Division of] New
41 Jersey Motor [Vehicles] Vehicle Commission of any action taken
42 pursuant to the provisions of this section.

43 d. Any action taken by a municipal court pursuant to this
44 section shall be in addition to any other remedies which are
45 available to the court and in addition to any other penalties which
46 may be imposed by the court.

1 e. (1) When a defendant whose license has been suspended
2 pursuant to subsection a. of this section satisfies the requirements of
3 that subsection, the municipal court shall forward to the [Division
4 of] New Jersey Motor [Vehicles] Vehicle Commission a notice to
5 restore the defendant's driving privileges.

6 (2) There shall be included in the fines and penalties imposed by
7 a court on a defendant whose license has been suspended pursuant
8 to subsection a. of this section, the following:

9 (a) A fee of \$3.00 which shall be transferred to the [Division
10 of] New Jersey Motor [Vehicles] Vehicle Commission;

11 (b) A penalty of \$10.00 for the issuance of the failure to appear
12 notice; and

13 (c) A penalty of \$15.00 for the order of suspension of
14 defendant's driving privileges.

15 (cf: N.J.S.2B:12-31)

16
17 ¹[57.] ²[58.] ¹64.² (New section) Prohibition of Persons Under
18 the Legal Age Purchasing Cannabis or Cannabis Resin.

19 Consistent with the relevant definitions set forth in section 3 of
20 P.L. , c. (C.) (pending before the Legislature as this bill):

21 a. A cannabis establishment licensee, cannabis distributor
22 licensee, or cannabis delivery service licensee, either directly or
23 indirectly by an agent or employee, shall not sell, offer for sale,
24 distribute for commercial purpose at no cost or minimal cost, or
25 give or furnish for consumption, any cannabis items to a person
26 under 21 years of age.

27 b. Any licensee or employee or agent of a licensee who allows
28 a person under the age of 21 to procure cannabis items which,
29 pursuant to section ¹[44] ²[45.] ¹46.² of P.L. , c. (C.)
30 (pending before the Legislature as this bill) are not unlawful for
31 persons 21 years of age or older to procure for personal use, shall be
32 subject to a civil penalty of not less than \$250 for the first violation;
33 \$500 for the second violation; and \$1,000 for the third and each
34 subsequent violation; in addition, subject to a hearing, a licensee's
35 license may be revoked, suspended, or otherwise limited. The
36 penalties provided for in this subsection shall be recovered by a
37 summary proceeding pursuant to the "Penalty Enforcement Law of
38 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

39 c. The establishment of all of the following facts by a licensee,
40 employee, or agent, allowing any such person under the age of 21 to
41 procure cannabis items shall constitute a defense to any violation of
42 the provisions of subsection a. or b. of this section:

43 (1) That the purchaser of the cannabis item falsely represented
44 that the ¹[person] purchaser¹ was of legal age to make the
45 purchase, by producing ¹[either]¹ a ¹[United States passport;
46 driver's license or non-driver identification card issued by the New
47 Jersey Motor Vehicle Commission; a driver's license issued

1 pursuant to the laws of another state; or any other] government-
2 issued¹ identification card ¹[issued by a state or the United States]
3 as set forth in subparagraph (a) of paragraph (6) of subsection a. of
4 section 18 of P.L. , c. (C.) (pending before the Legislature
5 as this bill)¹ to determine the consumer's ¹identity and¹ age ¹[that
6 bears a picture of the person, the name of the person, the person's
7 date of birth, and a physical description of the person]¹; and

8 (2) That the sale or distribution was made in good faith, relying
9 upon the production of the identification in paragraph (1) of this
10 subsection and in the reasonable belief that the purchaser or
11 recipient was actually of legal age to make the purchase.

12 d. It shall be unlawful for a person under the age of 21 to
13 purchase, acquire, or attempt to purchase or acquire a cannabis
14 item, even if the cannabis item may be legally purchased by persons
15 at or above the legal age for purchasing cannabis items.

16 For purposes of this subsection, purchasing a cannabis item
17 includes accepting a cannabis item, and acquiring a cannabis item
18 includes consuming a cannabis item.

19 e. It shall be unlawful for a person under the age of 21 to
20 present or offer to a cannabis establishment, distributor, or delivery
21 service, or the cannabis establishment's, distributor's, or delivery
22 service's agent or employee, any written or oral evidence of age or
23 other personal identifying information that is false, fraudulent, or
24 not actually the person's own, including the use of a driver's license
25 or other government-issued form of identification in violation of
26 section 1 of P.L.1983, c.565 (C.2C:21-2.1), N.J.S.2C:21-17, section
27 5 of P.L.2003, c.184 (C.2C:21-17.2), or section 6 of P.L.1968,
28 c.313 (C.33:1-81.7), for the purpose of:

29 (1) Purchasing, attempting to purchase, or otherwise procuring
30 or attempting to procure cannabis items; or

31 (2) Gaining access to a cannabis establishment's, distributor's,
32 or delivery service's premises.

33 f. Except as permitted by the commission by rule or regulation,
34 or as necessary on an emergency basis, a person under legal age for
35 purchasing cannabis items may not enter or attempt to enter any
36 portion of a licensed premises that is posted or otherwise identified
37 as being prohibited to the use of persons under legal age for
38 purchasing cannabis items, unless accompanied by and supervised
39 by a parent or legal guardian.

40 g. Any person under the legal age to purchase cannabis, who
41 knowingly possesses without legal authority or who knowingly
42 consumes any cannabis item, in any school, public conveyance,
43 public place, place of public assembly, or motor vehicle, shall be
44 guilty of an offense as set forth in section 1 of P.L.1979, c.264
45 (C.2C:33-15). Any person under the legal age to purchase
46 cannabis, who knowingly possesses without legal authority or who
47 knowingly consumes, any cannabis item on private property shall

1 be guilty of a municipal violation as set forth in section 1 of
2 P.L.2000, c.33 (C.40:48-1.2).

3 h. The prohibitions of this section do not apply to a person
4 under the legal age for purchasing cannabis items who is acting
5 under the direction of the commission or under the direction of
6 State or local law enforcement agencies for the purpose of
7 investigating possible violations of the laws prohibiting the sale of
8 cannabis items to persons who are under the legal age for
9 purchasing cannabis items.

10 i. The prohibitions of this section do not apply to a person
11 under the legal age for purchasing cannabis items who is acting
12 under the direction of a licensee for the purpose of investigating
13 possible violations by employees of the licensee of laws prohibiting
14 sales of cannabis items to persons who are under the legal age for
15 purchasing cannabis items.

16
17 ¹[58.] ²[59.1] ²65. Section 1 of P.L.1983, c.565 (C.2C:21-2.1)
18 is amended to read as follows:

19 1. a. A person who knowingly sells, offers or exposes for sale,
20 or otherwise transfers, or possesses with the intent to sell, offer or
21 expose for sale, or otherwise transfer, a document, printed form or
22 other writing which falsely purports to be a driver's license, birth
23 certificate or other document issued by a governmental agency and
24 which could be used as a means of verifying a person's identity or
25 age or any other personal identifying information is guilty of a
26 crime of the second degree.

27 b. A person who knowingly makes, or possesses devices or
28 materials to make, a document or other writing which falsely
29 purports to be a driver's license, birth certificate or other document
30 issued by a governmental agency and which could be used as a
31 means of verifying a person's identity or age or any other personal
32 identifying information is guilty of a crime of the second degree.

33 c. A person who knowingly exhibits, displays or utters a
34 document or other writing which falsely purports to be a driver's
35 license, birth certificate or other document issued by a
36 governmental agency and which could be used as a means of
37 verifying a person's identity or age or any other personal identifying
38 information is guilty of a crime of the third degree. A violation of
39 N.J.S.2C:28-7, constituting a disorderly persons offense, section 1
40 of P.L.1979, c.264 (C.2C:33-15), R.S.33:1-81 or section 6 of
41 P.L.1968, c.313 (C.33:1-81.7) in a case where the person uses the
42 personal identifying information of another to illegally purchase an
43 alcoholic beverage or for using the personal identifying information
44 of another to misrepresent **[his]** the person's age for the purpose of
45 obtaining tobacco or other consumer product denied to persons
46 under **[18]** 21 years of age shall not, except as otherwise set forth
47 in this subsection, constitute an offense under this subsection if the
48 actor received only that benefit or service and did not perpetrate or

1 attempt to perpetrate any additional injury or fraud on another. If a
2 person used the personal identifying information of another to
3 misrepresent the person's age for the purpose of illegally obtaining
4 any cannabis item available for lawful consumption pursuant to 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), the person shall be subject to a
8 civil penalty of \$50. The civil penalty provided for in this
9 subjection shall be collected pursuant to the "Penalty Enforcement
10 Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary
11 proceeding before the municipal court having jurisdiction. A civil
12 penalty recovered under the provisions of this subsection shall be
13 recovered by and in the name of the State by the local municipality.
14 The penalty shall be paid into the treasury of the municipality in
15 which the violation occurred for the general use of the municipality.

16 d. A person who knowingly possesses a document or other
17 writing which falsely purports to be a driver's license, birth
18 certificate or other document issued by a governmental agency and
19 which could be used as a means of verifying a person's identity or
20 age or any other personal identifying information is guilty of a
21 crime of the fourth degree. A violation of N.J.S.2C:28-7,
22 constituting a disorderly persons offense, section 1 of P.L.1979,
23 c.264 (C.2C:33-15), R.S.33:1-81 or section 6 of P.L.1968, c.313
24 (C.33:1-81.7) in a case where the person uses the personal
25 identifying information of another to illegally purchase an alcoholic
26 beverage or for using the personal identifying information of
27 another to misrepresent his age for the purpose of obtaining tobacco
28 or other consumer product denied to persons under **[18]** 21 years of
29 age shall not, except as otherwise set forth in this subsection,
30 constitute an offense under this subsection if the actor received only
31 that benefit or service and did not perpetrate or attempt to perpetrate
32 any additional injury or fraud on another. If the personal
33 identifying information of another is used to obtain any cannabis
34 item available for lawful consumption pursuant to the "New Jersey
35 Cannabis Regulatory, Enforcement Assistance, and Marketplace
36 Modernization Act," P.L. , c. (C.) (pending before the
37 Legislature as this bill), the person shall be subject to a civil penalty
38 of \$50. The penalty provided for in this subsection shall be
39 collected pursuant to the "Penalty Enforcement Law of 1999,"
40 P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding
41 before the municipal court having jurisdiction. A penalty recovered
42 under the provisions of this subsection shall be recovered by and in
43 the name of the State by the local municipality. The penalty shall
44 be paid into the treasury of the municipality in which the violation
45 occurred for the general use of the municipality.

46 e. In addition to any other disposition authorized by this Title,
47 the provisions of section 24 of P.L.1982, c.77 (C.2A:4A-43), or any
48 other statute indicating the dispositions that may be ordered for an

1 adjudication of delinquency, and, notwithstanding the provisions of
2 subsection c. of N.J.S.2C:43-2, every person convicted of₁ or
3 adjudicated delinquent or penalized for a violation of any offense
4 defined in this section shall forthwith forfeit his right to operate a
5 motor vehicle over the highways of this State for a period to be
6 fixed by the court at not less than six months or more than two
7 years which shall commence on the day the sentence is imposed. In
8 the case of any person who at the time of the imposition of the
9 sentence is less than 17 years of age, the period of the suspension of
10 driving privileges authorized herein, including a suspension of the
11 privilege of operating a motorized bicycle, shall commence on the
12 day the sentence is imposed and shall run for a period as fixed by
13 the court of not less than six months or more than two years after
14 the day the person reaches the age of 17 years. If the driving
15 privilege of any person is under revocation, suspension, or
16 postponement for a violation of any provision of this Title or Title
17 39 of the Revised Statutes at the time of any conviction or
18 adjudication of delinquency for a violation of any offense defined in
19 this chapter or chapter 36 of this Title, the revocation, suspension,
20 or postponement period imposed herein shall commence as of the
21 date of termination of the existing revocation, suspension or
22 postponement.

23 The court before whom any person is convicted of₁ or
24 adjudicated delinquent or penalized for a violation of any offense
25 defined in this section shall collect forthwith the New Jersey
26 driver's license or licenses of that person and forward the license or
27 licenses to the Chief Administrator of the New Jersey Motor
28 Vehicle Commission along with a report indicating the first and last
29 day of the suspension or postponement period imposed by the court
30 pursuant to this section. If the court is for any reason unable to
31 collect the license or licenses of the person, the court shall cause a
32 report of the conviction or adjudication of delinquency to be filed
33 with the director. The report shall include the complete name,
34 address, date of birth, eye color and sex of the person and shall
35 indicate the first and last day of the suspension or postponement
36 period imposed by the court pursuant to this section. The court
37 shall inform the person orally and in writing that if the person is
38 convicted of personally operating a motor vehicle during the period
39 of license suspension or postponement imposed pursuant to this
40 section, the person shall, upon conviction, be subject to the
41 penalties set forth in R.S.39:3-40. A person shall be required to
42 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. If the person is the holder of a
46 driver's license from another jurisdiction, the court shall not collect
47 the license, but shall notify forthwith the director who shall notify
48 the appropriate officials in that licensing jurisdiction. The court

1 shall, however, in accordance with the provisions of this section,
2 revoke the person's non-resident driving privileges in this State.

3 In addition to any other condition imposed, a court, in its
4 discretion, may suspend, revoke or postpone the driving privileges
5 of a person admitted to supervisory treatment under N.J.S.2C:36A-1
6 or N.J.S.2C:43-12 without a plea of guilty or finding of guilt.
7 (cf: P.L.2005, c.224, s.1)

8

9 ¹[59.] ²[~~60.1~~] 66.2 N.J.S.2C:21-17 is amended to read as
10 follows:

11 2C:21-17. Impersonation; Theft of identity; crime.

12 a. A person is guilty of a crime if the person engages in one or
13 more of the following actions by any means including, but not
14 limited to, the use of electronic communications or an Internet
15 website:

16 (1) Impersonates another or assumes a false identity and does an
17 act in such assumed character or false identity for the purpose of
18 obtaining a benefit for himself or another or to injure or defraud
19 another;

20 (2) Pretends to be a representative of some person or
21 organization and does an act in such pretended capacity for the
22 purpose of obtaining a benefit for himself or another or to injure or
23 defraud another;

24 (3) Impersonates another, assumes a false identity or makes a
25 false or misleading statement regarding the identity of any person,
26 in an oral or written application for services, for the purpose of
27 obtaining services;

28 (4) Obtains any personal identifying information pertaining to
29 another person and uses that information, or assists another person
30 in using the information, in order to assume the identity of or
31 represent himself as another person, without that person's
32 authorization and with the purpose to fraudulently obtain or attempt
33 to obtain a benefit or services, or avoid the payment of debt or other
34 legal obligation or avoid prosecution for a crime by using the name
35 of the other person; or

36 (5) Impersonates another, assumes a false identity or makes a
37 false or misleading statement, in the course of making an oral or
38 written application for services, with the purpose of avoiding
39 payment for prior services. Purpose to avoid payment for prior
40 services may be presumed upon proof that the person has not made
41 full payment for prior services and has impersonated another,
42 assumed a false identity or made a false or misleading statement
43 regarding the identity of any person in the course of making oral or
44 written application for services.

45 As used in this section:

46 "Benefit" means, but is not limited to, any property, any
47 pecuniary amount, any services, any pecuniary amount sought to be

1 avoided or any injury or harm perpetrated on another where there is
2 no pecuniary value.

3 b. (Deleted by amendment, P.L.2005, c.224).

4 c. A person who violates subsection a. of this section is guilty
5 of a crime as follows:

6 (1) If the actor obtains a benefit or deprives another of a benefit
7 in an amount less than \$500 and the offense involves the identity of
8 one victim, the actor shall be guilty of a crime of the fourth degree
9 except that a second or subsequent conviction for such an offense
10 constitutes a crime of the third degree; or

11 (2) If the actor obtains a benefit or deprives another of a benefit
12 in an amount of at least \$500 but less than \$75,000, or the offense
13 involves the identity of at least two but less than five victims, the
14 actor shall be guilty of a crime of the third degree; or

15 (3) If the actor obtains a benefit or deprives another of a benefit
16 in the amount of \$75,000 or more, or the offense involves the
17 identity of five or more victims, the actor shall be guilty of a crime
18 of the second degree.

19 d. A violation of N.J.S.2C:28-7, constituting a disorderly
20 persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15),
21 R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case
22 where the person uses the personal identifying information of
23 another to illegally purchase an alcoholic beverage or for using the
24 personal identifying information of another to misrepresent **[his]**
25 the person's age for the purpose of obtaining tobacco or other
26 consumer product denied to persons under **[19]** 21 years of age
27 shall not, except as otherwise set forth in this subsection, constitute
28 an offense under this section if the actor received only that benefit
29 or service and did not perpetrate or attempt to perpetrate any
30 additional injury or fraud on another. If a person used the personal
31 identifying information of another to misrepresent the person's age
32 for the purpose of illegally obtaining any cannabis 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), the person shall be subject to a civil penalty of \$50. The civil
37 penalty provided for in this subsection shall be collected pursuant to
38 the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-
39 10 et seq.), in a summary proceeding before the municipal court
40 having jurisdiction. A civil penalty recovered under the provisions
41 of this subsection shall be recovered by and in the name of the State
42 by the local municipality. The penalty shall be paid into the
43 treasury of the municipality in which the violation occurred for the
44 general use of the municipality.

45 e. The sentencing court shall issue such orders as are necessary
46 to correct any public record or government document that contains
47 false information as a result of a theft of identity. The sentencing

1 court may provide restitution to the victim in accordance with the
2 provisions of section 4 of P.L.2002, c.85 (C.2C:21-17.1).

3 (cf: P.L.2013, c.241, s.1)

4
5 ¹[60.] ²[61.] ²67.² Section 5 of P.L.2003, c.184 (C.2C:21-17.2)
6 is amended to read as follows:

7 5. a. A person is guilty of a crime of the second degree if, in
8 obtaining or attempting to obtain a driver's license, birth certificate
9 or other document issued by a governmental agency which could be
10 used as a means of verifying a person's identity, age or any other
11 personal identifying information, that person knowingly exhibits,
12 displays or utters a document or other writing which falsely
13 purports to be a driver's license, birth certificate or other document
14 issued by a governmental agency or which belongs or pertains to a
15 person other than the person who possesses the document.

16 b. Notwithstanding the provisions of N.J.S.2C:1-8 or any other
17 law, a conviction under this section shall not merge with a
18 conviction of any other criminal offense, nor shall such other
19 conviction merge with a conviction under this section, and the court
20 shall impose separate sentences upon each violation of this section
21 and any other criminal offense.

22 c. A violation of N.J.S.2C:28-7, constituting a disorderly
23 persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15),
24 R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case
25 where the person uses the personal identifying information of
26 another to illegally purchase an alcoholic beverage or for using the
27 personal identifying information of another to misrepresent his age
28 for the purpose of obtaining tobacco or other consumer product
29 denied to persons under **[18]** 21 years of age shall not, except as
30 otherwise set forth in this subsection, constitute an offense under
31 this section if the actor received only that benefit or service and did
32 not perpetrate or attempt to perpetrate any additional injury or fraud
33 on another. If the personal identifying information of another is
34 used to obtain any cannabis item available for lawful consumption
35 pursuant to the "New Jersey Cannabis Regulatory, Enforcement
36 Assistance, and Marketplace Modernization Act," P.L. _____,
37 c. (C. _____) (pending before the Legislature as this bill), the person
38 shall be subject to a civil penalty of \$50. The civil penalty provided
39 for in this subsection shall be collected pursuant to the "Penalty
40 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.),
41 in a summary proceeding before the municipal court having
42 jurisdiction. A civil penalty recovered under the provisions of this
43 subsection shall be recovered by and in the name of the State by the
44 local municipality. The penalty shall be paid into the treasury of
45 the municipality in which the violation occurred for the general use
46 of the municipality.

47 (cf: P.L.2005, c.224, s.4)

1 ¹[61.] ²[62.1] 68.² The title of P.L.1968, c.313 is amended to
2 read as follows:

3 **AN ACT** relating to the establishing of proof of age for purposes of
4 purchasing alcoholic beverages or cannabis items in certain
5 cases.

6 (cf: P.L.1968, c.313, title)

7

8 ¹[62.] ²[63.1] 69.² Section 6 of P.L.1968, c.313 (C.33:1-81.7)
9 is amended to read as follows:

10 6. It shall be unlawful for the owner of an identification card,
11 as defined by this act, to transfer said card to any other person for
12 the purpose of aiding such person to secure alcoholic beverages or
13 cannabis items available for lawful consumption pursuant to the
14 “New Jersey Cannabis Regulatory, Enforcement Assistance, and
15 Marketplace Modernization Act,” P.L. , c. (C.) (pending
16 before the Legislature as this bill). Any person who shall transfer
17 such identification card for the purpose of aiding such transferee to
18 obtain alcoholic beverages shall be guilty of a **[misdemeanor]**
19 disorderly persons offense and, upon conviction thereof, shall be
20 sentenced to pay a fine of not more than \$300.00, or undergo
21 imprisonment for not more than 60 days. Any person not entitled
22 thereto who shall have unlawfully procured or have issued or
23 transferred to him, as aforesaid, identification card or any person
24 who shall make any false statement on any card required by
25 subsection (c) hereof to be signed by him shall be guilty of a
26 **[misdemeanor]** disorderly persons offense and, upon conviction
27 thereof, shall be sentenced to pay a fine of not more than \$300.00,
28 or undergo imprisonment for not more than 60 days.

29 (cf: P.L.1968, c.313, s.6)

30

31 ¹[63.] ²[64.1] 70.² The title of P.L.1991, c.169 is amended to
32 read as follows:

33 **AN ACT** concerning the retail sale of alcoholic beverages or
34 cannabis items, amending R.S.33:1-81 and P.L.1979, c.264 and
35 supplementing chapter 1 of Title 33 of the Revised Statutes.

36 (cf: P.L.1991, c.169, title)

37

38 ¹[64.] ²[65.1] 71.² Section 3 of P.L.1991, c.169 (C.33:1-81.1a)
39 is amended to read as follows:

40 3. A parent, guardian or other person having legal custody of a
41 person under 18 years of age found in violation of R.S.33:1-81 or
42 section 1 of P.L.1979, c.264 (C.2C:33-15) with respect to
43 purchasing, possessing, or consuming any alcoholic beverage or
44 cannabis item available for lawful consumption pursuant to the
45 “New Jersey Cannabis Regulatory, Enforcement Assistance, and
46 Marketplace Modernization Act,” P.L. , c. (C.) (pending
47 before the Legislature as this bill) shall be notified of the violation
48 in writing. The parent, guardian or other person having legal

1 custody of a person under 18 years of age shall be subject to a fine
2 in the amount of \$500.00 upon any subsequent violation of
3 R.S.33:1-81 or section 1 of P.L.1979, c.264 (C.2C:33-15) on the
4 part of such person if it is shown that the parent, guardian or other
5 person having legal custody failed or neglected to exercise
6 reasonable supervision or control over the conduct of the person
7 under 18 years of age.

8 (cf: P.L.1991, c.169, s.3)

9
10 ¹[65.] ²[66.1] 72.² The title of P.L.1979, c.264 is amended to
11 read as follows:

12 AN ACT concerning certain alcoholic beverage and cannabis item
13 offenses by persons under the legal age to purchase alcoholic
14 beverages and cannabis items, and supplementing chapter 33 of
15 Title 2C of the New Jersey Statutes.

16 (cf: P.L.1979, c.264, title)

17
18 ¹[66.] ²[67.1] 73.² Section 1 of P.L.1979, c.264 (C.2C:33-15)
19 is amended to read as follows:

20 1. a. (1) Any person under the legal age to purchase alcoholic
21 beverages who knowingly possesses without legal authority or who
22 knowingly consumes any alcoholic beverage in any school, public
23 conveyance, public place, or place of public assembly, or motor
24 vehicle, is guilty of a petty disorderly persons offense, and shall ¹,
25 in the case of an adult under the legal age to purchase alcoholic
26 beverages,¹ be fined not less than ~~[\$500]~~ \$250.

27 (2) (a) Any person under the legal age to purchase cannabis
28 items who knowingly possesses without legal authority any
29 cannabis item, the amount of which may be lawfully possessed by a
30 person of the legal age to purchase cannabis items pursuant to
31 section ¹[44] ²[451] 46.² of P.L. , c. (C.) (pending before
32 the Legislature as this bill), in any school, public conveyance,
33 public place, or place of public assembly, or motor vehicle, is guilty
34 of a petty disorderly persons offense, and shall ¹, in the case of an
35 adult under the legal age to purchase cannabis items,¹ be fined not
36 less than \$250.

37 (b) Any person under the legal age to purchase cannabis items
38 who knowingly possesses without legal authority any cannabis
39 item, the amount of which exceeds what may be lawfully possessed
40 by a person of the legal age to purchase cannabis items pursuant to
41 section ¹[44] ²[451] 46² of P.L. , c. (C.) (pending before
42 the Legislature as this bill), or who knowingly consumes any
43 cannabis item in any school, public conveyance, public place, or
44 place of public assembly, or motor vehicle, is guilty of a disorderly
45 persons offense, and shall ¹, in the case of an adult under the legal
46 age to purchase cannabis items,¹ be fined not less than \$500.

1 b. Whenever this offense is committed in a motor vehicle, the
2 court shall, in addition to the sentence authorized for the offense,
3 suspend or postpone for six months the driving privilege of the
4 defendant. Upon the conviction of any person under this section,
5 the court shall forward a report to the New Jersey Motor Vehicle
6 Commission stating the first and last day of the suspension or
7 postponement period imposed by the court pursuant to this section.
8 If a person at the time of the imposition of a sentence is less than 17
9 years of age, the period of license postponement, including a
10 suspension or postponement of the privilege of operating a
11 motorized bicycle, shall commence on the day the sentence is
12 imposed and shall run for a period of six months after the person
13 reaches the age of 17 years.

14 If a person at the time of the imposition of a sentence has a valid
15 driver's license issued by this State, the court shall immediately
16 collect the license and forward it to the commission along with the
17 report. If for any reason the license cannot be collected, the court
18 shall include in the report the complete name, address, date of birth,
19 eye color, and sex of the person as well as the first and last date of
20 the license suspension period imposed by the court.

21 The court shall inform the person orally and in writing that if the
22 person is convicted of operating a motor vehicle during the period
23 of license suspension or postponement, the person shall be subject
24 to the penalties set forth in R.S.39:3-40. A person shall be required
25 to acknowledge receipt of the written notice in writing. Failure to
26 receive a written notice or failure to acknowledge in writing the
27 receipt of a written notice shall not be a defense to a subsequent
28 charge of a violation of R.S.39:3-40.

29 If the person convicted under this section is not a New Jersey
30 resident, the court shall suspend or postpone, as appropriate, the
31 non-resident driving privilege of the person based on the age of the
32 person and submit to the commission the required report. The court
33 shall not collect the license of a non-resident convicted under this
34 section. Upon receipt of a report by the court, the commission shall
35 notify the appropriate officials in the licensing jurisdiction of the
36 suspension or postponement.

37 c. In addition to the general penalty prescribed for a disorderly
38 persons offense, the court may require any person who violates this
39 act to participate in an alcohol or drug abuse education or treatment
40 program, authorized by the Division of Mental Health and
41 Addiction Services in the Department of Human Services, for a
42 period not to exceed the maximum period of confinement
43 prescribed by law for the offense for which the individual has been
44 convicted.

45 d. Nothing in this act shall apply to possession of alcoholic
46 beverages by any such person while actually engaged in the
47 performance of employment pursuant to an employment permit
48 issued by the Director of the Division of Alcoholic Beverage

1 Control, or for a bona fide hotel or restaurant, in accordance with
2 the provisions of R.S.33:1-26, or while actively engaged in the
3 preparation of food while enrolled in a culinary arts or hotel
4 management program at a county vocational school or ~~post~~
5 ~~secondary~~ post-secondary educational institution; and nothing in
6 this section shall apply to possession of cannabis items by any such
7 person while actually engaged in the performance of employment
8 by a cannabis establishment, distributor, or delivery service as
9 permitted pursuant to the “New Jersey Cannabis Regulatory,
10 Enforcement Assistance, and Marketplace Modernization Act,”
11 P.L. , c. (C.) (pending before the Legislature as this bill).

12 e. The provisions of section 3 of P.L.1991, c.169 (C.33:1-
13 81.1a) shall apply to a parent, guardian or other person with legal
14 custody of a person under 18 years of age who is found to be in
15 violation of this section.

16 f. An underage person and one or two other persons shall be
17 immune from prosecution under this section if:

18 (1) one of the underage persons called 9-1-1 and reported that
19 another underage person was in need of medical assistance due to
20 alcohol consumption or the consumption of a cannabis item;

21 (2) the underage person who called 9-1-1 and, if applicable, one
22 or two other persons acting in concert with the underage person
23 who called 9-1-1 provided each of their names to the 9-1-1
24 operator;

25 (3) the underage person was the first person to make the 9-1-1
26 report; and

27 (4) the underage person and, if applicable, one or two other
28 persons acting in concert with the underage person who made the 9-
29 1-1 call remained on the scene with the person under the legal age
30 in need of medical assistance until assistance arrived and
31 cooperated with medical assistance and law enforcement personnel
32 on the scene.

33 The underage person who received medical assistance also shall
34 be immune from prosecution under this section.

35 g. For purposes of this section, an alcoholic beverage includes
36 powdered alcohol as defined by R.S.33:1-1, and a cannabis item
37 includes any item available for lawful consumption pursuant to the
38 “New Jersey Cannabis Regulatory, Enforcement Assistance, and
39 Marketplace Modernization Act,” P.L. , c. (C.) (pending
40 before the Legislature as this bill).

41 (cf: P.L.2015, c.137, s.3)

42

43 ¹[67.] ²[68.] ¹ 74.² The title of P.L.1981, c.197 is amended to
44 read as follows:

45 AN ACT concerning the unauthorized bringing of alcoholic
46 beverages or cannabis items onto school premises, and
47 supplementing chapter 33 of Title 2C of the New Jersey Statutes.

48 (cf: P.L.1981, c.197, title)

1 ¹[68.] ²[69.1] 75.² Section 1 of P.L.1981, c.197 (C.2C:33-16) is
2 amended to read as follows:

3 1. Any person of legal age to purchase alcoholic beverages or
4 cannabis items, who, in the case of alcoholic beverages, knowingly
5 and without the express written permission of the school board, its
6 delegated authority, or any school principal, brings or possesses any
7 alcoholic beverages, or in the case of cannabis items, brings,
8 possesses, or consumes, including by smoking, vaping, or
9 aerosolizing, any cannabis items, on any property used for school
10 purposes which is owned by any school or school board, is guilty
11 of a disorderly persons offense. For purposes of this section, an
12 alcoholic beverage includes powdered alcohol as defined by
13 R.S.33:1-1, and a cannabis item includes any item available for
14 lawful consumption pursuant to the “New Jersey Cannabis
15 Regulatory, Enforcement Assistance, and Marketplace Modernization
16 Act,” P.L. , c. (C.) (pending before the Legislature as this
17 bill).

18 (cf. P.L.1981, c.197, s.1)

19
20 ¹[69.] ²[70.1] 76.² R.S.40:48-1 is amended to read as follows:

21 40:48-1. Ordinances; general purpose. The governing body of
22 every municipality may make, amend, repeal and enforce
23 ordinances to:

24 Finances and property. 1. Manage, regulate and control the
25 finances and property, real and personal, of the municipality;

26 Contracts and contractor's bonds. 2. Prescribe the form and
27 manner of execution and approval of all contracts to be executed by
28 the municipality and of all bonds to be given to it;

29 Officers and employees; duties, terms and salaries. 3. Prescribe
30 and define, except as otherwise provided by law, the duties and
31 terms of office or employment, of all officers and employees; and to
32 provide for the employment and compensation of such officials and
33 employees, in addition to those provided for by statute, as may be
34 deemed necessary for the efficient conduct of the affairs of the
35 municipality;

36 Fees. 4. Fix the fees of any officer or employee of the
37 municipality for any service rendered in connection with his office
38 or position, for which no specific fee or compensation is provided.
39 In the case of salaried officers or employees, such fee shall be paid
40 into the municipal treasury;

41 Salaries instead of fees; disposition of fees. 5. Provide that any
42 officer or employee receiving compensation for his services, in
43 whole or in part by fees, whether paid by the municipality or
44 otherwise, shall be paid a salary to be fixed in the ordinance, and
45 thereafter all fees received by such officer or employee shall be
46 paid into the municipal treasury;

47 Maintain order. 6. Prevent vice, drunkenness and immorality; to
48 preserve the public peace and order; to prevent and quell riots,

1 disturbances and disorderly assemblages; to prohibit the
2 consumption of alcoholic beverages or cannabis items by underage
3 persons on private property pursuant to section 1 of P.L.2000, c.33
4 (C.40:48-1.2);

5 Punish beggars; prevention of loitering. 7. Restrain and punish
6 drunkards, vagrants, mendicants and street beggars; to prevent
7 loitering, lounging or sleeping in the streets, parks or public places;

8 Auctions and noises. 8. Regulate the ringing of bells and the
9 crying of goods and other commodities for sale at auction or
10 otherwise, and to prevent disturbing noises;

11 Swimming; bathing costume; prohibition of public nudity. 9.
12 Regulate or prohibit swimming or bathing in the waters of, in, or
13 bounding the municipality, and to regulate or prohibit persons from
14 appearing upon the public streets, parks and places clad in bathing
15 costumes or robes, or costumes of a similar character; regulate or
16 prohibit persons from appearing in a state of nudity upon all lands
17 within its borders which are under the jurisdiction of the State
18 including, without limitation, all lands owned by, controlled by,
19 managed by or leased by the State;

20 Prohibit annoyance of persons or animals. 10. Regulate or
21 prohibit any practice tending to frighten animals, or to annoy or
22 injure persons in the public streets;

23 Animals; pounds; establishment and regulation. 11. Establish
24 and regulate one or more pounds, and to prohibit or regulate the
25 running at large of horses, cattle, dogs, swine, goats and other
26 animals, and to authorize their impounding and sale for the penalty
27 incurred, and the costs of impounding, keeping and sale; to regulate
28 or prohibit the keeping of cattle, goats or swine in any part of the
29 municipality; to authorize the destruction of dogs running at large
30 therein;

31 Hucksters. 12. Prescribe and regulate the place of vending or
32 exposing for sale articles of merchandise from vehicles;

33 Building regulations; wooden structures. 13. Regulate and
34 control the construction, erection, alteration and repair of buildings
35 and structures of every kind within the municipality; and to
36 prohibit, within certain limits, the construction, erection or
37 alteration of buildings or structures of wood or other combustible
38 material;

39 Inflammable materials; inspect docks and buildings. 14.
40 Regulate the use, storage, sale and disposal of inflammable or
41 combustible materials, and to provide for the protection of life and
42 property from fire, explosions and other dangers; to provide for
43 inspections of buildings, docks, wharves, warehouses and other
44 places, and of goods and materials contained therein, to secure the
45 proper enforcement of such ordinance;

46 Dangerous structures; removal or destruction; procedure. 15.
47 Provide for the removal or destruction of any building, wall or
48 structure which is or may become dangerous to life or health, or

1 might tend to extend a conflagration; and to assess the cost thereof
2 as a municipal lien against the premises;

3 Chimneys and boilers. 16. Regulate the construction and setting
4 up of chimneys, furnaces, stoves, boilers, ovens and other
5 contrivances in which fire is used;

6 Explosives. 17. Regulate, in conformity with the statutes of this
7 State, the manufacture, storage, sale, keeping or conveying of
8 gunpowder, nitroglycerine, dynamite and other explosives;

9 Firearms and fireworks. 18. Regulate and prohibit the sale and
10 use of guns, pistols, firearms, and fireworks of all descriptions;

11 Soft coal. 19. Regulate the use of soft coal in locomotives,
12 factories, power houses and other places;

13 Theaters, schools, churches and public places. 20. Regulate the
14 use of theaters, cinema houses, public halls, schools, churches, and
15 other places where numbers of people assemble, and the exits
16 therefrom, so that escape therefrom may be easily and safely made
17 in case of fire or panic; and to regulate any machinery, scenery,
18 lights, wires and other apparatus, equipment or appliances used in
19 all places of public amusement;

20 Excavations. 21. Regulate excavations below the established
21 grade or curb line of any street, not greater than eight feet, which
22 the owner of any land may make, in the erection of any building
23 upon his own property; and to provide for the giving of notice, in
24 writing, of such intended excavation to any adjoining owner or
25 owners, and that they will be required to protect and care for their
26 several foundation walls that may be endangered by such
27 excavation; and to provide that in case of the neglect or refusal, for
28 10 days, of such adjoining owner or owners to take proper action to
29 secure and protect the foundations of any adjacent building or other
30 structure, that the party or parties giving such notice, or their
31 agents, contractors or employees, may enter into and upon such
32 adjoining property and do all necessary work to make such
33 foundations secure, and may recover the cost of such work and
34 labor in so protecting such adjacent property; and to make such
35 further and other provisions in relation to the proper conduct and
36 performance of said work as the governing body or board of the
37 municipality may deem necessary and proper;

38 Sample medicines. 22. Regulate and prohibit the distribution,
39 depositing or leaving on the public streets or highways, public
40 places or private property, or at any private place or places within
41 any such municipality, any medicine, medicinal preparation or
42 preparations represented to cure ailments or diseases of the body or
43 mind, or any samples thereof, or any advertisements or circulars
44 relating thereto, but no ordinance shall prohibit a delivery of any
45 such article to any person above the age of 12 years willing to
46 receive the same;

47 Boating. 23. Regulate the use of motor and other boats upon
48 waters within or bounding the municipality;

1 Fire escapes. 24. Provide for the erection of fire escapes on
2 buildings in the municipality, and to provide rules and regulations
3 concerning the construction and maintenance of the same, and for
4 the prevention of any obstruction thereof or thereon;

5 Care of injured employees. 25. Provide for the payment of
6 compensation and for medical attendance to any officer or
7 employee of the municipality injured in the performance of his
8 duty;

9 Bulkheads and other structures. 26. Fix and determine the lines
10 of bulkheads or other works or structures to be erected, constructed
11 or maintained by the owners of lands facing upon any navigable
12 water in front of their lands, and in front of or along any highway or
13 public lands of said municipality, and to designate the materials to
14 be used, and the type, height and dimensions thereof;

15 Lifeguard. 27. Establish, maintain, regulate and control a
16 lifeguard upon any beach within or bordering on the municipality;

17 Appropriation for life-saving apparatus. 28. Appropriate
18 moneys to safeguard people from drowning within its borders, by
19 location of apparatus or conduct of educational work in harmony
20 with the plans of the United States volunteer life-saving corps in
21 this State;

22 Fences. 29. Regulate the size, height and dimensions of any
23 fences between the lands of adjoining owners, whether built or
24 erected as division or partition fences between such lands, and
25 whether the same exist or be erected entirely or only partly upon the
26 lands of any such adjoining owners, or along or immediately
27 adjacent to any division or partition line of such lands. To provide,
28 in such ordinance, the manner of securing, fastening or shoring such
29 fences, and for surveying the land when required by statute, and to
30 prohibit in any such ordinance the use at a height of under 10 feet
31 from the ground, of any device, such as wire or cable, that would be
32 dangerous to pedestrians, equestrians, bicyclists, or drivers of off-
33 the-road vehicles, unless that device is clearly visible to pedestrians,
34 equestrians, bicyclists or drivers of off-the-road vehicles. In the
35 case of fences thereafter erected contrary to the provisions thereof,
36 the governing body may provide for a penalty for the violation of
37 such ordinance, and in the case of such fence or fences erected or
38 existing at the time of the passage of any such ordinance, may
39 provide therein for the removal, change or alteration thereof, so as
40 to make such fence or fences comply with the provisions of any
41 such ordinance;

42 Advertise municipality. 30. Appropriate funds for advertising
43 the advantages of the municipality;

44 Government Energy Aggregation Programs. 31. Establish
45 programs and procedures pursuant to which the municipality may
46 act as a government aggregator pursuant to sections 40 through 43
47 of P.L.1999, c.23 (C.48:3-89 through C.48:3-92), section 45 of
48 P.L.1999, c.23 (C.48:3-94), and sections 1, 2 and 6 of P.L.2003,

1 c.24 (C.48:3-93.1 through C.48:3-93.3). Notwithstanding the
2 provisions of any other law, rule or regulation to the contrary, a
3 municipality acting as a government aggregator pursuant to
4 P.L.1999, c.23 (C.48:3-49 et al.) shall not be deemed to be a public
5 utility pursuant to R.S.40:62-24 or R.S.48:1-1 et seq. or be deemed
6 to be operating any form of public utility service pursuant to
7 R.S.40:62-1 et seq., to the extent such municipality is solely
8 engaged in the provision of such aggregation service and not
9 otherwise owning or operating any plant or facility for the
10 production or distribution of gas, electricity, steam or other product
11 as provided in R.S.40:62-12;

12 Joint municipal action on consent for the provision of cable
13 television service. 32. Establish programs and procedures pursuant
14 to which a municipality may act together with one or more
15 municipalities in granting municipal consent for the provision of
16 cable television service pursuant to the provisions of the "Cable
17 Television Act," P.L.1972, c.186 (C.48:5A-1 et seq.) as amended
18 and supplemented. Notwithstanding the provisions of any other
19 law, rule or regulation to the contrary, two or more municipalities
20 acting jointly pursuant to the provisions of P.L.1972, c.186
21 (C.48:5A-1 et seq.) shall not be deemed a public utility pursuant to
22 R.S.48:1-1 et seq., to the extent those municipalities are solely
23 engaged in granting municipal consent jointly and are not otherwise
24 owning or operating any facility for the provision of cable
25 television service as provided in P.L.1972, c.186 (C.48:5A-1 et
26 seq.);

27 Private cable television service aggregation programs. 33.
28 Establish programs and procedures pursuant to which a
29 municipality may employ the services of a private aggregator for
30 the purpose of facilitating the joint action of two or more
31 municipalities in granting municipal consent for the provision of
32 cable television service provided that any such municipality shall
33 adhere to the provisions of the "Cable Television Act," P.L.1972,
34 c.186 (C.48:5A-1 et seq.) as amended and supplemented, and to the
35 provisions of the "Local Public Contracts Law," P.L.1971, c.198
36 (C.40A:11-1 et seq.) as amended and supplemented.
37 Notwithstanding the provisions of any other law, rule or regulation
38 to the contrary, a municipality that employs the services of a private
39 aggregator pursuant to the provisions of P.L.1972, c.186 (C.48:5A-
40 1 et seq.) shall not be deemed a public utility pursuant to R.S.48:1-
41 1 et seq., to the extent that the municipality is solely engaged in
42 employing the services of a private aggregator for the purpose of
43 facilitating the joint action of two or more municipalities in
44 granting municipal consent and is not otherwise owning or
45 operating any facility for the provision of cable television service as
46 provided in P.L.1972, c.186 (C.48:5A-1 et seq.);

47 Protective Custody. 34. Provide protective custody to persons
48 arrested for operating a motor vehicle under the influence of

1 alcoholic beverages, cannabis items as defined in section 3 of
2 P.L. , c. (C.) (pending before the Legislature as this bill),
3 any chemical substance, or any controlled dangerous substance in
4 violation of R.S.39:4-50 as provided in section 1 of P.L.2003, c.164
5 (C.40:48-1.3);

6 Private Outdoor Video Surveillance Camera Registry. 35.
7 Establish a private outdoor video surveillance camera registry and
8 allow voluntary registration of private outdoor video surveillance
9 cameras as provided in P.L.2015, c.142 (C.40:48-1.6 et al.).
10 (cf: P.L.2015, c.142, s.3)

11
12 ¹[70.] ²[71.1] 77.2 (New section) A municipality may enact an
13 ordinance making it unlawful for any person who is of legal age to
14 consume, other than by smoking, vaping, or aerosolizing, a cannabis
15 item available for lawful consumption pursuant to the "New Jersey
16 Cannabis Regulatory, Enforcement Assistance, and Marketplace
17 Modernization Act," P.L. , c. (C.) (pending before the
18 Legislature as this bill), in any public place as defined in section 3
19 of that act (C.), other than school property described in section 1
20 of P.L.1981, c.197 (C.2C:33-16) for which unlawful consumption is
21 a disorderly persons offense, or when not prohibited by the owner or
22 person responsible for the operation of that public place. A person
23 may be subject to a civil penalty of up to \$200, which shall be
24 recovered in a civil action by a summary proceeding in the name of
25 the municipality pursuant to the "Penalty Enforcement Law of
26 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The municipal court
27 and the Superior Court shall have jurisdiction of proceedings for the
28 enforcement of the penalty provided by this section.

29
30 ¹[71.] ²[72.1] 78.2 The title of P.L.2000, c.33 is amended to
31 read as follows:

32 **AN ACT** concerning possession and consumption of alcoholic
33 beverages or cannabis items by underaged persons,
34 supplementing Title 40 of the Revised Statutes and amending
35 R.S.40:48-1.

36 (cf: P.L.2000, c.33, title)

37
38 ¹[72.] ²[73.1] 79.2 Section 1 of P.L.2000, c.33 (C.40:48-1.2) is
39 amended to read as follows:

40 1. a. A municipality may enact an ordinance making it
41 unlawful for any person under the legal age who, without legal
42 authority, knowingly possesses or knowingly consumes an alcoholic
43 beverage or a cannabis item, other than by smoking, vaping, or
44 aerosolizing, on private property.

45 (1) The ordinance shall provide that a violation involving
46 alcoholic beverage activity shall ¹, in the case of an adult under the
47 legal age to purchase an alcoholic beverage,¹ be punished by a fine
48 of \$250 for a first offense and \$350 for any subsequent offense.

1 (2) The ordinance shall provide that a violation involving
2 cannabis activity ¹, in the case of an adult under the legal age to
3 purchase cannabis items, ¹ shall be punished as follows:

4 (a) If the cannabis item possessed is an amount which may be
5 lawfully possessed by a person of the legal age to purchase cannabis
6 items pursuant to section ¹[44] ²[45'] ⁴⁶ of P.L. , c. (C.)
7 (pending before the Legislature as this bill): for a first offense, a
8 civil penalty of \$100; for a second offense, a civil penalty of \$200;
9 and for a third or subsequent offense, a fine of \$350. The civil
10 penalties provided for in this subparagraph shall be collected
11 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
12 c.274 (C.2A:58-10 et seq.), in a summary proceeding before the
13 municipal court having jurisdiction. A penalty recovered under the
14 provisions of this subparagraph shall be recovered by and in the
15 name of the municipality.

16 (b) If the cannabis item possessed is an amount that exceeds
17 what may be lawfully possessed by a person of the legal age to
18 purchase cannabis items pursuant to section ¹[44] ²[45'] ⁴⁶ of
19 P.L. , c. (C.) (pending before the Legislature as this bill), or
20 if any cannabis item is consumed: for a first offense, a fine of \$250;
21 and for a second or subsequent offense, a fine of \$350.

22 b. The ordinance shall provide that the court may, in addition
23 to the fine authorized for this offense, suspend or postpone for six
24 months the driving privilege of the defendant. Upon the conviction
25 of any person and the suspension or postponement of that person's
26 driver's license, the court shall forward a report to the **[Division of]**
27 **New Jersey Motor [Vehicles] Vehicle Commission** stating the first
28 and last day of the suspension or postponement period imposed by
29 the court pursuant to this section. If a person at the time of the
30 imposition of a sentence is less than 17 years of age, the period of
31 license postponement, including a suspension or postponement of
32 the privilege of operating a motorized bicycle, shall commence on
33 the day the sentence is imposed and shall run for a period of six
34 months after the person reaches the age of 17 years.

35 If a person at the time of the imposition of a sentence has a valid
36 driver's license issued by this State, the court shall immediately
37 collect the license and forward it to the **[division] commission**
38 along with the report. If for any reason the license cannot be
39 collected, the court shall include in the report the complete name,
40 address, date of birth, eye color, and sex of the person, as well as
41 the first and last date of the license suspension period imposed by
42 the court.

43 The court shall inform the person orally and in writing that if the
44 person is convicted of operating a motor vehicle during the period
45 of license suspension or postponement, the person shall be subject
46 to the penalties set forth in R.S.39:3-40. A person shall be required
47 to acknowledge receipt of the written notice in writing. Failure to

1 receive a written notice or failure to acknowledge in writing the
2 receipt of a written notice shall not be a defense to a subsequent
3 charge of a violation of R.S.39:3-40.

4 If the person convicted under such an ordinance is not a New
5 Jersey resident, the court shall suspend or postpone, as appropriate,
6 the non-resident driving privilege of the person based on the age of
7 the person and submit to the **[division]** commission the required
8 report. The court shall not collect the license of a non-resident
9 convicted under this section. Upon receipt of a report by the court,
10 the **[division]** commission shall notify the appropriate officials in
11 the licensing jurisdiction of the suspension or postponement.

12 c. (1) No ordinance shall prohibit an underaged person from
13 consuming or possessing an alcoholic beverage in connection with a
14 religious observance, ceremony, or rite or consuming or possessing
15 an alcoholic beverage in the presence of and with the permission of
16 a parent, guardian or relative who has attained the legal age to
17 purchase and consume alcoholic beverages.

18 (2) As used in this section:

19 “Alcoholic beverage” includes powdered alcohol as defined by
20 R.S.33:1-1.

21 “Guardian” means a person who has qualified as a guardian of
22 the underaged person pursuant to testamentary or court
23 appointment.

24 “Cannabis items” includes any item available for lawful
25 consumption pursuant to the “New Jersey Cannabis Regulatory,
26 Enforcement Assistance, and Marketplace Modernization Act,”
27 P.L. , c. (C.) (pending before the Legislature as this bill).

28 “Relative” means the underaged person’s grandparent, aunt or
29 uncle, sibling, or any other person related by blood or affinity.

30 d. No ordinance shall prohibit possession of alcoholic
31 beverages by any such person while actually engaged in the
32 performance of employment by a person who is licensed under Title
33 33 of the Revised Statutes, or while actively engaged in the
34 preparation of food while enrolled in a culinary arts or hotel
35 management program at a county vocational school or **[post**
36 **secondary]** post-secondary educational institution, and no
37 ordinance shall prohibit possession of cannabis items by any such
38 person while actually engaged in the performance of employment
39 by a cannabis establishment, distributor, or delivery service as
40 permitted pursuant to the “New Jersey Cannabis Regulatory,
41 Enforcement Assistance, and Marketplace Modernization Act,”
42 P.L. , c. (C.) (pending before the Legislature as this bill);
43 however, no ordinance enacted pursuant to this section shall be
44 construed to preclude the imposition of a penalty under this section,
45 R.S.33:1-81, or any other section of law against a person who is
46 convicted of unlawful alcoholic beverage activity or unlawful

1 cannabis activity on or at premises licensed for the sale of alcoholic
2 beverages or cannabis items.

3 (cf: P.L.2000, c.33, s.1)

4

5 ¹[73.] ²[74.1] 80.² The title of P.L.2009, c.133 is amended to
6 read as follows:

7 **AN ACT** concerning persons under the legal age to possess and
8 consume alcoholic beverages or cannabis items, amending
9 P.L.1979, c.264, and supplementing P.L.2000, c.33 (C.40:48-1.2
10 et al.).

11 (cf: P.L.2009, c.133, title)

12

13 ¹[74.] ²[75.1] 81.² Section 2 of P.L.2009, c.133 (C.40:48-1.2a)
14 is amended to read as follows:

15 2. a. An underage person and one or two other persons shall be
16 immune from prosecution under an ordinance authorized by section
17 1 of P.L.2000, c.33 (C.40:48-1.2) prohibiting any person under the
18 legal age who, without legal authority, knowingly possesses or
19 knowingly consumes an alcoholic beverage or cannabis item on
20 private property if:

21 (1) one of the underage persons called 9-1-1 and reported that
22 another underage person was in need of medical assistance due to
23 alcohol consumption or the consumption of a cannabis item;

24 (2) the underage person who called 9-1-1 and, if applicable, one
25 or two other persons acting in concert with the underage person
26 who called 9-1-1 provided each of their names to the 9-1-1
27 operator;

28 (3) the underage person was the first person to make the 9-1-1
29 report; and

30 (4) the underage person and, if applicable, one or two other
31 persons acting in concert with the underage person who made the 9-
32 1-1 call remained on the scene with the person under the legal age
33 in need of medical assistance until assistance arrived and
34 cooperated with medical assistance and law enforcement personnel
35 on the scene.

36 b. The underage person who received medical assistance as
37 provided in subsection a. of this section also shall be immune from
38 prosecution under an ordinance authorized by section 1 of P.L.2000,
39 c.33 (C.40:48-1.2).

40 (cf: P.L.2009, c.133, s.2)

41

42 ¹[75.] ²[76.1] 82.² Section 2 of P.L.1981, c.512 (C.39:4-50.4a)
43 is amended to read as follows:

44 2. a. The municipal court shall order any person who, after
45 being arrested for a violation of R.S.39:4-50 or section 1 of
46 P.L.1992, c.189 (C.39:4-50.14), refuses to submit, upon request, to
47 a test provided for in section 2 of P.L.1966, c.142 (C.39:4-50.2):

1 (1) if the refusal was in connection with a first offense under this
2 section, to forfeit the right to operate a motor vehicle over the
3 highways of this State until the person installs an ignition interlock
4 device in one motor vehicle owned, leased, or principally operated
5 by the person, whichever the person most often operates, for the
6 purpose of complying with the provisions of P.L.1999, c.417
7 (C.39:4-50.16 et al.);

8 (2) if the refusal was in connection with a second offense under
9 this section, to forfeit the right to operate a motor vehicle over the
10 highways of this State for a period of not less than one year or more
11 than two years following the installation of an ignition interlock
12 device in one motor vehicle owned, leased, or principally operated
13 by the person, whichever the person most often operates, for the
14 purpose of complying with the provisions of P.L.1999, c.417
15 (C.39:4-50.16 et al.);

16 (3) if the refusal was in connection with a third or subsequent
17 offense under this section, to forfeit the right to operate a motor
18 vehicle over the highways of this State for a period of eight years
19 following the installation of an ignition interlock device in one
20 motor vehicle owned, leased, or principally operated by the person,
21 whichever the person most often operates, for the purpose of
22 complying with the provisions of P.L.1999, c.417 (C.39:4-50.16 et
23 al.). A conviction or administrative determination of a violation of
24 a law of a substantially similar nature in another jurisdiction,
25 regardless of whether that jurisdiction is a signatory to the Interstate
26 Driver License Compact pursuant to P.L.1966, c.73 (C.39:5D-1 et
27 seq.), shall constitute a prior conviction under this section.

28 The municipal court shall determine by a preponderance of the
29 evidence whether the arresting officer had probable cause to believe
30 that the person had been driving or was in actual physical control of
31 a motor vehicle on the public highways or quasi-public areas of this
32 State while the person was under the influence of intoxicating
33 liquor or a narcotic, hallucinogenic, or habit-producing drug, or
34 marijuana or cannabis item as defined in section 3 of P.L._____,
35 c. (C._____) (pending before the Legislature as this bill); whether
36 the person was placed under arrest, if appropriate, and whether he
37 refused to submit to the test upon request of the officer; and if these
38 elements of the violation are not established, no conviction shall
39 issue. In addition to any other requirements provided by law, a
40 person whose operator's license is revoked for refusing to submit to
41 a test shall be referred to an Intoxicated Driver Resource Center
42 established by subsection (f) of R.S.39:4-50 and shall satisfy the
43 same requirements of the center for refusal to submit to a test as
44 provided for in section 2 of P.L.1966, c.142 (C.39:4-50.2) in
45 connection with a first, second, third or subsequent offense under
46 this section that must be satisfied by a person convicted of a
47 commensurate violation of this section, or be subject to the same
48 penalties as such a person for failure to do so. For a first offense,

1 the revocation may be concurrent with or consecutive to any
2 revocation imposed for a conviction under the provisions of
3 R.S.39:4-50 arising out of the same incident. For a second or
4 subsequent offense, the revocation shall be consecutive to any
5 revocation imposed for a conviction under the provisions of
6 R.S.39:4-50. In addition to issuing a revocation, the municipal
7 court shall fine a person convicted under this section, a fine of not
8 less than \$300 or more than \$500 for a first offense; a fine of not
9 less than \$500 or more than \$1,000 for a second offense; and a fine
10 of \$1,000 for a third or subsequent offense.

11 b. (Deleted by amendment, P.L.2019, c.248)
12 (cf: P.L.2019, c.248, s.3)

13
14 ¹[76.] ²[77.] ¹83.² Section 1 of P.L.1983, c.307 (C.39:4-51a) is
15 amended to read as follows:

16 1. a. A person shall not consume an alcoholic beverage or
17 cannabis item as defined in section 3 of P.L. , c. (C.)
18 (pending before the Legislature as this bill) while operating a motor
19 vehicle. A passenger in a motor vehicle shall not consume an
20 alcoholic beverage, and shall not consume by means of smoking,
21 vaping, or aerosolizing a cannabis item, while the motor vehicle is
22 being operated. This subsection shall not apply, with respect to the
23 consumption of an alcoholic beverage, to a passenger of a charter or
24 special bus operated as defined under R.S.48:4-1 or a limousine
25 service.

26 b. A person shall be presumed to have consumed an alcoholic
27 beverage in violation of this section if an unsealed container of an
28 alcoholic beverage is located in the passenger compartment of the
29 motor vehicle, the contents of the alcoholic beverage have been
30 partially consumed and the physical appearance or conduct of the
31 operator of the motor vehicle or a passenger may be associated with
32 the consumption of an alcoholic beverage. For the purposes of this
33 section, the term "unsealed" shall mean a container with its original
34 seal broken, or a container such as a glass or cup.

35 c. For the first offense, a person convicted of violating this
36 section shall be fined ~~[\$200.00]~~ \$200 and shall be informed by the
37 court of the penalties for a second or subsequent violation of this
38 section. For a second or subsequent offense, a person convicted of
39 violating this section shall be fined ~~[\$250.00]~~ \$250 or shall be
40 ordered by the court to perform community service for a period of
41 10 days in such form and on such terms as the court shall deem
42 appropriate under the circumstances.

43 (cf: P.L.1999, c.356, s.20)

44
45 ¹[77.] ²[78.] ¹84.² Section 6 of P.L.2000, c.83 (C.39:4-51b) is
46 amended to read as follows:

47 6. a. All occupants of a motor vehicle located on a public
48 highway, or the right-of-way of a public highway, shall be

1 prohibited from possessing any open or unsealed alcoholic beverage
2 container or unsealed cannabis item as defined in section 3 of
3 P.L. , c. (C.) (pending before the Legislature as this bill)
4 that is intended to be consumed by means of smoking, vaping, or
5 aerosolizing. This subsection shall not apply, with respect to the
6 possession of an alcoholic beverage, to a passenger of a charter or
7 special bus operated as defined under R.S.48:4-1 or a limousine
8 service.

9 b. A person shall not be deemed to be in possession of an
10 opened or unsealed alcoholic beverage container or unsealed
11 cannabis item pursuant to this section if such container or unsealed
12 cannabis item is located in the trunk of a motor vehicle, behind the
13 last upright seat in a trunkless vehicle, or in the living quarters of a
14 motor home or house trailer. For the purposes of this section, the
15 term "open or unsealed" shall mean **[a]** an alcoholic beverage
16 container with its original seal broken, or a container or package
17 that is not the original container or package such as a glass **[or]** ,
18 cup, box, bag, or wrapping.

19 c. For a first offense, a person convicted of violating this
20 section shall be fined \$200 and shall be informed by the court of the
21 penalties for a second or subsequent violation of this section. For a
22 second or subsequent offense, a person convicted of violating this
23 section shall be fined \$250 or shall be ordered by the court to
24 perform community service for a period of 10 days in such form
25 and on such terms as the court shall deem appropriate under the
26 circumstances.

27 (cf: P.L.2000, c.83, s.6)

28
29 ²**[¹79.] 85.²** Section 6 of P.L.1961, c.56 (C.52:17B-71) is
30 amended to read as follows:

31 6. The commission is vested with the power, responsibility and
32 duty:

33 a. To prescribe standards for the approval and continuation of
34 approval of schools at which police training courses authorized by
35 this act and in-service police training courses shall be conducted,
36 including but not limited to currently existing regional, county,
37 municipal, and police chief association police training schools or at
38 which basic training courses and in-service training courses shall be
39 conducted for State and county juvenile and adult correctional
40 police officers and juvenile detention officers;

41 b. To approve and issue certificates of approval to these
42 schools, to inspect the schools from time to time, and to revoke any
43 approval or certificate issued to the schools;

44 c. To prescribe the curriculum, the minimum courses of study,
45 attendance requirements, equipment and facilities, and standards of
46 operation for these schools. Courses of study in crime prevention
47 may be recommended to the Police Training Commission by the
48 Crime Prevention Advisory Committee, established by section 2 of

1 P.L.1985, c.1 (C.52:17B-77.1). The Police Training Commission
2 may prescribe psychological and psychiatric examinations for
3 police recruits while in the schools;

4 d. To prescribe minimum qualifications for instructors at these
5 schools and to certify, as qualified, instructors for approved police
6 training schools and to issue appropriate certificates to the
7 instructors;

8 e. To certify police officers, correctional police officers,
9 juvenile correctional police officers, and juvenile detention officers
10 who have satisfactorily completed training programs and to issue
11 appropriate certificates to the police officers, correctional police
12 officers, juvenile correctional police officers, and juvenile detention
13 officers;

14 f. To advise and consent in the appointment of an
15 administrator of police services by the Attorney General pursuant to
16 section 8 of P.L.1961, c.56 (C.52:17B-73);

17 g. (Deleted by amendment, P.L.1985, c.491 **[.]**)

18 h. To make rules and regulations as may be reasonably
19 necessary or appropriate to accomplish the purposes and objectives
20 of this act;

21 i. To make a continuous study of police training methods and
22 training methods for correctional police officers, juvenile
23 correctional police officers, and juvenile detention officers and to
24 consult and accept the cooperation of any recognized federal or
25 State law enforcement agency or educational institution;

26 j. To consult and cooperate with universities, colleges, and
27 institutes in the State for the development of specialized courses of
28 study for police officers in police science and police administration;

29 k. To consult and cooperate with other departments and
30 agencies of the State concerned with police training or the training
31 of correctional police officers, juvenile correctional police officers,
32 and juvenile detention officers;

33 l. To participate in unified programs and projects relating to
34 police training and the training of correctional police officers,
35 juvenile correctional police officers, and juvenile detention officers
36 sponsored by any federal, State, or other public or private agency;

37 m. To perform other acts as may be necessary or appropriate to
38 carry out its functions and duties as set forth in this act;

39 n. To extend the time limit for satisfactory completion of police
40 training programs or programs for the training of correctional police
41 officers, juvenile correctional police officers, and juvenile detention
42 officers upon a finding that health, extraordinary workload, or other
43 factors have, singly or in combination, effected a delay in the
44 satisfactory completion of the training program;

45 o. (1) To furnish approved schools, for inclusion in their
46 regular police training courses and curriculum, with information
47 concerning the advisability of high speed chases, the risk caused by
48 them, and the benefits resulting from them;

1 (2) To review and approve new standards and course curricula
2 for police training courses or programs to be offered by approved
3 schools for the training of police officers to be certified as a Drug
4 Recognition Expert for detecting, identifying, and apprehending
5 drug-impaired motor vehicle operators. The commission shall
6 consult with the Cannabis Regulatory Commission established by
7 31 of P.L.2019, c.153 (C.24:6I-24) with respect to any aspects of
8 the course curricula that focus on impairment from the use of
9 cannabis items as defined by section 3 of P.L. , c. (C.)
10 (pending before the Legislature as this bill) or marijuana. Any
11 police officer certified and recognized by the commission as a Drug
12 Recognition Expert prior to the effective date of this section, as
13 amended by the “New Jersey Cannabis Regulatory, Enforcement
14 Assistance, and Marketplace Modernization Act,” P.L. ,
15 c. (C.) (pending before the Legislature as this bill), shall
16 continue to be recognized as certified until that certification has
17 expired or is no longer considered valid as determined by the
18 commission, or the certification is replaced by the police officer
19 with a new certification in accordance with the new standards and
20 course curricula for certification described in this paragraph.

21 p. To review and approve new standards and course curricula
22 developed by the Department of Corrections for both basic and in-
23 service training of State and county correctional police officers and
24 juvenile detention officers. These courses for the State correctional
25 police officers and juvenile detention officers shall be centrally
26 provided at the Corrections Officers' Training Academy of the
27 Department of Corrections. Courses for the county correctional
28 police officers and juvenile detention officers shall also be centrally
29 provided at the Corrections Officers' Training Academy unless an
30 off-grounds training program is established by the county. A
31 county may elect to establish and conduct a basic training program
32 for correctional police officers and juvenile detention officers
33 seeking permanent appointment in that county. The Corrections
34 Officers' Training Academy shall develop the curriculum of the
35 basic training program to be conducted by a county;

36 q. To administer and distribute the monies in the Law
37 Enforcement Officers Training and Equipment Fund established by
38 section 9 of P.L.1996, c.115 (C.2C:43-3.3) and make rules and
39 regulations for the administration and distribution of the monies as
40 may be necessary or appropriate to accomplish the purpose for
41 which the fund was established.¹

42 (cf: P.L.2019, c.219, s.9)

43

44 ²86. (New section) Severability.

45 If any part, section, clause, paragraph, sentence, or provision,
46 section of P.L. , c. (C.) (pending before the Legislature as
47 this bill) shall be adjudged by any court of competent jurisdiction to
48 be unconstitutional or otherwise invalid, that judgment shall not

1 affect, impair, or invalidate the remainder thereof, but shall be
2 confined in its operation to the section, clause, paragraph, sentence,
3 or provision thereof directly involved in the controversy in which
4 the judgment shall have been rendered.²

5

6 ¹[78.]²[80.]¹ 87.² This act shall take effect as follows:

7 a. (1) Sections 1 through 18, 31 and 32, 38 through ¹[43]
8 ²[45]¹ 46², ¹[51] ²[52]¹ 53² through ¹[56] ²[57]¹ 63², ¹[and
9 69] ²[70]¹ 76² through ¹[74] ²[75] 81², and ²[section 79]
10 sections 85 and 86² shall take effect immediately; and

11 (2) Sections 19 through 30, 33 through 37, ¹[44] ²[46]¹ 47²
12 through ¹[50] ²[51]¹ 52², ¹[57] ²[58]¹ 64² through ¹[68] ²[69]¹
13 75², and ¹[75] ²[76]¹ 82² through ¹[77] ²[78]¹ 84² shall take
14 effect immediately, but shall only become operative upon adoption
15 of the commission's initial rules and regulations pursuant to
16 subparagraph (a) of paragraph (1) of subsection d. of section 6 of
17 P.L. , c. (C.) (pending before the Legislature as this bill).

18 b. The Attorney General, State Treasurer, Commissioner of
19 Health, Commissioner of Banking and Insurance, and the
20 Administrative Director of the Courts, and once constituted and
21 organized, the Cannabis Regulatory Commission, may take such
22 anticipatory administrative action as may be necessary to effectuate
23 the provisions of P.L. , c. (C.) (pending before the
24 Legislature as this bill).