

**ASSEMBLY, No. 21**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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INTRODUCED NOVEMBER 5, 2020

**Sponsored by:**

**Assemblywoman ANNETTE QUIJANO**

**District 20 (Union)**

**Assemblyman JAMEL C. HOLLEY**

**District 20 (Union)**

**Assemblywoman BRITNEE N. TIMBERLAKE**

**District 34 (Essex and Passaic)**

**Assemblywoman ANGELA V. MCKNIGHT**

**District 31 (Hudson)**

**Assemblyman JOE DANIELSEN**

**District 17 (Middlesex and Somerset)**

**Assemblyman BENJIE E. WIMBERLY**

**District 35 (Bergen and Passaic)**

**Co-Sponsored by:**

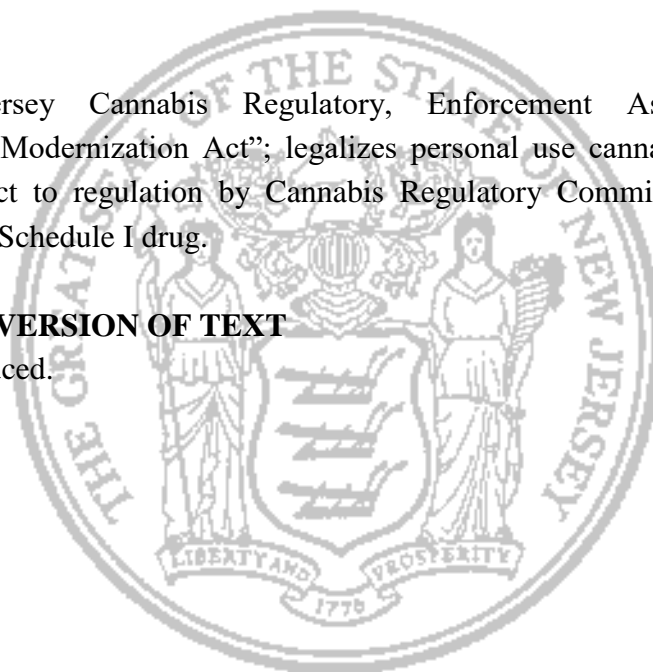
**Assemblywoman Jasey**

**SYNOPSIS**

“New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act”; legalizes personal use cannabis for certain adults, subject to regulation by Cannabis Regulatory Commission; removes marijuana as Schedule I drug.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 11/16/2020)**

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 marijuana product, to be referred to as cannabis, in a similar fashion  
15 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 manufacture, distribution, and use of illegal marijuana  
21 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 like alcohol  
30 will free up precious resources to allow our criminal justice system  
31 to focus on serious crime and public safety issues;

32 h. Controlling and legalizing cannabis for adults like alcohol  
33 will strike a blow at the illegal enterprises that profit from New  
34 Jersey’s current, unregulated illegal marijuana market;

35 i. New Jersey must strengthen our support for evidence-based,  
36 drug prevention programs that work to educate New Jerseyans,  
37 particularly young New Jerseyans, about the harms of drug abuse;

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

41 k. Controlling and regulating the manufacture, distribution, and  
42 sale of cannabis will strengthen our ability to keep it and illegal  
43 marijuana away from minors;

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

Matter underlined thus is new matter.

1       l. A controlled system of cannabis manufacturing, distribution,  
2 and sale must be designed in a way that enhances public health and  
3 minimizes harms to New Jersey communities and families;

4       m. The regulated cannabis system in New Jersey must be  
5 regulated so as to prevent persons younger than 21 years of age  
6 from accessing or purchasing cannabis;

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

11       o. New Jersey cannot afford to sacrifice public safety and civil  
12 rights by continuing its ineffective and wasteful past marijuana  
13 enforcement policies.

14  
15       3. (New section) Definitions.

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

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

28       "Cannabis" means all parts of the plant *Cannabis sativa* L.,  
29 whether growing or not, the seeds thereof, and every compound,  
30 manufacture, salt, derivative, mixture, or preparation of the plant or  
31 its seeds, except those containing resin extracted from the plant,  
32 which are cultivated and, when applicable, processed in accordance  
33 with P.L. , c. (C. ) (pending before the Legislature as this  
34 bill) for use in cannabis items as set forth in this act, but shall not  
35 include the weight of any other ingredient combined with cannabis  
36 to prepare topical or oral administrations, food, drink, or other  
37 product. "Cannabis" does not include: medical cannabis dispensed  
38 to registered qualifying patients pursuant to the "Jake Honig  
39 Compassionate Use Medical Cannabis Act," P.L.2009, c.307  
40 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);  
41 marijuana as defined in N.J.S.2C:35-2 and applied to any offense or  
42 civil violation set forth in chapters 35, 35A, and 36 of Title 2C of  
43 the New Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.),  
44 or marihuana as defined in section 2 of P.L.1970, c.226 (C.24:21-2)  
45 and applied to any offense set forth in the "New Jersey Controlled  
46 Dangerous Substances Act," P.L.1970, c.226 (C.24:21-1 et al.); or  
47 hemp or a hemp product cultivated, handled, processed, transported, or

1 sold pursuant to the “New Jersey Hemp Farming Act,” P.L.2019,  
2 c.238 (C.4:28-6 et al.).

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

16 “Cannabis delivery service” means any licensed person or entity  
17 that provides courier services for a cannabis retailer in order to  
18 make deliveries of cannabis items and related supplies to a  
19 consumer. This person or entity shall hold a Class 6 Cannabis  
20 Delivery license.

21 “Cannabis distributor” means any licensed person or entity that  
22 transports cannabis items in bulk intrastate, from one licensed  
23 cannabis establishment to another licensed cannabis establishment,  
24 and may engage in the temporary storage of cannabis items as  
25 necessary to carry out transportation activities. This person or  
26 entity shall hold a Class 4 Cannabis Distributor license.

27 “Cannabis establishment” means a cannabis grower, also referred  
28 to as a cannabis cultivation facility, a cannabis processor, also  
29 referred to as a cannabis product manufacturing facility, a cannabis  
30 wholesaler, or a cannabis retailer.

31 “Cannabis extract” means a substance obtained by separating  
32 resins from cannabis by: (1) a chemical extraction process using a  
33 hydrocarbon-based solvent, such as butane, hexane, or propane; (2)  
34 a chemical extraction process using the hydrocarbon-based solvent  
35 carbon dioxide, if the process uses high heat or pressure; or (3) any  
36 other process identified by the Cannabis Regulatory Commission by  
37 rule.

38 “Cannabis flower” means the flower of the plant *Cannabis sativa*  
39 L. within the plant family Cannabaceae.

40 “Cannabis grower” means any licensed person or entity that  
41 grows, cultivates, or produces cannabis in this State, and sells, and  
42 may transport, this cannabis to other cannabis growers, cannabis  
43 processors, cannabis wholesalers, or cannabis retailers, but not to  
44 consumers. This person or entity shall hold a Class 1 Cannabis  
45 Grower license. A cannabis grower may also be referred to as a  
46 “cannabis cultivation facility.”

47 “Cannabis item” means any cannabis, cannabis resin, cannabis  
48 product, and cannabis extract. “Cannabis item” does not include:

1 any form of medical cannabis dispensed to registered qualifying  
2 patients pursuant to the “Jake Honig Compassionate Use Medical  
3 Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015,  
4 c.158 (C.18A:40-12.22 et al.); or hemp or a hemp product cultivated,  
5 handled, processed, transported, or sold pursuant to the “New Jersey  
6 Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.).

7 “Cannabis leaf” means the leaf of the plant *Cannabis sativa* L.  
8 within the plant family Cannabaceae.

9 “Cannabis paraphernalia” means any equipment, products, or  
10 materials of any kind which are used, intended for use, or designed  
11 for use in planting, propagating, cultivating, growing, harvesting,  
12 composting, manufacturing, compounding, converting, producing,  
13 processing, preparing, testing, analyzing, packaging, repackaging,  
14 storing, vaporizing, or containing cannabis, or for ingesting,  
15 inhaling, or otherwise introducing a cannabis item into the human  
16 body. “Cannabis paraphernalia” does not include drug  
17 paraphernalia as defined in N.J.S.2C:36-1 and which is used or  
18 intended for use to commit a violation of chapter 35 of Title 2C of  
19 the New Jersey Statutes.

20 “Cannabis processor” means any licensed person or entity that  
21 processes cannabis items in this State by purchasing or otherwise  
22 obtaining cannabis, manufacturing, preparing, and packaging  
23 cannabis items, and selling, and optionally transporting, these items  
24 to other cannabis processors, cannabis wholesalers, or cannabis  
25 retailers, but not to consumers. This person or entity shall hold a  
26 Class 2 Cannabis Processor license. A cannabis processor may also  
27 be referred to as a “cannabis product manufacturing facility.”

28 “Cannabis product” means a product containing cannabis or  
29 cannabis extracts and other ingredients intended for human  
30 consumption or use, including a product intended to be applied to the  
31 skin or hair, edible products, ointments, and tinctures. Cannabis  
32 products do not include: (1) cannabis by itself; or (2) cannabis extract  
33 by itself.

34 “Cannabis resin” means the resin extracted from any part of the  
35 plant *Cannabis sativa* L. and any compound, manufacture, salt,  
36 derivative, mixture, or preparation of such resin, processed and used in  
37 accordance with P.L. , c. (C. ) (pending before the Legislature  
38 as this bill). “Cannabis resin” does not include: any form of medical  
39 cannabis dispensed to registered qualifying patients pursuant to the  
40 “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009,  
41 c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);  
42 hashish as defined in N.J.S.2C:35-2 and applied to any offense or civil  
43 violation set forth in chapters 35, 35A, and 36 of Title 2C of the New  
44 Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or as defined  
45 in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense  
46 of the “New Jersey Controlled Dangerous Substances Act,” P.L.1970,  
47 c.226 (C.24:21-1 et al.); or hemp or a hemp product cultivated,

1 handled, processed, transported, or sold pursuant to the “New Jersey  
2 Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.).

3 “Cannabis retailer” means any licensed person or entity that  
4 purchases or otherwise obtains cannabis from cannabis growers and  
5 cannabis items from cannabis processors or cannabis wholesalers,  
6 and sells these to consumers from a retail store, and may use a  
7 cannabis delivery service or a certified cannabis handler for the off-  
8 premises delivery of cannabis items and related supplies to  
9 consumers. This person or entity shall hold a Class 5 Cannabis  
10 Retailer license.

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

16 “Cannabis wholesaler” means any licensed person or entity that  
17 purchases or otherwise obtains, stores, sells or otherwise transfers, and  
18 may transport, cannabis items for the purpose of resale or other  
19 transfer to either to another cannabis wholesaler or to a cannabis  
20 retailer, but not to consumers. This person or entity shall hold a Class  
21 3 Cannabis Wholesaler license.

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

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

36 “Consumer” means a person 21 years of age or older who  
37 purchases, acquires, owns, holds, or uses cannabis items for personal  
38 use by a person 21 years of age or older, but not for resale to others.

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

41 “Delivery” means the transportation of cannabis items and  
42 related supplies to a consumer. “Delivery” also includes the use by  
43 a licensed cannabis retailer of any third party technology platform  
44 to receive, process, and fulfill orders by consumers, provided that  
45 any physical acts in connection with filling the order and delivery  
46 shall be accomplished by a certified cannabis handler performing  
47 work for or on behalf of the licensed cannabis retailer.

48 “Department” means the Department of Health.

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

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

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

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

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

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

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

32 “License” means a license issued under P.L. , c. (C. )  
33 (pending before the Legislature as this bill), including a license that is  
34 designated as either a Class 1 Cannabis Grower license, a Class 2  
35 Cannabis Processor license, a Class 3 Cannabis Wholesaler license, a  
36 Class 4 Cannabis Distributor license, a Class 5 Cannabis Retailer  
37 license, or a Class 6 Cannabis Delivery license. The term includes a  
38 conditional license for a designated class, except when the context  
39 of the provisions of P.L. , c. (C. ) (pending before the  
40 Legislature as this bill) otherwise intend to only apply to a license  
41 and not a conditional license.

42 “Licensee” means a person or entity that holds a license issued  
43 under P.L. , c. (C. ) (pending before the Legislature as this  
44 bill), including a license that is designated as either a Class 1  
45 Cannabis Grower license, a Class 2 Cannabis Processor license, a  
46 Class 3 Cannabis Wholesaler license, a Class 4 Cannabis  
47 Distributor license, a Class 5 Cannabis Retailer license, or a Class 6  
48 Cannabis Delivery license, and includes a person or entity that holds

1 a conditional license for a designated class, except when the context  
2 of the provisions of P.L. , c. (C. ) (pending before the  
3 Legislature as this bill) otherwise intend to only apply to a person  
4 or entity that holds a license and not a conditional license.

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

8 “Mature cannabis plant” means a cannabis plant that is not an  
9 immature cannabis plant.

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

17 “Microbusiness” means a person or entity licensed by the  
18 Cannabis Regulatory Commission as a cannabis grower, cannabis  
19 processor, cannabis wholesaler, cannabis distributor, cannabis  
20 retailer, or cannabis delivery service that may only, with respect to  
21 its business operations, and capacity and quantity of product: (1)  
22 employ no more than 10 employees; (2) operate a cannabis  
23 establishment occupying an area of no more than 2,500 square feet,  
24 and in the case of a cannabis grower, grow cannabis on an area no  
25 more than 2,500 square feet measured on a horizontal plane and  
26 grow above that plane not higher than 24 feet; (3) possess no more  
27 than 1,000 cannabis plants each month, except that a cannabis  
28 distributor’s possession of cannabis plants for transportation shall  
29 not be subject to this limit; (4) acquire and process each month, in  
30 the case of a cannabis processor, no more than 1,000 pounds of  
31 cannabis in dried form; (5) acquire for resale each month, in the  
32 case of a cannabis wholesaler, no more than 1,000 pounds of  
33 cannabis in dried form, or the equivalent amount in any other form,  
34 or any combination thereof; and (6) acquire for retail sale each  
35 month, in the case of a cannabis retailer, no more than 1,000 pounds  
36 of cannabis in dried form, or the equivalent amount in any other  
37 form, or any combination thereof.

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

40 “Premises” or “licensed premises” includes the following areas  
41 of a location licensed under P.L. , c. (C. ) (pending before  
42 the Legislature as this bill): all public and private enclosed areas at  
43 the location that are used in the business operated at the location,  
44 including offices, kitchens, rest rooms, and storerooms; all areas  
45 outside a building that the Cannabis Regulatory Commission has  
46 specifically licensed for the production, processing, wholesaling,  
47 distributing, retail sale, or delivery of cannabis items; and, for a  
48 location that the commission has specifically licensed for the



1 production of cannabis outside a building, the entire lot or parcel  
2 that the licensee owns, leases, or has a right to occupy.

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

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

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

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

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

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

43 “THC” means delta-9-tetrahydrocannabinol, the main  
44 psychoactive chemical contained in the cannabis plant.

45

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

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

3        "Academic medical center" means

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

20        (2) an accredited school of medicine or osteopathic medicine that  
21 is located in a state that shares a common border with this State; has  
22 an articulation agreement or similar memorandum of understanding  
23 with any State college or university with a college of nursing or  
24 nursing degree program accredited by the Commission on  
25 Collegiate Nursing Education; and has an institutional review board  
26 that has, on the effective date of P.L. , c. (C. ) (pending  
27 before the Legislature as this bill), previously approved a clinical  
28 research study involving medical cannabis; and has the ability and  
29 will conduct all research and development in this State.

30        "Adverse employment action" means refusing to hire or employ  
31 an individual, barring or discharging an individual from  
32 employment, requiring an individual to retire from employment, or  
33 discriminating against an individual in compensation or in any  
34 terms, conditions, or privileges of employment.

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

38        "Clinical registrant" means an entity that has a written  
39 contractual relationship with an academic medical center in the  
40 region in which it has its principal place of business, which includes  
41 provisions whereby the parties will engage in clinical research  
42 related to the use of medical cannabis and the academic medical  
43 center or its affiliate will provide advice to the entity regarding  
44 patient health and safety, medical applications, and dispensing and  
45 managing controlled dangerous substances, among other areas.

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

48        "Commissioner" means the Commissioner of Health.

1 "Common ownership or control" means:

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

4 (2) between a nonprofit entity and a for-profit entity, a majority  
5 of the directors, trustees, or members of the governing body of the  
6 nonprofit entity directly or indirectly own and control more than 50  
7 percent of the for-profit entity; and

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

11 "Department" means the Department of Health.

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

13 (1) is at least 18 years old;

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

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

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

30 (5) has been designated as designated caregiver by the patient  
31 when registering or renewing a registration with the commission or  
32 in other written notification to the commission.

33 "Dispense" means the furnishing of medical cannabis to a  
34 registered qualifying patient, designated caregiver, or institutional  
35 caregiver by a medical cannabis dispensary or clinical registrant  
36 pursuant to written instructions issued by a health care practitioner  
37 pursuant to the requirements of P.L.2009, c.307 (C.24:6I-1 et al.).  
38 The term shall include the act of furnishing medical cannabis to a  
39 medical cannabis handler for delivery to a registered qualifying  
40 patient, designated caregiver, or institutional caregiver, consistent  
41 with the requirements of subsection i. of section 27 of P.L.2019,  
42 c.153 (C.24:6I-20).

43 "Health care facility" means a general acute care hospital,  
44 nursing home, long term care facility, hospice care facility, group  
45 home, facility that provides services to persons with developmental  
46 disabilities, behavioral health care facility, or rehabilitation center.

1 "Health care practitioner" means a physician, advanced practice  
2 nurse, or physician assistant licensed or certified pursuant to Title  
3 45 of the Revised Statutes who:

4 (1) possesses active registrations to prescribe controlled  
5 dangerous substances issued by the United States Drug  
6 Enforcement Administration and the Division of Consumer Affairs  
7 in the Department of Law and Public Safety;

8 (2) is the health care practitioner responsible for the ongoing  
9 treatment of a patient's qualifying medical condition, the symptoms  
10 of that condition, or the symptoms associated with the treatment of  
11 that condition, provided, however, that the ongoing treatment shall  
12 not be limited to the provision of authorization for a patient to use  
13 medical cannabis or consultation solely for that purpose; and

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

15 "Immediate family" means the spouse, domestic partner, civil  
16 union partner, child, sibling, or parent of an individual, and shall  
17 include the siblings, parents, and children of the individual's spouse,  
18 domestic partner, or civil union partner, and the parents, spouses,  
19 domestic partners, or civil union partners of the individual's parents,  
20 siblings, and children.

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

22 (1) is at least 18 years old;

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

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

28 (4) is authorized by the health care facility employing the person  
29 to assist registered qualifying patients who are patients or residents  
30 of the facility with the medical use of cannabis, including, but not  
31 limited to, obtaining medical cannabis for registered qualifying  
32 patients and assisting registered qualifying patients with the  
33 administration of medical cannabis;

34 (5) 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 and

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

44 "Integrated curriculum" means an academic, clinical, or research  
45 program at an institution of higher education that is coordinated  
46 with a medical cannabis cultivator, medical cannabis manufacturer,  
47 or medical cannabis dispensary to apply theoretical principles,  
48 practical experience, or both involving the cultivation,

1 manufacturing, dispensing, delivery, or medical use of cannabis to a  
2 specific area of study, including, but not limited to, agriculture,  
3 biology, business, chemistry, culinary studies, ecology,  
4 environmental studies, health care, horticulture, technology, or any  
5 other appropriate area of study or combined areas of study.  
6 Integrated curricula shall be subject to approval by the commission  
7 and the Office of the Secretary of Higher Education.

8 "Integrated curriculum permit" or "IC permit" means a permit  
9 issued to a medical cannabis cultivator, medical cannabis  
10 manufacturer, or medical cannabis dispensary that includes an  
11 integrated curriculum approved by the commission and the Office  
12 of the Secretary of Higher Education.

13 "Medical cannabis alternative treatment center" or "alternative  
14 treatment center" means an organization issued a permit, including  
15 a conditional permit, by the commission to operate as a medical  
16 cannabis cultivator, medical cannabis manufacturer, medical  
17 cannabis dispensary, or clinical registrant. This term shall include  
18 the organization's officers, directors, board members, and  
19 employees.

20 "Medical cannabis cultivator" means an organization holding a  
21 permit issued by the commission that authorizes the organization to:  
22 possess and cultivate cannabis and deliver, transfer, transport,  
23 distribute, supply, and sell medical cannabis and related supplies to  
24 other medical cannabis cultivators and to medical cannabis  
25 manufacturers, clinical registrants, and medical cannabis  
26 dispensaries, as well as to plant, cultivate, grow, and harvest  
27 medical cannabis for research purposes. A medical cannabis  
28 cultivator permit shall not authorize the permit holder to  
29 manufacture, produce, or otherwise create medical cannabis  
30 products, or to deliver, transfer, transport, distribute, supply, sell, or  
31 dispense medical cannabis, medical cannabis products,  
32 paraphernalia, or related supplies to qualifying patients, designated  
33 caregivers, or institutional caregivers.

34 "Medical cannabis dispensary" means an organization issued a  
35 permit by the commission that authorizes the organization to:  
36 purchase or obtain medical cannabis and related supplies from  
37 medical cannabis cultivators; purchase or obtain medical cannabis  
38 products and related supplies from medical cannabis manufacturers;  
39 purchase or obtain medical cannabis, medical cannabis products,  
40 and related supplies and paraphernalia from other medical cannabis  
41 dispensaries and from clinical registrants; deliver, transfer,  
42 transport, distribute, supply, and sell medical cannabis and medical  
43 cannabis products to other medical cannabis dispensaries; furnish  
44 medical cannabis, including medical cannabis products, to a  
45 medical cannabis handler for delivery to a registered qualifying  
46 patient, designated caregiver, or institutional caregiver consistent  
47 with the requirements of subsection i. of section 27 of P.L.2019,  
48 c.153 (C.24:6I-20); and possess, display, deliver, transfer, transport,

1 distribute, supply, sell, and dispense medical cannabis, medical  
2 cannabis products, paraphernalia, and related supplies to qualifying  
3 patients, designated caregivers, and institutional caregivers. A  
4 medical cannabis dispensary permit shall not authorize the permit  
5 holder to cultivate medical cannabis, to produce, manufacture, or  
6 otherwise create medical cannabis products.

7 "Medical cannabis manufacturer" means an organization issued a  
8 permit by the commission that authorizes the organization to:  
9 purchase or obtain medical cannabis and related supplies from a  
10 medical cannabis cultivator or a clinical registrant; purchase or  
11 obtain medical cannabis products from another medical cannabis  
12 manufacturer or a clinical registrant; produce, manufacture, or  
13 otherwise create medical cannabis products; and possess, deliver,  
14 transfer, transport, distribute, supply, and sell medical cannabis  
15 products and related supplies to other medical cannabis  
16 manufacturers and to medical cannabis dispensaries and clinical  
17 registrants. A medical cannabis manufacturer permit shall not  
18 authorize the permit holder to cultivate medical cannabis or to  
19 deliver, transfer, transport, distribute, supply, sell, or dispense  
20 medical cannabis, medical cannabis products, paraphernalia, or  
21 related supplies to registered qualifying patients, designated  
22 caregivers, or institutional caregivers.

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

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

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

31 "Pediatric specialist" means a physician who is a board-certified  
32 pediatrician or pediatric specialist, or an advanced practice nurse or  
33 physician assistant who is certified as a pediatric specialist by an  
34 appropriate professional certification or licensing entity.

35 "Primary care" means the practice of family medicine, general  
36 internal medicine, general pediatrics, general obstetrics, or  
37 gynecology.

38 "Qualifying medical condition" means seizure disorder,  
39 including epilepsy; intractable skeletal muscular spasticity; post-  
40 traumatic stress disorder; glaucoma; positive status for human  
41 immunodeficiency virus; acquired immune deficiency syndrome;  
42 cancer; amyotrophic lateral sclerosis; multiple sclerosis; muscular  
43 dystrophy; inflammatory bowel disease, including Crohn's disease;  
44 terminal illness, if the patient has a prognosis of less than 12  
45 months of life; anxiety; migraine; Tourette's syndrome;  
46 dysmenorrhea; chronic pain; opioid use disorder; or any other  
47 medical condition or its treatment that is approved by the  
48 commission.

1 "Qualifying patient" or "patient" means a resident of the State  
2 who has been authorized for the medical use of cannabis by a health  
3 care practitioner.

4 "Registration with the commission" means a person has met the  
5 qualification requirements for, and has been registered by the  
6 commission as, a registered qualifying patient, designated  
7 caregiver, or institutional caregiver. The commission shall establish  
8 appropriate means for health care practitioners, health care  
9 facilities, medical cannabis dispensaries, law enforcement, schools,  
10 facilities providing behavioral health services or services for  
11 persons with developmental disabilities, and other appropriate  
12 entities to verify an individual's status as a registrant with the  
13 commission.

14 "Significantly involved person" means a person or entity who  
15 holds at least a five percent investment interest in an entity issued,  
16 or applying for a permit to operate as, a medical cannabis cultivator,  
17 medical cannabis manufacturer, medical cannabis dispensary, or  
18 clinical registrant, or who is a decision making member of a group  
19 that holds at least a 20 percent investment interest in an entity  
20 issued, or applying for a permit to operate as, a medical cannabis  
21 cultivator, medical cannabis manufacturer, medical cannabis  
22 dispensary, or clinical registrant, in which no member of that group  
23 holds more than a five percent interest in the total group investment  
24 interest, and the person or entity makes controlling decisions  
25 regarding the operations of the entity issued, or applying for a  
26 permit to operate as, a medical cannabis cultivator, medical  
27 cannabis manufacturer, medical cannabis dispensary, or clinical  
28 registrant.

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

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

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

35  
36 5. Section 31 of P.L.2019, c.153 (C.24:6I-24) is amended to  
37 read as follows:

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

40 (1) assume all powers, duties, and responsibilities with regard to  
41 the regulation and oversight of activities authorized pursuant to  
42 P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health for  
43 the further development, expansion, regulation, and enforcement of  
44 activities associated with the medical use of cannabis pursuant to  
45 P.L.2009, c.307 (C.24:6I-1 et al.). All powers, duties, and  
46 responsibilities with regard to the regulation and oversight of activities  
47 authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) shall be  
48 transferred from the Department of Health to the Cannabis Regulatory

1 Commission at such time as the members of the commission are  
2 appointed as provided in subsection b. of this section and the  
3 commission first organizes. Thereafter, any reference to the  
4 Department of Health or the Commissioner of Health in any statute or  
5 regulation pertaining to the provisions of P.L.2009, c.307 (C.24:6I-1 et  
6 al.) shall be deemed to refer to the Cannabis Regulatory Commission.  
7 The provisions of this ~~subsection~~ paragraph shall be carried out in  
8 accordance with the "State Agency Transfer Act," P.L.1971, c.375  
9 (C.52:14D-1 et seq.); and

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

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

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

19 (a) One member shall be appointed upon recommendation of the  
20 Senate President;

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

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

25 (3) Initial appointments of commission members pursuant to  
26 paragraph (2) of this subsection shall not require the advice and  
27 consent of the Senate. Subsequent appointments made pursuant to  
28 subparagraph (c) of paragraph (2) of this subsection, including  
29 reappointments of members initially appointed, shall be made with the  
30 advice and consent of the Senate. Subsequent appointments made  
31 pursuant to subparagraphs (a) and (b) of paragraph (2) of this  
32 subsection shall be made in the same manner as the original  
33 appointment.

34 (4) All five members shall be residents of this State. At least one  
35 member shall be a State representative of a national organization or  
36 State branch of a national organization with a stated mission of  
37 studying, advocating, or adjudicating against minority historical  
38 oppression, past and present discrimination, unemployment, poverty  
39 and income inequality, and other forms of social injustice or  
40 inequality, and all five members shall possess education, training, or  
41 experience with legal, policy, or criminal justice issues, corporate or  
42 industry management, finance, securities, or production or distribution,  
43 medicine or pharmacology, or public health, mental health, or  
44 substance use disorders.

45 (5) The chair and the other members shall serve for terms of five  
46 years; provided that, for the two other members initially appointed by  
47 the Governor without any needed recommendation, one shall be  
48 appointed for a term of four years, and one shall be appointed for a



1 term of three years. The chair and the other members shall serve in  
2 their respective capacities throughout their entire term and until their  
3 successors shall have been duly appointed and qualified. Any vacancy  
4 in the commission occurring for any reason other than the expiration  
5 of a term, including a vacancy occurring during the term of the initial  
6 chair or another initial member, shall be filled in accordance with the  
7 requirements for subsequent appointments set forth in paragraph (3) of  
8 this subsection for the remainder of the unexpired term only.

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

15 (7) The members of the commission, at the commission's first  
16 meeting when called by the chair, shall elect, by a majority of the total  
17 authorized membership of the commission, one of the members who is  
18 appointed based upon the recommendation of the Senate President or  
19 Speaker of the General Assembly as set forth in paragraph (2) of this  
20 subsection to serve as vice-chair during that member's term. A new  
21 vice-chair shall be elected upon the expiration of the current vice-  
22 chair's term, even if that member remains on the commission until that  
23 member's successor is duly appointed and qualified. The vice-chair  
24 shall be empowered to carry out all of the responsibilities of the chair  
25 during the chair's absence, disqualification, or inability to serve.

26 (8) A majority of the total authorized membership of the  
27 commission shall be required to establish a quorum, and a majority of  
28 the total authorized membership of the commission shall be required to  
29 exercise its powers at any meeting thereof. However, only if all five  
30 commissioners have been duly appointed in accordance with the  
31 appointment process set forth in paragraph (2) of this subsection, and  
32 five appointed commissioners are present at a meeting, may a majority  
33 of the total authorized membership act to assume the powers, duties,  
34 and responsibilities with regard to the regulation and oversight of  
35 activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)  
36 from the Department of Health; and similarly, only if all five  
37 appointed commissioners are present at a meeting, may a majority of  
38 the total authorized membership act to adopt the commission's initial  
39 rules and regulations concerning personal use cannabis pursuant to  
40 subparagraph (a) of paragraph (1) of subsection d. of section 6 of  
41 P.L. , c. (C. ) (pending before the Legislature as this bill), by  
42 which the licensing of cannabis establishments, and the lawfully  
43 permitted licensing activities of those establishments, may begin.

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

46 (10) Any member of the commission may be removed from office  
47 by the Governor, for cause, upon notice and opportunity to be heard at

1 a public hearing. Any member of the commission shall automatically  
2 forfeit the member's office upon conviction for any crime.

3 c. (1) The commission **【may】** shall establish, and from time to  
4 time alter, a plan of organization, and employ personnel as it deems  
5 necessary under the direct supervision of a full-time executive director  
6 for the commission. The plan of organization shall include the Office  
7 of Minority, Disabled Veterans, and Women **【Medical】** Cannabis  
8 Business Development established by section 32 of P.L.2019, c.153  
9 (C.24:6I-25).

10 (a) The initial executive director shall be appointed by the  
11 Governor, and thereafter every subsequent executive director shall be  
12 appointed by the Governor with the advice and consent of the Senate.  
13 The executive director shall serve at the pleasure of the appointing  
14 Governor during the Governor's term of office and until a successor  
15 has been duly appointed and qualified. Any vacancy in the office  
16 occurring for any reason other than the expiration of a term, including  
17 a vacancy occurring during the term of the initial executive director,  
18 shall be filled for the unexpired term only in the same manner as the  
19 appointment of any subsequent executive director as set forth herein.  
20 The executive director shall receive an annual salary to be fixed and  
21 established by the Governor, which shall not exceed \$141,000.

22 (b) (i) All employees of the commission under the direct  
23 supervision of the executive director, except for secretarial and clerical  
24 personnel, shall be in the State's unclassified service. All employees  
25 shall be deemed confidential employees for the purposes of the "New  
26 Jersey Employer-Employee Relations Act," P.L.1941, c.100  
27 (C.34:13A-1 et seq.).

28 (ii) If, as a result of transferring powers, duties, and responsibilities  
29 with regard to the regulation and oversight of activities authorized  
30 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of  
31 Health to the commission pursuant to subsection a. of this section, the  
32 commission needs to employ an individual to fill a position,  
33 employees of the department who performed the duties of the position  
34 to be filled shall be given a one-time right of first refusal offer of  
35 employment with the commission, and such employees may be  
36 removed by the commission for cause or if deemed unqualified to hold  
37 the position, notwithstanding any other provision of law to the  
38 contrary. A department employee who becomes employed by the  
39 commission shall retain as an employee of the commission the  
40 seniority, and all rights related to seniority, that the employee had with  
41 the department as of the last day of employment with the department;  
42 provided, however, that such seniority and seniority rights shall be  
43 retained only by an employee who was transferred from employment  
44 with the department to employment with the commission, and shall not  
45 be retained by an employee who was removed from employment with  
46 the department due to layoff procedures or who resigned from a  
47 position with the department prior to being hired by the commission.

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

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

11 d. With respect to the activities of the commission, neither the  
12 President of the Senate or the Speaker of the General Assembly shall  
13 be permitted to appear or practice or act in any capacity whatsoever  
14 before the commission regarding any matter whatsoever, nor shall any  
15 member of the immediate family of the Governor, President of the  
16 Senate, or Speaker of the General Assembly be permitted to so  
17 practice or appear in any capacity whatsoever before the commission  
18 regarding any matter whatsoever. As used in this subsection,  
19 "immediate family" means the spouse, domestic partner, or civil union  
20 partner, and any dependent child or stepchild, recognized by blood or  
21 by law, of the Governor, President of the Senate, or Speaker of the  
22 General Assembly, or of the spouse, domestic partner, or civil union  
23 partner residing in the same household as the Governor, President of  
24 the Senate, or Speaker of the General Assembly.

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

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

33 (1) the commission's organization;

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

35 (3) the overall effectiveness of the commission as a full time  
36 entity; and

37 (4) whether the regulation and oversight of medical cannabis or  
38 personal use cannabis could be more effectively and efficiently  
39 managed through a reorganization of the commission, consolidation of  
40 the commission within the Department of Health or another Executive  
41 Branch department, conversion to a part-time commission, or the  
42 transfer of some or all of the commission's operations elsewhere  
43 within the Executive Branch.

44 The commission shall submit the findings of the independent  
45 study, along with the commission's recommendations for appropriate  
46 executive, administrative, or legislative action, to the Governor and,

1 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the  
2 Legislature.

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

4

5 6. (New section) Commission Activities Associated with the  
6 Personal Use of Cannabis:

7 a. The Cannabis Regulatory Commission shall have all powers  
8 necessary or proper to enable it to carry out the commission's  
9 duties, functions, and powers under P.L. , c. (C. ) (pending  
10 before the Legislature as this bill). The jurisdiction, supervision,  
11 duties, functions, and powers of the commission extend to any  
12 person who buys, sells, produces, processes, transports, or delivers  
13 any cannabis items within this State.

14 b. The duties, functions and powers of the commission shall  
15 include the following:

16 (1) To regulate the purchase, sale, production, processing,  
17 transportation, and delivery of cannabis items in accordance with  
18 the provisions of P.L. , c. (C. ) (pending before the Legislature as  
19 this bill);

20 (2) To grant, refuse, suspend, revoke, cancel, or take actions  
21 otherwise limiting licenses or conditional licenses for the sale,  
22 processing, or production of cannabis items, or other licenses in  
23 regard to cannabis items, and to permit, in the commission's  
24 discretion, the transfer of a license between persons;

25 (3) To investigate and aid in the prosecution of every violation  
26 of the statutory laws of this State relating to cannabis items and to  
27 cooperate in the prosecution of offenders before any State court of  
28 competent jurisdiction;

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

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

38 (a) Issuing subpoenas;

39 (b) Compelling attendance of witnesses;

40 (c) Administering oaths;

41 (d) Certifying official acts;

42 (e) Taking depositions as provided by law;

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

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

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

5 (7) To regulate the use of cannabis items for scientific,  
6 pharmaceutical, manufacturing, mechanical, industrial, and other  
7 purposes.

8 c. The powers of the commission further include the power to  
9 purchase, seize, possess, and dispose of cannabis items. The  
10 commission may purchase, possess, seize, or dispose of cannabis  
11 items as is necessary to ensure compliance with and enforcement of  
12 the provisions of P.L. , c. (C. ) (pending before the Legislature  
13 as this bill), and any rule adopted pursuant thereto. Any State  
14 officer, board, commission, corporation, institution, department, or  
15 other State body, and any local officer, board, commission,  
16 institution, department, or other local government body, that is  
17 permitted by the statutory laws of this State to perform a duty,  
18 function, or power with respect to a cannabis item, may purchase,  
19 possess, seize, or dispose of the cannabis item as the State officer,  
20 board, commission, corporation, institution, department or other  
21 State body, or the local officer, board, commission, institution,  
22 department, or other local government body, considers necessary to  
23 ensure compliance with and enforce the applicable statutory law or  
24 any rule adopted under the applicable statutory law.

25 d. (1) (a) Within 180 days after the effective date of this  
26 section, which takes effect immediately upon enactment of P.L. ,  
27 c. (C. ) (pending before the Legislature as this bill), or within  
28 45 days of all five members of the commission being duly  
29 appointed in accordance with the appointment process set forth in  
30 paragraph (2) of subsection b. of section 31 of P.L.2019, c.153  
31 (C.24:6I-24), whichever date is later, and notwithstanding the  
32 provisions of the “Administrative Procedure Act,” P.L.1968, c.410  
33 (C.52:14B-1 et seq.), to the contrary, the commission, after  
34 consultation with the Attorney General, State Treasurer,  
35 Commissioner of Health, and Commissioner of Banking and  
36 Insurance, shall, immediately upon filing proper notice with the  
37 Office of Administrative Law, adopt rules and regulations prepared  
38 by the commission necessary or proper to enable it to carry out the  
39 commission’s duties, functions, and powers with respect to  
40 overseeing the development, regulation, and enforcement of  
41 activities associated with the personal use of cannabis pursuant to  
42 P.L. , c. (C. ).

43 (b) The initial rules and regulations adopted pursuant to  
44 subparagraph (a) of this paragraph shall be in effect for a period not  
45 to exceed one year after the date of filing with the Office of  
46 Administrative Law. These rules and regulations shall thereafter be  
47 adopted, amended, or readopted, and any subsequent rules and  
48 regulations adopted, amended, or readopted, by the commission in

1 accordance with the requirements of the “Administrative Procedure  
2 Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), after consultation with  
3 other department heads, as the commission deems appropriate.

4 (2) On the date of adoption of the initial rules and regulations  
5 pursuant to subparagraph (a) of paragraph (1) of this subsection, the  
6 provisions of P.L. , c. (C. ) (pending before the Legislature  
7 as this bill) shall become operative, other than those provisions  
8 which were operative immediately upon enactment. Subsequent to  
9 the date of adoption of the initial rules and regulations, the  
10 commission shall determine the first date thereafter on which  
11 cannabis retailers issued licenses and conditional licenses may  
12 begin retail sales of personal use cannabis items, which latter date  
13 shall not be more than 180 days after the commission’s adoption of  
14 its initial rules and regulations. The commission shall provide  
15 every person or entity issued licenses or conditional licenses by the  
16 commission with at least 30 days’ notice of this date, and shall also  
17 provide the 30-day notice to every alternative treatment center  
18 deemed to be licensed for personal use cannabis activities pursuant  
19 to section 7 of P.L.2009, c.307 (C.24:6I-7), as amended by P.L. ,  
20 c. (C. ) (pending before the Legislature as this bill), whether or  
21 not already engaged in retail sales of personal use cannabis items as  
22 permitted prior to the retail sales date established pursuant to this  
23 paragraph, as set forth in paragraph (3) of subsection a. of section  
24 33 of P.L. , c. (C. ) (pending before the Legislature as this  
25 bill).

26  
27 7. Section 14 of P.L.2009, c.307 (C.24:6I-12) is amended to read  
28 as follows:

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

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

37 (2) annually thereafter on the number of applications for  
38 registration with the commission, the number of qualifying patients  
39 registered, the number of designated and institutional caregivers  
40 registered, the nature of the qualifying medical conditions of the  
41 patients, the number of registrations revoked, the number of  
42 medical cannabis cultivator, medical cannabis manufacturer, and  
43 medical cannabis dispensary permits issued and revoked, the  
44 number and type of integrated curricula approved, established, and  
45 maintained in connection with an IC permit, the number of testing  
46 laboratories licensed, the number of clinical registrant permits  
47 issued and the nature of the clinical research conducted by each

1 clinical registrant, any incidents of diversion of medical cannabis,  
2 information concerning racial, ethnic, disabled veteran, and gender  
3 diversity in the individuals issued and currently holding permits  
4 issued by the commission, the number of permit applications  
5 received from businesses owned by minorities, disabled veterans,  
6 and women and the number of such applications that were  
7 approved, the business development initiatives undertaken by the  
8 Office of Minority, Disabled Veterans, and Women **【Medical】**  
9 Cannabis Business Development pursuant to section 32 of  
10 P.L.2019, c.153 (C.24:6I-25) and the outcomes or effects of those  
11 initiatives, statistics concerning arrests for drug offenses throughout  
12 the State and in areas where medical cannabis dispensaries are  
13 located, including information concerning racial disparities in arrest  
14 rates for drug offenses generally and cannabis offenses in particular,  
15 the number of motor vehicle stops by law enforcement involving  
16 violations of R.S.39:4-50, or section 5 of P.L.1990, c.103 (C.39:3-  
17 10.13) concerning operators of commercial motor vehicles, for  
18 driving under the influence of medical cannabis, or suspicion  
19 thereof, cataloged by the jurisdictions in which the stop occurred,  
20 and the race, ethnicity, gender, and age of the vehicle driver and  
21 any other vehicle occupants, the number of deliveries of medical  
22 cannabis performed and the percentage of total medical cannabis  
23 dispensations that were completed by delivery, and the number of  
24 health care practitioners authorizing patients for the medical use of  
25 cannabis, including the types of license or certification held by  
26 those practitioners; and

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

31 (a) the number of civil penalty citations or arrests or charges for  
32 manufacturing, distributing, or possessing or having under control  
33 with the intent to distribute marijuana or hashish in violation of  
34 paragraph (12) of subsection b. of N.J.S.2C:35-5, or for obtaining  
35 or possessing marijuana or hashish in violation of paragraph (4) of  
36 subsection a. of N.J.S.2C:35-10, cataloged by the jurisdictions in  
37 which the acts resulting in the citations, arrests, or charges occurred,  
38 and the race, ethnicity, gender, and age of the persons cited, arrested,  
39 or charged;

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

1       (c) the total number of personal use cannabis licenses issued  
2 since the distribution of the previous report to the Governor and  
3 Legislature, as well as the number for each class of license issued,  
4 and the total number and type of applicants that submitted  
5 applications for licenses and whether they were approved,  
6 reapproved, or denied; and

7       (d) the data compiled by the Office of Minority, Disabled  
8 Veterans, and Women Cannabis Business Development pursuant to  
9 section 32 of P.L.2019, c.153 (C.24:6I-25) about participation in the  
10 lawful operation of cannabis establishments by persons from  
11 socially and economically disadvantaged communities, including  
12 minority, disabled veterans', and women's business licensing and  
13 business development in the personal use cannabis marketplace, and  
14 the data shall include the office's analysis of the total number of  
15 licenses applied for and issued since the distribution of the previous  
16 report to the Governor and Legislature compared with the total  
17 number of minority businesses and women's businesses, as these  
18 terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-21.18),  
19 and disabled veterans' businesses, as defined in section 2 of P.L.2015,  
20 c.116 (C.52:32-31.2), that submitted applications for licenses and  
21 whether they were approved, reapproved, or denied.

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

24       c. (1) Within two years after the effective date of P.L.2009,  
25 c.307 (C.24:6I-1 et al.) and every two years thereafter, the  
26 commissioner or, after the effective date of P.L.2019, c.153  
27 (C.24:6I-5.1 et al.), the commission, shall: evaluate whether there  
28 are sufficient numbers of medical cannabis cultivators, medical  
29 cannabis manufacturers, medical cannabis dispensaries, and clinical  
30 registrants to meet the needs of registered qualifying patients  
31 throughout the State; evaluate whether the maximum amount of  
32 medical cannabis allowed pursuant to P.L.2009, c.307 (C.24:6I-1 et  
33 al.) is sufficient to meet the medical needs of qualifying patients;  
34 and determine whether any medical cannabis cultivator, medical  
35 cannabis manufacturer, medical cannabis dispensary, or clinical  
36 registrant has charged excessive prices in connection with medical  
37 cannabis.

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

44       (2) The commission, beginning no later than one year after the  
45 effective date of P.L. , c. (C. ) (pending before the  
46 Legislature as this bill), may also include in its reports information  
47 concerning its periodic evaluation of whether the existing numbers



1 of cannabis growers, cannabis processors, cannabis wholesalers,  
2 cannabis distributors, cannabis retailers, and cannabis delivery  
3 services are sufficient to meet the personal use cannabis market  
4 demands of the State, and actions the commission may take to issue  
5 additional cannabis licenses as authorized by paragraph (1) of  
6 subsection a. of section 18 of P.L. , c. (C. ) (pending before  
7 the Legislature as this bill), or if there is an oversupply of licenses,  
8 as well as information about any increase in the rates of use of  
9 marijuana and cannabis by persons under 21 years of age.  
10 (cf: P.L.2019, c.153, s.20)

11

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

14 33. a. No person shall be appointed to or employed by the  
15 commission if, during the period commencing three years prior to  
16 appointment or employment, the person held any direct or indirect  
17 interest in, or any employment by, any holder of, or applicant for, a  
18 medical cannabis cultivator, medical cannabis manufacturer,  
19 medical cannabis dispensary, or clinical registrant permit pursuant  
20 to P.L.2009, c.307 (C.24:6I-1 et al.) or otherwise employs any  
21 certified medical cannabis handler to perform transfers or deliveries  
22 of medical cannabis , or a cannabis grower, cannabis processor,  
23 cannabis wholesaler, cannabis distributor, cannabis retailer, or  
24 cannabis delivery service, or an entity that employs or uses a  
25 certified personal use cannabis handler to perform work for or on  
26 behalf of a licensed cannabis establishment, distributor, or delivery  
27 service; provided, however, that notwithstanding any other  
28 provision of law to the contrary, any such person may be appointed  
29 to or employed by the commission if the person's prior interest in  
30 any such permit holder, license holder, entity, or applicant would  
31 not, in the opinion of the commission, interfere with the objective  
32 discharge of the person's obligations of appointment or  
33 employment, but in no instance shall any person be appointed to or  
34 employed by the commission if the person's prior interest in such  
35 permit holder, license holder, entity, or applicant constituted a  
36 controlling interest in that permit holder, license holder, entity, or  
37 applicant; and provided further, however, that notwithstanding any  
38 other provision of law to the contrary, any such person may be  
39 employed by the commission in a secretarial or clerical position if,  
40 in the opinion of the commission, the person's previous  
41 employment by, or interest in, any permit holder, license holder,  
42 entity, or applicant would not interfere with the objective discharge  
43 of the person's employment obligations.

44 b. Prior to appointment or employment, each member of the  
45 commission and each employee of the commission shall swear or  
46 affirm that the member or employee, as applicable, possesses no

1 interest in any business or organization issued a medical cannabis  
2 cultivator, medical cannabis manufacturer, medical cannabis  
3 dispensary, or clinical registrant permit, or cannabis grower,  
4 cannabis processor, cannabis wholesaler, cannabis distributor,  
5 cannabis retailer, or cannabis delivery service license by the  
6 commission, or in 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 c. (1) Each member of the commission shall file with the State  
10 Ethics Commission a financial disclosure statement listing all assets  
11 and liabilities, property and business interests, and sources of  
12 income of the member and the member's spouse, domestic partner,  
13 or partner in a civil union couple, as the case may be, and shall also  
14 provide to the State Ethics Commission in the same financial  
15 disclosure statement a list of all assets and liabilities, property and  
16 business interests, and sources of income of each dependent child or  
17 stepchild, recognized by blood or by law, of the member, or of the  
18 spouse, domestic partner, or partner in a civil union couple residing  
19 in the same household as the member. Each statement shall be  
20 under oath and shall be filed at the time of appointment and  
21 annually thereafter.

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

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

35  
36 9. Section 34 of P.L.2019, c.153 (C.24:6I-27) is amended to read  
37 as follows:

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

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

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

5 c. The Code of Ethics promulgated and maintained by the  
6 commission, and any amendments or restatements thereof, shall be  
7 submitted to the State Ethics Commission for approval. The  
8 **【Codes】** Code of Ethics shall include, but not be limited to,  
9 provisions that:

10 (1) No commission member or employee shall be permitted to  
11 enter and engage in any activities, nor have any interest, directly or  
12 indirectly, in any medical cannabis cultivator, medical cannabis  
13 manufacturer, medical cannabis dispensary, or clinical registrant  
14 issued a permit by the commission in accordance with P.L.2009,  
15 c.307 (C.24:6I-1 et al.) or any entity that employs any certified  
16 medical cannabis handler to perform transfers or deliveries of  
17 medical cannabis, or any cannabis grower, cannabis processor,  
18 cannabis wholesaler, cannabis distributor, cannabis retailer, or  
19 cannabis delivery service issued a license by the commission in  
20 accordance with P.L. , c. (C. ) (pending before the  
21 Legislature as this bill) or any entity that employs or uses a certified  
22 personal use cannabis handler to perform work for or on behalf of a  
23 licensed cannabis establishment, distributor, or delivery service,  
24 except in the course of the member's or employee's duties;  
25 provided that nothing in this paragraph shall be construed to  
26 prohibit a member or employee who is a registered qualifying  
27 patient, or who is serving as a designated caregiver or institutional  
28 caregiver for a registered qualifying patient, from being dispensed  
29 medical cannabis consistent with the requirements of P.L.2009,  
30 c.307 (C.24:6I-1 et al.).

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

1 (3) No commission member or employee shall act in the  
2 member's or employee's official capacity in any matter wherein the  
3 member, employee, or the member's or employee's spouse,  
4 domestic partner, or partner in a civil union couple, or child, parent,  
5 or sibling has a direct or indirect personal financial interest that  
6 might reasonably be expected to impair the member's or  
7 employee's objectivity or independence of judgment.

8 (4) No commission member or employee shall act in the  
9 member's or employee's official capacity in a matter concerning  
10 any holder of, or applicant for, a medical cannabis cultivator,  
11 medical cannabis manufacturer, medical cannabis dispensary, or  
12 clinical registrant permit or any entity that employs any certified  
13 medical cannabis handler to perform transfers or deliveries of  
14 medical cannabis, or a cannabis grower, cannabis processor,  
15 cannabis wholesaler, cannabis distributor, cannabis retailer license,  
16 or cannabis delivery service or any entity that employs or uses a  
17 certified personal use cannabis handler to perform work for or on  
18 behalf of a licensed cannabis establishment, distributor, or delivery  
19 service, who is the employer of a spouse, domestic partner, or  
20 partner in a civil union couple, or child, parent, or sibling of the  
21 commission member or employee when the fact of the employment  
22 of the spouse, domestic partner, or partner in a civil union couple,  
23 or child, parent, or sibling might reasonably be expected to impair  
24 the objectivity and independence of judgment of the commission  
25 member or employee.

26 (5) No spouse, domestic partner, or partner in a civil union  
27 couple, or child, parent, or sibling of a commission member shall be  
28 employed in any capacity by any holder of, or applicant for, a  
29 medical cannabis cultivator, medical cannabis manufacturer,  
30 medical cannabis dispensary, or clinical registrant permit, or any  
31 entity that employs any certified medical cannabis handler to  
32 perform transfers or deliveries of medical cannabis, or a cannabis  
33 grower, cannabis processor, cannabis wholesaler, cannabis  
34 distributor, cannabis retailer, or cannabis delivery service license or  
35 any entity that employs or uses a certified personal use cannabis  
36 handler to perform work for or on behalf of a licensed cannabis  
37 establishment, distributor, or delivery service, nor by any holding,  
38 intermediary, or subsidiary company thereof.

39 (6) No commission member shall meet with any person, except  
40 for any other member of the commission or employee of the  
41 commission, or discuss any issues involving any pending or  
42 proposed application or any matter whatsoever which may  
43 reasonably be expected to come before the commission, or any  
44 member thereof, for determination unless the meeting or discussion  
45 takes place on the business premises of the commission, provided,  
46 however, that commission members may meet to consider matters

1 requiring the physical inspection of equipment or premises at the  
2 location of the equipment or premises. All meetings or discussions  
3 subject to this paragraph shall be noted in a log maintained for this  
4 purpose and available for inspection pursuant to the provisions of  
5 P.L.1963, c.73 (C.47:1A-1 et seq.).

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

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

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

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

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

39 (b) directly or indirectly coerce, attempt to coerce, command, or  
40 advise any person to pay, lend, or contribute anything of value to a  
41 party, committee, organization, agency, or person for political  
42 purposes; or

43 (c) take any active part in political campaigns or the  
44 management thereof; provided, however, that nothing herein shall  
45 prohibit a member or employee from voting as the member or

1 employee chooses or from expressing personal opinions on political  
2 subjects and candidates.

3 g. For the purpose of applying the provisions of the “New  
4 Jersey Conflicts of Interest Law,” any consultant or other person  
5 under contract for services to the commission shall be deemed to be  
6 a special State employee, except that the restrictions of section 4 of  
7 P.L.1981, c.142 (C.52:13D-17.2) shall not apply to such person.  
8 Such person and any corporation, firm, or partnership in which the  
9 person has an interest or by which the person is employed shall not  
10 represent any person or party other than the commission.

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

12

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

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

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

1 management position at any time during the five years prior to  
2 termination of employment may acquire an interest in, or accept  
3 employment with, any holder of, or applicant for, a medical  
4 cannabis cultivator, medical cannabis manufacturer, medical  
5 cannabis dispensary, or clinical registrant permit or **[in]** any entity  
6 that employs any certified medical cannabis handler to perform  
7 transfers or deliveries of medical cannabis, or a cannabis grower,  
8 cannabis processor, cannabis wholesaler, cannabis distributor,  
9 cannabis retailer, or cannabis delivery service license or any entity  
10 that employs or uses a certified personal use cannabis handler to  
11 perform work for or on behalf of a licensed cannabis establishment,  
12 distributor, or delivery service, upon application to, and the  
13 approval of, the commission, upon a finding that the interest to be  
14 acquired or the employment will not create the appearance of a  
15 conflict of interest and does not evidence a conflict of interest in  
16 fact.

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

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

42 d. No partnership, firm, or corporation in which a former  
43 commission member or employee has an interest, nor any partner,  
44 officer, or employee of any such partnership, firm, or corporation

1 shall make any appearance or representation which is prohibited to  
2 the former member or employee.

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

4

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

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

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

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

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

43 c. The State Ethics Commission, established pursuant to the  
44 "New Jersey Conflicts of Interest Law," P.L.1971, c.182  
45 (C.52:13D-12 et seq.), shall enforce the provisions of sections 33  
46 through 36 of P.L.2019, c.153 (C.24:6I-26 through C.24:6I-29), and



1 upon a finding of a violation, impose a civil penalty of not less than  
2 \$500 nor more than \$10,000, which penalty may be collected in a  
3 summary proceeding pursuant to the "Penalty Enforcement Law of  
4 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). If a violation also  
5 represents a crime or disorderly persons offense as set forth in  
6 subsection b. of this section, the State Ethics Commission shall also  
7 refer the matter to the Attorney General or appropriate county  
8 prosecutor for further investigation and prosecution.  
9 (cf: P.L.2019, c.153, s.36)

10  
11 12. Section 2 of P.L.1971, c.182 (C.52:13D-13) is amended to  
12 read as follows:

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

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

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

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

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

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

1 member to an interstate agency the duties of which membership are  
2 not full-time.

3 f. "Person" means any natural person, association or  
4 corporation.

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

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

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

41

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

43 **AN ACT** concerning casino activity, and personal use and medical  
44 cannabis activities, and the conduct of certain elected and appointed  
45 public officers and employees as it relates thereto, amending and  
46 supplementing P.L.1971, c.182, amending P.L.1977, c.110,

1 P.L.1980, c.28 and P.L.1980, c.69 , and repealing section 2 of  
2 P.L.1980, c.79.

3 (cf: P.L.1981, c.142, title)  
4

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

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

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

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

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

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

44 (b) any member of the governing body or the municipal judge of  
45 a municipality, any member of the planning board or zoning board  
46 of adjustment, or any professional planner, or consultant regularly

1 employed or retained by such planning board or zoning board of  
2 adjustment, of a municipality wherein a medical cannabis  
3 cultivator, medical cannabis manufacturer, medical cannabis  
4 dispensary, or clinical registrant issued a permit pursuant to  
5 P.L.2009, c.307 (C.24:6I-1 et al.), or wherein a cannabis grower,  
6 cannabis processor, cannabis wholesaler, cannabis distributor,  
7 cannabis retailer, cannabis delivery service issued a license  
8 pursuant to P.L. , c. (C. ) (pending before the Legislature as  
9 this bill), is located.

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

1       (2) No State officer or employee, nor any person, nor any  
2 member of the immediate family of any State officer or employee,  
3 or person, nor any partnership, firm, or corporation with which any  
4 such State officer or employee or person is associated or in which  
5 he has an interest, nor any partner, officer, director, or employee  
6 while he is associated with such partnership, firm, or corporation,  
7 shall hold, directly or indirectly, an interest in, or hold employment  
8 with, or represent, appear for, or negotiate on behalf of, or derive  
9 any remuneration, payment, benefit, or any other thing of value for  
10 any services, including but not limited to consulting or similar  
11 services, from any holder of, or applicant for, a license, permit, or  
12 other approval to conduct Internet gaming, or any holding or  
13 intermediary company with respect thereto, or any Internet gaming  
14 affiliate of any holder of, or applicant for, a casino license, or any  
15 holding or intermediary company with respect thereto, or any  
16 business, association, enterprise, or other entity that is organized, in  
17 whole or in part, for the purpose of promoting, advocating for, or  
18 advancing the interests of the Internet gaming industry generally or  
19 any Internet gaming-related business or businesses in connection  
20 with any cause, application, or matter, except as provided in section  
21 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State  
22 officer or employee other than a State officer or employee included  
23 in the definition of person, and (b) a member of the immediate  
24 family of a State officer or employee, or of a person, may hold  
25 employment with the holder of, or applicant for, a license, permit,  
26 or other approval to conduct Internet gaming, or any holding or  
27 intermediary company with respect thereto, or any Internet gaming  
28 affiliate of any holder of, or applicant for, a casino license, or any  
29 holding or intermediary company with respect thereto if, in the  
30 judgment of the State Ethics Commission, the Joint Legislative  
31 Committee on Ethical Standards, or the Supreme Court, as  
32 appropriate, such employment will not interfere with the  
33 responsibilities of the State officer or employee, or person, and will  
34 not create a conflict of interest, or reasonable risk of the public  
35 perception of a conflict of interest, on the part of the State officer or  
36 employee, or person.

37       (3) No State officer or employee, nor any person, nor any  
38 member of the immediate family of any State officer or employee,  
39 or person, nor any partnership, firm, or corporation with which any  
40 such State officer or employee or person is associated or in which  
41 he has an interest, nor any partner, officer, director, or employee  
42 while he is associated with such partnership, firm, or corporation,  
43 shall hold, directly or indirectly, an interest in, or hold employment  
44 with, or represent, appear for, or negotiate on behalf of, any holder  
45 of, or applicant for, a medical cannabis cultivator, medical cannabis  
46 manufacturer, medical cannabis dispensary, or clinical registrant

1 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or **[in]**  
2 any entity that employs any certified medical cannabis handler to  
3 perform transfers or deliveries of medical cannabis, or any holding  
4 or intermediary company with respect thereto, or a cannabis grower,  
5 cannabis processor, cannabis wholesaler, cannabis distributor,  
6 cannabis retailer, or cannabis delivery service license issued pursuant  
7 to P.L. , c. (C. ) (pending before the Legislature as this bill), or  
8 which is an entity that employs or uses a certified personal use  
9 cannabis handler to perform work for or on behalf of a licensed  
10 cannabis establishment, distributor, or delivery service or any holding  
11 or intermediary company with respect thereto, in connection with any  
12 cause, application, or matter, except as provided in section 3 of  
13 P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State officer  
14 or employee other than a State officer or employee included in the  
15 definition of person, and (b) a member of the immediate family of a  
16 State officer or employee, or of a person, may hold employment  
17 with the holder of, or applicant for, a medical cannabis cultivator,  
18 medical cannabis manufacturer, medical cannabis dispensary, or  
19 clinical registrant permit or any entity that employs any certified  
20 medical cannabis handler to perform transfers or deliveries of  
21 medical cannabis, or a cannabis grower, cannabis processor, cannabis  
22 wholesaler, cannabis distributor, cannabis retailer, cannabis delivery  
23 service license or any entity that employs or uses a certified personal  
24 use cannabis handler to perform work for or on behalf of a licensed  
25 cannabis establishment, distributor, or delivery service, if, in the  
26 judgment of the State Ethics Commission, the Joint Legislative  
27 Committee on Ethical Standards, or the Supreme Court, as  
28 appropriate, such employment will not interfere with the  
29 responsibilities of the State officer or employee, or person, and will  
30 not create a conflict of interest, or reasonable risk of the public  
31 perception of a conflict of interest, on the part of the State officer or  
32 employee, or person. No special State officer or employee without  
33 responsibility for matters affecting medical cannabis activity or  
34 personal use cannabis activity, excluding those serving in the  
35 Departments of Education, Health, and Human Services and the  
36 Office of the Secretary of Higher Education, shall hold, directly or  
37 indirectly, an interest in, or represent, appear for, or negotiate on  
38 behalf of, any holder of, or applicant for, a medical cannabis  
39 cultivator, medical cannabis manufacturer, medical cannabis  
40 dispensary, or clinical registrant permit or any entity that employs  
41 any certified medical cannabis handler to perform transfers or  
42 deliveries of medical cannabis, or any holding or intermediary  
43 company with respect thereto, or a cannabis grower, cannabis  
44 processor, cannabis wholesaler, cannabis distributor, cannabis retailer,  
45 or cannabis delivery service license or any entity that employs or uses  
46 a certified personal use cannabis handler to perform work for or on

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

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

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

43 (b) an employee who is terminated as a result of a reduction in  
44 the workforce at the agency where employed, other than an  
45 employee who held a policy-making management position at any  
46 time during the five years prior to termination of employment, may,

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

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

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

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



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

30 (a) a member of the immediate family of a person may hold  
31 employment with the holder of, or applicant for, a medical cannabis  
32 cultivator, medical cannabis manufacturer, medical cannabis  
33 dispensary, or clinical registrant permit issued pursuant to P.L.2009,  
34 c.307 (C.24:6I-1 et al.) or any entity that employs any certified  
35 medical cannabis handler to perform transfers or deliveries of  
36 medical cannabis, or a cannabis grower, cannabis processor, cannabis  
37 wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery  
38 service license issued pursuant to P.L. , c. (C. ) (pending before  
39 the Legislature as this bill) or any entity that employs or uses a  
40 certified personal use cannabis handler to perform work for or on  
41 behalf of a licensed cannabis establishment, distributor, or delivery  
42 service if, 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, cannabis  
13 processor, cannabis wholesaler, cannabis distributor, cannabis retailer,  
14 or cannabis delivery service license or any entity that employs or uses  
15 a certified personal use cannabis handler to perform work for or on  
16 behalf of a licensed cannabis establishment, distributor, or delivery  
17 service if, in the judgment of the State Ethics Commission, the Joint  
18 Legislative Committee on Ethical Standards, or the Supreme Court,  
19 as appropriate, such employment will not create a conflict of  
20 interest, or reasonable risk of the public perception of a conflict of  
21 interest, on the part of the employee. In no case shall the  
22 restrictions of this subsection apply to a secretarial or clerical  
23 employee. Nothing herein contained shall alter or amend the post-  
24 service or post-employment restrictions applicable to members and  
25 employees of the Cannabis Regulatory Commission pursuant to  
26 paragraph (2) of subsection c. of section 34 and section 35 of  
27 P.L.2019, c.153 (C.24:6I-27 and C.24:6I-28); and

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

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

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

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

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

1       (2) No person shall solicit or accept, directly or indirectly, any  
2 complimentary service or discount from any holder of, or applicant  
3 for, a medical cannabis cultivator, medical cannabis manufacturer,  
4 medical cannabis dispensary, or clinical registrant permit issued  
5 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that  
6 employs any certified medical cannabis handler to perform transfers  
7 or deliveries of medical cannabis, or a cannabis grower, cannabis  
8 processor, cannabis wholesaler, cannabis distributor, cannabis retailer,  
9 or cannabis delivery service license issued pursuant to P.L. \_\_\_\_\_,  
10 c. (C. \_\_\_\_\_) (pending before the Legislature as this bill) or any entity  
11 that 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 which the person knows or has reason  
14 to know is other than a service or discount that is offered to  
15 members of the general public in like circumstance.

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

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

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

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

9  
10 15. Section 32 of P.L.2019, c.153 (C.24:6I-25) is amended to  
11 read as follows:

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

25 b. (1) The office shall establish and administer, under the  
26 direction of the commission, unified practices and procedures for  
27 promoting participation in the medical cannabis **【industry】** and  
28 personal use cannabis industries by persons from socially and  
29 economically disadvantaged communities, including by prospective  
30 and existing ownership of minority businesses and women's  
31 businesses, as these terms are defined in section 2 of P.L.1986,  
32 c.195 (C.52:27H-21.18), and disabled veterans' businesses as  
33 defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), to be issued  
34 medical cannabis cultivator, medical cannabis manufacturer,  
35 medical cannabis dispensary, and clinical registrant permits, or  
36 cannabis grower, cannabis processor, cannabis wholesaler, cannabis  
37 distributor, cannabis retailer, and cannabis delivery service licenses.  
38 These unified practices and procedures shall include the  
39 certification and subsequent recertification at regular intervals of a  
40 business as a minority or women's business, or a disabled veterans'  
41 business, in accordance with eligibility criteria and a certification  
42 application process established by the commission through  
43 regulation in consultation with the office.

44 (2) The office shall conduct advertising and promotional  
45 campaigns, and shall disseminate information to the public, to  
46 increase awareness for participation in the medical cannabis

1 **【industry】** and personal use cannabis industries by persons from  
2 socially and economically disadvantaged communities. To this end,  
3 the office shall sponsor seminars and informational programs, and  
4 shall provide information on its Internet website, providing  
5 practical information concerning the medical cannabis **【industry】**  
6 and personal use cannabis industries, including information on  
7 business management, marketing, and other related matters.

8 c. (1) The office shall develop, recommend, and implement  
9 policies, practices, protocols, standards, and criteria designed to  
10 promote the formulation of medical cannabis business entities and  
11 personal use cannabis establishments, distributors, and delivery  
12 services and participation in the medical cannabis **【industry】** and  
13 personal use cannabis industries by persons from socially and  
14 economically disadvantaged communities, including by promoting  
15 applications for, and the issuance of, medical cannabis cultivator,  
16 medical cannabis manufacturer, medical cannabis dispensary, and  
17 clinical registrant permits , and cannabis grower, cannabis processor,  
18 cannabis wholesaler, cannabis distributor, cannabis retailer, and  
19 cannabis delivery services licenses, to certified minority, women's,  
20 and disabled veterans' businesses.

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

28 (b) The effectiveness of the office's measures designed to  
29 promote participation in the personal use cannabis industry shall be  
30 assessed by considering whether the measures have resulted in not less  
31 than 30 percent of the total number of licenses issued by the  
32 commission for personal use cannabis establishments and distributors  
33 under P.L. , c. (C. ) (pending before the Legislature as this bill)  
34 being issued to minority, women's, and disabled veterans'  
35 businesses certified in accordance with the certification process  
36 established by the office pursuant to paragraph (1) of subsection b.  
37 of this section. Of the resulting total number of licenses issued for  
38 personal use cannabis establishments, distributors, and delivery  
39 services, the effectiveness of the office's measures shall be further  
40 assessed by considering whether those measures have resulted in  
41 not less than 15 percent of the licenses being issued to certified  
42 minority businesses, and not less than 15 percent of the licenses  
43 being issued to certified women's and disabled veterans'  
44 businesses.

45 (2) The office shall periodically analyze the total number of  
46 permits and licenses issued by the commission as compared with the

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

15 d. The office may review the commission's measures regarding  
16 participation in the medical cannabis **【industry】** and personal use  
17 cannabis industries by persons from socially and economically  
18 disadvantaged communities, and minority, women's, and disabled  
19 veterans' businesses, and make recommendations on relevant policy  
20 and implementation matters for the improvement thereof. The  
21 office may consult with experts or other knowledgeable individuals  
22 in the public or private sector on any aspect of its mission.

23 e. The office shall prepare information regarding its activities  
24 pursuant to this section concerning participation in the medical  
25 cannabis **【industry】** and personal use cannabis industries by persons  
26 from socially and economically disadvantaged communities,  
27 including medical cannabis and personal use cannabis business  
28 development initiatives for minority, women's, and disabled  
29 veterans' businesses participating in the medical cannabis  
30 marketplace, to be incorporated by the commission into its annual  
31 report submitted to the Governor and to the Legislature pursuant to  
32 section 14 of P.L.2009, c.307 (C.24:6I-12).  
33 (cf: P.L.2019, c.153, s.32)

34  
35 16. Section 12 of P.L.2019, c.153 (C.24:6I-7.2) is amended to  
36 read as follows:

37 12. a. Each application for a medical cannabis cultivator permit,  
38 medical cannabis manufacturer permit, and medical cannabis  
39 dispensary permit, and each application for annual renewal of such  
40 permit, including permit and renewal applications for  
41 microbusinesses that meet the requirements of subsection e. of  
42 section 11 of P.L.2019, c.153 (C.24:6I-7.1), shall be submitted to  
43 the commission. A full, separate application shall be required for  
44 each initial permit requested by the applicant and for each location  
45 at which an applicant seeks to operate, regardless of whether the  
46 applicant was previously issued a medical cannabis cultivator,

1 medical cannabis manufacturer, medical cannabis dispensary, or  
2 clinical registrant permit, and regardless of whether the applicant  
3 currently holds a medical cannabis cultivator, medical cannabis  
4 manufacturer, or medical cannabis dispensary permit. Renewal  
5 applications shall be submitted to the commission on a form and in  
6 a manner as shall be specified by the commission no later than 90  
7 days before the date the current permit will expire.

8 b. An initial permit application shall be evaluated according to  
9 criteria to be developed by the commission. The commission shall  
10 determine the point values to be assigned to each criterion, which  
11 shall include bonus points for applicants who are residents of New  
12 Jersey.

13 c. The criteria to be developed by the commission pursuant to  
14 subsection b. of this section shall include, in addition to the criteria  
15 set forth in subsections d. and e. of this section and any other  
16 criteria developed by the commission, an analysis of the applicant's  
17 operating plan, excluding safety and security criteria, which shall  
18 include the following:

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

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

24 (b) conventional horticulture or agriculture, familiarity with  
25 good agricultural practices, and any relevant certifications or  
26 degrees;

27 (c) quality control and quality assurance;

28 (d) recall plans;

29 (e) packaging and labeling;

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

32 (g) analytical chemistry and testing of medical cannabis;

33 (h) water management practices;

34 (i) odor mitigation practices;

35 (j) onsite and offsite recordkeeping;

36 (k) strain variety and plant genetics;

37 (l) pest control and disease management practices, including  
38 plans for the use of pesticides, nutrients, and additives;

39 (m) waste disposal plans; and

40 (n) compliance with applicable laws and regulations.

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

45 (a) State-authorized manufacture, production, and creation of  
46 cannabis products using appropriate extraction methods, including



- 1 intended use and sourcing of extraction equipment and associated
- 2 solvents or intended methods and equipment for non-solvent
- 3 extraction;
- 4 (b) pharmaceutical manufacturing, good manufacturing
- 5 practices, and good laboratory practices;
- 6 (c) quality control and quality assurance;
- 7 (d) recall plans;
- 8 (e) packaging and labeling;
- 9 (f) inventory control and tracking software or systems for the
- 10 production of medical cannabis;
- 11 (g) analytical chemistry and testing of medical cannabis and
- 12 medical cannabis products and formulations;
- 13 (h) water management practices;
- 14 (i) odor mitigation practices;
- 15 (j) onsite and offsite recordkeeping;
- 16 (k) a list of product formulations or products proposed to be
- 17 manufactured with estimated cannabinoid profiles, if known,
- 18 including varieties with high cannabidiol content;
- 19 (l) intended use and sourcing of all non-cannabis ingredients
- 20 used in the manufacture, production, and creation of cannabis
- 21 products, including methods to verify or ensure the safety and
- 22 integrity of those ingredients and their potential to be or contain
- 23 allergens;
- 24 (m) waste disposal plans; and
- 25 (n) compliance with applicable laws and regulations.
- 26 (3) In the case of an applicant for a medical cannabis dispensary
- 27 permit, the operating plan summary shall include a written
- 28 description concerning the applicant's qualifications for, experience
- 29 in, and knowledge of each of the following topics:
- 30 (a) State-authorized dispensation of medical cannabis to
- 31 qualifying patients;
- 32 (b) healthcare, medicine, and treatment of patients with
- 33 qualifying medical conditions;
- 34 (c) medical cannabis product evaluation procedures;
- 35 (d) recall plans;
- 36 (e) packaging and labeling;
- 37 (f) inventory control and point-of-sale software or systems for
- 38 the sale of medical cannabis;
- 39 (g) patient counseling procedures;
- 40 (h) the routes of administration, strains, varieties, and
- 41 cannabinoid profiles of medical cannabis and medical cannabis
- 42 products;
- 43 (i) odor mitigation practices;
- 44 (j) onsite and offsite recordkeeping;
- 45 (k) compliance with State and federal patient privacy rules;
- 46 (l) waste disposal plans; and

1 (m) compliance with applicable laws and regulations.

2 d. The criteria to be developed by the commission pursuant to  
3 subsection b. of this section shall include, in addition to the criteria  
4 set forth in subsections c. and e. of this section and any other  
5 criteria developed by the commission, an analysis of the following  
6 factors, if applicable:

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

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

10 (a) plans for the use of security personnel, including  
11 contractors;

12 (b) the experience or qualifications of security personnel and  
13 proposed contractors;

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

19 (d) plans for the storage of medical cannabis and medical  
20 cannabis products, including any safes, vaults, and climate control  
21 systems that will be utilized for this purpose;

22 (e) a diversion prevention plan;

23 (f) an emergency management plan;

24 (g) procedures for screening, monitoring, and performing  
25 criminal history record background checks of employees;

26 (h) cybersecurity procedures, including, in the case of an  
27 applicant for a medical cannabis dispensary permit, procedures for  
28 collecting, processing, and storing patient data, and the applicant's  
29 familiarity with State and federal privacy laws;

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

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

34 (k) procedures for reporting adverse events; and

35 (l) a sanitation practices plan.

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

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

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

44 (c) the applicant's plan to comply with and mitigate the effects  
45 of 26 U.S.C. s.280E on cannabis businesses, and for evidence that

1 the applicant is not in arrears with respect to any tax obligation to  
2 the State.

3 In evaluating the experience described under subparagraphs (a),  
4 (b), and (c) of this paragraph, the commission shall afford the  
5 greatest weight to the experience of the applicant itself, controlling  
6 owners, and entities with common ownership or control with the  
7 applicant; followed by the experience of those with a 15 percent or  
8 greater ownership interest in the applicant's organization; followed  
9 by significantly involved persons in the applicant's organization;  
10 followed by other officers, directors, and current and prospective  
11 employees of the applicant who have a bona fide relationship with  
12 the applicant's organization as of the submission date of the  
13 application.

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

16 (a) the proposed location, the surrounding area, and the  
17 suitability or advantages of the proposed location, along with a  
18 floor plan and optional renderings or architectural or engineering  
19 plans;

20 (b) the submission of zoning approvals for the proposed  
21 location, which shall consist of a letter or affidavit from appropriate  
22 municipal officials that the location will conform to municipal  
23 zoning requirements allowing for such activities related to the  
24 cultivation, manufacturing, or dispensing of medical cannabis,  
25 cannabis products, and related supplies as will be conducted at the  
26 proposed facility; and

27 (c) the submission of proof of local support for the suitability of  
28 the location, which may be demonstrated by a resolution adopted by  
29 the municipality's governing body indicating that the intended  
30 location is appropriately located or otherwise suitable for such  
31 activities related to the cultivation, manufacturing, or dispensing of  
32 medical cannabis, cannabis products, and related supplies as will be  
33 conducted at the proposed facility.

34 Notwithstanding any other provision of this subsection, an  
35 application shall be disqualified from consideration unless it  
36 includes documentation demonstrating that the applicant will have  
37 final control of the premises upon approval of the application,  
38 including, but not limited to, a lease agreement, contract for sale,  
39 title, deed, or similar documentation. In addition, if the applicant  
40 will lease the premises, the application will be disqualified from  
41 consideration unless it includes certification from the landlord that  
42 the landlord is aware that the tenant's use of the premises will  
43 involve activities related to the cultivation, manufacturing, or  
44 dispensing of medical cannabis and medical cannabis products. An  
45 application shall not be disqualified from consideration if the

1 application does not include the materials described in  
2 subparagraph (b) or (c) of this paragraph.

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

6 (a) a community impact plan summarizing how the applicant  
7 intends to have a positive impact on the community in which the  
8 proposed entity is to be located, which shall include an economic  
9 impact plan, a description of outreach activities, and any financial  
10 assistance or discount plans the applicant will provide to qualifying  
11 patients and designated caregivers;

12 (b) a written description of the applicant's record of social  
13 responsibility, philanthropy, and ties to the proposed host  
14 community;

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

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

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

34 (6) A workforce development and job creation plan, which may  
35 include, but shall not be limited to a description of the applicant's  
36 workforce development and job creation plan, which may include  
37 information on the applicant's history of job creation and planned  
38 job creation at the proposed facility; education, training, and  
39 resources to be made available for employees; any relevant  
40 certifications; and a diversity plan.

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

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

44 (b) a demonstration of the applicant's financial ability to  
45 implement its business plan, which may include, but shall not be  
46 limited to, bank statements, business and individual financial

1 statements, net worth statements, and debt and equity financing  
2 statements; and

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

18 (8) Whether any of the applicant's majority or controlling  
19 owners were previously approved by the commission to serve as an  
20 officer, director, principal, or key employee of an alternative  
21 treatment center, provided any such individual served in that  
22 capacity at the alternative treatment center for six or more months.

23 (9) Whether the applicant can demonstrate that its governance  
24 structure includes the involvement of a school of medicine or  
25 osteopathic medicine licensed and accredited in the United States,  
26 or a general acute care hospital, ambulatory care facility, adult day  
27 care services program, or pharmacy licensed in New Jersey,  
28 provided that:

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

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

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

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

1 (11) Whether the applicant intends to or has entered into a  
2 partnership with a prisoner re-entry program for the purpose of  
3 identifying and promoting employment opportunities at the  
4 applicant's organization for former inmates and current inmates  
5 leaving the corrections system. If so, the applicant shall provide  
6 details concerning the name of the re-entry program, the  
7 employment opportunities at the applicant's organization that will  
8 be made available to the re-entry population, and any other  
9 initiatives the applicant's organization will undertake to provide  
10 support and assistance to the re-entry population.

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

13 e. In addition to the information to be submitted pursuant to  
14 subsections c. and d. of this section, the commission shall require  
15 all permit applicants, other than applicants issued a conditional  
16 permit, to submit an attestation signed by a bona fide labor  
17 organization stating that the applicant has entered into a labor peace  
18 agreement with such bona fide labor organization. Except in the  
19 case of an entity holding an unconverted conditional permit, the  
20 maintenance of a labor peace agreement with a bona fide labor  
21 organization shall be an ongoing material condition of maintaining  
22 a medical cannabis cultivator, medical cannabis manufacturer, or  
23 medical cannabis dispensary permit. The submission of an  
24 attestation and maintenance of a labor peace agreement with a bona  
25 fide labor organization by an applicant issued a conditional permit  
26 pursuant to subsection d. of section 11 of P.L.2019, c.153 (C.24:6I-  
27 7.1) shall be a requirement for conversion of a conditional permit  
28 into a full permit. The failure to enter into a collective bargaining  
29 agreement within 200 days after the date that a medical cannabis  
30 cultivator, medical cannabis manufacturer, or medical cannabis  
31 dispensary first opens shall result in the suspension or revocation of  
32 such permit or conditional permit. In reviewing initial permit  
33 applications, the commission shall give priority to the following:

34 (1) Applicants that are party to a collective bargaining  
35 agreement with a labor organization that currently represents, or is  
36 actively seeking to represent, cannabis workers in New Jersey.

37 (2) Applicants that are party to a collective bargaining  
38 agreement with a labor organization that currently represents  
39 cannabis workers in another state.

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

43 (4) Applicants that submit an attestation affirming that they will  
44 use best efforts to utilize **[union]** building trades labor  
45 organizations in the construction or retrofit of the facilities  
46 associated with the permitted entity.

1       (5) Applicants that submit an attestation affirming that they have  
2       a project labor agreement, or will utilize a project labor agreement,  
3       which is a form of pre-hire collective bargaining agreement  
4       covering terms and conditions of a specific project, including labor  
5       issues and worker grievances associated with any construction or  
6       retrofit of facilities, or other applicable project, associated with the  
7       licensed entity.

8       The requirements of this subsection shall not apply to a  
9       microbusiness applying for a conditional or annual permit of any  
10      type.

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

45      (1) at least 15 percent of the total number of new medical  
46      cannabis cultivator permits, medical cannabis manufacturer

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

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

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

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

44 i. Application materials submitted to the commission pursuant  
45 to this section shall not be considered a public record pursuant to



1 P.L.1963, c.73 (C.47:1A-1 et seq.) or P.L.2001, c.404 (C.47:1A-5 et  
2 al.).

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

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

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

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

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

37 (2) submit to the commission any required application and  
38 permit fees;

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

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

44 b. The commission shall, no later than 90 days after the  
45 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) or upon  
46 adoption of rules and regulations as provided in subsection c. of

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

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

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

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

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

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

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

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

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

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

42 i. Application materials submitted to the commission pursuant  
43 to this section shall not be considered a public record pursuant to  
44 P.L.1963, c.73 (C.47:1A-1 et seq.) or P.L.2001, c.404 (C.47:1A-5 et  
45 al.).

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

1        18. (New section) Regulation of Cannabis.

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

9        (1) Procedures for the application, issuance, denial, renewal,  
10 suspension, and revocation of a license or conditional license to  
11 operate as a cannabis establishment, distributor, or delivery service.  
12 Such procedures shall include a periodic evaluation of whether the  
13 number of each class of cannabis establishment, or cannabis  
14 distributors or cannabis delivery services, is sufficient to meet the  
15 market demands of the State, a result of which is the commission's  
16 authority to make requests for new applications and issue additional  
17 licenses as it deems necessary to meet those demands, except as  
18 otherwise provided in section 33 of P.L. , c. (C. ) (pending  
19 before the Legislature as this bill) regarding an initial period during  
20 which the number of Class 1 Cannabis Grower licenses is capped;

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

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

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

43        (b) Procedures, to monitor the incorporated licensing measures  
44 established by the Office of Minority, Disabled Veterans, and Women  
45 Cannabis Business Development, which shall include a verification, as  
46 part of the application process for licensure or license renewal, of a  
47 minority, women's, or disabled veterans' business certification  
48 provided to that business by the office pursuant to paragraph (1) of

1 subsection b. of section 32 of P.L.2019, c.153 (C.24:6I-25), or  
 2 verification of an application for certification under review by the  
 3 office pursuant to that paragraph, which review is occurring  
 4 simultaneous to the application for licensure or license renewal;

5 (5) Security requirements for cannabis establishments and  
 6 transportation of cannabis;

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

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

14 (i) The person's United States passport;

15 (ii) The person's motor vehicle driver's license, whether issued by  
 16 New Jersey or by any other state, provided the license displays a  
 17 picture of the person;

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

20 (iv) Any other identification card issued by a state or the United  
 21 States that bears a picture of the person, the name of the person, the  
 22 person's date of birth, and a physical description of the person;

23 (b) No cannabis establishment, distributor, or delivery service  
 24 shall employ persons under 18 years of age nor shall any cannabis  
 25 retailer allow persons under the legal age to purchase cannabis  
 26 items, other than a person employed by the retailer, to enter or  
 27 remain on the premises of a cannabis retailer unless accompanied  
 28 by a parent or legal guardian;

29 (c) Packaging and branding regulations to prevent the marketing  
 30 of cannabis items and cannabis paraphernalia to people under the  
 31 legal age to purchase cannabis items;

32 (d) No edible cannabis items shall be produced, marketed, or  
 33 sold that are in the shape of, or a shape bearing the likeness or  
 34 containing characteristics of, a realistic or fictional human, animal,  
 35 or fruit, or part thereof, including artistic, caricature, or cartoon  
 36 renderings;

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

42 (a) Cannabis items and cannabis paraphernalia are not  
 43 packaged, branded, or marketed using any statement, illustration, or  
 44 image that:

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

46 (ii) Promotes over-consumption;

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

- 1 (iv) Includes objects, such as toys, characters, or cartoon  
2 characters suggesting the presence of a person under the legal age to  
3 purchase cannabis items, or any other depiction designed in any  
4 manner to be especially appealing to persons under the legal age to  
5 purchase cannabis items;
- 6 (b) Ensure cannabis items are packaged in opaque, child-  
7 resistant special packaging, or if applicable to a particular cannabis  
8 item, child resistant special packaging for liquid nicotine containers, in  
9 accordance with the “Poison Prevention Packaging Act of 1970,” 15  
10 U.S.C. s.1471 et seq., and the associated regulations promulgated  
11 thereunder, except that these child-resistant packaging requirements  
12 shall not apply to any cannabis item obtained from a cannabis retailer  
13 or alternative treatment center for immediate, on-premises  
14 consumption at that retailer’s or center’s cannabis consumption area as  
15 permitted pursuant to section 28 of P.L.2019, c.153 (C.24:6I-21);
- 16 (c) Cannabis items warning labels adequately inform consumers  
17 about safe cannabis use and warn of the consequences of misuse or  
18 overuse;
- 19 (d) Labeling rules that mandate clear identification of health  
20 and safety information, including, but not limited to:
- 21 (i) Net weight;
- 22 (ii) Production date and expiration date;
- 23 (iii) An ingredient list that includes, but is not limited to, all  
24 ingredients used to manufacture the cannabis product and a list of  
25 all potential allergens contained within the product;
- 26 (iv) Strain or type of cannabis, listed by scientific terms, if  
27 available, and generic or “slang” names;
- 28 (v) Whether the product requires refrigeration;
- 29 (vi) Growth method (whether dirt grown, hydroponic, or  
30 otherwise) and an indication whether the cannabis was grown using  
31 all-organic materials, and a complete list of any nonorganic  
32 pesticides, fungicides and herbicides used during the cultivation of  
33 the cannabis;
- 34 (vii) Serving size, the total number of servings, and a statement  
35 regarding the percentage of THC contained in the cannabis product  
36 and in each serving. For example: “The serving size of active THC  
37 in this product is X mg. This product contains X servings of  
38 cannabis, and the total amount of active THC in this product is X  
39 mg.”;
- 40 (viii) Warning labels that include the nationwide toll-free  
41 telephone number used to access poison control centers that is  
42 maintained in accordance with 42 U.S.C. s.300d-71, as well as  
43 include, but are not limited to, one or more of the following:
- 44 -- “This product contains cannabis”;
- 45 -- “This product is infused with cannabis”;
- 46 -- “This product is intended for use by adults 21 years of age or  
47 older. Keep out of the reach of children”;

1 -- "The intoxicating effects of this product may be delayed by  
2 two or more hours";

3 -- "There may be health risks associated with the consumption of  
4 this product, including for women who are pregnant, breastfeeding,  
5 or planning on becoming pregnant";

6 -- "Do not drive a motor vehicle or operate heavy machinery  
7 while using cannabis";

8 (e) Labeling rules that mandate the source of the cannabis items,  
9 including, but not limited to, the license number of the cannabis  
10 cultivation facility where the cannabis used to produce the cannabis  
11 item was grown, the license number of the cannabis product  
12 manufacturing facility that produced the cannabis item, and the  
13 license number of the cannabis retailer that sold the cannabis item  
14 and the production batch and lot numbers of the cannabis items;

15 (8) Health and safety regulations and standards for the  
16 manufacture and sale of cannabis products and the cultivation of  
17 cannabis, including, but not limited to, requirements that:

18 (a) Establish accreditation and licensure criteria for cannabis  
19 testing facilities, which shall include, as a condition for licensure, the  
20 maintenance of a labor peace agreement and entrance into, or good  
21 faith effort to enter into, a collective bargaining agreement in  
22 accordance with subsection c. of section 18 of P.L. , c. (C. )  
23 (pending before the Legislature as this bill). The commission shall  
24 also incorporate the licensing measures established by the Office of  
25 Minority, Disabled Veterans, and Women Cannabis Business  
26 Development, and the assessment of their effectiveness, pursuant to  
27 subparagraph (b) of paragraph (1) of subsection c. of section 32 of  
28 P.L.2019, c.153 (C.24:6I-25), and apply them to the licensing of  
29 cannabis testing facilities in order to promote the licensing of  
30 persons from socially and economically disadvantaged  
31 communities, and minority businesses and women's businesses, as  
32 these terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-  
33 21.18), and disabled veterans' businesses as defined in section 2 of  
34 P.L.2015, c.116 (C.52:32-31.2). The license shall permit a cannabis  
35 testing facility to test cannabis and cannabis items in accordance  
36 with the provisions set forth in P.L. , c. (C. ) (pending  
37 before the Legislature as this bill), as well as test medical cannabis  
38 and medical cannabis products in accordance with the provisions of  
39 the "Jake Honig Compassionate Use Medical Cannabis Act,"  
40 P.L.2009, c.307 (C.24:6I-1 et al.);

41 (b) (i) The commission issue licenses for a sufficient number of  
42 cannabis testing facilities, if those facilities meet the requirements  
43 for licensure, in order to ensure that the testing of representative  
44 samples of cannabis items in accordance with the procedures set  
45 forth in paragraph (13) of this subsection can be completed in not  
46 more than 14 days following their submission to any facility. Other  
47 factors that may be considered by the commission in determining  
48 whether a sufficient number of cannabis testing facilities are

1 currently licensed include the current licensees' experience or  
2 expertise in testing highly regulated products, demonstrated testing  
3 efficiency and effectiveness, existing research partnerships or  
4 capability to form and maintain research partnerships focusing on  
5 cannabis items, and any other factors established in regulation by  
6 the commission; and

7 (ii) Permits the commission to inspect any licensed cannabis  
8 testing facility to determine the condition and calibration of any  
9 equipment used for testing, and to ensure that a facility's testing  
10 procedures are performed in accordance with the commission's  
11 accreditation requirements for licensure;

12 (c) Every licensed cannabis cultivation facility and cannabis  
13 product manufacturing facility shall permit representatives of  
14 cannabis testing facilities to make scheduled and unscheduled visits  
15 to facilities in order to obtain random samples of cannabis items, in  
16 a quantity established by the commission, to be transported to  
17 cannabis testing facilities for inspection and testing to certify  
18 compliance with health, safety, and potency standards adopted by  
19 the commission;

20 (d) Prescribe methods of producing, processing, and packaging  
21 cannabis items; conditions of sanitation; safe handling  
22 requirements; approved pesticides and pesticide testing  
23 requirements, to the extent not inconsistent with approved pesticides  
24 and requirements otherwise established under federal and State law;  
25 and standards of ingredients, quality, and identity of cannabis items  
26 produced, processed, packaged, or sold by cannabis establishments;

27 (e) Establish accreditation and licensing criteria for responsible  
28 cannabis server and seller training and certification programs for  
29 cannabis retailer employees;

30 (f) Provide that no licensed cannabis establishment, distributor,  
31 or delivery service, or employee of a cannabis establishment or  
32 distributor, shall consume, or allow to be consumed, any cannabis  
33 items on the establishment's, distributor's, or delivery service's  
34 premises, except as permitted in a cannabis consumption area or  
35 private area as set forth in section 28 of P.L.2019, c.153 (C.24:6I-  
36 21);

37 (g) (i) Set appropriate dosage, potency, and serving size limits  
38 for cannabis and other cannabis items, provided that a standardized  
39 serving of cannabis shall be no more than 10 milligrams of active  
40 THC and no individual edible retail product unit for sale shall  
41 contain more than 100 milligrams of active THC;

42 (ii) Require that each single standardized serving of cannabis in  
43 a multiple-serving edible cannabis product is physically demarked  
44 in a way that enables a reasonable person to determine how much of  
45 the product constitutes a single serving of active THC, and that each  
46 standardized serving of cannabis shall be easily separable to allow  
47 an average person 21 years of age or older to physically separate,  
48 with minimal effort, individual servings of the product;



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

1 individuals under the legal age to purchase cannabis items,  
2 including, but not limited to depictions of a person under 21 years  
3 of age consuming cannabis, or, includes objects, such as toys,  
4 characters, or cartoon characters suggesting the presence of a  
5 person under 21 years of age, or any other depiction designed in any  
6 manner to be especially appealing to a person under 21 years of  
7 age;

8 (b) Prohibit advertising of any cannabis items or cannabis  
9 paraphernalia on television, or on radio between the hours of  
10 6:00am and 10:00pm;

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

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

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

27 (f) Require all advertisements to contain the following warning:  
28 "This product contains cannabis. For use only by adults 21 years of  
29 age or older. Keep out of the reach of children.";

30 (g) Prohibit the advertising of cannabis items or cannabis  
31 paraphernalia in any form or through any medium whatsoever  
32 within 200 feet of an elementary or secondary school grounds.

33 For the purposes of this section, a noncommercial message shall  
34 not be considered an advertisement. This section also shall not  
35 apply to advertisements within the premises of a cannabis retailer.

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

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

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

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

10 (b) The commission may, at any time, examine the books and  
11 records of any cannabis licensee, require compliance with P.L. ,  
12 c. (C. ) (pending before the Legislature as this bill), and may  
13 appoint auditors, investigators and other employees that the  
14 commission considers necessary to enforce its powers and perform  
15 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 grower to keep a complete  
28 and accurate record of all sales of cannabis flowers, cannabis  
29 leaves, and immature cannabis plants, and a complete and accurate  
30 record of the number of cannabis flowers produced, the number of  
31 ounces of cannabis leaves produced, the number of immature  
32 cannabis plants produced, and the dates of production; the  
33 obligation of every cannabis establishment to keep a complete and  
34 accurate record of all sales of cannabis, and a complete and accurate  
35 record of the number of ounces of cannabis items sold; the  
36 obligation of every cannabis distributor to keep a complete and  
37 accurate record of all cannabis items transported in bulk, and the  
38 sending and receiving cannabis establishments involved in each  
39 transportation of the cannabis items; and the obligation of every  
40 cannabis delivery service to keep a complete and accurate record of  
41 all cannabis item deliveries made on behalf of a cannabis retailer;

42 (b) Such records shall be kept and maintained for four years and  
43 the records shall be in such form and contain such other information  
44 as the commission may require; and

45 (c) The commission may, at any time, with adequate notice,  
46 examine the books and records of any cannabis establishment,  
47 distributor, or delivery service, and may appoint auditors,  
48 investigators, and other employees that the commission considers

1 necessary to enforce its powers and duties as described in P.L. ,  
2 c. (C. ) (pending before the Legislature as this bill);

3 (13) Procedures for inspecting samples of cannabis items,  
4 including:

5 (a) On a schedule determined by the commission, every licensed  
6 cannabis grower and processor shall submit representative samples  
7 of cannabis, useable cannabis, or cannabis-infused products  
8 produced or processed by the licensee to an independent, third-party  
9 licensed testing facility meeting the accreditation requirements  
10 established by the commission, for inspection and testing to certify  
11 compliance with standards adopted by the commission. Any sample  
12 remaining after testing shall be destroyed by the facility or returned  
13 to the licensee, unless that sample does not meet the applicable  
14 standards adopted by the commission, in which case it may be retained  
15 for purposes of retesting upon request of a licensee in accordance with  
16 subparagraph (c) of this paragraph;

17 (b) Licensees shall submit the results of this inspection and  
18 testing to the commission on a form developed by the commission;  
19 and

20 (c) If a representative sample inspected and tested under this  
21 section does not meet the applicable standards adopted by the  
22 commission, the representative sample may, upon notice to the  
23 commission, be retested at the request of a licensee in a manner  
24 prescribed by the commission, and in addition to a retest, or as an  
25 alternative thereto, the licensee may also be permitted an  
26 opportunity to remediate, upon notice to the commission, the lot  
27 from which the failed representative sample was taken, which lot  
28 shall be subject to a subsequent test of a new representative sample  
29 in a manner prescribed by the commission. Any request for a retest  
30 of a representative sample, and any retest and reporting of results,  
31 as well as any lot remediation process undertaken and subsequent  
32 testing of that lot, shall be completed within a time period  
33 established by the commission. The commission shall also provide  
34 a process by which representative samples and lots that failed  
35 retesting or remediation, as applicable, shall be destroyed;

36 (14) Establishing the number of cannabis retailers:

37 (a) Assuming there are sufficient qualified applicants for  
38 licensure, the commission shall, subject to annual review, issue a  
39 sufficient number of Class 5 Retailer licenses to meet the market  
40 demands of the State, giving regard to geographical and population  
41 distribution throughout the State; and

42 (b) the provision of adequate access to licensed sources of  
43 useable cannabis and cannabis products to discourage purchases  
44 from the illegal market; and

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

47 b. In order to ensure that individual privacy is protected, the  
48 commission shall not require a consumer to provide a cannabis retailer

1 with personal information other than government-issued identification  
2 to determine the consumer's age, and a cannabis retailer shall not  
3 collect and retain any personal information about consumers other than  
4 information typically acquired in a financial transaction conducted by  
5 the holder of a Class C retail license concerning alcoholic beverages as  
6 set forth in R.S.33:1-12.

7 c. Once regulations are adopted by the commission pursuant to  
8 subsection a. of this section, but prior to the commencement of the  
9 application process, the commission shall conduct a series of  
10 information sessions in every county in New Jersey to educate  
11 residents of New Jersey about the responsibilities, opportunities,  
12 requirements, obligations, and processes for application for a  
13 license to operate a cannabis establishment, distributor, or delivery  
14 service. The commission shall conduct an appropriate number of  
15 information sessions in each county considering the population of  
16 each county, but no fewer than one information session in each  
17 county. The commission shall publicize the day, time, location, and  
18 agenda of each information session broadly through television,  
19 radio, Internet, print, and local agencies.

20 d. The commission shall:

21 (1) Examine available research, and may conduct or commission  
22 new research or convene an expert task force, to investigate the  
23 influence of cannabis and marijuana on the ability of a person to  
24 drive a vehicle, on methods for determining whether a person is under  
25 the influence of cannabis or marijuana, and on the concentration of  
26 delta-9 tetrahydrocannabinol in a person's blood, in each case taking  
27 into account all relevant factors; and

28 (2) Report, pursuant to section 2 of P.L.1991, c.164 (C.52:14-  
29 19.1), the results of the research to the Legislature and make  
30 recommendations to the Legislature regarding legislation or other  
31 legislative action as the commission deems necessary.

32  
33 19. (New section) Application For License or Conditional  
34 License.

35 a. Each application for an annual license to operate a cannabis  
36 establishment, distributor, or delivery service, or conditional license  
37 for a proposed cannabis establishment, distributor, or delivery  
38 service, shall be submitted to the commission. A separate license or  
39 conditional license shall be required for each location at which a  
40 cannabis establishment seeks to operate, or for the location of each  
41 premises from which a cannabis distributor or delivery service  
42 seeks to operate. Renewal applications for another annual license  
43 may be filed up to 90 days prior to the expiration of the  
44 establishment's, distributor's, or delivery service's license. A  
45 conditional license shall not be renewed, but replaced with an  
46 annual license upon the commission's determination of  
47 qualification for the annual license, or otherwise expire, as set forth  
48 in paragraph (2) of subsection b. of this section.

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

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

8       (b) forward, within seven days of receipt, a copy of each  
9 application to the municipality in which the applicant desires to  
10 operate the cannabis establishment, distributor, or delivery service;  
11 and

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

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

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

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

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

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

20 (b) forward, within seven days of receipt, a copy of each  
21 application to the municipality in which the applicant desires to  
22 operate a proposed cannabis establishment, or to the municipality in  
23 which the premises is located from which the applicant desires to  
24 operate a proposed cannabis distributor or delivery service; and

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

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

30 (ii) a listing included with the application, showing all persons  
31 with a financial interest who also has decision making authority for  
32 the proposed cannabis establishment, distributor, or delivery service  
33 detailed in the application;

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

38 (iv) the name, address, date of birth, and resumes of each  
39 executive officer and all significantly involved persons with a  
40 financial interest who also has decision making authority for the  
41 proposed cannabis establishment, distributor, or delivery service, as  
42 well as a photocopy of their driver’s licenses or other government-  
43 issued form of identification, plus background check information in  
44 a form and manner determined by the commission in consultation  
45 with the Superintendent of State Police; concerning the background  
46 check, an application shall be denied if any person has any  
47 disqualifying conviction pursuant to subparagraph (c) of paragraph  
48 (4) of subsection a. of section 19, 21, 22, 23, or 24 of P.L. ,

1 c. (C. ) (pending before the Legislature as this bill), based  
2 upon the applicable class of cannabis establishment for which the  
3 application was submitted, or based upon the application being for a  
4 cannabis distributor or delivery service, unless the commission  
5 determines pursuant to subsubparagraph (ii) of those subparagraphs  
6 that the conviction should not disqualify the application;

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

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

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

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

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

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

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

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

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



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

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

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

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

40       (a) An initial application for licensure shall be evaluated  
41 according to criteria to be developed by the commission. For the  
42 point values assigned to each criterion, there shall be included  
43 bonus points for applicants who are residents of New Jersey.

44       (b) The criteria to be developed by the commission pursuant to  
45 subparagraph (a) this paragraph shall include, in addition to the  
46 criteria set forth in subparagraphs (c) and (d) of this paragraph and  
47 any other criteria developed by the commission, an analysis of the

1 applicant's operating plan, excluding safety and security criteria,  
2 which shall include the following:

3 (i) In the case of an applicant for a cannabis grower license, the  
4 operating plan summary shall include a written description  
5 concerning the applicant's qualifications for, experience in, and  
6 knowledge of each of the following topics:

- 7 - State-authorized cultivation of personal use cannabis;
- 8 - conventional horticulture or agriculture, familiarity with good  
9 agricultural practices, and any relevant certifications or degrees;
- 10 - quality control and quality assurance;
- 11 - recall plans;
- 12 - packaging and labeling;
- 13 - inventory control and tracking software or systems for the  
14 production of personal use cannabis;
- 15 - analytical chemistry and testing of personal use cannabis;
- 16 - water management practices;
- 17 - odor mitigation practices;
- 18 - onsite and offsite recordkeeping;
- 19 - strain variety and plant genetics;
- 20 - pest control and disease management practices, including plans  
21 for the use of pesticides, nutrients, and additives;
- 22 - waste disposal plans; and
- 23 - compliance with applicable laws and regulations.

24 (ii) In the case of an applicant for a cannabis processor license,  
25 or, as applicable, a cannabis wholesaler license, cannabis distributor  
26 license, or cannabis delivery service license, the operating plan  
27 summary shall include a written description concerning the  
28 applicant's qualifications for, experience in, and knowledge of each  
29 of the following topics:

- 30 - State-authorized manufacture, production, and creation of  
31 cannabis products using appropriate extraction methods, including  
32 intended use and sourcing of extraction equipment and associated  
33 solvents or intended methods and equipment for non-solvent  
34 extraction;
- 35 - quality control and quality assurance;
- 36 - recall plans;
- 37 - packaging and labeling;
- 38 - inventory control and tracking software or systems for the  
39 production of personal use cannabis and cannabis items;
- 40 - analytical chemistry and testing of personal use cannabis and  
41 cannabis items;
- 42 - water management practices;
- 43 - odor mitigation practices;
- 44 - onsite and offsite recordkeeping;
- 45 - a list of product formulations or products proposed to be  
46 manufactured with estimated cannabinoid profiles, if known,  
47 including varieties with high cannabidiol content;

- 1       - intended use and sourcing of all non-cannabis ingredients used  
2 in the manufacture, production, and creation of cannabis products,  
3 including methods to verify or ensure the safety and integrity of  
4 those ingredients and their potential to be or contain allergens;  
5       - waste disposal plans; and  
6       - compliance with applicable laws and regulations.
- 7       (iii) In the case of an applicant for a cannabis retailer license, the  
8 operating plan summary shall include a written description  
9 concerning the applicant's qualifications for, experience in, and  
10 knowledge of each of the following topics:
- 11       - State-authorized sales of cannabis items to consumers;  
12       - personal use cannabis product evaluation procedures;  
13       - recall plans;  
14       - packaging and labeling;  
15       - inventory control and point-of-sale software or systems for the  
16 sale of cannabis items;  
17       - the routes of administration, strains, varieties, and cannabinoid  
18 profiles of personal use cannabis and cannabis items;  
19       - odor mitigation practices;  
20       - onsite and offsite recordkeeping;  
21       - waste disposal plans; and  
22       - compliance with applicable laws and regulations.
- 23       (c) The criteria to be developed by the commission pursuant to  
24 subparagraph (a) of this paragraph shall include, in addition to the  
25 criteria set forth in subparagraph (b) and (d) of this paragraph and  
26 any other criteria developed by the commission, an analysis of the  
27 following factors, if applicable:
- 28       (i) The applicant's environmental impact plan.
- 29       (ii) A summary of the applicant's safety and security plans and  
30 procedures, which shall include descriptions of the following:
- 31       - plans for the use of security personnel, including contractors;  
32       - the experience or qualifications of security personnel and  
33 proposed contractors;  
34       - security and surveillance features, including descriptions of any  
35 alarm systems, video surveillance systems, and access and visitor  
36 management systems, along with drawings identifying the proposed  
37 locations for surveillance cameras and other security features;  
38       - plans for the storage of cannabis and cannabis items, including  
39 any safes, vaults, and climate control systems that will be utilized  
40 for this purpose;  
41       - a diversion prevention plan;  
42       - an emergency management plan;  
43       - procedures for screening, monitoring, and performing criminal  
44 history record background checks of employees;  
45       - cybersecurity procedures;  
46       - workplace safety plans and the applicant's familiarity with  
47 federal Occupational Safety and Health Administration regulations;

- 1       - the applicant's history of workers' compensation claims and  
2 safety assessments;
- 3       - procedures for reporting adverse events; and  
4       - a sanitation practices plan.
- 5       (iii) A summary of the applicant's business experience, including  
6 the following, if applicable:
- 7       - the applicant's experience operating businesses in highly-  
8 regulated industries;
- 9       - the applicant's experience in operating cannabis establishments  
10 or alternative treatment centers and related personal use or medical  
11 cannabis production and dispensation entities, or experience in  
12 operating cannabis distributors or delivery services, under the laws  
13 of New Jersey or any other state or jurisdiction within the United  
14 States; and
- 15       - the applicant's plan to comply with and mitigate the effects of  
16 26 U.S.C. s.280E on cannabis businesses, and for evidence that the  
17 applicant is not in arrears with respect to any tax obligation to the  
18 State.
- 19       In evaluating the experience described under this  
20 subsubparagraph, the commission shall afford the greatest weight to  
21 the experience of the applicant itself, controlling owners, and  
22 entities with common ownership or control with the applicant;  
23 followed by the experience of those with a 15 percent or greater  
24 ownership interest in the applicant's organization; followed by  
25 interest holders in the applicant's organization; followed by other  
26 officers, directors, and bona fide full-time employees of the  
27 applicant as of the submission date of the application.
- 28       (iv) A description of the proposed location for the applicant's  
29 site, including the following, if applicable:
- 30       - the proposed location, the surrounding area, and the suitability  
31 or advantages of the proposed location, along with a floor plan and  
32 optional renderings or architectural or engineering plans;
- 33       - the submission of zoning approvals for the proposed location,  
34 which shall consist of a letter or affidavit from appropriate officials  
35 of the municipality that the location will conform to local zoning  
36 requirements allowing for activities related to the operations of the  
37 proposed cannabis grower, cannabis processor, cannabis  
38 wholesaler, cannabis distributor, cannabis retailer, or cannabis  
39 delivery service and related supplies as will be conducted at the  
40 proposed facility; and
- 41       - the submission of proof of local support for the suitability of  
42 the location, which may be demonstrated by a resolution adopted by  
43 the municipality's governing body indicating that the intended  
44 location is appropriately located or otherwise suitable for activities  
45 related to the operations of the proposed cannabis grower, cannabis  
46 processor, cannabis wholesaler, cannabis distributor, cannabis  
47 retailer, or cannabis delivery service.

1       Notwithstanding any other provision of this subsubparagraph, an  
2 application shall be disqualified from consideration unless it  
3 includes documentation demonstrating that the applicant will have  
4 final control of the premises upon approval of the application,  
5 including, but not limited to, a lease agreement, contract for sale,  
6 title, deed, or similar documentation. In addition, if the applicant  
7 will lease the premises, the application will be disqualified from  
8 consideration unless it includes certification from the landlord that  
9 the landlord is aware that the tenant's use of the premises will  
10 involve operations as a cannabis grower, cannabis processor,  
11 cannabis wholesaler, cannabis distributor, cannabis retailer, or  
12 cannabis delivery service. An application shall not be disqualified  
13 from consideration if the application does not include the materials  
14 described in this subsubparagraph.

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

18       - a community impact plan summarizing how the applicant  
19 intends to have a positive impact on the community in which the  
20 proposed cannabis establishment, distributor, or delivery service is  
21 to be located, which shall include an economic impact plan and a  
22 description of outreach activities;

23       - a written description of the applicant's record of social  
24 responsibility, philanthropy, and ties to the proposed host  
25 community;

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

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

34       In evaluating the information submitted pursuant to this  
35 subsubparagraph, the commission shall afford the greatest weight to  
36 the experience of the applicant itself, controlling owners, and  
37 entities with common ownership or control with the applicant;  
38 followed by the experience of those with a 15 percent or greater  
39 ownership interest in the applicant's organization; followed by  
40 interest holders in the applicant's organization; followed by other  
41 officers, directors, and bona fide full-time employees of the  
42 applicant as of the submission date of the application.

43       (vi) A workforce development and job creation plan, which may  
44 include, but shall not be limited to a description of the applicant's  
45 workforce development and job creation plan, which may include  
46 information on the applicant's history of job creation and planned  
47 job creation at the proposed cannabis establishment, distributor, or  
48 delivery service; education, training, and resources to be made

1 available for employees; any relevant certifications; and an optional  
2 diversity plan.

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

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

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

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

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

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

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

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

5 (x) Any other information the commission deems relevant in  
6 determining whether to grant a license to the applicant.

7 (2) In ranking applications, in addition to the awarding of points  
8 as set forth in paragraph (1) of this subsection, the commission shall  
9 give priority to the following, regardless of whether  
10 there is any competition among applications for a particular class of  
11 license:

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

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

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

21 (d) Applicants that submit an attestation affirming that they will  
22 use best efforts to utilize **[union]** building trades labor  
23 organizations in the construction or retrofit of the facilities  
24 associated with the licensed entity.

25 (e) Applicants that submit an attestation affirming that they have  
26 a project labor agreement, or will utilize a project labor agreement,  
27 which is a form of pre-hire collective bargaining agreement  
28 covering terms and conditions of a specific project, including labor  
29 issues and worker grievances associated with any construction or  
30 retrofit of facilities, or other applicable project, associated with the  
31 licensed entity.

32 (3) In reviewing an initial application, unless the information is  
33 otherwise solicited by the commission in a specific application  
34 question, the commission's evaluation of the application shall be  
35 limited to the experience and qualifications of the applicant's  
36 organization, including any entities with common ownership or  
37 control of the applicant's organization, controlling owners or  
38 interest holders in the applicant's organization, and the officers,  
39 directors, and current full-time existing employees of the  
40 applicant's organization. Responses pertaining to consultants,  
41 independent contractors, applicants who are exempt from the  
42 criminal history record background check requirements of P.L. ,  
43 c. (C. ) (pending before the Legislature as this bill), and  
44 prospective or part-time employees of the entity shall not be  
45 considered. Each applicant shall certify as to the status of the  
46 individuals and entities included in the application.

47 (4) The commission shall give special consideration to any  
48 applicant that has entered into an agreement with an institution of



1 higher education to create an integrated curriculum involving the  
2 growing, processing, wholesaling, distributing, and retail sales of  
3 personal use cannabis and cannabis items, provided that the  
4 curriculum is approved by both the commission and the Department  
5 of Education and the applicant agrees to maintain the integrated  
6 curriculum in perpetuity. An integrated curriculum permit shall be  
7 subject to revocation if the license holder fails to maintain or  
8 continue the integrated curriculum. In the event that, because of  
9 circumstances outside a license holder's control, the license holder  
10 will no longer be able to continue an integrated curriculum, the  
11 license holder shall notify the commission and shall make  
12 reasonable efforts to establish a new integrated curriculum with an  
13 institution of higher education, subject to approval by the  
14 commission and the Department of Education. If the license holder  
15 is unable to establish a new integrated curriculum within six months  
16 after the date the current integrated curriculum arrangement ends,  
17 the commission shall revoke the entity's license, unless the  
18 commission finds there are extraordinary circumstances that justify  
19 allowing the license holder to retain the license without an  
20 integrated curriculum and the commission finds that allowing the  
21 license holder to retain the license would be consistent with the  
22 purposes of P.L. , c. (C. ) (pending before the Legislature as  
23 this bill). The commission may revise the application and license  
24 fees or other conditions for a license pursuant to this paragraph as  
25 may be necessary to encourage applications for license.

26 (5) Application materials submitted to the commission pursuant  
27 to this section shall not be considered a public record pursuant to  
28 P.L.1963, c.73 (C.47:1A-1 et seq.).

29 (6) If the commission notifies an applicant that it has performed  
30 sufficiently well on multiple applications to be awarded more than  
31 one cannabis grower license, cannabis processor license, cannabis  
32 wholesaler license, cannabis distributor license, cannabis retailer  
33 license, or cannabis delivery service license, the applicant shall  
34 notify the commission, within seven business days after receiving  
35 such notice, as to which license it will accept. For any license  
36 award that is declined by an applicant pursuant to this paragraph,  
37 the commission shall, upon receiving notice from the applicant of  
38 the declination, award the license to the applicant for that license  
39 class who, in the determination of the commission, best satisfies the  
40 commission's criteria while meeting the commission's  
41 determination of Statewide marketplace need. If an applicant fails  
42 to notify the commission as to which license it will accept, the  
43 commission shall have the discretion to determine which license it  
44 will award to the applicant, based on the commission's  
45 determination of Statewide marketplace need and other applications  
46 submitted for cannabis establishments, distributors, or delivery  
47 services to be located in the affected regions.

1 e. (1) The commission shall also prioritize applications on the  
2 basis of impact zones, for which past criminal marijuana enterprises  
3 contributed to higher concentrations of law enforcement activity,  
4 unemployment, and poverty within parts of or throughout these  
5 zones, regardless of whether there is any competition among  
6 applications for a particular class of license. An “impact zone”  
7 means any municipality that:

8 (a) has a population of 120,000 or more according to the most  
9 recently compiled federal decennial census as of the effective date  
10 of P.L. , c. (C. ) (pending before the Legislature as this bill);  
11 or

12 (b) (i) ranks in the top 40 percent of municipalities in the State  
13 for marijuana- or hashish-related arrests for violation of paragraph  
14 (4) of subsection a. of N.J.S.2C:35-10 in the calendar year next  
15 preceding the effective date of P.L. , c. (C. ) (pending before  
16 the Legislature as this bill);

17 (ii) has a crime index total of 825 or higher based upon the  
18 indexes listed in the most recently issued annual Uniform Crime  
19 Report by the Division of State Police as of that effective date; and

20 (iii) has a local average annual unemployment rate that ranks in  
21 the top 15 percent of all municipalities in the State for the calendar  
22 year next preceding that effective date, based upon average annual  
23 unemployment rates estimated for the relevant calendar year by the  
24 Office of Research and Information in the Department of Labor and  
25 Workforce Development.

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 25  
43 percent of employees who reside in an impact zone, of whom at  
44 least 25 percent shall reside in the impact zone nearest to the  
45 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 paragraph. The maximum fee  
16 assessed by the commission for issuance or renewal of a license  
17 designated and issued to a microbusiness shall be no more than half  
18 the fee applicable to a license of the same class issued to a person  
19 or entity that is not a microbusiness. A license designated and  
20 issued to a microbusiness shall be valid for one year and may be  
21 renewed annually.

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

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

26 (b) at least 51 percent of the owners, directors, officers, or  
27 employees of the microbusiness shall be residents of the  
28 municipality in which the microbusiness is located, or to be located,  
29 or a municipality bordering the municipality in which the  
30 microbusiness is located, or to be located;

31 (c) concerning business operations, and capacity and quantity  
32 restrictions:

33 (i) employ no more than 10 employees;

34 (ii) operate a cannabis establishment occupying an area of no  
35 more than 2,500 square feet, and in the case of a cannabis grower,  
36 grow cannabis on an area no more than 2,500 square feet measured  
37 on a horizontal plane and grow above that plane not higher than 24  
38 feet; provided, that a cannabis grower's grow space may, if  
39 approved by the commission, be part of a larger premises that is  
40 owned or operated by a cannabis grower that is not a licensed  
41 microbusiness, allowing for the sharing of physical facilities and  
42 certain business operations, but only the microbusiness cannabis  
43 grower shall grow cannabis on and above the grower's grow space.

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

47 (iv) in the case of a cannabis processor, acquire and process no  
48 more than 1,000 pounds of cannabis in dried form each month;

1 (v) in the case of a cannabis wholesaler, acquire for resale no  
2 more than 1,000 pounds of cannabis in dried form, or the equivalent  
3 amount in any other form, or any combination thereof, each month;  
4 and

5 (vi) in the case of a cannabis retailer, acquire for retail sale no  
6 more than 1,000 pounds of cannabis in dried form, or the equivalent  
7 amount in any other form, or any combination thereof, each month.

8 (d) no owner, director, officer, or other person with a financial  
9 interest who also has decision making authority for the  
10 microbusiness shall hold any financial interest in any other licensed  
11 cannabis establishment, distributor, or delivery service, whether or  
12 not a microbusiness;

13 (e) no owner, director, officer, or other person with a financial  
14 interest who also has decision making authority for a licensed  
15 cannabis establishment, distributor, or delivery service, whether or  
16 not a microbusiness, shall hold any financial interest in a  
17 microbusiness;

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

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

22  
23 20. (New section) Class 1 Cannabis Grower license.

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

45 a. To hold a Class 1 Cannabis Grower license under this  
46 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 an investment interest who also has decision making authority  
8 for the cannabis grower listed on an application submitted under  
9 section 18 of P.L. , c. (C. ) (pending before the  
10 Legislature as this bill) is 21 years of age or older;

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

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

22 (a) Pursuant to this provision, the commission is authorized to  
23 exchange fingerprint data with and receive criminal history record  
24 background information from the Division of State Police and the  
25 Federal Bureau of Investigation consistent with the provisions of  
26 applicable federal and State laws, rules, and regulations. The  
27 Division of State Police shall forward criminal history record  
28 background information to the commission in a timely manner  
29 when requested pursuant to the provisions of this 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 grower. Each person shall bear the  
38 cost for the criminal history record background check, including all  
39 costs of administering and processing the check;

40 (c) (i) With respect to determining whether any conviction of a  
41 person contained in the criminal history record background check  
42 should disqualify an applicant for a Class 1 Cannabis Grower  
43 license, the commission shall not take into consideration any  
44 conviction for a crime or offense that occurred prior to the effective  
45 date of P.L. , c. (C. ) (pending before the Legislature as this  
46 bill) involving a controlled dangerous substance or controlled  
47 substance analog as set forth in paragraph (11) or (12) of subsection  
48 b., or subparagraph (b) of paragraph (10) of subsection b. of

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

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

35 (d) Upon receipt and review of the criminal history record  
36 background information from the Division of State Police and the  
37 Federal Bureau of Investigation, the commission shall provide  
38 written notification to the applicant of the qualification for or  
39 disqualification for a Class 1 Cannabis Grower license.

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

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

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

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

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

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

12 (3) Require cannabis produced by cannabis growers to be tested  
13 in accordance with P.L. , c. (C. ) (pending before the  
14 Legislature as this bill);

15 (4) Require cannabis growers to submit, at the time of applying  
16 for or renewing a license under P.L. , c. (C. ) (pending  
17 before the Legislature as this bill), a report describing the  
18 applicant's or licensee's electrical and water usage; and

19 (5) Require a cannabis grower to meet any public health and  
20 safety standards, industry best practices, and all applicable  
21 regulations established by the commission by rule or regulation  
22 related to the production of cannabis or the propagation of  
23 immature cannabis plants and the seeds of the plant *Cannabis sativa*  
24 L. within the plant family *Cannabaceae*. The commission may  
25 regulate the number of immature cannabis plants that may be  
26 possessed by a cannabis grower licensed under this section; the size  
27 of the grow canopy a cannabis grower licensed under this section  
28 uses to grow immature cannabis plants; and the weight or size of  
29 shipments of immature cannabis plants made by a cannabis grower  
30 licensed under this section.

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

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

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

39 d. (1) The commission shall issue or deny issuance of a Class  
40 1 Cannabis Grower license or conditional license in accordance  
41 with the procedures set forth in section 18 of P.L. , c. (C. )  
42 (pending before the Legislature as this bill).

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

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

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

8  
9 21. (New section) Grow Canopies for Licensed Cannabis  
10 Growers.

11 a. Subject to subsection b. of this section, the commission shall  
12 adopt rules or regulations restricting the size of mature cannabis  
13 plant grow canopies at premises for which a license has been issued  
14 to a cannabis grower pursuant to P.L. , c. (C. ) (pending  
15 before the Legislature as this bill).

16 b. When adopting rules and regulations under this subsection,  
17 the commission shall consider whether to:

18 (1) Limit the size of mature cannabis plant grow canopies for  
19 premises where cannabis is grown outdoors and for premises where  
20 cannabis is grown indoors in a manner calculated to result in  
21 premises that produce the same amount of harvested cannabis  
22 leaves and harvested cannabis flowers, regardless of whether the  
23 cannabis is grown outdoors or indoors;

24 (2) Adopt a tiered system under which the permitted size of a  
25 cannabis growers' mature cannabis plant grow canopy increases at  
26 the time of licensure renewal, except that the permitted size of a  
27 cannabis grower's mature cannabis plant grow canopy may not  
28 increase following any year during which the commission  
29 disciplined the cannabis grower for violating a provision of or a rule  
30 adopted under a provision of P.L. , c. (C. ) (pending  
31 before the Legislature as this bill); provided, that at the time of  
32 adoption, any growing or cultivation square footage previously  
33 approved or authorized for an alternative treatment center that was  
34 issued a permit prior to the effective date of P.L.2019, c.153  
35 (C.24:6I-5.1 et al.), or that was issued a permit on or after that  
36 effective date pursuant to an application submitted prior to that  
37 effective date, shall not be reduced, but the commission's adopted  
38 tier system shall apply to the growing or cultivation square footage  
39 of that alternative treatment center thereafter;

40 (3) Take into consideration the market demand for cannabis  
41 items in this State, the number of persons applying for a license  
42 pursuant to sections 20, 22, 23, 24, 25, and 26 of P.L. ,  
43 c. (C. ) (pending before the Legislature as this bill), and to  
44 whom a license has been issued pursuant to those sections, and  
45 whether the availability of cannabis items in this State is  
46 commensurate with the market demand.

47 c. This section shall not apply to premises for which a license  
48 has been issued to a cannabis grower pursuant to section 20 of



1 P.L. , c. (C. ) (pending before the Legislature as this  
2 bill), if the premises is used only to propagate immature cannabis  
3 plants.

4

5 22. (New section) Class 2 Cannabis Processor license.

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

22 a. To hold a Class 2 Cannabis Processor license under this  
23 section, an applicant:

24 (1) Shall apply for a license in the manner described in section  
25 18 of P.L. , c. (C. ) (pending before the Legislature as  
26 this bill);

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

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

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

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

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

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

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

47 (ii) The commission may approve an applicant for a Class 2  
48 Cannabis Processor license after conducting a thorough review of

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

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

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

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

28 b. The commission shall adopt rules that:

29 (1) Provide for the annual renewal of the Class 2 Cannabis  
30 Processor license;

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

35 (3) Require cannabis produced by cannabis processors to be  
36 tested in accordance with P.L. , c. (C. ) (pending before  
37 the Legislature as this bill); and

38 (4) Require a cannabis processor to meet any public health and  
39 safety standards, industry best practices, and all applicable  
40 regulations established by the commission by rule or regulation  
41 related to the processing of cannabis.

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

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

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

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

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

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

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

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

A cannabis wholesaler shall have a Class 3 Cannabis Wholesaler license issued by the commission for the premises at which the cannabis is warehoused. The commission shall determine the maximum number of licenses, of which at least 35 percent shall be conditional licenses issued pursuant to subparagraph (a) of paragraph (2) of subsection b. of section 18 of P.L. , c. (C. ) (pending before the Legislature as this bill), and at least 25 percent of the total number of licenses and conditional licenses shall be designated for and only issued to microbusinesses pursuant subsection f. of that section. Providing there exist qualified applicants, the commission shall issue a sufficient number of licenses to meet the market demands of the State, and may, as authorized by paragraph (1) of subsection a. of section 18 of P.L. , c. (C. ) (pending before the Legislature as this bill), make requests for new applications for additional licenses as it deems necessary to meet those demands.

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

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

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

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

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

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

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

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

1 or under this State's law, or any other state's law that is  
2 substantially related to the qualifications, functions, or duties for  
3 which the license is required, and not more than five years have  
4 passed since the date of that conviction, satisfactory completion of  
5 probation or parole, or release from incarceration, whichever is later.  
6 In determining which indictable offenses are substantially related to  
7 the qualifications, functions, or duties for which the license is  
8 required, the commission shall at least consider any conviction  
9 involving fraud, deceit, or embezzlement, and any conviction for  
10 N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or  
11 similar indictable offense in this or another jurisdiction involving  
12 the use of a minor to dispense or distribute a controlled dangerous  
13 substance or controlled substance analog;

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

25 (d) Upon receipt and review of the criminal history record  
26 background information from the Division of State Police and the  
27 Federal Bureau of Investigation, the commission shall provide  
28 written notification to the applicant of the qualification for or  
29 disqualification for a Class 3 Cannabis Wholesaler license.

30 If the applicant is disqualified because the commission  
31 determined that a person has a disqualifying conviction pursuant to  
32 the provisions of this section, the conviction that constitutes the  
33 basis for the disqualification shall be identified in the written  
34 notice.

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

43 b. The commission shall adopt rules that:

44 (1) Provide for the annual renewal of the Class 3 Cannabis  
45 Wholesaler license;

46 (2) Establish application, licensure, and renewal of licensure  
47 fees for cannabis wholesalers in accordance with paragraph (2) of

1 subsection a. of section 18 of P.L. , c. (C. ) (pending before  
2 the Legislature as this bill); and

3 (3) Require a cannabis wholesaler to meet any public health and  
4 safety standards, industry best practices, and all applicable  
5 regulations established by the commission by rule or regulation  
6 related to the warehousing of cannabis.

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

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

10 (2) Shall be deposited in the "Cannabis Regulatory, Enforcement  
11 Assistance, and Marketplace Modernization Fund" established under  
12 section 40 of P.L. , c. (C. ) (pending before the  
13 Legislature as this bill).

14 d. (1) The commission shall issue or deny issuance of a Class  
15 3 Cannabis Wholesaler license or conditional license in accordance  
16 with the procedures set forth in section 18 of P.L. , c. (C. )  
17 (pending before the Legislature as this bill).

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

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

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

31

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

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

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



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

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

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

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

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

5 b. The commission shall adopt rules that:

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

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

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

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

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

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

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

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

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

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

40  
41 25. (New section) Class 5 Cannabis Retailer license.

42 A cannabis retailer shall have a Class 5 Cannabis Retailer license  
43 issued by the commission for the premises at which the cannabis is  
44 retailed. The commission shall determine the maximum number of  
45 licenses, of which at least 35 percent shall be conditional licenses  
46 issued pursuant to subparagraph (a) of paragraph (2) of subsection  
47 b. of section 18 of P.L. , c. (C. ) (pending before the  
48 Legislature as this bill), and at least 25 percent of the total number

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

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

11 (1) Shall apply for a license in the manner described in section  
12 18 of P.L. , c. (C. ) (pending before the Legislature as  
13 this bill);

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

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

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

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

40 (b) Each person shall submit to being fingerprinted in  
41 accordance with applicable State and federal laws, rules, and  
42 regulations. No check of criminal history record background  
43 information shall be performed pursuant to this section unless a  
44 person has furnished his written consent to that check. A person  
45 who refuses to consent to, or cooperate in, the securing of a check  
46 of criminal history record background information shall not be  
47 considered for licensure as a retailer. Each person shall bear the

1 cost for the criminal history record background check, including all  
2 costs of administering and processing the check;

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

35 (ii) The commission may approve an applicant for a Class 5  
36 Cannabis Retailer license after conducting a thorough review of any  
37 previous conviction of a person that substantially related to the  
38 qualifications, functions, or duties for which the license is required  
39 that is contained in the criminal history record background  
40 information, and this review shall include examining the nature of  
41 the indictable offense, the circumstances at the time of committing  
42 the offense, and evidence of rehabilitation since conviction. If the  
43 commission determines that the reviewed conviction should not  
44 disqualify the applicant, the applicant may be approved so long as  
45 the applicant is otherwise qualified to be issued the license; and

46 (d) Upon receipt and review of the criminal history record  
47 background information from the Division of State Police and the  
48 Federal Bureau of Investigation, the commission shall provide

1 written notification to the applicant of the qualification for or  
2 disqualification for a Class 5 Cannabis Retailer license.

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

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

16 b. The commission shall adopt rules that:

17 (1) Provide for the annual renewal of the Class 5 Cannabis  
18 Retailer license;

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

23 (3) Require a cannabis retailer to meet any public health and  
24 safety standards, industry best practices, and all applicable  
25 regulations established by the commission by rule related to the sale  
26 of cannabis.

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

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

30 (2) Shall be deposited in the "Cannabis Regulatory, Enforcement  
31 Assistance, and Marketplace Modernization Fund" established under  
32 section 40 of P.L. , c. (C. ) (pending before the  
33 Legislature as this bill).

34 d. (1) The commission shall issue or deny issuance of a Class  
35 5 Cannabis Retailer license or conditional license in accordance  
36 with the procedures set forth in section 18 of P.L. , c. (C. )  
37 (pending before the Legislature as this bill).

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

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

47 f. As required by the commission in regulation, a licensee or  
48 conditional licensee shall report required changes in information

1 about the licensee to the commission within the time specified by  
2 the commission.

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

5 (1) A licensed cannabis retailer may operate a cannabis  
6 consumption area at which the on-premises consumption of  
7 cannabis items either obtained from the retailer, or brought by a  
8 person to the consumption area, may occur.

9 (2) Each licensed cannabis retailer may operate only one  
10 cannabis consumption area.

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

16 (4) A Class 5 Cannabis Retailer licensee that has been approved  
17 for a cannabis consumption area endorsement may transfer cannabis  
18 items purchased by a person in its retail establishment to the person  
19 in its cannabis consumption area. The Class 4 Cannabis Retailer  
20 licensee shall not transfer to the consumption area an amount of  
21 cannabis items that exceed the limits established by the  
22 commission.

23

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

25 A cannabis delivery service shall have a Class 6 Cannabis Delivery  
26 license issued by the commission for the premises from which the  
27 cannabis delivery service will conduct operations to provide courier  
28 services for a cannabis retailer in order to make deliveries of  
29 cannabis items and related supplies to a consumer. The commission  
30 shall determine the maximum number of licenses, of which at least 35  
31 percent shall be conditional licenses issued pursuant to subparagraph  
32 (a) of paragraph (2) of subsection b. of section 18 of P.L. ,  
33 c. (C. ) (pending before the Legislature as this bill), and at least  
34 25 percent of the total number of licenses and conditional licenses  
35 shall be designated for and only issued to microbusinesses pursuant  
36 subsection f. of that section. Providing there exist qualified applicants,  
37 the commission shall issue a sufficient number of licenses to meet the  
38 market demands of the State, and may, as authorized by paragraph (1)  
39 of subsection a. of section 18 of P.L. , c. (C. ) (pending before  
40 the Legislature as this bill), make requests for new applications for  
41 additional licenses as it deems necessary to meet those demands.

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

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

46 (2) Shall have at least one significantly involved person who has  
47 resided in this State for at least two years as of the date of the  
48 application, and provide proof that this person and any other person

1 with an investment interest who also has decision making authority for  
2 the cannabis delivery service listed on an application submitted under  
3 section 18 of P.L. , c. (C. ) (pending before the Legislature  
4 as this bill) is 21 years of age or older;

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

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

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

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

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

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

17 (ii) The commission may approve an applicant for a Class 4  
18 Cannabis Distributor license after conducting a thorough review of any  
19 previous conviction of a person that substantially related to the  
20 qualifications, functions, or duties for which the license is required that  
21 is contained in the criminal history record background information,  
22 and this review shall include examining the nature of the indictable  
23 offense, the circumstances at the time of committing the offense, and  
24 evidence of rehabilitation since conviction. If the commission  
25 determines that the reviewed conviction should not disqualify the  
26 applicant, the applicant may be approved so long as the applicant is  
27 otherwise qualified to be issued the license; and

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

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

37 (e) The Division of State Police shall promptly notify the  
38 commission in the event that an individual who was the subject of a  
39 criminal history record background check conducted pursuant to this  
40 section is convicted of a crime or offense in this State after the date the  
41 background check was performed. Upon receipt of that notification,  
42 the commission shall make a determination regarding the continued  
43 eligibility for the applicant, or following application, for the licensee to  
44 hold a Class 6 Cannabis Delivery license.

45 b. The commission shall adopt rules that:

46 (1) Provide for the annual renewal of the Class 6 Cannabis  
47 Delivery license;



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

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

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

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

12 (2) Shall be deposited in the "Cannabis Regulatory, Enforcement  
13 Assistance, and Marketplace Modernization Fund" established under  
14 section 40 of P.L. , c. (C. ) (pending before the Legislature  
15 as this bill).

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

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

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

29 f. As required by the commission in regulation, a licensee or  
30 conditional licensee shall report required changes in information about  
31 the licensee to the commission within the time specified by the  
32 commission.

33  
34 27. (New section) Personal Use Cannabis Handlers.

35 a. An individual who performs work for or on behalf of a  
36 person who holds a license classified pursuant to section 20, 22, 23,  
37 24, 25, or 26 of P.L. , c. (C. ) (pending before the  
38 Legislature as this bill) shall have a valid certification issued by the  
39 commission under this section if the individual participates in:

40 (1) the possession, securing, or selling of cannabis items at the  
41 premises for which the license has been issued; or

42 (2) the recording of the possession, securing, or selling of  
43 cannabis items at the premises for which the license has been  
44 issued; or

45 (3) the transportation or delivery of cannabis items.

46 b. A person who holds a license classified pursuant to section  
47 20, 22, 23, 24, 25, or 26 of P.L. , c. (C. ) (pending before  
48 the Legislature as this bill) shall verify that an individual has a valid

1 certification issued under this section before allowing the individual  
2 to perform any work described in subsection a. of this section at the  
3 premises for which the license has been issued.

4 c. The commission shall issue certifications to qualified  
5 applicants to perform work described in this section. The  
6 commission shall adopt rules and regulations establishing: the  
7 qualifications for performing work described in this section; the  
8 terms of a certification issued under this section; procedures for  
9 applying for and renewing a certification issued under this section;  
10 and reasonable application, issuance, and renewal fees for a  
11 certification issued under this section.

12 d. The commission may require an individual applying for a  
13 certification under this section to successfully complete a course,  
14 made available by or through the commission, in which the  
15 individual receives training on: checking identification; detecting  
16 intoxication; handling cannabis items; statutory and regulatory  
17 provisions relating to cannabis; and any matter deemed necessary  
18 by the commission to protect the public health and safety. The  
19 commission or other provider may charge a reasonable fee for the  
20 course.

21 The commission shall not require an individual to successfully  
22 complete the course more than once, except that the commission  
23 may adopt regulations directing continuing education training on a  
24 prescribed schedule.

25 As part of a final order suspending a certification issued under  
26 this section, the commission may require a holder of a certification  
27 to successfully complete the course as a condition of lifting the  
28 suspension and as part of a final order revoking a certification  
29 issued under this section, the commission shall require an individual  
30 to successfully complete the course prior to applying for a new  
31 certification.

32 e. (1) Each individual applying for a certification under this  
33 section shall undergo a criminal history record background check.  
34 The commission is authorized to exchange fingerprint data with and  
35 receive criminal history record background information from the  
36 Division of State Police and the Federal Bureau of Investigation  
37 consistent with the provisions of applicable federal and State laws,  
38 rules, and regulations. The Division of State Police shall forward  
39 criminal history record background information to the commission  
40 in a timely manner when requested pursuant to the provisions of  
41 this subsection.

42 (2) Each individual shall submit to being fingerprinted in  
43 accordance with applicable State and federal laws, rules, and  
44 regulations. No check of criminal history record background  
45 information shall be performed pursuant to this subsection unless  
46 the individual has furnished written consent to that check. Any  
47 individual who refuses to consent to, or cooperate in, the securing  
48 of a check of criminal history record background information shall

1 not be considered for a certification. Each individual shall bear the  
2 cost for the criminal history record background check, including all  
3 costs of administering and processing the check.

4 (3) 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 individual of the qualification for or  
8 disqualification for a certification. If the individual is disqualified  
9 because of a disqualifying conviction as set forth in subsection f. of  
10 this section, the conviction that constitutes the basis for the  
11 disqualification shall be identified in the written notice.

12 (4) The Division of State Police shall promptly notify the  
13 commission in the event that an individual who was the subject of a  
14 criminal history record background check conducted pursuant to  
15 this subsection is convicted of a crime in this State after the date the  
16 background check was performed. Upon receipt of that  
17 notification, the commission shall make a determination regarding  
18 the continued eligibility to hold a certification.

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

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

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

14 g. The commission shall deny an application to any applicant who  
15 fails to provide information, documentation and assurances as required  
16 by P.L. , c. (C. ) (pending before the Legislature as this bill) or  
17 as requested by the commission, or who fails to reveal any fact  
18 material to qualification, or who supplies information which is untrue  
19 or misleading as to a material fact pertaining to the qualification  
20 criteria for licensure.

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

28 i. A certification issued under this section is a personal  
29 privilege and permits work described under this section only for the  
30 individual who holds the certification.

31 j. In addition to the requirements for regulations set forth in  
32 paragraph (1) of subsection d. of section 6 of P.L. ,  
33 c. (C. ) (pending before the Legislature as this bill) the  
34 commission shall enact regulations to allow for a cannabis retailer  
35 to engage in delivery of cannabis items by a certified cannabis  
36 handler performing work for or on behalf of a cannabis retailer,  
37 including a certified cannabis handler employed by a cannabis  
38 delivery service providing courier service for the cannabis retailer,  
39 and which regulations shall include, but not be limited to, the  
40 following requirements:

41 (1) A cannabis retailer may only deliver cannabis items to a  
42 residence, including a temporary residence, in this State.

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

1       (3) A cannabis retailer shall not deliver to a residence located on  
2 land owned by the federal government or any residence on land or  
3 in a building leased by the federal government.

4       (4) A cannabis retailer shall staff each delivery vehicle with a  
5 certified cannabis handler who is an employee of the cannabis  
6 retailer who shall be at least 18 years of age, or use a cannabis  
7 delivery service or an approved contract vendor whose delivery  
8 employees shall be at least 18 years of age.

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

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

17       (7) Each certified cannabis handler shall have access to a secure  
18 form of communication with the cannabis retailer, such as a cellular  
19 telephone, at all times that a delivery vehicle contains cannabis  
20 items.

21       (8) During delivery, the certified cannabis handler shall  
22 maintain a physical or electronic copy of the delivery request and  
23 shall make it available upon request to State and local law  
24 enforcement, and State and local regulatory authorities and  
25 agencies.

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

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

32       (11) A delivery vehicle shall contain a Global Positioning  
33 System (GPS) device for identifying the geographic location of the  
34 delivery vehicle. The device shall be either permanently or  
35 temporarily affixed to the delivery vehicle while the delivery  
36 vehicle is in operation, and the device shall remain active and in the  
37 possession of the certified cannabis handler at all times during  
38 delivery. At all times, the cannabis retailer shall be able to identify  
39 the geographic location of all delivery vehicles that are making  
40 deliveries for the cannabis retailer and shall provide that  
41 information to the commission upon request.

42       (12) Upon request, a cannabis retailer shall provide the  
43 commission with information regarding any vehicles used for  
44 delivery, including the vehicle's make, model, color, Vehicle  
45 Identification Number, license plate number, and vehicle  
46 registration.

47       (13) Each cannabis retailer, delivery service, or contract vendor  
48 of a cannabis retailer shall maintain current hired and non-owned

1 automobile liability insurance sufficient to insure all vehicles used  
2 for delivery of cannabis in the amount of not less than \$1,000,000  
3 per occurrence or accident.

4 (14) Each cannabis retailer shall ensure that vehicles used to  
5 deliver cannabis bear no markings that would either identify or  
6 indicate that the vehicle is used to deliver cannabis items.

7 (15) Each cannabis retailer shall ensure that deliveries are  
8 completed in a timely and efficient manner.

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

21 (17) The process of delivery begins when the certified cannabis  
22 handler leaves the cannabis retailer licensed premises with the  
23 cannabis items for delivery. The process of delivering ends when  
24 the cannabis handler returns to the cannabis retailer's licensed  
25 premises, or delivery service's or contract vendor's premises, after  
26 delivering the cannabis item to the consumer.

27 (18) Each cannabis retailer shall maintain a record of each  
28 delivery of cannabis items in a delivery log, which may be written  
29 or electronic. For each delivery, the log shall record:

- 30 (a) The date and time that the delivery began and ended;  
31 (b) The name of the certified cannabis handler;  
32 (c) The cannabis items delivered;  
33 (d) The lot number of the cannabis; and  
34 (e) The signature of the consumer who accepted delivery.

35 (19) A cannabis retailer shall report any vehicle accidents,  
36 diversions, losses, or other reportable events that occur during  
37 delivery to the appropriate State and local authorities, including the  
38 commission.

39

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

42 24. a. (1) Each batch of medical cannabis cultivated by a  
43 medical cannabis cultivator or a clinical registrant and each batch of  
44 a medical cannabis product produced by a medical cannabis  
45 manufacturer or a clinical registrant shall be tested in accordance  
46 with the requirements of section 26 of P.L.2019, c.153 (C.24:6I-19)  
47 by a laboratory licensed pursuant to section 25 of P.L.2019, c.153  
48 (C.24:6I-18). The laboratory performing the testing shall produce a

1 written report detailing the results of the testing, a summary of  
2 which shall be included in any packaging materials for medical  
3 cannabis and medical cannabis products dispensed to qualifying  
4 patients and their designated and institutional caregivers. The  
5 laboratory may charge a reasonable fee for any test performed  
6 pursuant to this section.

7 (2) Each representative sample of personal use cannabis from a  
8 cannabis cultivation facility and each representative sample of a  
9 personal use cannabis item from a cannabis product manufacturing  
10 facility shall be tested in accordance with the provisions of section  
11 18 of P.L. , c. (C. ) (pending before the Legislature as this  
12 bill) by a laboratory licensed pursuant to section 25 of P.L.2019,  
13 c.153 (C.24:6I-18).

14 b. The requirements of subsection a. of this section shall take  
15 effect at such time as the commission certifies that a sufficient  
16 number of laboratories have been licensed pursuant to section 25 of  
17 P.L.2019, c.153 (C.24:6I-18), or pursuant to section 18 of P.L. ,  
18 c. (C. ), to ensure that all medical cannabis and medical  
19 cannabis products can be promptly tested consistent with the  
20 requirements of this section without disrupting patient access to  
21 medical cannabis.

22 (cf: P.L.2019, c.153, s.24)

23  
24 29. Section 25 of P.L.2019, c.153 (C.24:6I-18) is amended to  
25 read as follows:

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

43 (2) Any laboratory licensed pursuant to this section prior to the  
44 effective date of P.L. , c. (C. ) to only test medical cannabis  
45 and medical cannabis products shall be authorized to test personal  
46 use cannabis and personal use cannabis items under an existing  
47 license in good standing, if the laboratory certifies to the  
48 commission that its facility, and the condition and calibration of any

1 equipment used for testing meet the commission's accreditation  
2 requirements for licensure as a cannabis testing facility, and its  
3 testing procedures will be performed in accordance with the  
4 requirements of section 18 of P.L. , c. (C. ) (pending before  
5 the Legislature as this bill). The commission shall acknowledge  
6 receipt of the laboratory's certification in writing to that laboratory,  
7 which shall serve as notice and recognition that the laboratory may  
8 test personal use cannabis and personal use cannabis items under  
9 the existing license.

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

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

23 d. (1) The commission shall require each applicant for  
24 licensure as a medical cannabis testing laboratory to undergo a  
25 criminal history record background check, except that no criminal  
26 history record background check shall be required for an applicant  
27 who completed a criminal history record background check as a  
28 condition of professional licensure or certification.

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

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



1 considered for a license to operate, or authorization to be employed  
2 at, a medical cannabis testing laboratory. An applicant shall bear  
3 the cost for the criminal history record background check, including  
4 all costs of administering and processing the check.

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

10 (3) Upon receipt of the criminal history record background  
11 information from the Division of State Police and the Federal  
12 Bureau of Investigation, the commission shall provide written  
13 notification to the applicant of the applicant's qualification for or  
14 disqualification for a permit to operate or be a director, officer, or  
15 employee of a medical cannabis testing laboratory.

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

20 (4) The Division of State Police shall promptly notify the  
21 commission in the event that an individual who was the subject of a  
22 criminal history record background check conducted pursuant to  
23 this section is convicted of a crime or offense in this State after the  
24 date the background check was performed. Upon receipt of that  
25 notification, the commission shall make a determination regarding  
26 the continued eligibility to operate or be a director, officer, or  
27 employee of a medical cannabis testing laboratory.

28 (5) Notwithstanding the provisions of subsection c. of this  
29 section to the contrary, the commission may offer provisional  
30 authority for an applicant to be an owner, director, officer, or  
31 employee of a medical cannabis testing laboratory for a period not  
32 to exceed three months if the applicant submits to the commission a  
33 sworn statement attesting that the person has not been convicted of  
34 any disqualifying conviction pursuant to this section.

35 (6) Notwithstanding the provisions of subsection c. of this  
36 section to the contrary, no applicant to be an owner, director,  
37 officer, or employee of a medical cannabis testing laboratory shall  
38 be disqualified on the basis of any conviction disclosed by a  
39 criminal history record background check conducted pursuant to  
40 this section if the individual has affirmatively demonstrated to the  
41 commission clear and convincing evidence of rehabilitation. In  
42 determining whether clear and convincing evidence of rehabilitation  
43 has been demonstrated, the following factors shall be considered:

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

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

47 (c) the circumstances under which the crime or offense  
48 occurred;

- 1 (d) the date of the crime or offense;
- 2 (e) the age of the individual when the crime or offense was  
3 committed;
- 4 (f) whether the crime or offense was an isolated or repeated  
5 incident;
- 6 (g) any social conditions which may have contributed to the  
7 commission of the crime or offense; and
- 8 (h) any evidence of rehabilitation, including good conduct in  
9 prison or in the community, counseling or psychiatric treatment  
10 received, acquisition of additional academic or vocational  
11 schooling, successful participation in correctional work-release  
12 programs, or the recommendation of those who have had the  
13 individual under their supervision.  
14 (cf: P.L.2019, c.153, s.25)

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

18 15. a. The Cannabis Regulatory Commission is authorized to  
19 exchange fingerprint data with, and receive information from, the  
20 Division of State Police in the Department of Law and Public  
21 Safety and the Federal Bureau of Investigation for use in reviewing  
22 applications for individuals who are required to complete a criminal  
23 history record background check in connection with applications :

24 (1) to serve as designated caregivers or institutional caregivers  
25 pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4), for licenses to  
26 operate as, or to be a director, officer, or employee of, medical  
27 cannabis testing laboratories pursuant to section 25 of P.L.2019,  
28 c.153 (C.24:6I-18), for permits to operate as, or to be a director,  
29 officer, or employee of, or a significantly involved person in,  
30 clinical registrants pursuant to section 13 of P.L.2019, c.153  
31 (C.24:6I-7.3), and for permits to operate as, or to be a director,  
32 officer, or employee of, or a significantly involved person in,  
33 medical cannabis cultivators, medical cannabis manufacturers, and  
34 medical cannabis dispensaries pursuant to section 7 of P.L.2009,  
35 c.307 (C.24:6I-7); or

36 (2) for licenses to operate as, or to be a director, officer, or  
37 employee of, or a significantly involved person in, cannabis  
38 growers, cannabis processors, cannabis wholesalers, cannabis  
39 distributors, cannabis retailers, cannabis delivery services, and  
40 personal use cannabis testing facilities pursuant to sections 18, 20,  
41 21, 22, 23, 24, 25, and 26 of P.L. , c. (C. ) (pending before  
42 the Legislature as this bill).

43 b. The Division of State Police shall promptly notify the  
44 Cannabis Regulatory Commission in the event an applicant  
45 [seeking to serve as a designated or institutional caregiver, an  
46 applicant for a license to operate as, or to be a director, officer, or  
47 employee of, a medical cannabis testing laboratory, an applicant for

1 a permit to operate as, or to be a director, officer, or employee of, or  
2 a significantly involved person in, a clinical registrant, or an  
3 applicant for a permit to operate as, or to be a director, officer, or  
4 employee of, or a significantly involved person in, a medical  
5 cannabis cultivator, medical cannabis manufacturer, or medical  
6 cannabis dispensary], who was the subject of a criminal history  
7 record background check conducted pursuant to subsection a. of this  
8 section, is convicted of a crime involving possession or sale of a  
9 controlled dangerous substance.

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

11  
12 31. (New section) Municipal Regulations or Ordinances.

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

16 (1) governing the times of operation, location, manner, and  
17 number of cannabis establishments, distributors, or delivery services;  
18 and

19 (2) establishing civil penalties for violation of an ordinance or  
20 regulation governing the times of operation, location, manner, and  
21 number of cannabis establishments, distributors, or delivery services  
22 that may operate in such municipality.

23 b. A municipality may prohibit the operation of any one or  
24 more classes of cannabis establishment or cannabis distributors, but  
25 not cannabis delivery services, within the jurisdiction of the  
26 municipality through the enactment of an ordinance, and this  
27 prohibiting ordinance shall apply throughout the municipality, even if  
28 that municipality or parts thereof fall within any district, area, or other  
29 geographical jurisdiction for which land use planning, site planning,  
30 zoning requirements or other development authority is exercised by an  
31 independent State authority, commission, instrumentality, or agency  
32 pursuant to the enabling legislation that governs its duties, functions,  
33 and powers, even if this development authority is expressly stated or  
34 interpreted to be exclusive thereunder; the local prohibiting ordinance  
35 applies, notwithstanding the provisions of any independent State  
36 authority law to the contrary. Only an ordinance to prohibit one or  
37 more classes of cannabis establishment or cannabis distributors  
38 enacted pursuant to the specific authority to do so by this section  
39 shall be valid and enforceable; any ordinance enacted by a  
40 municipality prior to the effective date of this section addressing the  
41 issue of prohibiting one or more types of cannabis-related activities  
42 within the jurisdiction of the municipality is null and void, and that  
43 entity may only prohibit the operation of one or more classes of  
44 cannabis establishment or cannabis distributors by enactment of a  
45 new ordinance based upon the specific authority to do so by this  
46 section. The failure of a municipality to enact an ordinance  
47 prohibiting the operation of one or more classes of cannabis

1 establishment or cannabis distributors within 180 days after the  
2 effective date of P.L. , c. (C. ) (pending before the  
3 Legislature as this bill), shall result in any class of cannabis  
4 establishment or a cannabis distributor that is not prohibited from  
5 operating within the municipality as being permitted to operate  
6 therein as follows: the growing, cultivating, processing, and selling  
7 and reselling of cannabis and cannabis items, and operations to  
8 transport in bulk cannabis items by a cannabis grower, cannabis  
9 processor, cannabis wholesaler, or cannabis distributor shall be  
10 permitted uses in all industrial zones of the municipality; and the  
11 selling of cannabis items to consumers from a retail store by a  
12 cannabis retailer shall be a conditional use in all commercial zones  
13 or retail zones, subject to meeting the conditions set forth in any  
14 applicable zoning ordinance or receiving a variance from one or  
15 more of those conditions in accordance with the “Municipal Land  
16 Use Law,” P.L.1975, c.291 (C.40:55D-1 et seq.). At the end of a  
17 five-year period following the initial failure of a municipality to  
18 enact an ordinance prohibiting the operation of one or more classes  
19 of cannabis establishment or cannabis distributors, and every five-  
20 year period thereafter following a failure to enact a prohibiting  
21 ordinance, the municipality shall again be permitted to prohibit the  
22 future operation of any one or more classes of cannabis  
23 establishment or cannabis distributors through the enactment of an  
24 ordinance, but this ordinance shall be prospective only and not  
25 apply to any cannabis establishment or distributor operating in the  
26 municipality prior to the enactment of the ordinance.

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

46 (2) A municipality may impose a separate local licensing or  
47 endorsement requirement as a part of its restrictions on times of  
48 operation, location, manner, and the number of cannabis businesses.

1 A municipality may decline to impose any local licensing or  
2 endorsement requirements, but a local jurisdiction shall notify the  
3 commission that it either approves or denies each application  
4 forwarded to it.

5  
6 32. Section 28 of P.L.2019, c.153 (C.24:6I-21) is amended to  
7 read as follows:

8 28. a. A municipality may authorize, through the enactment of  
9 an ordinance, the operation of locally endorsed **【medical】** cannabis  
10 consumption areas:

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

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

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

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

1 aggrieved by the local denial of an endorsement application may  
2 request a hearing in the Superior Court of the county in which the  
3 application was filed. The request for a hearing shall be filed  
4 within 30 days after the date the application was denied. The  
5 person shall serve a copy of the person's request for a hearing upon  
6 the appropriate officer for the municipality that denied the  
7 application. The hearing shall be held and a record made thereof  
8 within 30 days after the receipt of the application for a hearing. No  
9 formal pleading and no filing fee shall be required for the hearing.

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

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

18 (a) the endorsed permit holder , license holder, or applicant has  
19 violated, does not meet, or has failed to comply with, any of the  
20 terms, conditions, or provisions of this section, any rules  
21 promulgated pursuant to this section, or any supplemental local  
22 laws, rules, or regulations;

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

26 (c) the premises have been operated in a manner that adversely  
27 affects the public health or the safety of the immediate  
28 neighborhood in which the **【medical cannabis】** consumption area is  
29 located.

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

35 d. A **【medical】** cannabis consumption area endorsement shall  
36 be valid for one year and may be renewed annually, subject to the  
37 approval of the commission and the municipality as set forth in this  
38 section. The commission shall establish by rule the amount of the  
39 application fee and renewal fee for the endorsement, which shall not  
40 exceed the administrative cost for processing and reviewing the  
41 application.

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

45 f. A **【medical】** cannabis consumption area shall be located on  
46 the premises of a medical cannabis dispensary **【or】** , clinical

1 registrant, or cannabis retailer, may be indoors or outdoors, and shall  
2 be designated by conspicuous signage. The signage shall also  
3 indicate whether the cannabis consumption area may be used for the  
4 on-premises consumption of medical cannabis, personal use cannabis,  
5 or both.

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

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

38 (2) An outdoor **【medical】** cannabis consumption area shall be  
39 an exterior structure on the same premises as the medical cannabis  
40 dispensary **【or】** , clinical registrant facility, or cannabis retailer, that  
41 is either separate from or connected to the dispensary, facility, or  
42 retailer, and that is not required to be completely enclosed, but shall  
43 have sufficient walls, fences, or other barriers to prevent any view  
44 of patients consuming medical cannabis or persons consuming  
45 personal use cannabis from any sidewalk or other pedestrian or non-

1 motorist right-of-way, as the case may be, within the consumption  
2 area.

3 **[(3)]** Nothing in this subsection shall be construed to authorize  
4 the consumption of medical cannabis by smoking in any indoor  
5 public place or workplace, as those terms are defined in subsection  
6 3 of P.L.2005, c.383 (C.26:3D-57), and the **]** A medical cannabis  
7 dispensary **[or]** , clinical registrant , or cannabis retailer operating  
8 **[the]** a consumption area shall ensure that any smoking, vaping, or  
9 aerosolizing of medical cannabis or personal use cannabis that  
10 occurs in an outdoor **[medical]** cannabis consumption area does not  
11 result in migration, seepage, or recirculation of smoke or other  
12 exhaled material to any indoor public place or workplace as those  
13 terms are defined in section 3 of P.L.2005, c.383 (C.26:3D-57). The  
14 commission may require **[a]** an outdoor consumption area to  
15 include any ventilation features as the commission deems necessary  
16 and appropriate.

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

26 (2) A medical cannabis dispensary **[or]** , clinical registrant , or  
27 cannabis retailer holding a **[medical]** cannabis consumption area  
28 endorsement shall not sell alcohol, including fermented malt  
29 beverages or malt, vinous, or spirituous liquor, sell tobacco or  
30 nicotine products, or allow the consumption of alcohol, tobacco, or  
31 nicotine products on premises, or operate as a retail food  
32 establishment.

33 (3) A medical cannabis dispensary **[or]** , clinical registrant , or  
34 cannabis retailer holding a **[medical]** cannabis consumption area  
35 endorsement shall not allow on-duty employees of the  
36 establishment to consume any medical cannabis or personal use  
37 cannabis items in the consumption area, other than an on-duty  
38 employee who is a registered qualifying patient with a valid  
39 authorization for the use of medical cannabis, if the medical  
40 cannabis dispensary, clinical registrant, or cannabis retailer does not  
41 otherwise provide a private area, that is separate from the area in  
42 which medical cannabis is dispensed or in which retail sales of  
43 cannabis items occur, for that employee to use medical cannabis.

44 (4) (a) A cannabis retailer, or medical cannabis dispensary or  
45 clinical registrant that is also licensed to simultaneously operate as



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

15 (b) All employees of a cannabis retailer, or medical cannabis  
16 dispensary or clinical registrant that is also licensed to  
17 simultaneously operate as a cannabis retailer, shall complete any  
18 responsible vendor training program established in regulation by the  
19 commission concerning consumption areas in which personal use  
20 cannabis may be consumed.

21 h. (1) Access to a [medical] cannabis consumption area in  
22 which medical cannabis may be consumed shall be restricted to  
23 employees of the medical cannabis dispensary or clinical registrant  
24 and to registered [qualified] qualifying patients and their  
25 designated caregivers.

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

39 i. When a patient or other person leaves a [medical] cannabis  
40 consumption area, the establishment shall ensure any remaining  
41 unconsumed medical cannabis or personal use cannabis item that is  
42 not taken by the patient [or] , the patient's designated caregiver , or  
43 other person is destroyed.

44 j. A medical cannabis dispensary, clinical registrant, or cannabis  
45 retailer operating a cannabis consumption area and its employees:

1 (1) shall operate the establishment in a decent, orderly, and  
2 respectable manner;

3 (2) may remove an individual from the establishment for any  
4 reason;

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

7 (4) shall not permit rowdiness, undue noise, or other  
8 disturbances or activity offensive to the average citizen or to the  
9 residents of the neighborhood in which the consumption area is  
10 located.

11 k. If an emergency requires law enforcement, firefighters,  
12 emergency medical services providers, or other public safety  
13 personnel to enter a medical cannabis consumption area, employees  
14 of the establishment shall prohibit on-site consumption of medical  
15 cannabis until such personnel have completed their investigation or  
16 services and have left the premises.

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

18

19 33. (New section) Marketplace Regulation.

20 a. (1) (a) For a period of 18 months after the date determined  
21 by the commission pursuant to paragraph (2) of subsection d. of  
22 section 6 of P.L. , c. (C. ) (pending before the Legislature as  
23 this bill), to be the first date on which cannabis retailers issued  
24 licenses and conditional licenses begin retail sales of personal use  
25 cannabis items, it shall be unlawful for any owner, part owner,  
26 stockholder, officer, or director of any corporation, or any other  
27 person interested in any cannabis cultivation facility, cannabis  
28 testing facility, cannabis product manufacturing facility, cannabis  
29 wholesaler, cannabis distributor, or cannabis delivery service to  
30 engage in the retailing of any cannabis items in this State, or to own,  
31 either in whole or in part, or be directly or indirectly interested in a  
32 cannabis retailer, and such interest shall include any payments or  
33 delivery of money or property by way of loan or otherwise  
34 accompanied by an agreement to sell the product of said cannabis  
35 cultivation facility, cannabis testing facility, cannabis product  
36 manufacturing facility, cannabis wholesaler, or cannabis distributor,  
37 but does not include any arrangement between a cannabis delivery  
38 service and a cannabis retailer for making deliveries of cannabis  
39 items to consumers. During this 18-month period, the holder of a  
40 Class 1 Cannabis Grower license to operate a cannabis cultivation  
41 facility or a Class 2 Cannabis Processor license to operate a  
42 cannabis product manufacturing facility may hold one other license  
43 to operate another cannabis establishment, other than a Class 3  
44 Cannabis Wholesaler license to operate a cannabis wholesaler or a  
45 Class 5 Cannabis Retailer license to operate a cannabis retailer; and  
46 the holder of a Class 3 Cannabis Wholesaler license to operate a  
47 cannabis wholesaler shall be limited to just that one license.

1 (b) Throughout the 18-month period set forth in subparagraph  
2 (a) of this paragraph, the commission, except as authorized by  
3 paragraph (2) of subsection b. of this section, shall not allow,  
4 providing there exist qualified applicants, more than 28 cannabis  
5 growers to be simultaneously licensed and engaging in personal use  
6 cannabis activities, which number shall include any alternative  
7 treatment centers deemed to be licensed as cannabis growers who  
8 are issued licenses by the commission pursuant to paragraph (3) of  
9 this subsection.

10 (2) For a period of 18 months after the date determined by the  
11 commission pursuant to paragraph (2) of subsection d. of section 6  
12 of P.L. , c. (C. ) (pending before the Legislature as this bill),  
13 to be the first date on which cannabis retailers issued licenses and  
14 conditional licenses begin retail sales of personal use cannabis  
15 items, it shall be unlawful for any owner, part owner, stockholder,  
16 officer, or director of any corporation, or any other person engaged  
17 in any retailing of any cannabis items to engage in the growing of,  
18 testing of, processing of, wholesaling of, or transporting in bulk any  
19 cannabis items, or to own either whole or in part, or to be a  
20 shareholder, officer or director of a corporation or association,  
21 directly or indirectly, interested in any cannabis cultivation facility,  
22 cannabis testing facility, cannabis product manufacturing facility,  
23 cannabis wholesaler, cannabis distributor, or cannabis delivery  
24 service.

25 (3) (a) (i) Except with respect to the cap on the number of  
26 cannabis grower licenses set forth in subparagraph (b) of paragraph  
27 (1) of this subsection, the provisions of paragraphs (1) and (2) of  
28 this subsection shall not apply

29 to any alternative treatment center that was issued a permit prior  
30 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or to any  
31 alternative treatment center that was issued a permit subsequent to  
32 that effective date pursuant to an application submitted prior to that  
33 effective date,

34 to the one alternative treatment center, out of four, issued a permit  
35 pursuant to an application submitted after the effective date of  
36 P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to a request for  
37 applications published in the New Jersey Register prior to that  
38 effective date, that is expressly exempt, pursuant to subsection a. of  
39 section 11 of P.L.2019, c.153 (C.24:6I-7.1), from the provisions of  
40 subsubparagraph (i) of subparagraph (a) of paragraph (2) of  
41 subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7), which  
42 exemption permits the alternative treatment center to concurrently  
43 hold more than one medical cannabis permit, and that one alternative  
44 treatment center is deemed pursuant to that section 7 (C.24:6I-7) to  
45 concurrently hold more than one permit, and

46 to the one alternative treatment center, out of three, issued a  
47 permit pursuant to an application submitted on or after the effective  
48 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that is expressly

1 exempt, pursuant to subsection a. of section 11 of P.L.2019,  
2 c.153 (C.24:6I-7.1), from the provisions of subsubparagraph (i) of  
3 subparagraph (a) of paragraph (2) of subsection a. of section 7 of  
4 P.L.2009, c.307 (C.24:6I-7), which exemption permits the  
5 alternative treatment center to concurrently hold more than one  
6 medical cannabis permit, and that one alternative treatment center is  
7 deemed pursuant to that section 7 (C.24:6I-7) to concurrently hold  
8 more than one permit,

9 and which alternative treatment center is also deemed, pursuant  
10 to subsubparagraph (ii) of subparagraph (c) of paragraph (2) of  
11 section 7 of P.L.2009, c.307 (C.24:6I-7), to either concurrently hold  
12 a Class 1 Cannabis Grower license, a Class 2 Cannabis Processor  
13 license, and a Class 5 Cannabis Retailer license, plus an additional  
14 Class 5 Cannabis Retailer license for each satellite dispensary  
15 authorized and established by an alternative treatment center pursuant  
16 to subparagraph (d) of paragraph (2) of subsection a. of section 7 of  
17 P.L.2009, c.307 (C.24:6I-7), or alternatively to hold a Class 3  
18 Cannabis Wholesaler license.

19 (ii) For each alternative treatment center deemed to have  
20 licenses pursuant to subsubparagraph (i) of this subparagraph, the  
21 commission shall not require the submission of an application for  
22 licensure, as the application requirement is deemed satisfied by the  
23 alternative treatment center's previously approved permit  
24 application that was submitted to the Department of Health or to the  
25 commission pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7),  
26 but the alternative treatment center shall not begin to operate as any  
27 class of cannabis establishment until the alternative treatment center  
28 has submitted a written approval for a proposed cannabis  
29 establishment from the municipality in which the proposed  
30 establishment is to be located, which approval is based on a  
31 determination that the proposed establishment complies with the  
32 municipality's restrictions on the time, location, manner, and  
33 number of establishments enacted pursuant to section 31 of P.L. of  
34 P.L. , c. (C. ) (pending before the Legislature as this bill).  
35 The commission shall issue the initial license to the alternative  
36 treatment center for a cannabis establishment of the appropriate  
37 class upon receipt of the municipality's approval. The commission  
38 shall begin accepting municipal approvals from alternative  
39 treatment centers beginning on the date of adoption of the  
40 commission's initial rules and regulations pursuant to subparagraph  
41 (a) of paragraph (1) of subsection d. of section 6 of P.L. ,  
42 c. (C. ) (pending before the Legislature as this bill).

43 (iii) An alternative treatment center issued an initial license  
44 following approval by a municipality pursuant to subsubparagraph  
45 (ii) of this subparagraph shall not engage in activities related to the  
46 growing, producing, or wholesaling of personal use cannabis until it  
47 has certified to the commission that that it has sufficient quantities  
48 of medical cannabis and medical cannabis products available to

1 meet the reasonably anticipated need of registered qualifying  
2 patients, and the commission has accepted the alternative treatment  
3 center's certification.

4 Notwithstanding the date determined by the commission  
5 pursuant to paragraph (2) of subsection d. of section 6 of P.L. ,  
6 c. (C. ) (pending before the Legislature as this bill) to be the  
7 first date on which cannabis retailers issued licenses and conditional  
8 licenses begin retail sales of personal use cannabis items, an  
9 alternate treatment center, if approved by a municipality to operate  
10 as a cannabis retailer, may begin to engage in the retail sale of  
11 cannabis items on any date after the date that the commission  
12 adopts its initial rules and regulations pursuant to subparagraph (a) of  
13 paragraph (1) of subsection d. of section 6 of that act (C. ), so  
14 long as it has certified to the commission, and to the municipality in  
15 which it is located and intends to engage in retail sales, that it has  
16 sufficient quantities of medical cannabis and, if applicable, medical  
17 cannabis products available to meet the reasonably anticipated need  
18 of registered qualifying patients, and both the commission and  
19 municipality have accepted the alternative treatment center's  
20 certification.

21 (iv) An alternative treatment center issued a license for a  
22 cannabis establishment shall be authorized to use the same premises  
23 for all activities authorized under P.L. , c. (C. ) (pending  
24 before the Legislature as this bill) and the "Jake Honig  
25 Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-  
26 1 et al.), without being required to establish or maintain any  
27 physical barriers or separations between operations related to the  
28 medical use of cannabis and operations related to personal use  
29 cannabis, provided that the alternative treatment center shall be  
30 required to certify that it has sufficient quantities of medical  
31 cannabis and, if applicable, medical cannabis products available to  
32 meet the reasonably anticipated treatment needs of registered  
33 qualifying patients, as set forth in subsubparagraph (iii) of this  
34 subparagraph, as a condition of selling personal use cannabis at  
35 retail.

36 In determining whether to accept, pursuant to this subparagraph,  
37 an alternative treatment center's certification that it has sufficient  
38 quantities of medical cannabis or medical cannabis products  
39 available to meet the reasonably anticipated needs of registered  
40 qualifying patients, the commission, and if applicable a  
41 municipality in consultation with the commission, shall  
42 assess patient enrollment, inventory, sales of medical cannabis and  
43 medical cannabis products, and any other factors determined by the  
44 commission through regulation. If an alternative treatment center is  
45 found by the commission to not have sufficient quantities of  
46 medical cannabis or medical cannabis products available to meet  
47 the reasonably anticipated needs of qualified patients, the  
48 commission may issue fines, limit retail sales, temporarily suspend

1 the alternative treatment center's cannabis establishment license, or  
2 issue any other penalties determined by the commission through  
3 regulation.

4 (b) Beginning on a date determined by the commission, to be  
5 not later than one year from the date determined by the commission  
6 pursuant to paragraph (2) of subsection d. of section 6 of P.L. ,  
7 c. (C. ) (pending before the Legislature as this bill) to be the first  
8 date on which cannabis retailers issued licenses and conditional  
9 licenses begin retail sales of personal use cannabis items, an  
10 alternative treatment center deemed to have licenses and issued  
11 initial licenses pursuant to subparagraph (a) of this paragraph shall  
12 certify to the commission, within a period of time, as determined by  
13 the commission, prior to the date on which a license issued to the  
14 alternative treatment center is set to expire, the continued material  
15 accuracy of the alternative treatment center's previously approved  
16 permit application to the Department of Health or to the commission  
17 pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), and its  
18 compliance with the provisions of P.L. , c. (C. ) (pending before  
19 the Legislature as this bill) as required by the commission for its  
20 operations concerning personal use cannabis, and this certification  
21 shall be supplemented with a new written approval from the  
22 municipality in which the alternative treatment center is operating  
23 as a cannabis establishment for which the initial license was issued,  
24 approving the continued operations as a cannabis establishment.  
25 The commission shall renew the license of the alternative treatment  
26 center based upon a review of the certification and supporting  
27 municipality's continued approval. This license renewal process  
28 shall thereafter be followed for each expiring license issued to the  
29 alternative treatment center.

30 b. Following the 18 month period set forth in subsection a. of  
31 this section, a cannabis establishment license holder shall be  
32 authorized to hold:

33 (1) (a) a Class 1 Cannabis Grower license, a Class 2 Cannabis  
34 Processor license, and a Class 5 Cannabis Retailer license  
35 concurrently, provided that no license holder shall be authorized to  
36 concurrently hold more than one license of each class, except for an  
37 alternative treatment center that was deemed, during the 18 month  
38 period, to have an additional Class 5 Cannabis Retailer license for  
39 each satellite dispensary that was authorized and established by the  
40 alternative treatment center pursuant to subparagraph (d) of  
41 paragraph (2) of subsection a. of section 7 of P.L.2009, c.307  
42 (C.24:6I-7). These additional retailer licenses only permit the retail  
43 operation of each satellite dispensary, and shall not be replaced by  
44 any other class of cannabis establishment license; or

45 (b) a Class 3 Cannabis Wholesaler license. In no case may a  
46 holder of a Class 3 Cannabis Wholesaler license concurrently  
47 holder a license of any other class or cannabis establishment.

1       (2) The commission, pursuant to its authority under paragraph  
2       (1) of subsection a. of section 18 of P.L. , c. (C. ) (pending  
3       before the Legislature as this bill) for making periodic evaluations of  
4       whether the number of each class of cannabis establishment, or  
5       number of cannabis distributors or delivery services, is sufficient to  
6       meet the market demands of the State, shall review the limit on the  
7       number of cannabis grower licenses set forth in subparagraph (b) of  
8       paragraph (1) of subsection a. of this section, and providing there  
9       exist qualified applicants, may make requests for new applications  
10      for additional licenses as it deems necessary.

11      (3) A license holder may submit an application for a license of  
12      any type that the license holder does not currently hold prior to the  
13      expiration of the 18 month period set forth in subsection a. of this  
14      section, or thereafter, does not currently hold pursuant to paragraph  
15      (1) of this subsection, provided that no license shall be awarded to  
16      the license holder during the 18 month period, or thereafter, if  
17      issuance of the license would violate the restrictions set forth in  
18      subsection a. of this section concerning the classes of licenses that  
19      may be concurrently held during that 18 month period, or the  
20      restrictions set forth in paragraph (1) of this subsection

21

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

24      7. a. (1) The commission shall accept applications from entities  
25      for permits to operate as medical cannabis cultivators, medical  
26      cannabis manufacturers, and medical cannabis dispensaries. For the  
27      purposes of this section, the term “permit” shall be deemed to  
28      include a conditional permit issued pursuant to subsection d. of  
29      section 11 of P.L.2019, c.153 (C.24:6I-7.1) and any permit issued to  
30      a microbusiness pursuant to subsection e. of section 11 of P.L.2019,  
31      c.153 (C.24:6I-7.1).

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

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

37      (ii) there shall be no more than 28 active medical cannabis  
38      cultivator permits, including medical cannabis cultivator permits  
39      deemed to be held by alternative treatment centers issued a permit  
40      prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) and  
41      medical cannabis cultivator permits deemed to be held by  
42      alternative treatment centers issued a permit subsequent to the  
43      effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an  
44      application submitted prior to the effective date of P.L.2019, c.153  
45      (C.24:6I-5.1 et al.); provided that medical cannabis cultivator  
46      permits issued to microbusinesses pursuant to subsection e. of

1 section 11 of P.L.2019, c.153 (C.24:6I-7.1) shall not count toward  
2 this limit.

3 (b) Commencing 18 months after the effective date of P.L.2019,  
4 c.153 (C.24:6I-5.1 et al.), a permit holder shall be authorized to  
5 concurrently hold a medical cannabis cultivator permit, a medical  
6 cannabis manufacturer permit, and a medical cannabis dispensary  
7 permit, provided that no permit holder shall be authorized to  
8 concurrently hold more than one permit of each type. The permit  
9 holder may submit an application for a permit of any type that the  
10 permit holder does not currently hold prior to the expiration of the  
11 18-month period described in subparagraph (a) of this paragraph,  
12 provided that no additional permit shall be awarded to the permit  
13 holder during the 18 month period.

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

36 (ii) In addition, each of the alternative treatment centers  
37 described in subparagraph (i) of this subparagraph, to which the  
38 provisions of subparagraph (a) of this paragraph do not apply shall,  
39 upon the adoption of the initial rules and regulations by the  
40 commission pursuant to subparagraph (a) of paragraph (1) of  
41 subsection d. of section 6 of P.L. , c. (C. ) (pending before  
42 the Legislature as this bill), be deemed to either concurrently hold a  
43 Class 1 Cannabis Grower license, a Class 2 Cannabis Processor  
44 License, and a Class 5 Cannabis Retailer license, plus an additional  
45 Class 5 Cannabis Retailer license for each satellite dispensary  
46 authorized and established by the alternative treatment center



1 pursuant to subparagraph (d) of this paragraph, or hold a Class 3  
2 Cannabis Wholesaler license. Any alternative treatment center  
3 deemed to hold one or more licenses as described in this  
4 subsubparagraph may begin to operate as any authorized class of  
5 cannabis establishment upon receipt of written approval from the  
6 municipality in which the proposed establishment is to be located  
7 and obtaining an initial license or licenses, as applicable, issued by  
8 the commission pursuant to paragraph (3) of subsection a. of section  
9 33 of P.L. , c. (C. ) (pending before the Legislature as this  
10 bill).

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

33 (e) No entity issued a medical cannabis cultivator, medical  
34 cannabis manufacturer, or medical cannabis dispensary permit may  
35 concurrently hold a clinical registrant permit issued pursuant to  
36 section 13 of P.L.2019, c.153 (C.24:6I-7.3), and no entity issued a  
37 clinical registrant permit pursuant to section 13 of P.L.2019, c.153  
38 (C.24:6I-7.3) may concurrently hold a medical cannabis cultivator  
39 permit, a medical cannabis manufacturer permit, or a medical  
40 cannabis dispensary permit.

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

45 (g) An alternative treatment center that was issued a permit prior  
46 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that was

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

25 (h) An alternative treatment center that was issued a permit prior  
26 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) shall be  
27 permitted to cultivate from up to two physical locations, provided  
28 that the alternative treatment center's combined mature cannabis  
29 plant grow canopy between both locations shall not exceed 150,000  
30 square feet of bloom space or the square footage of canopy  
31 permitted under the largest tier in the tiered system adopted by the  
32 commission pursuant to paragraph (2) of subsection b. of section 21  
33 of P.L. , c. (C. ) (pending before the Legislature as this bill).

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

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

1 permits as shall be necessary to meet those needs. The types of  
2 permits requested and issued, and the locations of any additional  
3 permits that are authorized, shall be in the discretion of the  
4 commission based on the needs of qualifying patients in the State.

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

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

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

44 (6) A medical cannabis cultivator shall not be limited in the  
45 number of strains of medical cannabis cultivated, and a medical  
46 cannabis manufacturer shall not be limited in the number or type of

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

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

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

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

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

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

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

43 An applicant who is required to undergo a criminal history  
44 record background check pursuant to this section shall submit to  
45 being fingerprinted in accordance with applicable State and federal  
46 laws, rules, and regulations. No check of criminal history record

1 background information shall be performed pursuant to this section  
2 unless the applicant has furnished the applicant's written consent to  
3 that check. An applicant who is required to undergo a criminal  
4 history record background check pursuant to this section who  
5 refuses to consent to, or cooperate in, the securing of a check of  
6 criminal history record background information shall not be  
7 considered for a permit to operate, or authorization to be employed  
8 at or to be a significantly involved person in, a medical cannabis  
9 cultivator, medical cannabis manufacturer, medical cannabis  
10 dispensary, or clinical registrant. An applicant shall bear the cost  
11 for the criminal history record background check, including all  
12 costs of administering and processing the check.

13 (2) The commission shall not approve an applicant for a permit  
14 to operate, or authorization to be employed at or to be a  
15 significantly involved person in, a medical cannabis cultivator,  
16 medical cannabis manufacturer, medical cannabis dispensary, or  
17 clinical registrant if the criminal history record background  
18 information of the applicant reveals a disqualifying conviction as  
19 set forth in subsection c. of this section.

20 (3) Upon receipt of the criminal history record background  
21 information from the Division of State Police and the Federal  
22 Bureau of Investigation, the commission shall provide written  
23 notification to the applicant of the applicant's qualification for or  
24 disqualification for a permit to operate or be a director, officer, or  
25 employee of, or a significantly involved person in, a medical  
26 cannabis cultivator, medical cannabis manufacturer, medical  
27 cannabis dispensary, or clinical registrant.

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

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

42 (5) Notwithstanding the provisions of subsection c. of this  
43 section to the contrary, the commission may offer provisional  
44 authority for an applicant to be an owner, director, officer, or  
45 employee of, or a significantly involved person in, a medical  
46 cannabis cultivator, medical cannabis manufacturer, medical

1 cannabis dispensary, or clinical registrant for a period not to exceed  
2 three months if the applicant submits to the commission a sworn  
3 statement attesting that the person has not been convicted of any  
4 disqualifying conviction pursuant to this section.

5 (6) Notwithstanding the provisions of subsection c. of this  
6 section to the contrary, no applicant to be an owner, director,  
7 officer, or employee of, or a significantly involved person in, a  
8 medical cannabis cultivator, medical cannabis manufacturer,  
9 medical cannabis dispensary, or clinical registrant shall be  
10 disqualified on the basis of any conviction disclosed by a criminal  
11 history record background check conducted pursuant to this section  
12 if the individual has affirmatively demonstrated to the commission  
13 clear and convincing evidence of rehabilitation. In determining  
14 whether clear and convincing evidence of rehabilitation has been  
15 demonstrated, the following factors shall be considered:

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

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

19 (c) the circumstances under which the crime or offense  
20 occurred;

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

22 (e) the age of the individual when the crime or offense was  
23 committed;

24 (f) whether the crime or offense was an isolated or repeated  
25 incident;

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

28 (h) any evidence of rehabilitation, including good conduct in  
29 prison or in the community, counseling or psychiatric treatment  
30 received, acquisition of additional academic or vocational  
31 schooling, successful participation in correctional work-release  
32 programs, or the recommendation of those who have had the  
33 individual under their supervision.

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

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

9 g. A medical cannabis cultivator, medical cannabis  
10 manufacturer, medical cannabis dispensary, or clinical registrant  
11 shall report any change in information to the commission not later  
12 than 10 days after such change, or the permit shall be deemed null  
13 and void.

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

42 i. The commission shall adopt regulations to:

43 (1) require such written documentation of each delivery or  
44 dispensation of cannabis to, and pickup of cannabis for, a registered  
45 qualifying patient, including the date and amount dispensed, and, in  
46 the case of delivery, the date and times the delivery commenced and



1 was completed, the address where the medical cannabis was  
2 delivered, the name of the patient or caregiver to whom the medical  
3 cannabis was delivered, and the name, handler certification number,  
4 and delivery certification number of the medical cannabis handler  
5 who performed the delivery, to be maintained in the records of the  
6 medical cannabis dispensary or clinical registrant, as the  
7 commission determines necessary to ensure effective  
8 documentation of the operations of each medical cannabis  
9 dispensary or clinical registrant;

10 (2) monitor, oversee, and investigate all activities performed by  
11 medical cannabis cultivators, medical cannabis manufacturers,  
12 medical cannabis dispensaries, and clinical registrants;

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

16 (4) establish thresholds for administrative action to be taken  
17 against a medical cannabis cultivator, medical cannabis  
18 manufacturer, medical cannabis dispensary, or clinical registrant  
19 and its employees, officers, investors, directors, or governing board  
20 pursuant to subsection m. of this section, including, but not limited  
21 to, specific penalties or disciplinary actions that may be imposed in  
22 a summary proceeding.

23 j. (1) Each medical cannabis cultivator, medical cannabis  
24 manufacturer, medical cannabis dispensary, and clinical registrant  
25 shall require the owners, directors, officers, and employees at the  
26 permitted facility to complete at least eight hours of ongoing  
27 training each calendar year. The training shall be tailored to the  
28 roles and responsibilities of the individual's job function, and shall  
29 include training on confidentiality and such other topics as shall be  
30 required by the commission.

31 (2) Each medical cannabis dispensary and clinical registrant  
32 shall consider whether to make interpreter services available to the  
33 population served, including for individuals with a visual or hearing  
34 impairment. The commission shall provide assistance to any  
35 medical cannabis dispensary or clinical registrant that seeks to  
36 provide such services in locating appropriate interpreter resources.  
37 A medical cannabis dispensary or clinical registrant shall assume  
38 the cost of providing interpreter services pursuant to this  
39 subsection.

40 k. (1) The first six alternative treatment centers issued permits  
41 following the effective date of P.L.2009, c.307 (C.24:6I-1 et al.)  
42 shall be authorized to sell or transfer such permit and other assets to  
43 a for-profit entity, provided that: the sale or transfer is approved by  
44 the commission; each owner, director, officer, and employee of, and  
45 significantly involved person in, the entity seeking to purchase or  
46 receive the transfer of the permit, undergoes a criminal history

1 record background check pursuant to subsection d. of this section,  
2 provided that nothing in this subsection shall be construed to  
3 require any individual to undergo a criminal history record  
4 background check if the individual would otherwise be exempt from  
5 undergoing a criminal history record background check pursuant to  
6 subsection d. of this section; the commission finds that the sale or  
7 transfer of the permit would be consistent with the purposes of  
8 P.L.2009, c.307 (C.24:6I-1 et al.); and no such sale or transfer shall  
9 be authorized more than one year after the effective date of  
10 P.L.2019, c.153 (C.24:6I-5.1 et al.). The sale or transfer of a permit  
11 pursuant to this subsection shall not be subject to the requirements  
12 of the “New Jersey Nonprofit Corporation Act,” N.J.S.15A:1-1 et  
13 seq., provided that, prior to or at the time of the sale or transfer, all  
14 debts and obligations of the nonprofit entity are either paid in full or  
15 assumed by the for-profit entity purchasing or acquiring the permit,  
16 or a reserve fund is established for the purpose of paying in full the  
17 debts and obligations of the nonprofit entity, and the for-profit  
18 entity pays the full value of all assets held by the nonprofit entity,  
19 as reflected on the nonprofit entity’s balance sheet, in addition to  
20 the agreed-upon price for the sale or transfer of the entity’s  
21 alternative treatment center permit. Until such time as the members  
22 of the Cannabis Regulatory Commission are appointed and the  
23 commission first organizes, the Department of Health shall have  
24 full authority to approve a sale or transfer pursuant to this  
25 paragraph.

26 (2) The sale or transfer of any interest of five percent or more in  
27 a medical cannabis cultivator, medical cannabis manufacturer,  
28 medical cannabis dispensary, or clinical registrant permit shall be  
29 subject to approval by the commission and conditioned on the entity  
30 that is purchasing or receiving transfer of the interest in the medical  
31 cannabis cultivator, medical cannabis manufacturer, medical  
32 cannabis dispensary, or clinical registrant permit completing a  
33 criminal history record background check pursuant to the  
34 requirements of subsection d. of this section.

35 1. No employee of any department, division, agency, board, or  
36 other State, county, or local government entity involved in the  
37 process of reviewing, processing, or making determinations with  
38 regard to medical cannabis cultivator, medical cannabis  
39 manufacturer, medical cannabis dispensary, or clinical registrant  
40 permit applications shall have any direct or indirect financial  
41 interest in the cultivating, manufacturing, or dispensing of medical  
42 cannabis or related paraphernalia, or otherwise receive anything of  
43 value from an applicant for a medical cannabis cultivator, medical  
44 cannabis manufacturer, medical cannabis dispensary, or clinical  
45 registrant permit in exchange for reviewing, processing, or making  
46 any recommendations with respect to a permit application.

1 m. In the event that a medical cannabis cultivator, medical  
2 cannabis manufacturer, medical cannabis dispensary, or clinical  
3 registrant fails to comply with any requirements set forth in  
4 P.L.2009, c.307 (C.24:6I-1 et al.) or any related law or regulation,  
5 the commission may invoke penalties or take administrative action  
6 against the medical cannabis cultivator, medical cannabis  
7 manufacturer, medical cannabis dispensary, or clinical registrant  
8 and its employees, officers, investors, directors, or governing board,  
9 including, but not limited to, assessing fines, referring matters to  
10 another State agency, and suspending or terminating any permit  
11 held by the medical cannabis cultivator, medical cannabis  
12 manufacturer, medical cannabis dispensary, or clinical registrant.  
13 Any penalties imposed or administrative actions taken by the  
14 commission pursuant to this subsection may be imposed in a  
15 summary proceeding.

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

17  
18 35. (New section) Medical Cannabis Provisions.

19 Nothing in P.L. , c. (C. ) (pending before the  
20 Legislature as this bill) shall be construed:

21 a. to limit any privileges or rights of a registered qualifying  
22 patient, designated caregiver, institutional caregiver, or alternative  
23 treatment center as provided in the “Jake Honig Compassionate Use  
24 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or  
25 P.L.2015, c.158 (C.18A:40-12.22 et al.) concerning the medical use  
26 of cannabis;

27 b. to authorize an alternative treatment center to dispense  
28 cannabis to or on behalf of a person who is not a registered  
29 qualifying patient, unless that alternative treatment center is deemed  
30 to be licensed to engage in the retail sale of cannabis pursuant to  
31 section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a license by the  
32 commission following receipt of a municipality’s written approval  
33 for a cannabis retailer pursuant to subparagraph (a) of paragraph (3)  
34 of subsection a. of section 33 of P.L. , c. (C. ) (pending  
35 before the Legislature as this bill), or otherwise has applied for a  
36 license, and been approved and issued a license by the commission  
37 pursuant to P.L. , c. (C. ) (pending before the Legislature as  
38 this bill) to simultaneously operate as a cannabis retailer, and the  
39 alternative treatment center has certified to the commission, and to  
40 the municipality in which it is located and intends to engage in retail  
41 sales, that it has sufficient quantities of medical cannabis and  
42 medical cannabis products available to meet the reasonably  
43 anticipated need of registered qualifying patients, and the  
44 commission, and municipality, if applicable, has accepted the  
45 alternative treatment center’s certification;

46 c. to authorize an alternative treatment center to purchase or  
47 acquire cannabis or cannabis products in a manner or from a source

1 not permitted under the “Jake Honig Compassionate Use Medical  
2 Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015,  
3 c.158 (C.18A:40-12.22 et al.), unless that alternative treatment  
4 center is deemed to be a licensed cannabis establishment pursuant  
5 to section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a license by  
6 the commission following receipt of a municipality’s written  
7 approval for the cannabis establishment pursuant to subparagraph  
8 (a) of paragraph (3) of subsection a. of section 33 of P.L. ,  
9 c. (C. ) (pending before the Legislature as this bill), or  
10 otherwise has applied for a license, and been approved and issued a  
11 license by the commission pursuant to P.L. , c. (C. )  
12 (pending before the Legislature as this bill) to simultaneously  
13 operate as a cannabis establishment, and the alternative treatment  
14 center has certified to the commission, and if operating as a  
15 cannabis retailer, to the municipality in which it is located and  
16 intends to engage in retail sales, that it has sufficient quantities of  
17 medical cannabis and, if applicable, medical cannabis products  
18 available to meet the reasonably anticipated treatment needs of  
19 registered qualifying patients, and the commission, and  
20 municipality, if applicable, has accepted the alternative treatment  
21 center’s certification;

22 d. to authorize an alternative treatment center issued a permit  
23 under section 7 of P.L.2009, c.307 (C.24:6I-7) to operate on the  
24 same premises as a cannabis license holder or applicant for a  
25 license, unless that alternative treatment center is deemed to be a  
26 licensed cannabis establishment pursuant to section 7 of P.L.2009,  
27 c.307 (C.24:6I-7) and issued a license by the commission following  
28 receipt of a municipality’s written approval for the cannabis  
29 establishment pursuant to subparagraph (a) of paragraph (3) of  
30 subsection a. of section 33 of P.L. , c. (C. ) (pending before  
31 the Legislature as this bill), or otherwise has applied for a license,  
32 and been approved and issued a license by the commission pursuant  
33 to P.L. , c. (C. ) (pending before the Legislature as this bill)  
34 to simultaneously operate as a cannabis establishment, and the  
35 alternative treatment center has certified to the commission, and if  
36 operating as a cannabis retailer, to the municipality in which it is  
37 located and intends to engage in retail sales, that it has sufficient  
38 quantities of medical cannabis and, if applicable, medical cannabis  
39 products available to meet the reasonably anticipated treatment  
40 needs of registered qualifying patients, and the commission, and  
41 municipality, if applicable, has accepted the alternative treatment  
42 center’s certification; or

43 In determining whether to accept, pursuant to this section, an  
44 alternative treatment center’s certification that it has sufficient  
45 quantities of medical cannabis or medical cannabis products  
46 available to meet the reasonably anticipated needs of registered  
47 qualifying patients, the commission, and if applicable a  
48 municipality in consultation with the commission, shall

1 assess patient enrollment, inventory, sales of medical cannabis and  
2 medical cannabis products, and any other factors determined by the  
3 commission through regulation. If an alternative treatment center is  
4 found by the commission to not have sufficient quantities of  
5 medical cannabis or medical cannabis products available to meet  
6 the reasonably anticipated needs of qualified patients, the  
7 commission may issue fines, limit retail sales, temporarily suspend  
8 the alternative treatment center's cannabis establishment license, or  
9 issue any other penalties determined by the commission through  
10 regulation.

11  
12 36. (New section) Medical Cannabis – Additional Regulatory  
13 Requirements.

14 a. An alternative treatment center issued a permit under section  
15 7 of P.L.2009, c.307 (C.24:6I-7) shall, as a condition of engaging in  
16 operations associated with personal use cannabis, after being  
17 deemed to be licensed pursuant to that section and issued a license  
18 by the commission following receipt of a municipality's written  
19 approval for a cannabis retailer pursuant to subparagraph (a) of  
20 paragraph (3) of subsection a. of section 33 of P.L. , c. (C. )  
21 (pending before the Legislature as this bill), or otherwise issued a  
22 license by the commission pursuant to P.L. , c. (C. )  
23 (pending before the Legislature as this bill) to simultaneously  
24 operate as a cannabis establishment, certify to the commission, and  
25 if operating as a cannabis retailer, to the municipality in which it is  
26 located and intends to engage in retail sales, that it has sufficient  
27 quantities of medical cannabis and, if applicable, medical cannabis  
28 products available to meet the reasonably anticipated treatment  
29 needs of registered qualifying patients, and the commission, and  
30 municipality, if applicable, has accepted the alternative treatment  
31 center's certification.

32 b. In determining whether to accept, pursuant to this section, an  
33 alternative treatment center's certification that it has sufficient  
34 quantities of medical cannabis or medical cannabis products  
35 available to meet the reasonably anticipated needs of registered  
36 qualifying patients, the commission, and if applicable a  
37 municipality in consultation with the commission, shall  
38 assess patient enrollment, inventory, sales of medical cannabis and  
39 medical cannabis products, and any other factors determined by the  
40 commission through regulation. If an alternative treatment center is  
41 found by the commission to not have sufficient quantities of  
42 medical cannabis or medical cannabis products available to meet  
43 the reasonably anticipated needs of qualified patients, the  
44 commission may issue fines, limit retail sales, temporarily suspend  
45 the alternative treatment center's cannabis establishment license, or  
46 issue any other penalties determined by the commission through  
47 regulation.

1       37. (New section) Businesses Treatment of Cannabis  
2 Establishments, Distributors, and Delivery Services.

3       With respect to the business treatment of cannabis  
4 establishments, distributors, and delivery services:

5       a. A financial institution, as defined by section 2 of P.L.1983,  
6 c.466 (C.17:16K-2), shall not, subject to the suspension or  
7 revocation of a charter or other available enforcement action by the  
8 Commissioner of Banking and Insurance, engage in any  
9 discriminatory activities with respect to the banking activities of a  
10 cannabis establishment, distributor, or delivery service, or the  
11 banking activities of a person associated with a cannabis  
12 establishment, distributor, or delivery service.

13       b. (1) In no case shall a cannabis grower operate or be located  
14 on land that is valued, assessed or taxed as an agricultural or  
15 horticultural use pursuant to the "Farmland Assessment Act of  
16 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

17       (2) As used in this paragraph, "State or local economic  
18 incentive" means a financial incentive, awarded by the State, any  
19 political subdivision of the State, or any agency or instrumentality  
20 of the State or political subdivision of the State, to any non-  
21 governmental person, association, for-profit or non-profit  
22 corporation, joint venture, limited liability company, partnership, sole  
23 proprietorship, or other form of business organization or entity, or  
24 agreed to between the government and non-governmental parties, for  
25 the purpose of stimulating economic development or redevelopment  
26 in New Jersey, including, but not limited to, a bond, grant, loan,  
27 loan guarantee, matching fund, tax credit, or other tax expenditure.

28       (a) (i) A person or entity issued a license to operate as a  
29 cannabis grower, cannabis processor, cannabis wholesaler, cannabis  
30 distributor, cannabis retailer, or cannabis delivery service, or that  
31 employs a certified personal use cannabis handler to perform work for  
32 or on behalf of a cannabis establishment, distributor, or delivery  
33 service shall not be eligible for a State or local economic incentive.

34       (ii) The issuance of a license to operate as a cannabis grower,  
35 cannabis processor, cannabis wholesaler, cannabis distributor,  
36 cannabis retailer, or cannabis delivery service, or the issuance of a  
37 certification to perform work for or on behalf of a cannabis  
38 establishment, distributor, or delivery service to a person or entity  
39 that has been awarded a State or local economic incentive shall  
40 invalidate the right of the person or entity to benefit from the  
41 economic incentive as of the date of issuance of the license or  
42 certification.

43       (b) (i) A property owner, developer, or operator of a project to  
44 be used, in whole or in part, as a cannabis grower, cannabis  
45 processor, cannabis wholesaler, cannabis distributor, cannabis  
46 retailer, or cannabis delivery service, or to employ a certified  
47 personal use cannabis handler to perform work for or on behalf of a  
48 cannabis establishment, distributor, or delivery service, shall not be

1 eligible for a State or local economic incentive during the period of  
2 time that the economic incentive is in effect.

3 (ii) The issuance of a license to operate as a cannabis grower,  
4 cannabis processor, cannabis wholesaler, cannabis distributor,  
5 cannabis retailer, or cannabis delivery service, or issuance of a  
6 certification to a personal use cannabis handler employed by a  
7 person or entity to perform work for or on behalf of a cannabis  
8 establishment, distributor, or delivery service at a location that is  
9 the subject of a State or local economic incentive shall invalidate  
10 the right of a property owner, developer, or operator to benefit from  
11 the economic incentive as of the date of issuance of the license.

12  
13 38. Section 29 of P.L.2019, c.153 (C.24:6I-22) is amended to  
14 read as follows:

15 29. a. (1) The commission shall develop and maintain a system  
16 for tracking ;

17 (a) the cultivation of medical cannabis, the manufacturing of  
18 medical cannabis products, the transfer of medical cannabis and  
19 medical cannabis products between medical cannabis cultivators,  
20 medical cannabis manufacturers, medical cannabis dispensaries,  
21 clinical registrants, and testing laboratories as authorized pursuant  
22 to paragraph (5) of subsection a. of section 7 of P.L.2009, c.307  
23 (C.24:6I-7) and subsection h. of section 27 of P.L.2019, c.153  
24 (C.24:6I-20), and the dispensing or delivery of medical cannabis to  
25 registered qualifying patients, designated caregivers, and  
26 institutional caregivers; and

27 (b) the production of personal use cannabis, the processing of  
28 cannabis items, the transportation by cannabis distributors or other  
29 transfer of cannabis items between the premises of cannabis growers,  
30 cannabis processors, cannabis wholesalers, cannabis retailers, and  
31 testing facilities, the retail sale of cannabis items to persons 21 years of  
32 age or older, and the delivery of cannabis items to persons 21 years of  
33 age or older by personal use cannabis handlers as authorized pursuant  
34 to P.L. , c. (C. ) (pending 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  
46 readable by a scanner or similar device that may be used by the  
47 commission, the Director of the Division of Taxation, [and]

1 medical cannabis cultivators, medical cannabis manufacturers,  
2 medical cannabis dispensaries, **【or】** and clinical registrants , and  
3 personal use cannabis growers, cannabis processors, cannabis  
4 wholesalers, cannabis distributors, cannabis retailers, and cannabis  
5 delivery services.

6 (b) The commission, and the Director of the Division of  
7 Taxation if authorized by the commission, shall make stamps  
8 available for purchase by medical cannabis cultivators, medical  
9 cannabis manufacturers, and clinical registrants, and personal use  
10 cannabis growers, cannabis processors, cannabis wholesalers, cannabis  
11 distributors, cannabis retailers, and cannabis delivery services, which  
12 shall be the only entities authorized to affix a stamp to a container  
13 or package for medical cannabis or personal use cannabis in  
14 accordance with applicable regulations promulgated by the  
15 commission in consultation with the Director of the Division of  
16 Taxation. The price charged by the commission **【to medical**  
17 **cannabis cultivators, medical cannabis manufacturers, and clinical**  
18 **registrants】** for a stamp **【required pursuant to this paragraph】** shall  
19 be reasonable and commensurate with the cost of producing the  
20 stamp.

21 (c) A medical cannabis cultivator, medical cannabis  
22 manufacturer, medical cannabis dispensary, clinical registrant, or  
23 certified medical cannabis handler , or a personal use cannabis  
24 grower, cannabis processor, cannabis wholesaler, cannabis  
25 distributor, cannabis retailer, cannabis delivery service, or certified  
26 personal use cannabis handler, shall not purchase, sell, offer for  
27 sale, transfer, transport, or deliver any medical cannabis or personal  
28 use cannabis item unless a stamp is properly affixed to the container  
29 or package for the medical cannabis or personal use cannabis item.

30 b. The purposes of the system developed and maintained under  
31 this section include, but are not limited to:

32 (1) preventing the diversion of medical cannabis and personal  
33 use cannabis items to criminal enterprises, gangs, cartels, persons  
34 not authorized to possess medical cannabis or personal use cannabis  
35 items, and other states;

36 (2) preventing persons from substituting or tampering with  
37 medical cannabis and personal use cannabis items;

38 (3) ensuring an accurate accounting of the cultivation,  
39 manufacturing, transferring, dispensing, and delivery of medical  
40 cannabis , and the production, processing, transporting, transferring,  
41 sale, and delivery of personal use cannabis items;

42 (4) ensuring that the testing results from licensed testing  
43 laboratories and facilities are accurately reported; and

44 (5) ensuring compliance with the rules and regulations adopted  
45 by the commission and any other law of this State that charges the



1 commission with a duty, function, or power related to medical  
2 cannabis or personal use cannabis items.

3 c. The system developed and maintained under this section  
4 shall be capable of tracking, at a minimum:

5 (1) the propagation of immature medical cannabis plants and  
6 personal use cannabis plants, the production of medical cannabis by  
7 a medical cannabis cultivator , and the production of personal use  
8 cannabis by a cannabis grower;

9 (2) the utilization of medical cannabis in the manufacture,  
10 production, and creation of medical cannabis products by a medical  
11 cannabis manufacturer , the processing of personal use cannabis items  
12 by a cannabis processor, the receiving, storing, and sending of  
13 personal use cannabis items by a cannabis wholesaler, and the  
14 transporting in bulk cannabis items by a cannabis distributor;

15 (3) the transfer of medical cannabis and medical cannabis  
16 products , and personal use cannabis items, to and from licensed  
17 testing laboratories and facilities for testing purposes;

18 (4) the dispensing of medical cannabis by a medical cannabis  
19 dispensary or clinical registrant , and the selling and delivery of  
20 personal use cannabis items by a cannabis retailer or cannabis delivery  
21 service;

22 (5) the furnishing of medical cannabis by a medical cannabis  
23 dispensary or clinical registrant to a medical cannabis handler for  
24 delivery , and the furnishing of personal use cannabis items by a  
25 cannabis retailer to a personal use cannabis handler for delivery;

26 (6) the delivery of medical cannabis by a medical cannabis  
27 handler , and the delivery of personal use cannabis items by a personal  
28 use cannabis handler;

29 (7) the purchase, sale, or other transfer of medical cannabis and  
30 medical cannabis products between medical cannabis cultivators,  
31 medical cannabis manufacturers, medical cannabis dispensaries, and  
32 clinical registrants as authorized pursuant to paragraph (5) of  
33 subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) and  
34 subsection h. of section 27 of P.L.2019, c.153 (C.24:6I-20) , and the  
35 purchase, sale, transporting, or other transfer of personal use cannabis  
36 items by or between cannabis growers, cannabis processors, cannabis  
37 wholesalers, cannabis distributors, cannabis retailers, and cannabis  
38 delivery services as authorized pursuant to P.L. , c. (C. )  
39 (pending before the Legislature as this bill); and

40 (8) any other information that the commission determines is  
41 reasonably necessary to accomplish the duties, functions, and  
42 powers of the commission.

43 (cf: P.L.2019, c.153, s.29)

44  
45 39. (New section) Local Cannabis Taxation; Local Cannabis  
46 Transfer Tax and User Tax.

1       a. (1) A municipality may adopt an ordinance imposing a transfer  
2 tax on the sale of cannabis items by a cannabis establishment that is  
3 located in the municipality. At the discretion of the municipality, the  
4 tax may be imposed on: receipts from the sale of cannabis or cannabis  
5 items from one cannabis establishment to another cannabis  
6 establishment; receipts from the retail sales by a cannabis retailer to  
7 retail customers who are 21 years of age or older; or any combination  
8 thereof. Each municipality shall set its own rate or rates, but in no  
9 case shall a rate exceed: two percent of the receipts from each sale by a  
10 cannabis grower; two percent of the receipts from each sale by a  
11 cannabis processor; one percent of the receipts from each sale by a  
12 cannabis wholesaler; and two percent of the receipts from each sale by  
13 a cannabis retailer.

14       (2) A local tax ordinance adopted pursuant to paragraph (1) of this  
15 subsection shall also include provisions for imposing a user tax, at the  
16 equivalent transfer tax rates, on any concurrent license holder, as  
17 permitted by section 33 of P.L. , c. (C. ) (pending before the  
18 Legislature as this bill), operating more than one cannabis  
19 establishment. The user tax shall be imposed on the value of each  
20 transfer or use of cannabis items not otherwise subject to the transfer  
21 tax imposed pursuant to paragraph (1) of this subsection, from the  
22 license holder's establishment that is located in the municipality to any  
23 of the other license holder's establishments, whether located in the  
24 municipality or another municipality.

25       b. (1) A transfer tax or user tax imposed pursuant this section  
26 shall be in addition to any other tax imposed by law. Any  
27 transaction for which the transfer tax or user tax is imposed, or  
28 could be imposed, pursuant to this section, other than those which  
29 generate receipts from the retail sales by cannabis retailers, shall be  
30 exempt from the tax imposed under the "Sales and Use Tax Act,"  
31 P.L.1966, c.30 (C.54:32B-1 et seq.). The transfer tax or user tax  
32 shall be collected or paid, and remitted to the municipality by the  
33 cannabis establishment from the cannabis establishment purchasing  
34 or receiving the cannabis item, or from the customer at the point of  
35 sale, on behalf of the municipality by the cannabis establishment  
36 selling or transferring the cannabis item. The transfer tax or user  
37 tax shall be stated, charged, and shown separately on any sales slip,  
38 invoice, receipt, or other statement or memorandum of the price  
39 paid or payable for the cannabis item.

40       (2) Every cannabis establishment required to collect a transfer  
41 tax or user tax imposed by ordinance pursuant to this section shall  
42 be personally liable for the transfer tax or user tax imposed,  
43 collected, or required to be collected under this section. Any  
44 cannabis establishment shall have the same right with respect to  
45 collecting the transfer tax or user tax from another cannabis  
46 establishment or the customer as if the transfer tax or user tax was a  
47 part of the sale and payable at the same time, or with respect to non-  
48 payment of the transfer tax or user tax by the cannabis

1 establishment or customer, as if the transfer tax or user tax was a  
2 part of the purchase price of the cannabis item, and payable at the  
3 same time; provided, however, that the chief fiscal officer of the  
4 municipality which imposes the transfer tax or user tax shall be  
5 joined as a party in any action or proceeding brought to collect the  
6 transfer tax or user tax.

7 (3) No cannabis establishment required to collect a transfer tax or  
8 user tax imposed by ordinance pursuant to this section shall advertise  
9 or hold out to any person or to the public in general, in any manner,  
10 directly or indirectly, that the transfer tax or user tax will not be  
11 separately charged and stated to another cannabis establishment or the  
12 customer or that the transfer tax or user tax will be refunded to the  
13 cannabis establishment or the customer.

14 c. (1) All revenues collected from a transfer tax or user tax  
15 imposed by ordinance pursuant to this section shall be remitted to  
16 the chief financial officer of the municipality in a manner  
17 prescribed by the municipality. The chief financial officer shall  
18 collect and administer any transfer tax or user tax imposed by  
19 ordinance pursuant to this section. The municipality shall enforce  
20 the payment of delinquent taxes or transfer fees imposed by  
21 ordinance pursuant to this section in the same manner as provided  
22 for municipal real property taxes.

23 (2) (a) In the event that the transfer tax or user tax imposed by  
24 ordinance pursuant to this section is not paid as and when due by a  
25 cannabis establishment, the unpaid balance, and any interest  
26 accruing thereon, shall be a lien on the parcel of real property  
27 comprising the cannabis establishment in the same manner as all  
28 other unpaid municipal taxes, fees, or other charges. The lien shall  
29 be superior and paramount to the interest in the parcel of any  
30 owner, lessee, tenant, mortgagee, or other person, except the lien of  
31 municipal taxes, and shall be on a parity with and deemed equal to  
32 the municipal lien on the parcel for unpaid property taxes due and  
33 owing in the same year.

34 (b) A municipality shall file in the office of its tax collector a  
35 statement showing the amount and due date of the unpaid balance  
36 and identifying the lot and block number of the parcel of real  
37 property that comprises the delinquent cannabis establishment. The  
38 lien shall be enforced as a municipal lien in the same manner as all  
39 other municipal liens are enforced.

40 d. As used in this section:

41 “Cannabis” means the same as that term is defined in section 3 of  
42 P.L. , c. (C. ) (pending before the Legislature as this bill).

43 “Cannabis establishment” means the same as that term is defined  
44 in section 3 of P.L. , c. (C. ) (pending before the Legislature  
45 as this bill).

46 “Cannabis grower” means the same as that term is defined in  
47 section 3 of P.L. , c. (C. ) (pending before the Legislature as this  
48 bill).

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 processor” means the same as that term is defined in  
5 section 3 of P.L. , c. (C. ) (pending before the Legislature as this  
6 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 this  
12 bill).

13  
14 40. (New section) Cannabis Regulatory, Enforcement Assistance,  
15 and Marketplace Modernization Fund.

16 a. All fees and penalties collected by the commission, and all  
17 tax revenues on retail sales, if any, and all tax revenues collected  
18 pursuant to the provisions of the “Jake Honig Compassionate Use  
19 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), except  
20 for amounts credited to the Property Tax Reform Account in the  
21 Property Tax Relief Fund pursuant to paragraph 1 of Section I of  
22 Article VIII of the New Jersey Constitution, shall be deposited in a  
23 special nonlapsing fund which shall be known as the “Cannabis  
24 Regulatory, Enforcement Assistance, and Marketplace Modernization  
25 Fund.”

26 b. Monies in the fund shall be used by the commission to:

27 (1) oversee the development, regulation, and enforcement of  
28 activities associated with the personal use of cannabis pursuant to  
29 P.L. , c. (C. ), and assist with assuming responsibility from  
30 the Department of Health for the further development and  
31 expansion, regulation, and enforcement of activities associated with  
32 the medical use of cannabis pursuant to the “Jake Honig  
33 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307  
34 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); and

35 (2) reimburse the expenses incurred by any county or municipality  
36 for the training costs associated with the attendance and participation  
37 of a police officer from its law enforcement unit, as those terms are  
38 defined in section 2 of P.L.1961, c.56 (C.52:17B-67), in a program  
39 provided by an approved school, also defined in that section, which  
40 trains and certifies the police officer, including a police officer with a  
41 working dog as that term is defined in section 1 of P.L.2006, c.88  
42 (C.10:5-29.7), as a Drug Recognition Expert for detecting, identifying,  
43 and apprehending drug-impaired motor vehicle operators, and pay for  
44 costs incurred by the State Police in furnishing additional program  
45 instructors to provide Drug Recognition Expert training to police  
46 officers and working dogs. A municipality or county seeking  
47 reimbursement shall apply to the commission, itemizing the costs, with  
48 appropriate proofs, for which reimbursement is requested and provide

1 a copy of the certificate issued to the police officer to indicate the  
2 successful completion of the program by the police officer, and that  
3 officer's working dog, if applicable.

4 c. Any remaining monies, after the commission uses the  
5 monies in the fund in accordance with subsection b. of this section,  
6 shall be deposited in the State's General Fund  
7

8 41. Section 2 of P.L.1970, c.226 (C.24:21-2) is amended to read as  
9 follows:

10 2. As used in P.L.1970, c.226 (C.24:21-1 et seq.):

11 "Administer" means the direct application of a controlled  
12 dangerous substance, whether by injection, inhalation, ingestion, or  
13 any other means, to the body of a patient or research subject by: (1) a  
14 practitioner (or, in the practitioner's presence, by the practitioner's  
15 lawfully authorized agent), or (2) the patient or research subject at the  
16 lawful direction and in the presence of the 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 not  
19 include a common or contract carrier, public warehouseman, or  
20 employee thereof.

21 "Commissioner" means the Commissioner of Health.

22 "Controlled dangerous substance" means a drug, substance, or  
23 immediate precursor in Schedules I through V of article 2 of P.L.1970,  
24 c.226 (C.24:21-1 et seq.). The term shall not include distilled spirits,  
25 wine, malt beverages, as those terms are defined or used in R.S.33:1-1  
26 et seq., or tobacco and tobacco products.

27 "Counterfeit substance" means a controlled dangerous substance  
28 which, or the container or labeling of which, without authorization,  
29 bears the trademark, trade name, or other identifying mark, imprint,  
30 number or device, or any likeness thereof, of a manufacturer,  
31 distributor, or dispenser other than the person or persons who in fact  
32 manufactured, distributed, or dispensed such substance and which  
33 thereby falsely purports or is represented to be the product of, or to  
34 have been distributed by, such other manufacturer, distributor, or  
35 dispenser.

36 "Deliver" or "delivery" means the actual, constructive, or  
37 attempted transfer from one person to another of a controlled  
38 dangerous substance, whether or not there is an agency relationship.

39 "Director" means the Director of the Division of Consumer Affairs  
40 in the Department of Law and Public Safety.

41 "Dispense" means to deliver a controlled dangerous substance to  
42 an ultimate user or research subject by or pursuant to the lawful order  
43 of a practitioner, including the prescribing, administering, packaging,  
44 labeling, or compounding necessary to prepare the substance for that  
45 delivery.

46 "Dispenser" means a practitioner who dispenses.

47 "Distribute" means to deliver other than by administering or  
48 dispensing a controlled dangerous substance.

1 "Distributor" means a person who distributes.

2 "Division" means the Division of Consumer Affairs in the  
3 Department of Law and Public Safety.

4 "Drug Enforcement Administration" means the Drug Enforcement  
5 Administration in the United States Department of Justice.

6 "Drugs" means (a) substances recognized in the official United  
7 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the  
8 United States, or official National Formulary, or any supplement to  
9 any of them; and (b) substances intended for use in the diagnosis, cure,  
10 mitigation, treatment, or prevention of disease in man or other animals;  
11 and (c) substances (other than food) intended to affect the structure or  
12 any function of the body of man or other animals; and (d) substances  
13 intended for use as a component of any article specified in subsections  
14 (a), (b), and (c) of this section; but does not include devices or their  
15 components, parts or accessories. "Drugs" shall not mean hemp or a  
16 hemp product cultivated, handled, processed, transported, or sold  
17 pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238  
18 (C.4:28-6 et al.).

19 "Hashish" means the resin extracted from any part of the plant  
20 **【genus】** *Cannabis sativa* L. and any compound, manufacture, salt,  
21 derivative, mixture, or preparation of such resin. "Hashish" shall not  
22 mean; hemp or a hemp product cultivated, handled, processed,  
23 transported, or sold pursuant to the "New Jersey Hemp Farming Act,"  
24 P.L.2019, c.238 (C.4:28-6 et al.); or cannabis resin as defined in  
25 section 3 of P.L. , c. (C. ) (pending before the Legislature as  
26 this bill) which is extracted for use in a cannabis item, as defined in  
27 that section, in accordance with the "New Jersey Cannabis  
28 Regulatory, Enforcement Assistance, and Marketplace  
29 Modernization Act," P.L. , c. (C. ) (pending before the  
30 Legislature as this bill).

31 "Marihuana" means all parts of the plant **【genus】** *Cannabis sativa*  
32 L., whether growing or not; the seeds thereof; and every compound,  
33 manufacture, salt, derivative, mixture, or preparation of the plant or its  
34 seeds, except those containing resin extracted from the plant **【**; but  
35 shall not include the mature stalks of the plant, fiber produced from the  
36 stalks, oil or cake made from the seeds of the plant, any other  
37 compound, manufacture, salt, derivative, mixture, or preparation of  
38 such mature stalks, fiber, oil, or cake, or the sterilized seed of the plant  
39 which is incapable of germination**】**. "Marihuana" shall not mean;  
40 hemp or a hemp product cultivated, handled, processed, transported, or  
41 sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238  
42 (C.4:28-6 et al.); or cannabis as defined in section 3 of P.L. ,  
43 c. (C. ) (pending before the Legislature as this bill) which is  
44 cultivated and processed for use in a cannabis item, as defined in that  
45 section, in accordance with the "New Jersey Cannabis Regulatory,  
46 Enforcement Assistance, and Marketplace Modernization Act,"  
47 P.L. , c. (C. ) (pending before the Legislature as this bill).

1 "Manufacture" means the production, preparation, propagation,  
2 compounding, conversion, or processing of a controlled dangerous  
3 substance, either directly or by extraction from substances of natural  
4 origin, or independently by means of chemical synthesis, or by a  
5 combination of extraction and chemical synthesis, and includes any  
6 packaging or repackaging of the substance or labeling or relabeling of  
7 its container, except that this term does not include the preparation or  
8 compounding of a controlled dangerous substance by an individual for  
9 the individual's own use or the preparation, compounding, packaging,  
10 or labeling of a controlled dangerous substance: (1) by a practitioner as  
11 an incident to the practitioner's administering or dispensing of a  
12 controlled dangerous substance in the course of the practitioner's  
13 professional practice, or (2) by a practitioner (or under the  
14 practitioner's supervision) for the purpose of, or as an incident to,  
15 research, teaching, or chemical analysis and not for sale.

16 "Narcotic drug" means any of the following, whether produced  
17 directly or indirectly by extraction from substances of vegetable origin,  
18 or independently by means of chemical synthesis, or by a combination  
19 of extraction and chemical synthesis:

20 (a) Opium, coca leaves, and opiates;

21 (b) A compound, manufacture, salt, derivative, or preparation of  
22 opium, coca leaves, or opiates;

23 (c) A substance (and any compound, manufacture, salt, derivative,  
24 or preparation thereof) which is chemically identical with any of the  
25 substances referred to in subsections (a) and (b), except that the words  
26 "narcotic drug" as used in P.L.1970, c.226 (C.24:21-1 et seq.) shall not  
27 include decocainized coca leaves or extracts of coca leaves, which  
28 extracts do not contain cocaine or ecgonine.

29 "Official written order" means an order written on a form provided  
30 for that purpose by the Attorney General of the United States or his  
31 delegate, under any laws of the United States making provisions  
32 therefor, if such order forms are authorized and required by the federal  
33 law, and if no such form is provided, then on an official form provided  
34 for that purpose by the division. If authorized by the Attorney General  
35 of the United States or the division, the term shall also include an order  
36 transmitted by electronic means.

37 "Opiate" means any dangerous substance having an addiction-  
38 forming or addiction-sustaining liability similar to morphine or being  
39 capable of conversion into a drug having such addiction-forming or  
40 addiction-sustaining liability. It does not include, unless specifically  
41 designated as controlled under section 3 of P.L.1970, c.226 (C.24:21-1  
42 et seq.), the dextrorotatory isomer of 3-methoxy-n-methylmorphinan  
43 and its salts (dextromethorphan). It does include its racemic and  
44 levorotatory forms.

45 "Opium poppy" means the plant of the species *Papaver*  
46 *somniferum* L., except the seeds thereof.

47 "Person" means any corporation, association, partnership, trust,  
48 other institution or entity, or one or more individuals.

1 "Pharmacist" means a registered pharmacist of this State.

2 "Pharmacy owner" means the owner of a store or other place of  
3 business where controlled dangerous substances are compounded or  
4 dispensed by a registered pharmacist; but nothing in this chapter  
5 contained shall be construed as conferring on a person who is not  
6 registered or licensed as a pharmacist any authority, right, or privilege  
7 that is not granted to the person by the pharmacy laws of this State.

8 "Poppy straw" means all parts, except the seeds, of the opium  
9 poppy, after mowing.

10 "Practitioner" means a physician, dentist, veterinarian, scientific  
11 investigator, laboratory, pharmacy, hospital, or other person licensed,  
12 registered, or otherwise permitted to distribute, dispense, conduct  
13 research with respect to, or administer a controlled dangerous  
14 substance in the course of professional practice or research in this  
15 State.

16 (a) "Physician" means a physician authorized by law to practice  
17 medicine in this or any other state.

18 (b) "Veterinarian" means a veterinarian authorized by law to  
19 practice veterinary medicine in this State.

20 (c) "Dentist" means a dentist authorized by law to practice  
21 dentistry in this State.

22 (d) "Hospital" means any federal institution, or any institution for  
23 the care and treatment of the sick and injured, operated or approved by  
24 the appropriate State department as proper to be entrusted with the  
25 custody and professional use of controlled dangerous substances.

26 (e) "Laboratory" means a laboratory to be entrusted with the  
27 custody of narcotic drugs and the use of controlled dangerous  
28 substances for scientific, experimental, and medical purposes and for  
29 purposes of instruction approved by the Department of Health.

30 "Production" includes the manufacture, planting, cultivation,  
31 growing, or harvesting of a controlled dangerous substance.

32 "Immediate precursor" means a substance which the division has  
33 found to be and by regulation designates as being the principal  
34 compound commonly used or produced primarily for use, and which is  
35 an immediate chemical intermediary used or likely to be used in the  
36 manufacture of a controlled dangerous substance, the control of which  
37 is necessary to prevent, curtail, or limit such manufacture.

38 "Substance use disorder involving drugs" means taking or using a  
39 drug or controlled dangerous substance, as defined in this chapter, in  
40 association with a state of psychic or physical dependence, or both,  
41 arising from the use of that drug or controlled dangerous substance on  
42 a continuous basis. A substance use disorder is characterized by  
43 behavioral and other responses, including, but not limited to, a strong  
44 compulsion to take the substance on a recurring basis in order to  
45 experience its psychic effects, or to avoid the discomfort of its  
46 absence.

47 "Ultimate user" means a person who lawfully possesses a  
48 controlled dangerous substance for the person's own use or for the use



1 of a member of the person's household or for administration to an  
2 animal owned by the person or by a member of the person's household.  
3 (cf: P.L.2019, c.238, s.11)  
4

5 42. Section 5 of P.L.1970, c.226 (C.24:21-5) is amended to read as  
6 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) has  
10 no accepted medical use in treatment in the United States; or lacks  
11 accepted safety for use in treatment under medical supervision.

12 b. The controlled dangerous substances listed in this section are  
13 included in Schedule I, subject to any revision and republishing by the  
14 director pursuant to subsection d. of section 3 of P.L.1970, c.226  
15 (C.24:21-3), and except to the extent provided in any other schedule.

16 c. Any of the following opiates, including their isomers, esters,  
17 and ethers, unless specifically excepted, whenever the existence of  
18 such isomers, esters, ethers and salts is possible within the specific  
19 chemical designation:

- 20 (1) Acetylmethadol
- 21 (2) Allylprodine
- 22 (3) Alphacetylmethadol
- 23 (4) Alphameprodine
- 24 (5) Alphamethadol
- 25 (6) Benzethidine
- 26 (7) Betacetylmethadol
- 27 (8) Betameprodine
- 28 (9) Betamethadol
- 29 (10) Betaprodine
- 30 (11) Clonitazene
- 31 (12) Dextromoramide
- 32 (13) Dextrophan
- 33 (14) Diampromide
- 34 (15) Diethylthiambutene
- 35 (16) Dimenoxadol
- 36 (17) Dimepheptanol
- 37 (18) Dimethylthiambutene
- 38 (19) Dioxaphetyl butyrate
- 39 (20) Dipipanone
- 40 (21) Ethylmethylthiambutene
- 41 (22) Etonitazene
- 42 (23) Etoxeridine
- 43 (24) Furethidine
- 44 (25) Hydroxypethidine
- 45 (26) Ketobemidone
- 46 (27) Levomoramide
- 47 (28) Levophenacylmorphane
- 48 (29) Morpheridine

- 1 (30) Noracymethadol
- 2 (31) Norlevorphanol
- 3 (32) Normethadone
- 4 (33) Norpipanone
- 5 (34) Phenadoxone
- 6 (35) Phenampromide
- 7 (36) Phenomorphan
- 8 (37) Phenoperidine
- 9 (38) Piritramide
- 10 (39) Proheptazine
- 11 (40) Properidine
- 12 (41) Racemoramide
- 13 (42) Trimeperidine.

14 d. Any of the following narcotic substances, their salts, isomers  
15 and salts of isomers, unless specifically excepted, whenever the  
16 existence of such salts, isomers and salts of isomers is possible within  
17 the specific chemical designation:

- 18 (1) Acetorphine
- 19 (2) Acetylcodone
- 20 (3) Acetyldihydrocodeine
- 21 (4) Benzylmorphine
- 22 (5) Codeine methylbromide
- 23 (6) Codeine-N-Oxide
- 24 (7) Cyprenorphine
- 25 (8) Desomorphine
- 26 (9) Dihydromorphine
- 27 (10) Etorphine
- 28 (11) Heroin
- 29 (12) Hydromorphenol
- 30 (13) Methyl-desorphine
- 31 (14) Methylhydromorphine
- 32 (15) Morphine methylbromide
- 33 (16) Morphine methylsulfonate
- 34 (17) Morphine-N-Oxide
- 35 (18) Myrophine
- 36 (19) Nicocodeine
- 37 (20) Nicomorphine
- 38 (21) Normorphine
- 39 (22) Phoclodine
- 40 (23) Thebacon.

41 e. Any material, compound, mixture or preparation which  
42 contains any quantity of the following hallucinogenic substances, their  
43 salts, isomers and salts of isomers, unless specifically excepted,  
44 whenever the existence of such salts, isomers, and salts of isomers is  
45 possible within the specific chemical designation:

- 46 (1) 3,4-methylenedioxy amphetamine
- 47 (2) 5-methoxy-3,4-methylenedioxy amphetamine
- 48 (3) 3,4,5-trimethoxy amphetamine

- 1 (4) Bufotenine
- 2 (5) Diethyltryptamine
- 3 (6) Dimethyltryptamine
- 4 (7) 4-methyl-2,5-dimethoxylamphetamine
- 5 (8) Ibogaine
- 6 (9) Lysergic acid diethylamide
- 7 (10) Marihuana; except that on and after the effective date of the
- 8 “New Jersey Cannabis Regulatory, Enforcement Assistance, and
- 9 Marketplace Modernization Act,” P.L. , c. (C. ) (pending
- 10 before the Legislature as this bill), marihuana shall no longer be
- 11 included in Schedule I, and shall not be designated or rescheduled and
- 12 included in any other schedule by the director pursuant to the
- 13 director’s designation and rescheduling authority set forth in section 3
- 14 of P.L.1970, c.226 (C.24:21-3).
- 15 (11) Mescaline
- 16 (12) Peyote
- 17 (13) N-ethyl-3-piperidyl benzilate
- 18 (14) N-methyl-3-piperidyl benzilate
- 19 (15) Psilocybin
- 20 (16) Psilocyn
- 21 (17) Tetrahydrocannabinols, except when found in hemp or a hemp
- 22 product cultivated, handled, processed, transported, or sold pursuant to
- 23 the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et
- 24 al.), or a cannabis item as defined in section 3 of P.L. , c. (C. )
- 25 (pending before the Legislature as this bill) that is grown, cultivated,
- 26 produced, or processed in accordance with the “New Jersey Cannabis
- 27 Regulatory, Enforcement Assistance, and Marketplace Modernization
- 28 Act,” P.L. , c. (C. ) (pending before the Legislature as this bill).
- 29 (cf: P.L.2019, c.238, s.12)
- 30
- 31 43. R.S.24:5-18 is amended to read as follows:
- 32 24:5-18. For the purposes of this subtitle a drug or device shall
- 33 also be deemed to be misbranded:
- 34 a. If its labeling is false or misleading in any particular.
- 35 b. If in package form unless it bears a label containing the
- 36 name and place of business of the manufacturer, packer, or
- 37 distributor.
- 38 c. If any word, statement or other information required by or
- 39 under authority of this subtitle to appear on the label or labeling is
- 40 not prominently placed thereon with such conspicuousness (as
- 41 compared with other words, statements or designs in the labeling)
- 42 and in such terms as to render it likely to be read and understood by
- 43 the ordinary individual under customary conditions of purchase and
- 44 use.
- 45 d. If it is for use by man and contains any quantity of the
- 46 narcotic or hypnotic substance alpha-eucaine, barbituric acid, beta-
- 47 eucaine, bromal, cannabis other than as defined in section 3 of
- 48 P.L. , c. (C. ) (pending before the Legislature as this bill),

1 carbromal, chloral, coca, cocaine, codeine, heroin, marihuana,  
2 morphine, opium, paraldehyde, peyote, or sulphonmethane; or any  
3 chemical derivative of such substance, which derivative has been by  
4 the Department of Health of the State of New Jersey after  
5 investigation found to be, and by regulations under this subtitle  
6 designated as, habit forming; unless its label bears the name and  
7 quantity or proportion of such substance, or derivative and in  
8 juxtaposition therewith, the statement "Warning--May be habit  
9 forming."

10 e. If it is a drug and is not designated solely by a name  
11 recognized in an official compendium, unless its label bears (1) the  
12 common or usual name of the drug, if such there be; and (2) in case  
13 it is fabricated from 2 or more ingredients, the common or usual  
14 name of each active ingredient, including the kind and quantity or  
15 proportion of any alcohol, and also including, whether active or not,  
16 the name and quantity or proportion of any bromides, ether,  
17 chloroform, acetanilid, acetphanetidin, amidopyrine, antipyrine,  
18 atropine, hyoscine, hyoscyamine, arsenic, digitalis, digitalis  
19 glusocides, mercury, ouabain, strophanthin, strychnine, thyroid, or  
20 any derivative or preparation of any such substances, contained  
21 therein; provided, that to the extent that compliance with the  
22 requirements of clause (2) of this paragraph is impracticable,  
23 exemptions may be established by regulations promulgated by the  
24 State department.

25 f. Unless its labeling bears (1) adequate directions for use; and  
26 (2) such adequate warnings against use in those pathological  
27 conditions or by children where its use may be dangerous to health,  
28 or against unsafe dosage or methods or duration of administration  
29 or application, in such manner and form, as are necessary for the  
30 protection of users; provided, that where any requirement of clause  
31 (1) of this paragraph, as applied to any drug or device, is not  
32 necessary for the protection of the public health, the Department of  
33 Health of the State of New Jersey may promulgate regulations  
34 exempting such drug or device from such requirement.

35 g. If it purports to be a drug the name of which is recognized in  
36 an official compendium, unless it is packaged and labeled as  
37 prescribed therein; provided, that the method of packing may be  
38 modified with the consent of the State department. Whenever a  
39 drug is recognized in both the United States Pharmacopoeia and the  
40 Homeopathic Pharmacopoeia of the United States it shall be subject  
41 to the requirements of the United States Pharmacopoeia unless it is  
42 labeled and offered for sale as a homeopathic drug, in which case it  
43 shall be subject to the provisions of the Homeopathic  
44 Pharmacopoeia of the United States and not to those of the United  
45 States Pharmacopoeia.

46 h. If it has been found by the Department of Health of the State  
47 of New Jersey to be a drug liable to deterioration, unless it is  
48 packaged in such form and manner, and its label bears a statement

1 of such precautions, as the Department of Health of the State of  
2 New Jersey may by regulations require as necessary for the  
3 protection of the public health. No such regulation shall be  
4 established for any drug recognized in an official compendium until  
5 the State department shall have informed the appropriate body  
6 charged with the revision of such compendium of the need for such  
7 packaging or labeling requirements and such body shall have failed  
8 within a reasonable time to prescribe such requirements.

9 i. (1) If it is a drug and its container is so made, formed or  
10 filled as to be misleading; or (2) if it is an imitation of another drug;  
11 or (3) if it is offered for sale under the name of another drug.

12 j. If it is dangerous to health when used in the dosage, or with  
13 the frequency or duration prescribed, recommended, or suggested in  
14 the labeling thereof.

15 k. If it is a depressant or stimulant drug as defined pursuant to  
16 law and not in the possession or control of a person specified by  
17 law as entitled to possession or control of such depressant or  
18 stimulant drug. Any depressant or stimulant drug misbranded under  
19 the preceding sentence shall be deemed dangerous or fraudulent for  
20 purposes of marking and detaining under the provisions of section  
21 24:4-12 of this Title.

22 (cf: P.L.1966, c.314, s.8)

23  
24 44. (New section) Personal Use of Cannabis or Cannabis Resin.

25 Notwithstanding any other provision of law, the following acts  
26 are not unlawful and shall not be an offense or a basis for seizure or  
27 forfeiture of assets under N.J.S.2C:64-1 et seq. or other applicable  
28 law for persons 21 years of age or older, provided the acts are  
29 consistent with the relevant definitions set forth in section 3 of  
30 P.L. , c. (C. ) (pending before the Legislature as this bill),  
31 and when an act involves cannabis or a cannabis item, it was first  
32 obtained from a licensed cannabis retailer, evidenced by it being in  
33 its original packaging or by a sales slip, invoice, receipt, or other  
34 statement or memorandum:

35 a. Possessing, displaying, purchasing, or transporting: cannabis  
36 paraphernalia; one ounce (28.35 grams) or less of cannabis; the  
37 equivalent of one ounce (28.35 grams) or less of cannabis infused  
38 product in solid, liquid, or concentrate form, based upon an  
39 equivalency calculation for different product forms set by the  
40 Cannabis Regulatory Commission, established pursuant to section  
41 31 of P.L.2019, c.153 (C.24:6I-24), in its regulations, and for which  
42 the commission may utilize research conducted in other states on  
43 the issue of product equivalency calculations when setting this  
44 equivalency; or 5 grams (0.176 ounce) or less of cannabis resin.  
45 Possessing, displaying, purchasing, or transporting at any one time  
46 any amount of cannabis or cannabis resin in an amount greater than  
47 as permitted pursuant to this subsection, or an infused product in  
48 solid, liquid, or concentrate form with more than the equivalency

1 permitted pursuant to this subsection shall be considered a violation  
2 of the “Comprehensive Drug Reform Act of 1987,” P.L.1987, c.106  
3 (N.J.S.2C:35-1 et al.), and subject the person to a civil penalty or  
4 prosecution as if the person possessed, displayed, purchased, or  
5 transported marijuana or hashish in violation of that act;

6 b. Transferring without remuneration: one ounce (28.35 grams)  
7 or less of cannabis; the equivalent of one ounce (28.35 grams) or  
8 less of cannabis infused product in solid, liquid, or concentrate  
9 form, based upon the equivalency calculation for different product  
10 forms set by the commission pursuant to subsection a. of this  
11 section; or five grams (0.176 ounce) or less of cannabis resin to a  
12 person who is of legal age for purchasing cannabis items, provided  
13 that such transfer is for non-promotional, non-business purposes.  
14 Transferring at any one time any amount of cannabis or cannabis  
15 resin in an amount greater than as permitted pursuant to this  
16 subsection, or an infused product in solid, liquid, or concentrate  
17 form with more than the equivalency permitted pursuant to this  
18 subsection, or to a person who is not of legal age to purchase  
19 cannabis items, shall be considered a violation of the  
20 “Comprehensive Drug Reform Act of 1987,” P.L.1987, c.106  
21 (N.J.S.2C:35-1 et al.), and subject the person to prosecution as if  
22 the person distributed marijuana or hashish in violation of that act,  
23 unless the transfer to a person who is not of legal age was done by a  
24 cannabis establishment licensed pursuant to P.L. , c. (C. )  
25 (pending before the Legislature as this bill), or an employee or  
26 agent thereof, in which case it is a civil violation and the civil  
27 penalty set forth in subsection b. of section 57 of P.L. ,  
28 c. (C. ) (pending before the Legislature as this bill) shall  
29 apply;

30 c. Taking delivery of or consuming a lawfully possessed  
31 cannabis item, provided that nothing in this section shall permit a  
32 person to smoke, vape, or aerosolize any cannabis item in a public  
33 place. This prohibition includes the smoking, vaping, or  
34 aerosolizing of a cannabis item in any public place pursuant to law  
35 that prohibits the smoking of tobacco, including N.J.S.2C:33-13 and  
36 the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-  
37 55 et seq.), and any indoor public place, as that term is defined in  
38 section 3 of P.L.2005, c.383 (C.26:3D-57), or portion thereof, even  
39 if the smoking of tobacco is otherwise permitted in that place or  
40 portion thereof pursuant to the “New Jersey Smoke-Free Air Act”;  
41 except that the smoking, vaping, or aerosolizing of a cannabis item  
42 shall be permitted in a cannabis consumption area as set forth in  
43 section 28 of P.L.2019, c.153 (C.24:6I-21), and may be permitted by  
44 the person or entity that owns or controls a hotel, motel, or other  
45 lodging establishment as defined in section 1 of P.L.1967, c.95  
46 (C.29:4-5) in up to 20 percent of its guest rooms. The smoking,  
47 vaping, or aerosolizing of a cannabis item may also be prohibited or  
48 otherwise regulated in multifamily housing that is a multiple

1 dwelling as defined in section 3 of P.L.1967, c.76 (C.55:13A-3), as  
2 decided by the person or entity that owns or controls the  
3 multifamily housing, or prohibited or otherwise regulated in the  
4 units of a condominium, as those terms are defined by section 3 of  
5 P.L.1969, c.257 (C.46:8B-3), if approved by the association for the  
6 condominium and a majority of all of the condominium's unit  
7 owners, as those terms are defined in that section. Except as  
8 otherwise provided by P.L. , c. (C. ) (pending before the  
9 Legislature as this bill), any penalties that may be assessed for the  
10 smoking of tobacco where prohibited under the "New Jersey  
11 Smoke-Free Air Act" shall be applicable to the smoking, vaping, or  
12 aerosolizing of cannabis where prohibited. Concerning the  
13 consumption of any cannabis item, other than by smoking, vaping,  
14 or aerosolizing: a person or entity that owns or controls a property,  
15 other than multifamily housing that is a multiple dwelling as  
16 defined in section 3 of P.L.1967, c.76 (C.55:13A-3), a unit of a  
17 condominium, as those terms are defined by section 3 of P.L.1969,  
18 c.257 (C.46:8B-3), or a site in a mobile home park as defined in  
19 section 3 of P.L.1983, c.386 (C.40:55D-102), which site is leased to  
20 the owner of a manufactured home, as defined in that section, that is  
21 installed thereon, may prohibit or otherwise regulate the  
22 consumption of cannabis items on or in that property, including a  
23 casino hotel facility as defined in section 19 of P.L.1977, c.110  
24 (C.5:12-19) with respect to a hotel property, a casino as defined in  
25 section 6 of P.L.1977, c.110 (C.5:12-6), or casino simulcasting  
26 facility authorized pursuant to the "Casino Simulcasting Act,"  
27 P.L.1992, c.19 (C.5:12-191 et al.); and a municipality may enact an  
28 ordinance making it an unlawful act for any person 21 years of age  
29 or older to consume, other than by smoking, vaping, or  
30 aerosolizing, any cannabis item in a public place, including any  
31 indoor public place as that term is defined in section 3 of P.L.2005,  
32 c.383 (C.26:3D-57), or portion thereof, and providing a civil  
33 penalty for a violation in accordance with section 70 of P.L. ,  
34 c. (C. ) (pending before the Legislature as this bill); and

35 d. Assisting another person to engage in any of the acts  
36 described in subsections a. through c. of this section, provided that  
37 the person being assisted is of legal age to purchase cannabis items and  
38 the assistance being provided is without remuneration.

39  
40 45. (New section) Licensee and Consumer Protections.

41 a. Individuals and licensed cannabis establishments,  
42 distributors, and delivery services shall not be subject to arrest,  
43 prosecution, or penalty in any manner, or denied any right or  
44 privilege, including but not limited to civil liability or disciplinary  
45 action by a business, occupational, or professional licensing board  
46 or bureau, solely for conduct permitted under P.L. , c. (C. )  
47 (pending before the Legislature as this bill).

1       b. The presence of cannabinoid metabolites in the bodily fluids  
2 of a person engaged in conduct permitted under P.L. , c. (C. )  
3 (pending before the Legislature as this bill):

4       (1) with respect to a student, employee, or tenant, shall not form  
5 the basis for refusal to enroll or employ or lease to or otherwise  
6 penalize that person, unless failing to do so would put the school,  
7 employer, or landlord in violation of a federal contract or cause it to  
8 lose federal funding;

9       (2) with respect to a patient shall not constitute the use of an  
10 illicit substance resulting in denial of medical care, including organ  
11 transplant, and a patient's use of cannabis items may only be  
12 considered with respect to evidence-based clinical criteria; and

13       (3) with respect to a parent or legal guardian of a child or  
14 newborn infant, or a pregnant woman shall not form the sole or  
15 primary basis for any action or proceeding by the Division of Child  
16 Protection and Permanency, or any successor agencies; provided,  
17 however, that nothing in this paragraph shall preclude any action or  
18 proceeding by the division based on harm or risk of harm to a child or  
19 the use of information on the presence of cannabinoid metabolites in  
20 the bodily fluids of any person in any action or proceeding.

21  
22       46. (New section) Employers, Driving, Minors and Control of  
23 Property.

24       a. No employer shall refuse to hire or employ any person or  
25 shall discharge from employment or take any adverse action against  
26 any employee with respect to compensation, terms, conditions, or  
27 other privileges of employment because that person does or does  
28 not smoke, vape, aerosolize or otherwise use cannabis items, unless  
29 the employer has a rational basis for doing so which is reasonably  
30 related to the employment, including the responsibilities of the  
31 employee or prospective employee.

32       b. Nothing in P.L. , c. (C. ) (pending before the  
33 Legislature as this bill):

34       (1) Requires an employer to amend or repeal, or affect, restrict  
35 or preempt the rights and obligations of employers to maintain a  
36 drug and alcohol free workplace or require an employer to permit or  
37 accommodate the use, consumption, being under the influence,  
38 possession, transfer, display, transportation, sale, or growth of  
39 cannabis or cannabis items in the workplace, or to affect the ability  
40 of employers to have policies prohibiting cannabis use or  
41 intoxication by employees during work hours.

42       (2) Is intended to allow driving under the influence of cannabis  
43 items or driving while impaired by cannabis items or to supersede  
44 laws related to driving under the influence of marijuana or cannabis  
45 items or driving while impaired by marijuana or cannabis items.

46       (3) Is intended to permit the transfer of cannabis items, with or  
47 without remuneration, to a person under the age of 21 or to allow a  
48 person under the age of 21 to purchase, possess, use, transport,



1 grow, or consume cannabis items, unless the person is under the age  
2 of 21, but at least 18 years of age, and an employee of a cannabis  
3 establishment, distributor, or delivery service acting in the person's  
4 employment capacity.

5 (4) Shall, consistent with subsection c. of section 44 of P.L. ,  
6 c. (C. ) (pending before the Legislature as this bill), prohibit  
7 a person or entity that owns or controls a property from prohibiting  
8 or otherwise regulating the consumption, use, display, transfer,  
9 distribution, sale, or transportation of cannabis items on or in that  
10 property, or portion thereof, including a hotel property that is a  
11 casino hotel facility as defined in section 19 of P.L.1977, c.110  
12 (C.5:12-19), a casino as defined in section 6 of P.L.1977, c.110  
13 (C.5:12-6), or casino simulcasting facility authorized pursuant to  
14 the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.),  
15 provided that a person or entity that owns or controls multifamily  
16 housing that is a multiple dwelling as defined in section 3 of  
17 P.L.1967, c.76 (C.55:13A-3), a unit of a condominium as defined in  
18 section 3 of P.L.1969, c.257 (C.46:8B-3), or a site in a mobile home  
19 park as defined in section 3 of P.L.1983, c.386 (C.40:55D-102), which  
20 site is leased to the owner of a manufactured home, as defined in that  
21 section, that is installed thereon, may only prohibit or otherwise  
22 regulate the smoking, vaping, or aerosolizing, but not other  
23 consumption, of cannabis items, and further provided that  
24 municipalities may not prohibit delivery, possession, or  
25 consumption of cannabis items by a person 21 years of age or older  
26 as permitted by section 44 of P.L. , c. (C. ) (pending  
27 before the Legislature as this bill).

28 (5) Is intended to permit any person to possess, consume, use,  
29 display, transfer, distribute, sell, transport, or grow cannabis items  
30 in a school, hospital, detention facility, adult correctional facility, or  
31 youth correction facility.

32 (6) Is intended to permit the smoking, vaping, or aerosolizing of  
33 cannabis items in any place that any other law prohibits the  
34 smoking of tobacco, including N.J.S.2C:33-13 and the "New Jersey  
35 Smoke-Free Air Act," P.L.2005, c.383 (C.26:3D-55 et seq.). Except  
36 as otherwise provided by P.L. , c. (C. ) (pending before the  
37 Legislature as this bill), any fines or civil penalties that may be  
38 assessed for the smoking of tobacco in designated places shall be  
39 applicable to the smoking, vaping, or aerosolizing of cannabis  
40 items.

41  
42 47. (New section) Consuming, including by smoking, vaping, or  
43 aerosolizing, any cannabis item available for lawful consumption  
44 pursuant to the "New Jersey Cannabis Regulatory, Enforcement  
45 Assistance, and Marketplace Modernization Act," P.L. ,  
46 c. (C. ) (pending before the Legislature as this bill), is  
47 prohibited in any area of any building of, on the grounds of, or in  
48 any facility owned, leased, or controlled by, any public or private

1 institution of higher education or a related entity thereof, regardless  
2 of whether the area or facility is an indoor place or is outdoors. As  
3 used in this section “related entity” includes, but is not limited to,  
4 the foundation, auxiliary services corporation, or alumni  
5 association, or any subsidiary thereof, of an institution of higher  
6 learning. Any penalties that may be assessed for the smoking of  
7 tobacco where prohibited under the “New Jersey Smoke-Free Air  
8 Act,” P.L.2005, c.383 (C.26:3D-55 et seq.), shall be applicable to  
9 the consumption of cannabis items where prohibited by this section.

10  
11 48. (New section) Lawful Operation of Cannabis Establishments,  
12 Distributors, and Delivery Services.

13 Notwithstanding any other provision of law, the following acts  
14 are not unlawful and shall not be a criminal offense or a basis for  
15 seizure or forfeiture of assets under N.J.S.2C:64-1 et seq. or other  
16 applicable law, provided the acts are undertaken by a person 21 years  
17 of age or older while acting within the scope of authority provided by  
18 a license, or are undertaken by a person 18 years of age or older while  
19 acting within the scope of authority as an employee of a licensed  
20 cannabis establishment, distributor, or delivery service, or provided by  
21 a cannabis handler certification issued pursuant to P.L. , c. (C. )  
22 (pending before the Legislature as this bill) and are consistent with  
23 the relevant definitions set forth in section 3 of P.L. , c. (C. )  
24 (pending before the Legislature as this bill):

25 a. manufacturing, possessing, or purchasing cannabis  
26 paraphernalia or the sale of cannabis paraphernalia to a person who  
27 is 21 years of age or older;

28 b. possessing, displaying, transporting, or delivering cannabis  
29 items; purchasing cannabis from a cannabis cultivation facility;  
30 purchasing cannabis items from a cannabis product manufacturing  
31 facility; or selling cannabis items to consumers, if the person  
32 conducting the activities described in this subsection has obtained a  
33 current, valid license to operate as a cannabis retailer or is acting in  
34 his capacity as an owner, employee, or agent of a licensed cannabis  
35 retailer;

36 c. cultivating, harvesting, processing, packaging, transporting,  
37 displaying, or possessing cannabis; delivering or transferring  
38 cannabis to a cannabis testing facility; selling cannabis to a cannabis  
39 cultivation facility, a cannabis product manufacturing facility, or a  
40 cannabis retailer; or purchasing cannabis from a cannabis cultivation  
41 facility, if the person conducting the activities described in this  
42 subsection has obtained a current, valid license to operate a cannabis  
43 cultivation facility or is acting in his capacity as an owner,  
44 employee, or agent of a licensed cannabis cultivation facility;

45 d. packaging, processing, transporting, manufacturing,  
46 displaying, or possessing cannabis items; delivering or transferring  
47 cannabis items to a cannabis testing facility; selling cannabis items  
48 to a cannabis retailer or a cannabis product manufacturing facility;

1 purchasing cannabis from a cannabis cultivation facility; or  
2 purchasing cannabis items from a cannabis product manufacturing  
3 facility, if the person conducting the activities described in this  
4 subsection has obtained a current, valid license to operate a cannabis  
5 product manufacturing facility or is acting in his capacity as an  
6 owner, employee, or agent of a licensed cannabis product  
7 manufacturing facility;

8 e. possessing, cultivating, processing, repackaging, storing,  
9 transporting, displaying, transferring, or delivering cannabis items if  
10 the person has obtained a current, valid license to operate a cannabis  
11 testing facility or is acting in his capacity as an owner, employee, or  
12 agent of a licensed cannabis testing facility; and

13 f. leasing or otherwise allowing the use of property owned,  
14 occupied, or controlled by any person, corporation, or other entity  
15 for any of the activities conducted lawfully in accordance with  
16 subsections a. through e. of this section.

17  
18 49. (New section) Contract Enforceability.

19 No contract shall be unenforceable on the basis that  
20 manufacturing, distributing, dispensing, possessing, or using any  
21 cannabis item or marijuana is prohibited by federal law. No contract  
22 entered into by a licensee, its employees, or its agents as permitted  
23 pursuant to a valid license issued by the commission, or by those  
24 who allow property to be used by a licensee, its employees, or its  
25 agents as permitted pursuant to a valid license issued by the  
26 commission, shall be deemed unenforceable on the basis that the  
27 actions or conduct permitted pursuant to the license are prohibited  
28 by federal law.

29  
30 50. (New section) Federal and Interstate Relations.

31 a. Law enforcement agencies in this State shall not cooperate  
32 with or provide assistance to the government of the United States or  
33 any agency thereof in enforcing the “Controlled Substances Act,”  
34 21 U.S.C. 801 et seq., solely for actions consistent with P.L. ,

35 c. (C. ) (pending before the Legislature as this bill), except  
36 pursuant to a valid court order.

37 b. No agency or subdivision of an agency of this State may  
38 refuse to perform any duty under P.L. , c. (C. ) (pending  
39 before the Legislature as this bill) on the basis that manufacturing,  
40 transporting, distributing, dispensing, delivering, possessing, or  
41 using any cannabis item or marijuana is prohibited by federal law.

42 c. The commission may not revoke or refuse to issue or renew  
43 a license or certification pursuant to section 20, 22, 23, 24, 25, or 26  
44 of P.L. , c. (C. ) (pending before the Legislature as this bill) on  
45 the basis that manufacturing, transporting, distributing, dispensing,  
46 delivering, possessing, or using any cannabis item or marijuana is  
47 prohibited by federal law.

1 d. Nothing in this section shall be construed to limit the authority  
2 of an agency or subdivision of any agency of this State to cooperate  
3 with or assist the government of the United States or any agency  
4 thereof, or the government of another state or agency thereof, in  
5 matters pertaining to illegal interstate trafficking of marijuana, hashish,  
6 or cannabis items.

7  
8 51. (New section) Limitations.

9 The provisions of P.L. , c. (C. ) (pending before the  
10 Legislature as this bill) concerning the development, regulation, and  
11 enforcement of activities associated with personal use cannabis, as  
12 well as acts involving personal use cannabis or cannabis resin, shall  
13 not be construed:

14 a. To amend or affect in any way any State or federal law  
15 pertaining to employment matters;

16 b. To amend or affect in any way any State or federal law  
17 pertaining to landlord-tenant matters;

18 c. To prohibit a recipient of a federal grant or an applicant for a  
19 federal grant from prohibiting the manufacture, transportation,  
20 delivery, possession, or use of cannabis items to the extent  
21 necessary to satisfy federal requirements for the grant;

22 d. To prohibit a party to a federal contract or a person applying  
23 to be a party to a federal contract from prohibiting the manufacture,  
24 transport, distribution, delivery, possession, or use of cannabis  
25 items to the extent necessary to comply with the terms and  
26 conditions of the contract or to satisfy federal requirements for the  
27 contract;

28 e. To require a person to violate a federal law; or

29 f. To exempt a person from a federal law or obstruct the  
30 enforcement of a federal law.

31  
32 52. N.J.S.2C:35-2 is amended to read as follows:

33 2C:35-2. As used in this chapter:

34 "Administer" means the direct application of a controlled  
35 dangerous substance or controlled substance analog, whether by  
36 injection, inhalation, ingestion, or any other means, to the body of a  
37 patient or research subject by: (1) a practitioner (or, in his  
38 presence, by his lawfully authorized agent), or (2) the patient or  
39 research subject at the lawful direction and in the presence of the  
40 practitioner.

41 "Agent" means an authorized person who acts on behalf of or at  
42 the direction of a manufacturer, distributor, or dispenser but does  
43 not include a common or contract carrier, public warehouseman, or  
44 employee thereof.

45 "Controlled dangerous substance" means a drug, substance, or  
46 immediate precursor in Schedules I through V, marijuana and  
47 hashish as defined in this section, any substance the distribution of  
48 which is specifically prohibited in N.J.S.2C:35-3, in section 3 of

1 P.L.1997, c.194 (C.2C:35-5.2), in section 5 of P.L.1997, c.194  
2 (C.2C:35-5.3), in section 2 of P.L.2011, c.120 (C.2C:35-5.3a), or in  
3 section 2 of P.L.2013, c.35 (C.2C:35-5.3b), and any drug or  
4 substance which, when ingested, is metabolized or otherwise  
5 becomes a controlled dangerous substance in the human body.  
6 When any statute refers to controlled dangerous substances, or to a  
7 specific controlled dangerous substance, it shall also be deemed to  
8 refer to any drug or substance which, when ingested, is metabolized  
9 or otherwise becomes a controlled dangerous substance or the  
10 specific controlled dangerous substance, and to any substance that  
11 is an immediate precursor of a controlled dangerous substance or  
12 the specific controlled dangerous substance. The term shall not  
13 include distilled spirits, wine, malt beverages, as those terms are  
14 defined or used in R.S.33:1-1 et seq., **【or】** tobacco and tobacco  
15 products, or cannabis or cannabis resin as defined in section 3 of  
16 P.L. , c. (C. ) (pending before the Legislature as this bill).  
17 The term, wherever it appears in any law or administrative  
18 regulation of this State, shall include controlled substance analogs.  
19 "Controlled substance analog" means a substance that has a  
20 chemical structure substantially similar to that of a controlled  
21 dangerous substance and that was specifically designed to produce  
22 an effect substantially similar to that of a controlled dangerous  
23 substance. The term shall not include a substance manufactured or  
24 distributed in conformance with the provisions of an approved new  
25 drug application or an exemption for investigational use within the  
26 meaning of section 505 of the "Federal Food, Drug and Cosmetic  
27 Act," 52 Stat. 1052 (21 U.S.C. s.355).  
28 "Counterfeit substance" means a controlled dangerous substance  
29 or controlled substance analog which, or the container or labeling of  
30 which, without authorization, bears the trademark, trade name, or  
31 other identifying mark, imprint, number, or device, or any likeness  
32 thereof, of a manufacturer, distributor, or dispenser other than the  
33 person or persons who in fact manufactured, distributed, or  
34 dispensed the substance and which thereby falsely purports or is  
35 represented to be the product of, or to have been distributed by,  
36 such other manufacturer, distributor, or dispenser.  
37 "Deliver" or "delivery" means the actual, constructive, or  
38 attempted transfer from one person to another of a controlled  
39 dangerous substance or controlled substance analog, whether or not  
40 there is an agency relationship.  
41 "Dispense" means to deliver a controlled dangerous substance or  
42 controlled substance analog to an ultimate user or research subject  
43 by or pursuant to the lawful order of a practitioner, including the  
44 prescribing, administering, packaging, labeling, or compounding  
45 necessary to prepare the substance for that delivery. "Dispenser"  
46 means a practitioner who dispenses.

1 "Distribute" means to deliver other than by administering or  
2 dispensing a controlled dangerous substance or controlled substance  
3 analog. "Distributor" means a person who distributes.

4 "Drugs" means (a) substances recognized in the official United  
5 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the  
6 United States, or official National Formulary, or any supplement to  
7 any of them; and (b) substances intended for use in the diagnosis,  
8 cure, mitigation, treatment, or prevention of disease in man or other  
9 animals; and (c) substances (other than food) intended to affect the  
10 structure or any function of the body of man or other animals; and  
11 (d) substances intended for use as a component of any article  
12 specified in subsections (a), (b), and (c) of this section; but does not  
13 include devices or their components, parts, or accessories.

14 "Drug or alcohol dependent person" means a person who as a  
15 result of using a controlled dangerous substance or controlled  
16 substance analog or alcohol has been in a state of psychic or  
17 physical dependence, or both, arising from the use of that controlled  
18 dangerous substance or controlled substance analog or alcohol on a  
19 continuous or repetitive basis. Drug or alcohol dependence is  
20 characterized by behavioral and other responses, including but not  
21 limited to a strong compulsion to take the substance on a recurring  
22 basis in order to experience its psychic effects, or to avoid the  
23 discomfort of its absence.

24 "Hashish" means the resin extracted from any part of the plant  
25 **【Genus】** *Cannabis sativa* L. and any compound, manufacture, salt,  
26 derivative, mixture, or preparation of such resin. "Hashish" shall  
27 not mean: hemp or a hemp product cultivated, handled, processed,  
28 transported, or sold pursuant to the "New Jersey Hemp Farming  
29 Act," P.L.2019, c.238 (C.4:28-6 et al.); or cannabis resin as defined  
30 in section 3 of P.L. , c. (C. ) (pending before the Legislature as  
31 this bill) which is extracted for use in a cannabis item, as defined in  
32 that section, in accordance with the "New Jersey Cannabis  
33 Regulatory, Enforcement Assistance, and Marketplace Modernization  
34 Act," P.L. , c. (C. ) (pending before the Legislature as this  
35 bill).

36 "Manufacture" means the production, preparation, propagation,  
37 compounding, conversion, or processing of a controlled dangerous  
38 substance or controlled substance analog, either directly or by  
39 extraction from substances of natural origin, or independently by  
40 means of chemical synthesis, or by a combination of extraction and  
41 chemical synthesis, and includes any packaging or repackaging of  
42 the substance or labeling or relabeling of its container, except that  
43 this term does not include the preparation or compounding of a  
44 controlled dangerous substance or controlled substance analog by  
45 an individual for his own use or the preparation, compounding,  
46 packaging, or labeling of a controlled dangerous substance: (1) by  
47 a practitioner as an incident to his administering or dispensing of a  
48 controlled dangerous substance or controlled substance analog in

1 the course of his professional practice, or (2) by a practitioner (or  
2 under his supervision) for the purpose of, or as an incident to,  
3 research, teaching, or chemical analysis and not for sale.

4 "Marijuana" means all parts of the plant **【Genus】** *Cannabis*  
5 *sativa* L., whether growing or not; the seeds thereof, and every  
6 compound, manufacture, salt, derivative, mixture, or preparation of  
7 the plant or its seeds, except those containing resin extracted from  
8 the plant **【**; but shall not include the mature stalks of the plant, fiber  
9 produced from the stalks, oil, or cake made from the seeds of the  
10 plant, any other compound, manufacture, salt, derivative, mixture,  
11 or preparation of mature stalks, fiber, oil, or cake, or the sterilized  
12 seed of the plant which is incapable of germination**】**. "Marijuana"  
13 shall not mean: hemp or a hemp product cultivated, handled,  
14 processed, transported, or sold pursuant to the "New Jersey Hemp  
15 Farming Act," P.L.2019, c.238 (C.4:28-6 et al.); or cannabis as  
16 defined in section 3 of P.L. , c. (C. ) (pending before the  
17 Legislature as this bill) which is cultivated and processed for use in  
18 a cannabis item, as defined in that section, in accordance with the  
19 "New Jersey Cannabis Regulatory, Enforcement Assistance, and  
20 Marketplace Modernization Act," P.L. , c. (C. ) (pending  
21 before the Legislature as this bill).

22 "Narcotic drug" means any of the following, whether produced  
23 directly or indirectly by extraction from substances of vegetable  
24 origin, or independently by means of chemical synthesis, or by a  
25 combination of extraction and chemical synthesis:

26 (a) Opium, coca leaves, and opiates;

27 (b) A compound, manufacture, salt, derivative, or preparation of  
28 opium, coca leaves, or opiates;

29 (c) A substance (and any compound, manufacture, salt,  
30 derivative, or preparation thereof) which is chemically identical  
31 with any of the substances referred to in subsections (a) and (b),  
32 except that the words "narcotic drug" as used in this act shall not  
33 include decocainized coca leaves or extracts of coca leaves, which  
34 extracts do not contain cocaine or ecogine.

35 "Opiate" means any dangerous substance having an addiction-  
36 forming or addiction-sustaining liability similar to morphine or  
37 being capable of conversion into a drug having such addiction-  
38 forming or addiction-sustaining liability. It does not include, unless  
39 specifically designated as controlled pursuant to the provisions of  
40 section 3 of P.L.1970, c.226 (C.24:21-3), the dextrorotatory isomer  
41 of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan).  
42 It does include its racemic and levorotatory forms.

43 "Opium poppy" means the plant of the species *Papaver*  
44 *somniferum* L., except the seeds thereof.

45 "Person" means any corporation, association, partnership, trust,  
46 other institution or entity, or one or more individuals.

1 "Plant" means an organism having leaves and a readily  
2 observable root formation, including, but not limited to, a cutting  
3 having roots, a rootball or root hairs.

4 "Poppy straw" means all parts, except the seeds, of the opium  
5 poppy, after mowing.

6 "Practitioner" means a physician, dentist, veterinarian, scientific  
7 investigator, laboratory, pharmacy, hospital, or other person  
8 licensed, registered, or otherwise permitted to distribute, dispense,  
9 conduct research with respect to, or administer a controlled  
10 dangerous substance or controlled substance analog in the course of  
11 professional practice or research in this State.

12 (a) "Physician" means a physician authorized by law to practice  
13 medicine in this or any other state and any other person authorized  
14 by law to treat sick and injured human beings in this or any other  
15 state.

16 (b) "Veterinarian" means a veterinarian authorized by law to  
17 practice veterinary medicine in this State.

18 (c) "Dentist" means a dentist authorized by law to practice  
19 dentistry in this State.

20 (d) "Hospital" means any federal institution, or any institution  
21 for the care and treatment of the sick and injured, operated or  
22 approved by the appropriate State department as proper to be  
23 entrusted with the custody and professional use of controlled  
24 dangerous substances or controlled substance analogs.

25 (e) "Laboratory" means a laboratory to be entrusted with the  
26 custody of narcotic drugs and the use of controlled dangerous  
27 substances or controlled substance analogs for scientific,  
28 experimental, and medical purposes and for purposes of instruction  
29 approved by the Department of Health.

30 "Production" includes the manufacture, planting, cultivation,  
31 growing, or harvesting of a controlled dangerous substance or  
32 controlled substance analog.

33 "Immediate precursor" means a substance which the Division of  
34 Consumer Affairs in the Department of Law and Public Safety has  
35 found to be and by regulation designates as being the principal  
36 compound commonly used or produced primarily for use, and  
37 which is an immediate chemical intermediary used or likely to be  
38 used in the manufacture of a controlled dangerous substance or  
39 controlled substance analog, the control of which is necessary to  
40 prevent, curtail, or limit such manufacture.

41 "Residential treatment facility" means any facility licensed and  
42 approved by the Department of Human Services and which is  
43 approved by any county probation department for the inpatient  
44 treatment and rehabilitation of drug or alcohol dependent persons.

45 "Schedules I, II, III, IV, and V" are the schedules set forth in  
46 sections 5 through 8 of P.L.1970, c.226 (C.24:21-5 through 24:21-  
47 8) and in section 4 of P.L.1971, c.3 (C.24:21-8.1) and as modified  
48 by any regulations issued by the Director of the Division of



1 Consumer Affairs in the Department of Law and Public Safety  
2 pursuant to the director's authority as provided in section 3 of  
3 P.L.1970, c.226 (C.24:21-3).

4 "State" means the State of New Jersey.

5 "Ultimate user" means a person who lawfully possesses a  
6 controlled dangerous substance or controlled substance analog for  
7 his own use or for the use of a member of his household or for  
8 administration to an animal owned by him or by a member of his  
9 household.

10 "Prescription legend drug" means any drug which under federal  
11 or State law requires dispensing by prescription or order of a  
12 licensed physician, veterinarian, or dentist and is required to bear  
13 the statement "Rx only" or similar wording indicating that such  
14 drug may be sold or dispensed only upon the prescription of a  
15 licensed medical practitioner and is not a controlled dangerous  
16 substance or stramonium preparation.

17 "Stramonium preparation" means a substance prepared from any  
18 part of the stramonium plant in the form of a powder, pipe mixture,  
19 cigarette, or any other form with or without other ingredients.

20 "Stramonium plant" means the plant *Datura Stramonium* Linne,  
21 including *Datura Tatula* Linne.

22 (cf: P.L.2019, c.238, s.10)

23  
24 53. (New section) Criminal Investigation.

25 None of the following shall, individually or collectively,  
26 constitute reasonable articulable suspicion of a crime, unless on  
27 property used for school purposes which is owned by a school or  
28 school board, or at any detention facility, adult correctional facility, or  
29 youth correction facility:

30 a. The odor of cannabis or burnt cannabis;

31 b. The possession of or the suspicion of possession of  
32 marijuana or hashish without evidence of quantity in excess of any  
33 amount that would exceed the amount of cannabis or cannabis resin  
34 which may be lawfully possessed pursuant to section 44 of P.L. ,

35 c. (C. ) (pending before the Legislature as this bill); or

36 c. The possession of marijuana or hashish without evidence of  
37 quantity in excess of any amount that would exceed the amount of  
38 cannabis or cannabis resin which may be lawfully possessed  
39 pursuant to section 44 of P.L. , c. (C. ) (pending before the  
40 Legislature as this bill), in proximity to any amount of cash or  
41 currency.

42  
43 54. N.J.S 2C:36-1 is amended to read as follows:

44 2C:36-1. Drug paraphernalia, defined; determination.

45 a. As used in this act, "drug paraphernalia" means all  
46 equipment, products and materials of any kind which are used or  
47 intended for use in planting, propagating, cultivating, growing,  
48 harvesting, manufacturing, compounding, converting, producing,

1 processing, preparing, testing, analyzing, packaging, repackaging,  
2 storing, containing, concealing, ingesting, inhaling, or otherwise  
3 introducing into the human body a controlled dangerous substance,  
4 controlled substance analog or toxic chemical in violation of the  
5 provisions of chapter 35 of this title. It shall include, but not be  
6 limited to:

7 **【a.】** (1) kits used or intended for use in planting, propagating,  
8 cultivating, growing or harvesting of any species of plant which is a  
9 controlled dangerous substance or from which a controlled  
10 dangerous substance can be derived;

11 **【b.】** (2) kits used or intended for use in manufacturing,  
12 compounding, converting, producing, processing, or preparing  
13 controlled dangerous substances or controlled substance analogs;

14 **【c.】** (3) isomerization devices used or intended for use in  
15 increasing the potency of any species of plant which is a controlled  
16 dangerous substance;

17 **【d.】** (4) testing equipment used or intended for use identifying,  
18 or in analyzing the strength, effectiveness or purity of controlled  
19 dangerous substances or controlled substance analogs;

20 **【e.】** (5) scales and balances used or intended for use in weighing  
21 or measuring controlled dangerous substances or controlled  
22 substance analogs;

23 **【f.】** (6) dilutants and adulterants, such as quinine hydrochloride,  
24 mannitol, mannite, dextrose and lactose, used or intended for use in  
25 cutting controlled dangerous substances or controlled substance  
26 analogs;

27 **【g.】** (7) separation gins and sifters used or intended for use in  
28 removing twigs and seeds from, or in otherwise cleaning or  
29 refining, **【marihuana】** marijuana;

30 **【h.】** (8) blenders, bowls, containers, spoons and mixing devices  
31 used or intended for use in compounding controlled dangerous  
32 substances or controlled substance analogs;

33 **【i.】** (9) capsules, balloons, envelopes and other containers used  
34 or intended for use in packaging small quantities of controlled  
35 dangerous substances or controlled substance analogs;

36 **【j.】** (10) containers and other objects used or intended for use in  
37 storing or concealing controlled dangerous substances, controlled  
38 substance analogs or toxic chemicals;

39 **【k.】** (11) objects used or intended for use in ingesting, inhaling,  
40 or otherwise introducing **【marihuana】** marijuana, cocaine, hashish,  
41 hashish oil, nitrous oxide or the fumes of a toxic chemical into the  
42 human body, such as **【(1)】** (a) metal, wooden, acrylic, glass, stone,  
43 plastic, or ceramic pipes with or without screens, permanent  
44 screens, hashish heads, or punctured metal bowls; **【(2)】** (b) water  
45 pipes; **【(3)】** (c) carburetion tubes and devices; **【(4)】** (d) smoking  
46 and carburetion masks; **【(5)】** (e) roach clips, meaning objects used

1 to hold burning material, such as a marihuana cigarette, that has  
2 become too small or too short to be held in the hand; **[(6)]** (f)  
3 miniature cocaine spoons, and cocaine vials; **[(7)]** (g) chamber  
4 pipes; **[(8)]** (h) carburetor pipes; **[(9)]** (i) electric pipes; **[(10)]** (j)  
5 air-driven pipes; **[(11)]** (k) chillums; **[(12)]** (l) bongs; **[(13)]** (m)  
6 ice pipes or chillers; **[(14)]** (n) compressed gas containers, such as  
7 tanks, cartridges or canisters, that contain food grade or  
8 pharmaceutical grade nitrous oxide as a principal ingredient; **[(15)]**  
9 (o) chargers or charging bottles, meaning metal, ceramic or plastic  
10 devices that contain an interior pin that may be used to expel  
11 compressed gas from a cartridge or canister; and **[(16)]** (p) tubes,  
12 balloons, bags, fabrics, bottles or other containers used to  
13 concentrate or hold in suspension a toxic chemical or the fumes of a  
14 toxic chemical.

15 b. In determining whether or not an object is drug  
16 paraphernalia, the trier of fact, in addition to or as part of the  
17 proofs, may consider the following factors:

18 **[a.]** (1) (a) statements by an owner or by anyone in control of  
19 the object concerning its use;

20 **[b.]** (b) the proximity of the object **[of]** to illegally possessed  
21 controlled dangerous substances, controlled substance analogs or  
22 toxic chemicals;

23 **[c.]** (c) the existence of any residue of illegally possessed  
24 controlled dangerous substances, controlled substance analogs or  
25 toxic chemicals on the object;

26 **[d.]** (d) direct or circumstantial evidence of the intent of an  
27 owner, or of anyone in control of the object, to deliver it to persons  
28 whom he knows intend to use the object to facilitate a violation of  
29 this act; the innocence of an owner, or of anyone in control of the  
30 object, as to a direct violation of this act shall not prevent a finding  
31 that the object is intended for use as drug paraphernalia;

32 **[e.]** (e) instructions, oral or written, provided with the object  
33 concerning its use;

34 **[f.]** (f) descriptive materials accompanying the object which  
35 explain or depict its use;

36 **[g.]** (g) national or local advertising whose purpose the person  
37 knows or should know is to promote the sale of objects intended for  
38 use as drug paraphernalia;

39 **[h.]** (h) the manner in which the object is displayed for sale;

40 **[i.]** (i) the existence and scope of legitimate uses for the object  
41 in the community; and

42 **[j.]** (j) expert testimony concerning its use.

43 (2) If an object appears to be for use, intended for use, or  
44 designed for use with cannabis or cannabis items in accordance with  
45 the “New Jersey Cannabis Regulatory, Enforcement Assistance, and  
46 Marketplace Modernization Act,” P.L. , c. (C. ) (pending

1 before the Legislature as this bill), the object is presumed to be a  
2 lawful cannabis paraphernalia as defined in section 3 of that act  
3 (C. ), and does not alone constitute reasonable articulable  
4 suspicion that the object is a drug paraphernalia, notwithstanding  
5 that the object could also be used with marijuana, hashish, or  
6 another illegal controlled substance or controlled substance analog,  
7 unless the owner or any other person in proximity to or in control of  
8 the object was in possession of marijuana, hashish, or another  
9 illegal controlled dangerous substance or controlled substance  
10 analog, or the object was in proximity of marijuana, hashish, or  
11 another illegally possessed controlled dangerous substance or  
12 controlled substance analog to indicate its use, intended use, or  
13 design for use with that controlled dangerous substance or  
14 controlled substance analog.

15 (cf: P.L.2007, c.31, s.2)

16  
17 55. N.J.S.2C:35-16 is amended to read as follows:

18 2C:35-16. a. In addition to any disposition authorized by this  
19 title, the provisions of section 24 of P.L.1982, c.77 (C.2A:4A-43),  
20 or any other statute indicating the dispositions that can be ordered  
21 for an adjudication of delinquency, and notwithstanding the  
22 provisions of subsection c. of N.J.S.2C:43-2, a person convicted of  
23 or adjudicated delinquent for a violation of any offense defined in  
24 this chapter or chapter 36 of this title shall forthwith forfeit his right  
25 to operate a motor vehicle over the highways of this State for a  
26 period to be fixed by the court at not less than six months or more  
27 than two years which shall commence on the day the sentence is  
28 imposed unless the court finds compelling circumstances  
29 warranting an exception or except as provided in subsection e. of  
30 this section. For the purposes of this section, compelling  
31 circumstances warranting an exception exist if the forfeiture of the  
32 person's right to operate a motor vehicle over the highways of this  
33 State will result in extreme hardship and alternative means of  
34 transportation are not available. In the case of a person who at the  
35 time of the imposition of sentence is less than 17 years of age, the  
36 period of any suspension of driving privileges authorized herein,  
37 including a suspension of the privilege of operating a motorized  
38 bicycle, shall commence on the day the sentence is imposed and  
39 shall run for a period as fixed by the court of not less than six  
40 months or more than two years after the day the person reaches the  
41 age of 17 years. If the driving privilege of any person is under  
42 revocation, suspension, or postponement for a violation of any  
43 provision of this title or Title 39 of the Revised Statutes at the time  
44 of any conviction or adjudication of delinquency for a violation of  
45 any offense defined in this chapter or chapter 36 of this title, any  
46 revocation, suspension, or postponement period imposed herein  
47 shall commence as of the date of termination of the existing  
48 revocation, suspension, or postponement.

1       b. If forfeiture or postponement of driving privileges is ordered  
2 by the court pursuant to subsection a. of this section, the court shall  
3 collect forthwith the New Jersey driver's license or licenses of the  
4 person and forward such license or licenses to the Chief  
5 Administrator of the New Jersey Motor Vehicle Commission along  
6 with a report indicating the first and last day of the suspension or  
7 postponement period imposed by the court pursuant to this section.  
8 If the court is for any reason unable to collect the license or licenses  
9 of the person, the court shall cause a report of the conviction or  
10 adjudication of delinquency to be filed with the Chief  
11 Administrator. That report shall include the complete name,  
12 address, date of birth, eye color, and sex of the person and shall  
13 indicate the first and last day of the suspension or postponement  
14 period imposed by the court pursuant to this section. The court shall  
15 inform the person orally and in writing that if the person is  
16 convicted of personally operating a motor vehicle during the period  
17 of license suspension or postponement imposed pursuant to this  
18 section, the person shall, upon conviction, be subject to the  
19 penalties set forth in R.S.39:3-40. A person shall be required to  
20 acknowledge receipt of the written notice in writing. Failure to  
21 receive a written notice or failure to acknowledge in writing the  
22 receipt of a written notice shall not be a defense to a subsequent  
23 charge of a violation of R.S.39:3-40. If the person is the holder of a  
24 driver's license from another jurisdiction, the court shall not collect  
25 the license but shall notify forthwith the Chief Administrator who  
26 shall notify the appropriate officials in the licensing jurisdiction.  
27 The court shall, however, in accordance with the provisions of this  
28 section, revoke the person's non-resident driving privilege in this  
29 State.

30       c. In addition to any other condition imposed, a court may in  
31 its discretion suspend, revoke or postpone in accordance with the  
32 provisions of this section the driving privileges of a person admitted  
33 to supervisory treatment under N.J.S.2C:36A-1 or N.J.S.2C:43-12  
34 without a plea of guilty or finding of guilt.

35       d. After sentencing and upon notice to the prosecutor, a person  
36 subject to suspension or postponement of driving privileges under  
37 this section may seek revocation of the remaining portion of any  
38 suspension or postponement based on compelling circumstances  
39 warranting an exception that were not raised at the time of  
40 sentencing. The court may revoke the suspension or postponement  
41 if it finds compelling circumstances.

42       e. Provided that the person was not convicted of or adjudicated  
43 delinquent for a violation of any offense defined in this chapter or  
44 chapter 36 of this title other than those enumerated in this  
45 subsection, the forfeiture or postponement of driving privileges set  
46 forth in subsection a. of this section shall not apply to any person  
47 convicted of or adjudicated delinquent for an offense which if  
48 committed by an adult would constitute:

1     (1) distribution of, or possessing or having under control with  
2 intent to distribute, marijuana or hashish in violation of paragraph  
3 (11) of subsection b. of N.J.S.2C:35-5, or a lesser amount of  
4 marijuana or hashish in violation of paragraph (12) of subsection b.  
5 that section, or a violation of either of those paragraphs based on an  
6 amount of marijuana or hashish described herein and a violation of  
7 subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection  
8 a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or  
9 possessing or having under control with intent to distribute, on or  
10 within 1,000 feet of any school property, or on or within 500 feet of  
11 the real property comprising a public housing facility, public park, or  
12 public building;

13     (2) using, being under the influence of, or failing to make lawful  
14 disposition of marijuana or hashish in violation of paragraph (3) of  
15 subsection a., or subsection b. or subsection c. of N.J.S.2C:35-10; or

16     (3) a violation involving marijuana or hashish as described in  
17 paragraph (1) or (2) of this subsection and using or possessing with  
18 intent to use drug paraphernalia with that marijuana or hashish in  
19 violation of N.J.S.2C:36-2.

20 (cf: P.L.2008, c.84, s.2)

21  
22     56. N.J.S.2B:12-31 is amended to read as follows:

23     2B:12-31. Suspension of driving privileges.

24     a. (1) If a defendant charged with a disorderly persons offense,  
25 a petty disorderly persons offense, a violation of a municipal  
26 ordinance, or a violation of any other law of this State for which a  
27 penalty may be imposed fails to appear at any scheduled court  
28 proceeding after written notice has been given to said defendant  
29 pursuant to the Rules of Court, a municipal court may order the  
30 suspension of the person's driving privileges or nonresident  
31 reciprocity privilege or prohibit the person from receiving or  
32 obtaining driving privileges until the pending matter is adjudicated  
33 or otherwise disposed of, except by dismissal for failure of  
34 defendant to appear.

35     (2) If a defendant sentenced to pay a fine or costs, make  
36 restitution, perform community service, serve a term of probation,  
37 or do any other act as a condition of that sentence fails to do so, a  
38 municipal court may order the suspension of the person's driving  
39 privileges or nonresident reciprocity privilege or prohibit the person  
40 from receiving or obtaining driving privileges until the terms and  
41 conditions of the sentence have been performed or modified.

42     b. Prior to any action being taken pursuant to the provisions of  
43 this section, the defendant shall be given notice of the proposed  
44 action and afforded an opportunity to appear before the court to  
45 contest the validity of the proposed action.

46     c. The municipal court shall notify the **【Division of】** New  
47 Jersey Motor 【Vehicles】 Vehicle Commission of any action taken  
48 pursuant to the provisions of this section.

1 d. Any action taken by a municipal court pursuant to this  
2 section shall be in addition to any other remedies which are  
3 available to the court and in addition to any other penalties which  
4 may be imposed by the court.

5 e. (1) When a defendant whose license has been suspended  
6 pursuant to subsection a. of this section satisfies the requirements of  
7 that subsection, the municipal court shall forward to the **【Division**  
8 **of】** New Jersey Motor **【Vehicles】** Vehicle Commission a notice to  
9 restore the defendant's driving privileges.

10 (2) There shall be included in the fines and penalties imposed by  
11 a court on a defendant whose license has been suspended pursuant  
12 to subsection a. of this section, the following:

13 (a) A fee of \$3.00 which shall be transferred to the **【Division**  
14 **of】** New Jersey Motor **【Vehicles】** Vehicle Commission;

15 (b) A penalty of \$10.00 for the issuance of the failure to appear  
16 notice; and

17 (c) A penalty of \$15.00 for the order of suspension of  
18 defendant's driving privileges.

19 (cf: N.J.S.2B:12-31)  
20

21 57. (New section) Prohibition of Persons Under the Legal Age  
22 Purchasing Cannabis or Cannabis Resin.

23 Consistent with the relevant definitions set forth in section 3 of  
24 P.L. , c. (C. ) (pending before the Legislature as this bill):

25 a. A cannabis establishment licensee, cannabis distributor  
26 licensee, or cannabis delivery service licensee, either directly or  
27 indirectly by an agent or employee, shall not sell, offer for sale,  
28 distribute for commercial purpose at no cost or minimal cost, or  
29 give or furnish for consumption, any cannabis items to a person  
30 under 21 years of age.

31 b. Any licensee or employee or agent of a licensee who allows  
32 a person under the age of 21 to procure cannabis items which,  
33 pursuant to section 44 of P.L. , c. (C. ) (pending before the  
34 Legislature as this bill) are not unlawful for persons 21 years of age  
35 or older to procure for personal use, shall be subject to a civil  
36 penalty of not less than \$250 for the first violation; \$500 for the  
37 second violation; and \$1,000 for the third and each subsequent  
38 violation; in addition, subject to a hearing, a licensee's license may  
39 be revoked, suspended, or otherwise limited. The penalties provided  
40 for in this subsection shall be recovered by a summary proceeding  
41 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274  
42 (C.2A:58-10 et seq.).

43 c. The establishment of all of the following facts by a licensee,  
44 employee, or agent, allowing any such person under the age of 21 to  
45 procure cannabis items shall constitute a defense to any violation of  
46 the provisions of subsection a. or b. of this section:

47 (1) That the purchaser of the cannabis item falsely represented  
48 that the person was of legal age to make the purchase, by producing

1 either a United States passport; driver's license or non-driver  
2 identification card issued by the New Jersey Motor Vehicle  
3 Commission; a driver's license issued pursuant to the laws of  
4 another state; or any other identification card issued by a state or the  
5 United States that bears a picture of the person, the name of the  
6 person, the person's date of birth, and a physical description of the  
7 person; 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 item,  
14 even if the cannabis item may be legally purchased by persons at or  
15 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 not  
24 actually the person's own, including the use of a driver's license or  
25 other government-issued form of identification in violation of section  
26 1 of P.L.1983, c.565 (C.2C:21-2.1), N.J.S.2C:21-17, section 5 of  
27 P.L.2003, c.184 (C.2C:21-17.2), or section 6 of P.L.1968, c.313  
28 (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 58. Section 1 of P.L.1983, c.565 (C.2C:21-2.1) is amended to  
18 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 subsection 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 of, 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 of, 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 59. N.J.S.2C:21-17 is amended to read as follows:

10 2C:21-17. Impersonation; Theft of identity; crime.

11 a. A person is guilty of a crime if the person engages in one or  
12 more of the following actions by any means including, but not  
13 limited to, the use of electronic communications or an Internet  
14 website:

15 (1) Impersonates another or assumes a false identity and does an  
16 act in such assumed character or false identity for the purpose of  
17 obtaining a benefit for himself or another or to injure or defraud  
18 another;

19 (2) Pretends to be a representative of some person or  
20 organization and does an act in such pretended capacity for the  
21 purpose of obtaining a benefit for himself or another or to injure or  
22 defraud another;

23 (3) Impersonates another, assumes a false identity or makes a  
24 false or misleading statement regarding the identity of any person,  
25 in an oral or written application for services, for the purpose of  
26 obtaining services;

27 (4) Obtains any personal identifying information pertaining to  
28 another person and uses that information, or assists another person  
29 in using the information, in order to assume the identity of or  
30 represent himself as another person, without that person's  
31 authorization and with the purpose to fraudulently obtain or attempt  
32 to obtain a benefit or services, or avoid the payment of debt or other  
33 legal obligation or avoid prosecution for a crime by using the name  
34 of the other person; or

35 (5) Impersonates another, assumes a false identity or makes a  
36 false or misleading statement, in the course of making an oral or  
37 written application for services, with the purpose of avoiding  
38 payment for prior services. Purpose to avoid payment for prior  
39 services may be presumed upon proof that the person has not made  
40 full payment for prior services and has impersonated another,  
41 assumed a false identity or made a false or misleading statement  
42 regarding the identity of any person in the course of making oral or  
43 written application for services.

44 As used in this section:

45 "Benefit" means, but is not limited to, any property, any  
46 pecuniary amount, any services, any pecuniary amount sought to be  
47 avoided or any injury or harm perpetrated on another where there is  
48 no pecuniary value.

1       b. (Deleted by amendment, P.L.2005, c.224).

2       c. A person who violates subsection a. of this section is guilty  
3 of a crime as follows:

4       (1) If the actor obtains a benefit or deprives another of a benefit  
5 in an amount less than \$500 and the offense involves the identity of  
6 one victim, the actor shall be guilty of a crime of the fourth degree  
7 except that a second or subsequent conviction for such an offense  
8 constitutes a crime of the third degree; or

9       (2) If the actor obtains a benefit or deprives another of a benefit  
10 in an amount of at least \$500 but less than \$75,000, or the offense  
11 involves the identity of at least two but less than five victims, the  
12 actor shall be guilty of a crime of the third degree; or

13       (3) If the actor obtains a benefit or deprives another of a benefit  
14 in the amount of \$75,000 or more, or the offense involves the  
15 identity of five or more victims, the actor shall be guilty of a crime  
16 of the second degree.

17       d. A violation of N.J.S.2C:28-7, constituting a disorderly  
18 persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15),  
19 R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case  
20 where the person uses the personal identifying information of  
21 another to illegally purchase an alcoholic beverage or for using the  
22 personal identifying information of another to misrepresent **[his]**  
23 the person's age for the purpose of obtaining tobacco or other  
24 consumer product denied to persons under **[19]** 21 years of age  
25 shall not, except as otherwise set forth in this subsection, constitute  
26 an offense under this section if the actor received only that benefit  
27 or service and did not perpetrate or attempt to perpetrate any  
28 additional injury or fraud on another. If a person used the personal  
29 identifying information of another to misrepresent the person's age  
30 for the purpose of illegally obtaining any cannabis item available for  
31 lawful consumption pursuant to the "New Jersey Cannabis  
32 Regulatory, Enforcement Assistance, and Marketplace Modernization  
33 Act," P.L. , c. (C. ) (pending before the Legislature as this  
34 bill), the person shall be subject to a civil penalty of \$50. The civil  
35 penalty provided for in this subsection shall be collected pursuant to  
36 the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-  
37 10 et seq.), in a summary proceeding before the municipal court  
38 having jurisdiction. A civil penalty recovered under the provisions  
39 of this subsection shall be recovered by and in the name of the State  
40 by the local municipality. The penalty shall be paid into the  
41 treasury of the municipality in which the violation occurred for the  
42 general use of the municipality.

43       e. The sentencing court shall issue such orders as are necessary  
44 to correct any public record or government document that contains  
45 false information as a result of a theft of identity. The sentencing  
46 court may provide restitution to the victim in accordance with the  
47 provisions of section 4 of P.L.2002, c.85 (C.2C:21-17.1).

48 (cf: P.L.2013, c.241, s.1)

1       60. Section 5 of P.L.2003, c.184 (C.2C:21-17.2) is amended to  
2 read as follows:

3       5. a. A person is guilty of a crime of the second degree if, in  
4 obtaining or attempting to obtain a driver's license, birth certificate  
5 or other document issued by a governmental agency which could be  
6 used as a means of verifying a person's identity, age or any other  
7 personal identifying information, that person knowingly exhibits,  
8 displays or utters a document or other writing which falsely  
9 purports to be a driver's license, birth certificate or other document  
10 issued by a governmental agency or which belongs or pertains to a  
11 person other than the person who possesses the document.

12       b. Notwithstanding the provisions of N.J.S.2C:1-8 or any other  
13 law, a conviction under this section shall not merge with a  
14 conviction of any other criminal offense, nor shall such other  
15 conviction merge with a conviction under this section, and the court  
16 shall impose separate sentences upon each violation of this section  
17 and any other criminal offense.

18       c. A violation of N.J.S.2C:28-7, constituting a disorderly  
19 persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15),  
20 R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case  
21 where the person uses the personal identifying information of  
22 another to illegally purchase an alcoholic beverage or for using the  
23 personal identifying information of another to misrepresent his age  
24 for the purpose of obtaining tobacco or other consumer product  
25 denied to persons under **18** 21 years of age shall not, except as  
26 otherwise set forth in this subsection, constitute an offense under  
27 this section if the actor received only that benefit or service and did  
28 not perpetrate or attempt to perpetrate any additional injury or fraud  
29 on another. If the personal identifying information of another is  
30 used to obtain any cannabis item available for lawful consumption  
31 pursuant to the "New Jersey Cannabis Regulatory, Enforcement  
32 Assistance, and Marketplace Modernization Act," P.L. \_\_\_\_\_,  
33 c. (C. \_\_\_\_\_) (pending before the Legislature as this bill), the person  
34 shall be subject to a civil penalty of \$50. The civil penalty provided  
35 for in this subsection shall be collected pursuant to the "Penalty  
36 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.),  
37 in a summary proceeding before the municipal court having  
38 jurisdiction. A civil penalty recovered under the provisions of this  
39 subsection shall be recovered by and in the name of the State by the  
40 local municipality. The penalty shall be paid into the treasury of  
41 the municipality in which the violation occurred for the general use  
42 of the municipality.

43 (cf: P.L.2005, c.224, s.4)

44  
45       61. The title of P.L.1968, c.313 is amended to read as follows:  
46 **AN ACT** relating to the establishing of proof of age for purposes of

1 purchasing alcoholic beverages or cannabis items in certain  
2 cases.

3 (cf: P.L.1968, c.313, title)  
4

5 62. Section 6 of P.L.1968, c.313 (C.33:1-81.7) is amended to  
6 read as follows:

7 6. It shall be unlawful for the owner of an identification card,  
8 as defined by this act, to transfer said card to any other person for  
9 the purpose of aiding such person to secure alcoholic beverages or  
10 cannabis items available for lawful consumption pursuant to the  
11 “New Jersey Cannabis Regulatory, Enforcement Assistance, and  
12 Marketplace Modernization Act,” P.L. , c. (C. ) (pending  
13 before the Legislature as this bill). Any person who shall transfer  
14 such identification card for the purpose of aiding such transferee to  
15 obtain alcoholic beverages shall be guilty of a **【misdemeanor】**  
16 disorderly persons offense and, upon conviction thereof, shall be  
17 sentenced to pay a fine of not more than \$300.00, or undergo  
18 imprisonment for not more than 60 days. Any person not entitled  
19 thereto who shall have unlawfully procured or have issued or  
20 transferred to him, as aforesaid, identification card or any person  
21 who shall make any false statement on any card required by  
22 subsection (c) hereof to be signed by him shall be guilty of a  
23 **【misdemeanor】** disorderly persons offense and, upon conviction  
24 thereof, shall be sentenced to pay a fine of not more than \$300.00,  
25 or undergo imprisonment for not more than 60 days.

26 (cf: P.L.1968, c.313, s.6)  
27

28 63. The title of P.L.1991, c.169 is amended to read as follows:

29 **AN ACT** concerning the retail sale of alcoholic beverages or  
30 cannabis items, amending R.S.33:1-81 and P.L.1979, c.264 and  
31 supplementing chapter 1 of Title 33 of the Revised Statutes.

32 (cf: P.L.1991, c.169, title)  
33

34 64. Section 3 of P.L.1991, c.169 (C.33:1-81.1a) is amended to  
35 read as follows:

36 3. A parent, guardian or other person having legal custody of a  
37 person under 18 years of age found in violation of R.S.33:1-81 or  
38 section 1 of P.L.1979, c.264 (C.2C:33-15) with respect to  
39 purchasing, possessing, or consuming any alcoholic beverage or  
40 cannabis item available for lawful consumption pursuant to the  
41 “New Jersey Cannabis Regulatory, Enforcement Assistance, and  
42 Marketplace Modernization Act,” P.L. , c. (C. ) (pending  
43 before the Legislature as this bill) shall be notified of the violation  
44 in writing. The parent, guardian or other person having legal  
45 custody of a person under 18 years of age shall be subject to a fine  
46 in the amount of \$500.00 upon any subsequent violation of  
47 R.S.33:1-81 or section 1 of P.L.1979, c.264 (C.2C:33-15) on the  
48 part of such person if it is shown that the parent, guardian or other

1 person having legal custody failed or neglected to exercise  
2 reasonable supervision or control over the conduct of the person  
3 under 18 years of age.

4 (cf: P.L.1991, c.169, s.3)

5  
6 65. The title of P.L.1979, c.264 is amended to read as follows:

7 **AN ACT** concerning certain alcoholic beverage and cannabis item  
8 offenses by persons under the legal age to purchase alcoholic  
9 beverages and cannabis items, and supplementing chapter 33 of  
10 Title 2C of the New Jersey Statutes.

11 (cf: P.L.1979, c.264, title)

12  
13 66. Section 1 of P.L.1979, c.264 (C.2C:33-15) is amended to  
14 read as follows:

15 1. a. (1) Any person under the legal age to purchase alcoholic  
16 beverages who knowingly possesses without legal authority or who  
17 knowingly consumes any alcoholic beverage in any school, public  
18 conveyance, public place, or place of public assembly, or motor  
19 vehicle, is guilty of a petty disorderly persons offense, and shall be  
20 fined not less than **[\$500]** \$250.

21 (2) (a) Any person under the legal age to purchase cannabis  
22 items who knowingly possesses without legal authority any  
23 cannabis item, the amount of which may be lawfully possessed by a  
24 person of the legal age to purchase cannabis items pursuant to  
25 section 44 of P.L. , c. (C. ) (pending before the Legislature  
26 as this bill), in any school, public conveyance, public place, or  
27 place of public assembly, or motor vehicle, is guilty of a petty  
28 disorderly persons offense, and shall be fined not less than \$250.

29 (b) Any person under the legal age to purchase cannabis items  
30 who knowingly possesses without legal authority any cannabis  
31 item, the amount of which exceeds what may be lawfully possessed  
32 by a person of the legal age to purchase cannabis items pursuant to  
33 section 44 of P.L. , c. (C. ) (pending before the Legislature  
34 as this bill), or who knowingly consumes any cannabis item in any  
35 school, public conveyance, public place, or place of public  
36 assembly, or motor vehicle, is guilty of a disorderly persons  
37 offense, and shall be fined not less than \$500.

38 b. Whenever this offense is committed in a motor vehicle, the  
39 court shall, in addition to the sentence authorized for the offense,  
40 suspend or postpone for six months the driving privilege of the  
41 defendant. Upon the conviction of any person under this section,  
42 the court shall forward a report to the New Jersey Motor Vehicle  
43 Commission stating the first and last day of the suspension or  
44 postponement period imposed by the court pursuant to this section.  
45 If a person at the time of the imposition of a sentence is less than 17  
46 years of age, the period of license postponement, including a  
47 suspension or postponement of the privilege of operating a  
48 motorized bicycle, shall commence on the day the sentence is



1 imposed and shall run for a period of six months after the person  
2 reaches the age of 17 years.

3 If a person at the time of the imposition of a sentence has a valid  
4 driver's license issued by this State, the court shall immediately  
5 collect the license and forward it to the commission along with the  
6 report. If for any reason the license cannot be collected, the court  
7 shall include in the report the complete name, address, date of birth,  
8 eye color, and sex of the person as well as the first and last date of  
9 the license suspension period imposed by the court.

10 The court shall inform the person orally and in writing that if the  
11 person is convicted of operating a motor vehicle during the period  
12 of license suspension or postponement, the person shall be subject  
13 to the penalties set forth in R.S.39:3-40. A person shall be required  
14 to acknowledge receipt of the written notice in writing. Failure to  
15 receive a written notice or failure to acknowledge in writing the  
16 receipt of a written notice shall not be a defense to a subsequent  
17 charge of a violation of R.S.39:3-40.

18 If the person convicted under this section is not a New Jersey  
19 resident, the court shall suspend or postpone, as appropriate, the  
20 non-resident driving privilege of the person based on the age of the  
21 person and submit to the commission the required report. The court  
22 shall not collect the license of a non-resident convicted under this  
23 section. Upon receipt of a report by the court, the commission shall  
24 notify the appropriate officials in the licensing jurisdiction of the  
25 suspension or postponement.

26 c. In addition to the general penalty prescribed for a disorderly  
27 persons offense, the court may require any person who violates this  
28 act to participate in an alcohol or drug abuse education or treatment  
29 program, authorized by the Division of Mental Health and  
30 Addiction Services in the Department of Human Services, for a  
31 period not to exceed the maximum period of confinement  
32 prescribed by law for the offense for which the individual has been  
33 convicted.

34 d. Nothing in this act shall apply to possession of alcoholic  
35 beverages by any such person while actually engaged in the  
36 performance of employment pursuant to an employment permit  
37 issued by the Director of the Division of Alcoholic Beverage  
38 Control, or for a bona fide hotel or restaurant, in accordance with  
39 the provisions of R.S.33:1-26, or while actively engaged in the  
40 preparation of food while enrolled in a culinary arts or hotel  
41 management program at a county vocational school or **post**  
42 **secondary** post-secondary educational institution; and nothing in  
43 this section shall apply to possession of cannabis items by any such  
44 person while actually engaged in the performance of employment  
45 by a cannabis establishment, distributor, or delivery service as  
46 permitted pursuant to the "New Jersey Cannabis Regulatory,  
47 Enforcement Assistance, and Marketplace Modernization Act,"  
48 P.L. , c. (C. ) (pending before the Legislature as this bill).

1 e. The provisions of section 3 of P.L.1991, c.169 (C.33:1-  
2 81.1a) shall apply to a parent, guardian or other person with legal  
3 custody of a person under 18 years of age who is found to be in  
4 violation of this section.

5 f. An underage person and one or two other persons shall be  
6 immune from prosecution under this section if:

7 (1) one of the underage persons called 9-1-1 and reported that  
8 another underage person was in need of medical assistance due to  
9 alcohol consumption or the consumption of a cannabis item;

10 (2) the underage person who called 9-1-1 and, if applicable, one  
11 or two other persons acting in concert with the underage person  
12 who called 9-1-1 provided each of their names to the 9-1-1  
13 operator;

14 (3) the underage person was the first person to make the 9-1-1  
15 report; and

16 (4) the underage person and, if applicable, one or two other  
17 persons acting in concert with the underage person who made the 9-  
18 1-1 call remained on the scene with the person under the legal age  
19 in need of medical assistance until assistance arrived and  
20 cooperated with medical assistance and law enforcement personnel  
21 on the scene.

22 The underage person who received medical assistance also shall  
23 be immune from prosecution under this section.

24 g. For purposes of this section, an alcoholic beverage includes  
25 powdered alcohol as defined by R.S.33:1-1, and a cannabis item  
26 includes any item available for lawful consumption pursuant to the  
27 “New Jersey Cannabis Regulatory, Enforcement Assistance, and  
28 Marketplace Modernization Act,” P.L. , c. (C. ) (pending  
29 before the Legislature as this bill).

30 (cf: P.L.2015, c.137, s.3)

31  
32 67. The title of P.L.1981, c.197 is amended to read as follows:  
33 **AN ACT** concerning the unauthorized bringing of alcoholic  
34 beverages or cannabis items onto school premises, and  
35 supplementing chapter 33 of Title 2C of the New Jersey Statutes.  
36 (cf: P.L.1981, c.197, title)

37  
38 68. Section 1 of P.L.1981, c.197 (C.2C:33-16) is amended to  
39 read as follows:

40 1. Any person of legal age to purchase alcoholic beverages or  
41 cannabis items, who, in the case of alcoholic beverages, knowingly  
42 and without the express written permission of the school board, its  
43 delegated authority, or any school principal, brings or possesses any  
44 alcoholic beverages, or in the case of cannabis items, brings,  
45 possesses, or consumes, including by smoking, vaping, or  
46 aerosolizing, any cannabis items, on any property used for school  
47 purposes which is owned by any school or school board, is guilty  
48 of a disorderly persons offense. For purposes of this section, an

1 alcoholic beverage includes powdered alcohol as defined by  
2 R.S.33:1-1, and a cannabis item includes any item available for  
3 lawful consumption pursuant to the “New Jersey Cannabis  
4 Regulatory, Enforcement Assistance, and Marketplace Modernization  
5 Act,” P.L. , c. (C. ) (pending before the Legislature as this  
6 bill).  
7 (cf: P.L.1981, c.197, s.1)  
8

9 69. R.S.40:48-1 is amended to read as follows:

10 40:48-1. Ordinances; general purpose. The governing body of  
11 every municipality may make, amend, repeal and enforce  
12 ordinances to:

13 Finances and property. 1. Manage, regulate and control the  
14 finances and property, real and personal, of the municipality;

15 Contracts and contractor's bonds. 2. Prescribe the form and  
16 manner of execution and approval of all contracts to be executed by  
17 the municipality and of all bonds to be given to it;

18 Officers and employees; duties, terms and salaries. 3. Prescribe  
19 and define, except as otherwise provided by law, the duties and  
20 terms of office or employment, of all officers and employees; and to  
21 provide for the employment and compensation of such officials and  
22 employees, in addition to those provided for by statute, as may be  
23 deemed necessary for the efficient conduct of the affairs of the  
24 municipality;

25 Fees. 4. Fix the fees of any officer or employee of the  
26 municipality for any service rendered in connection with his office  
27 or position, for which no specific fee or compensation is provided.  
28 In the case of salaried officers or employees, such fee shall be paid  
29 into the municipal treasury;

30 Salaries instead of fees; disposition of fees. 5. Provide that any  
31 officer or employee receiving compensation for his services, in  
32 whole or in part by fees, whether paid by the municipality or  
33 otherwise, shall be paid a salary to be fixed in the ordinance, and  
34 thereafter all fees received by such officer or employee shall be  
35 paid into the municipal treasury;

36 Maintain order. 6. Prevent vice, drunkenness and immorality; to  
37 preserve the public peace and order; to prevent and quell riots,  
38 disturbances and disorderly assemblages; to prohibit the  
39 consumption of alcoholic beverages or cannabis items by underage  
40 persons on private property pursuant to section 1 of P.L.2000, c.33  
41 (C.40:48-1.2);

42 Punish beggars; prevention of loitering. 7. Restrain and punish  
43 drunkards, vagrants, mendicants and street beggars; to prevent  
44 loitering, lounging or sleeping in the streets, parks or public places;

45 Auctions and noises. 8. Regulate the ringing of bells and the  
46 crying of goods and other commodities for sale at auction or  
47 otherwise, and to prevent disturbing noises;

1 Swimming; bathing costume; prohibition of public nudity. 9.  
2 Regulate or prohibit swimming or bathing in the waters of, in, or  
3 bounding the municipality, and to regulate or prohibit persons from  
4 appearing upon the public streets, parks and places clad in bathing  
5 costumes or robes, or costumes of a similar character; regulate or  
6 prohibit persons from appearing in a state of nudity upon all lands  
7 within its borders which are under the jurisdiction of the State  
8 including, without limitation, all lands owned by, controlled by,  
9 managed by or leased by the State;

10 Prohibit annoyance of persons or animals. 10. Regulate or  
11 prohibit any practice tending to frighten animals, or to annoy or  
12 injure persons in the public streets;

13 Animals; pounds; establishment and regulation. 11. Establish  
14 and regulate one or more pounds, and to prohibit or regulate the  
15 running at large of horses, cattle, dogs, swine, goats and other  
16 animals, and to authorize their impounding and sale for the penalty  
17 incurred, and the costs of impounding, keeping and sale; to regulate  
18 or prohibit the keeping of cattle, goats or swine in any part of the  
19 municipality; to authorize the destruction of dogs running at large  
20 therein;

21 Hucksters. 12. Prescribe and regulate the place of vending or  
22 exposing for sale articles of merchandise from vehicles;

23 Building regulations; wooden structures. 13. Regulate and  
24 control the construction, erection, alteration and repair of buildings  
25 and structures of every kind within the municipality; and to  
26 prohibit, within certain limits, the construction, erection or  
27 alteration of buildings or structures of wood or other combustible  
28 material;

29 Inflammable materials; inspect docks and buildings. 14.  
30 Regulate the use, storage, sale and disposal of inflammable or  
31 combustible materials, and to provide for the protection of life and  
32 property from fire, explosions and other dangers; to provide for  
33 inspections of buildings, docks, wharves, warehouses and other  
34 places, and of goods and materials contained therein, to secure the  
35 proper enforcement of such ordinance;

36 Dangerous structures; removal or destruction; procedure. 15.  
37 Provide for the removal or destruction of any building, wall or  
38 structure which is or may become dangerous to life or health, or  
39 might tend to extend a conflagration; and to assess the cost thereof  
40 as a municipal lien against the premises;

41 Chimneys and boilers. 16. Regulate the construction and setting  
42 up of chimneys, furnaces, stoves, boilers, ovens and other  
43 contrivances in which fire is used;

44 Explosives. 17. Regulate, in conformity with the statutes of this  
45 State, the manufacture, storage, sale, keeping or conveying of  
46 gunpowder, nitroglycerine, dynamite and other explosives;

47 Firearms and fireworks. 18. Regulate and prohibit the sale and  
48 use of guns, pistols, firearms, and fireworks of all descriptions;

1       Soft coal. 19. Regulate the use of soft coal in locomotives,  
2       factories, power houses and other places;

3       Theaters, schools, churches and public places. 20. Regulate the  
4       use of theaters, cinema houses, public halls, schools, churches, and  
5       other places where numbers of people assemble, and the exits  
6       therefrom, so that escape therefrom may be easily and safely made  
7       in case of fire or panic; and to regulate any machinery, scenery,  
8       lights, wires and other apparatus, equipment or appliances used in  
9       all places of public amusement;

10      Excavations. 21. Regulate excavations below the established  
11      grade or curb line of any street, not greater than eight feet, which  
12      the owner of any land may make, in the erection of any building  
13      upon his own property; and to provide for the giving of notice, in  
14      writing, of such intended excavation to any adjoining owner or  
15      owners, and that they will be required to protect and care for their  
16      several foundation walls that may be endangered by such  
17      excavation; and to provide that in case of the neglect or refusal, for  
18      10 days, of such adjoining owner or owners to take proper action to  
19      secure and protect the foundations of any adjacent building or other  
20      structure, that the party or parties giving such notice, or their  
21      agents, contractors or employees, may enter into and upon such  
22      adjoining property and do all necessary work to make such  
23      foundations secure, and may recover the cost of such work and  
24      labor in so protecting such adjacent property; and to make such  
25      further and other provisions in relation to the proper conduct and  
26      performance of said work as the governing body or board of the  
27      municipality may deem necessary and proper;

28      Sample medicines. 22. Regulate and prohibit the distribution,  
29      depositing or leaving on the public streets or highways, public  
30      places or private property, or at any private place or places within  
31      any such municipality, any medicine, medicinal preparation or  
32      preparations represented to cure ailments or diseases of the body or  
33      mind, or any samples thereof, or any advertisements or circulars  
34      relating thereto, but no ordinance shall prohibit a delivery of any  
35      such article to any person above the age of 12 years willing to  
36      receive the same;

37      Boating. 23. Regulate the use of motor and other boats upon  
38      waters within or bounding the municipality;

39      Fire escapes. 24. Provide for the erection of fire escapes on  
40      buildings in the municipality, and to provide rules and regulations  
41      concerning the construction and maintenance of the same, and for  
42      the prevention of any obstruction thereof or thereon;

43      Care of injured employees. 25. Provide for the payment of  
44      compensation and for medical attendance to any officer or  
45      employee of the municipality injured in the performance of his  
46      duty;

47      Bulkheads and other structures. 26. Fix and determine the lines  
48      of bulkheads or other works or structures to be erected, constructed

1 or maintained by the owners of lands facing upon any navigable  
2 water in front of their lands, and in front of or along any highway or  
3 public lands of said municipality, and to designate the materials to  
4 be used, and the type, height and dimensions thereof;

5 Lifeguard. 27. Establish, maintain, regulate and control a  
6 lifeguard upon any beach within or bordering on the municipality;

7 Appropriation for life-saving apparatus. 28. Appropriate  
8 moneys to safeguard people from drowning within its borders, by  
9 location of apparatus or conduct of educational work in harmony  
10 with the plans of the United States volunteer life-saving corps in  
11 this State;

12 Fences. 29. Regulate the size, height and dimensions of any  
13 fences between the lands of adjoining owners, whether built or  
14 erected as division or partition fences between such lands, and  
15 whether the same exist or be erected entirely or only partly upon the  
16 lands of any such adjoining owners, or along or immediately  
17 adjacent to any division or partition line of such lands. To provide,  
18 in such ordinance, the manner of securing, fastening or shoring such  
19 fences, and for surveying the land when required by statute, and to  
20 prohibit in any such ordinance the use at a height of under 10 feet  
21 from the ground, of any device, such as wire or cable, that would be  
22 dangerous to pedestrians, equestrians, bicyclists, or drivers of off-  
23 the-road vehicles, unless that device is clearly visible to pedestrians,  
24 equestrians, bicyclists or drivers of off-the-road vehicles. In the  
25 case of fences thereafter erected contrary to the provisions thereof,  
26 the governing body may provide for a penalty for the violation of  
27 such ordinance, and in the case of such fence or fences erected or  
28 existing at the time of the passage of any such ordinance, may  
29 provide therein for the removal, change or alteration thereof, so as  
30 to make such fence or fences comply with the provisions of any  
31 such ordinance;

32 Advertise municipality. 30. Appropriate funds for advertising  
33 the advantages of the municipality;

34 Government Energy Aggregation Programs. 31. Establish  
35 programs and procedures pursuant to which the municipality may  
36 act as a government aggregator pursuant to sections 40 through 43  
37 of P.L.1999, c.23 (C.48:3-89 through C.48:3-92), section 45 of  
38 P.L.1999, c.23 (C.48:3-94), and sections 1, 2 and 6 of P.L.2003,  
39 c.24 (C.48:3-93.1 through C.48:3-93.3). Notwithstanding the  
40 provisions of any other law, rule or regulation to the contrary, a  
41 municipality acting as a government aggregator pursuant to  
42 P.L.1999, c.23 (C.48:3-49 et al.) shall not be deemed to be a public  
43 utility pursuant to R.S.40:62-24 or R.S.48:1-1 et seq. or be deemed  
44 to be operating any form of public utility service pursuant to  
45 R.S.40:62-1 et seq., to the extent such municipality is solely  
46 engaged in the provision of such aggregation service and not  
47 otherwise owning or operating any plant or facility for the

1 production or distribution of gas, electricity, steam or other product  
2 as provided in R.S.40:62-12;

3 Joint municipal action on consent for the provision of cable  
4 television service. 32. Establish programs and procedures pursuant  
5 to which a municipality may act together with one or more  
6 municipalities in granting municipal consent for the provision of  
7 cable television service pursuant to the provisions of the "Cable  
8 Television Act," P.L.1972, c.186 (C.48:5A-1 et seq.) as amended  
9 and supplemented. Notwithstanding the provisions of any other  
10 law, rule or regulation to the contrary, two or more municipalities  
11 acting jointly pursuant to the provisions of P.L.1972, c.186  
12 (C.48:5A-1 et seq.) shall not be deemed a public utility pursuant to  
13 R.S.48:1-1 et seq., to the extent those municipalities are solely  
14 engaged in granting municipal consent jointly and are not otherwise  
15 owning or operating any facility for the provision of cable  
16 television service as provided in P.L.1972, c.186 (C.48:5A-1 et  
17 seq.);

18 Private cable television service aggregation programs. 33.  
19 Establish programs and procedures pursuant to which a  
20 municipality may employ the services of a private aggregator for  
21 the purpose of facilitating the joint action of two or more  
22 municipalities in granting municipal consent for the provision of  
23 cable television service provided that any such municipality shall  
24 adhere to the provisions of the "Cable Television Act," P.L.1972,  
25 c.186 (C.48:5A-1 et seq.) as amended and supplemented, and to the  
26 provisions of the "Local Public Contracts Law," P.L.1971, c.198  
27 (C.40A:11-1 et seq.) as amended and supplemented.  
28 Notwithstanding the provisions of any other law, rule or regulation  
29 to the contrary, a municipality that employs the services of a private  
30 aggregator pursuant to the provisions of P.L.1972, c.186 (C.48:5A-  
31 1 et seq.) shall not be deemed a public utility pursuant to R.S.48:1-  
32 1 et seq., to the extent that the municipality is solely engaged in  
33 employing the services of a private aggregator for the purpose of  
34 facilitating the joint action of two or more municipalities in  
35 granting municipal consent and is not otherwise owning or  
36 operating any facility for the provision of cable television service as  
37 provided in P.L.1972, c.186 (C.48:5A-1 et seq.);

38 Protective Custody. 34. Provide protective custody to persons  
39 arrested for operating a motor vehicle under the influence of  
40 alcoholic beverages, cannabis items as defined in section 3 of  
41 P.L. , c. (C. ) (pending before the Legislature as this bill),  
42 any chemical substance, or any controlled dangerous substance in  
43 violation of R.S.39:4-50 as provided in section 1 of P.L.2003, c.164  
44 (C.40:48-1.3);

45 Private Outdoor Video Surveillance Camera Registry. 35.  
46 Establish a private outdoor video surveillance camera registry and

1 allow voluntary registration of private outdoor video surveillance  
2 cameras as provided in P.L.2015, c.142 (C.40:48-1.6 et al.).  
3 (cf: P.L.2015, c.142, s.3)  
4

5 70. (New section) A municipality may enact an ordinance  
6 making it unlawful for any person who is of legal age to consume,  
7 other than by smoking, vaping, or aerosolizing, a cannabis item  
8 available for lawful consumption pursuant to the "New Jersey  
9 Cannabis Regulatory, Enforcement Assistance, and Marketplace  
10 Modernization Act," P.L. , c. (C. ) (pending before the  
11 Legislature as this bill), in any public place as defined in section 3  
12 of that act (C. ), other than school property described in section 1  
13 of P.L.1981, c.197 (C.2C:33-16) for which unlawful consumption is  
14 a disorderly persons offense, or when not prohibited by the owner or  
15 person responsible for the operation of that public place. A person  
16 may be subject to a civil penalty of up to \$200, which shall be  
17 recovered in a civil action by a summary proceeding in the name of  
18 the municipality pursuant to the "Penalty Enforcement Law of  
19 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The municipal court  
20 and the Superior Court shall have jurisdiction of proceedings for the  
21 enforcement of the penalty provided by this section.  
22

23 71. The title of P.L.2000, c.33 is amended to read as follows:  
24 **AN ACT** concerning possession and consumption of alcoholic  
25 beverages or cannabis items by underaged persons,  
26 supplementing Title 40 of the Revised Statutes and amending  
27 R.S.40:48-1.  
28 (cf: P.L.2000, c.33, title)  
29

30 72. Section 1 of P.L.2000, c.33 (C.40:48-1.2) is amended to read  
31 as follows:

32 1. a. A municipality may enact an ordinance making it  
33 unlawful for any person under the legal age who, without legal  
34 authority, knowingly possesses or knowingly consumes an alcoholic  
35 beverage or a cannabis item, other than by smoking, vaping, or  
36 aerosolizing, on private property.

37 (1) The ordinance shall provide that a violation involving  
38 alcoholic beverage activity shall be punished by a fine of \$250 for a  
39 first offense and \$350 for any subsequent offense.

40 (2) The ordinance shall provide that a violation involving  
41 cannabis activity shall be punished as follows:

42 (a) If the cannabis item possessed is an amount which may be  
43 lawfully possessed by a person of the legal age to purchase cannabis  
44 items pursuant to section 44 of P.L. , c. (C. ) (pending  
45 before the Legislature as this bill): for a first offense, a civil  
46 penalty of \$100; for a second offense, a civil penalty of \$200; and  
47 for a third or subsequent offense, a fine of \$350. The civil penalties  
48 provided for in this subparagraph shall be collected pursuant to the



1 “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10  
2 et seq.), in a summary proceeding before the municipal court having  
3 jurisdiction. A penalty recovered under the provisions of this  
4 subparagraph shall be recovered by and in the name of the  
5 municipality.

6 (b) If the cannabis item possessed is an amount that exceeds  
7 what may be lawfully possessed by a person of the legal age to  
8 purchase cannabis items pursuant to section 44 of P.L. \_\_\_\_\_,  
9 c. (C. \_\_\_\_\_) (pending before the Legislature as this bill), or if any  
10 cannabis item is consumed: for a first offense, a fine of \$250; and  
11 for a second or subsequent offense, a fine of \$350.

12 b. The ordinance shall provide that the court may, in addition  
13 to the fine authorized for this offense, suspend or postpone for six  
14 months the driving privilege of the defendant. Upon the conviction  
15 of any person and the suspension or postponement of that person's  
16 driver's license, the court shall forward a report to the **【Division of】**  
17 New Jersey Motor 【Vehicles】 Vehicle Commission stating the first  
18 and last day of the suspension or postponement period imposed by  
19 the court pursuant to this section. If a person at the time of the  
20 imposition of a sentence is less than 17 years of age, the period of  
21 license postponement, including a suspension or postponement of  
22 the privilege of operating a motorized bicycle, shall commence on  
23 the day the sentence is imposed and shall run for a period of six  
24 months after the person reaches the age of 17 years.

25 If a person at the time of the imposition of a sentence has a valid  
26 driver's license issued by this State, the court shall immediately  
27 collect the license and forward it to the **【division】** commission  
28 along with the report. If for any reason the license cannot be  
29 collected, the court shall include in the report the complete name,  
30 address, date of birth, eye color, and sex of the person, as well as  
31 the first and last date of the license suspension period imposed by  
32 the court.

33 The court shall inform the person orally and in writing that if the  
34 person is convicted of operating a motor vehicle during the period  
35 of license suspension or postponement, the person shall be subject  
36 to the penalties set forth in R.S.39:3-40. A person shall be required  
37 to acknowledge receipt of the written notice in writing. Failure to  
38 receive a written notice or failure to acknowledge in writing the  
39 receipt of a written notice shall not be a defense to a subsequent  
40 charge of a violation of R.S.39:3-40.

41 If the person convicted under such an ordinance is not a New  
42 Jersey resident, the court shall suspend or postpone, as appropriate,  
43 the non-resident driving privilege of the person based on the age of  
44 the person and submit to the **【division】** commission the required  
45 report. The court shall not collect the license of a non-resident  
46 convicted under this section. Upon receipt of a report by the court,

1 the **【division】** commission shall notify the appropriate officials in  
2 the licensing jurisdiction of the suspension or postponement.

3 c. (1) No ordinance shall prohibit an underaged person from  
4 consuming or possessing an alcoholic beverage in connection with a  
5 religious observance, ceremony, or rite or consuming or possessing  
6 an alcoholic beverage in the presence of and with the permission of  
7 a parent, guardian or relative who has attained the legal age to  
8 purchase and consume alcoholic beverages.

9 (2) As used in this section:

10 “Alcoholic beverage” includes powdered alcohol as defined by  
11 R.S.33:1-1.

12 “Guardian” means a person who has qualified as a guardian of  
13 the underaged person pursuant to testamentary or court  
14 appointment.

15 “Cannabis items” includes any item available for lawful  
16 consumption pursuant to 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 “Relative” means the underaged person's grandparent, aunt or  
20 uncle, sibling, or any other person related by blood or affinity.

21 d. No ordinance shall prohibit possession of alcoholic  
22 beverages by any such person while actually engaged in the  
23 performance of employment by a person who is licensed under Title  
24 33 of the Revised Statutes, or while actively engaged in the  
25 preparation of food while enrolled in a culinary arts or hotel  
26 management program at a county vocational school or **【post**  
27 **secondary】** post-secondary educational institution, and no  
28 ordinance shall prohibit possession of cannabis items by any such  
29 person while actually engaged in the performance of employment  
30 by a cannabis establishment, distributor, or delivery service as  
31 permitted pursuant to the “New Jersey Cannabis Regulatory,  
32 Enforcement Assistance, and Marketplace Modernization Act,”  
33 P.L. , c. (C. ) (pending before the Legislature as this bill);  
34 however, no ordinance enacted pursuant to this section shall be  
35 construed to preclude the imposition of a penalty under this section,  
36 R.S.33:1-81, or any other section of law against a person who is  
37 convicted of unlawful alcoholic beverage activity or unlawful  
38 cannabis activity on or at premises licensed for the sale of alcoholic  
39 beverages or cannabis items.

40 (cf: P.L.2000, c.33, s.1)

41

42 73. The title of P.L.2009, c.133 is amended to read as follows:

43 **AN ACT** concerning persons under the legal age to possess and  
44 consume alcoholic beverages or cannabis items, amending  
45 P.L.1979, c.264, and supplementing P.L.2000, c.33 (C.40:48-1.2  
46 et al.).

47 (cf: P.L.2009, c.133, title)

1       74. Section 2 of P.L.2009, c.133 (C.40:48-1.2a) is amended to  
2 read as follows:

3       2. a. An underage person and one or two other persons shall be  
4 immune from prosecution under an ordinance authorized by section  
5 1 of P.L.2000, c.33 (C.40:48-1.2) prohibiting any person under the  
6 legal age who, without legal authority, knowingly possesses or  
7 knowingly consumes an alcoholic beverage or cannabis item on  
8 private property if:

9       (1) one of the underage persons called 9-1-1 and reported that  
10 another underage person was in need of medical assistance due to  
11 alcohol consumption or the consumption of a cannabis item;

12       (2) the underage person who called 9-1-1 and, if applicable, one  
13 or two other persons acting in concert with the underage person  
14 who called 9-1-1 provided each of their names to the 9-1-1  
15 operator;

16       (3) the underage person was the first person to make the 9-1-1  
17 report; and

18       (4) the underage person and, if applicable, one or two other  
19 persons acting in concert with the underage person who made the 9-  
20 1-1 call remained on the scene with the person under the legal age  
21 in need of medical assistance until assistance arrived and  
22 cooperated with medical assistance and law enforcement personnel  
23 on the scene.

24       b. The underage person who received medical assistance as  
25 provided in subsection a. of this section also shall be immune from  
26 prosecution under an ordinance authorized by section 1 of P.L.2000,  
27 c.33 (C.40:48-1.2).

28 (cf: P.L.2009, c.133, s.2)

29

30       75. Section 2 of P.L.1981, c.512 (C.39:4-50.4a) is amended to  
31 read as follows:

32       2. a. The municipal court shall order any person who, after  
33 being arrested for a violation of R.S.39:4-50 or section 1 of  
34 P.L.1992, c.189 (C.39:4-50.14), refuses to submit, upon request, to  
35 a test provided for in section 2 of P.L.1966, c.142 (C.39:4-50.2):

36       (1) if the refusal was in connection with a first offense under this  
37 section, to forfeit the right to operate a motor vehicle over the  
38 highways of this State until the person installs an ignition interlock  
39 device in one motor vehicle owned, leased, or principally operated  
40 by the person, whichever the person most often operates, for the  
41 purpose of complying with the provisions of P.L.1999, c.417  
42 (C.39:4-50.16 et al.);

43       (2) if the refusal was in connection with a second offense under  
44 this section, to forfeit the right to operate a motor vehicle over the  
45 highways of this State for a period of not less than one year or more  
46 than two years following the installation of an ignition interlock  
47 device in one motor vehicle owned, leased, or principally operated  
48 by the person, whichever the person most often operates, for the

1 purpose of complying with the provisions of P.L.1999, c.417  
2 (C.39:4-50.16 et al.);

3 (3) if the refusal was in connection with a third or subsequent  
4 offense under this section, to forfeit the right to operate a motor  
5 vehicle over the highways of this State for a period of eight years  
6 following the installation of an ignition interlock device in one  
7 motor vehicle owned, leased, or principally operated by the person,  
8 whichever the person most often operates, for the purpose of  
9 complying with the provisions of P.L.1999, c.417 (C.39:4-50.16 et  
10 al.). A conviction or administrative determination of a violation of  
11 a law of a substantially similar nature in another jurisdiction,  
12 regardless of whether that jurisdiction is a signatory to the Interstate  
13 Driver License Compact pursuant to P.L.1966, c.73 (C.39:5D-1 et  
14 seq.), shall constitute a prior conviction under this section.

15 The municipal court shall determine by a preponderance of the  
16 evidence whether the arresting officer had probable cause to believe  
17 that the person had been driving or was in actual physical control of  
18 a motor vehicle on the public highways or quasi-public areas of this  
19 State while the person was under the influence of intoxicating  
20 liquor or a narcotic, hallucinogenic, or habit-producing drug, or  
21 marijuana or cannabis item as defined in section 3 of P.L. \_\_\_\_\_,  
22 c. (C. \_\_\_\_\_) (pending before the Legislature as this bill); whether  
23 the person was placed under arrest, if appropriate, and whether he  
24 refused to submit to the test upon request of the officer; and if these  
25 elements of the violation are not established, no conviction shall  
26 issue. In addition to any other requirements provided by law, a  
27 person whose operator's license is revoked for refusing to submit to  
28 a test shall be referred to an Intoxicated Driver Resource Center  
29 established by subsection (f) of R.S.39:4-50 and shall satisfy the  
30 same requirements of the center for refusal to submit to a test as  
31 provided for in section 2 of P.L.1966, c.142 (C.39:4-50.2) in  
32 connection with a first, second, third or subsequent offense under  
33 this section that must be satisfied by a person convicted of a  
34 commensurate violation of this section, or be subject to the same  
35 penalties as such a person for failure to do so. For a first offense,  
36 the revocation may be concurrent with or consecutive to any  
37 revocation imposed for a conviction under the provisions of  
38 R.S.39:4-50 arising out of the same incident. For a second or  
39 subsequent offense, the revocation shall be consecutive to any  
40 revocation imposed for a conviction under the provisions of  
41 R.S.39:4-50. In addition to issuing a revocation, the municipal  
42 court shall fine a person convicted under this section, a fine of not  
43 less than \$300 or more than \$500 for a first offense; a fine of not  
44 less than \$500 or more than \$1,000 for a second offense; and a fine  
45 of \$1,000 for a third or subsequent offense.

46 b. (Deleted by amendment, P.L.2019, c.248)  
47 (cf: P.L.2019, c.248, s.3)

1       76. Section 1 of P.L.1983, c.307 (C.39:4-51a) is amended to  
2 read as follows:

3       1. a. A person shall not consume an alcoholic beverage or  
4 cannabis item as defined in section 3 of P.L. , c. (C. )  
5 (pending before the Legislature as this bill) while operating a motor  
6 vehicle. A passenger in a motor vehicle shall not consume an  
7 alcoholic beverage, and shall not consume by means of smoking,  
8 vaping, or aerosolizing a cannabis item, while the motor vehicle is  
9 being operated. This subsection shall not apply, with respect to the  
10 consumption of an alcoholic beverage, to a passenger of a charter or  
11 special bus operated as defined under R.S.48:4-1 or a limousine  
12 service.

13       b. A person shall be presumed to have consumed an alcoholic  
14 beverage in violation of this section if an unsealed container of an  
15 alcoholic beverage is located in the passenger compartment of the  
16 motor vehicle, the contents of the alcoholic beverage have been  
17 partially consumed and the physical appearance or conduct of the  
18 operator of the motor vehicle or a passenger may be associated with  
19 the consumption of an alcoholic beverage. For the purposes of this  
20 section, the term "unsealed" shall mean a container with its original  
21 seal broken, or a container such as a glass or cup.

22       c. For the first offense, a person convicted of violating this  
23 section shall be fined **[\$200.00]** \$200 and shall be informed by the  
24 court of the penalties for a second or subsequent violation of this  
25 section. For a second or subsequent offense, a person convicted of  
26 violating this section shall be fined **[\$250.00]** \$250 or shall be  
27 ordered by the court to perform community service for a period of  
28 10 days in such form and on such terms as the court shall deem  
29 appropriate under the circumstances.

30 (cf: P.L.1999, c.356, s.20)

31

32       77. Section 6 of P.L.2000, c.83 (C.39:4-51b) is amended to read  
33 as follows:

34       6. a. All occupants of a motor vehicle located on a public  
35 highway, or the right-of-way of a public highway, shall be  
36 prohibited from possessing any open or unsealed alcoholic beverage  
37 container or unsealed cannabis item as defined in section 3 of  
38 P.L. , c. (C. ) (pending before the Legislature as this bill)  
39 that is intended to be consumed by means of smoking, vaping, or  
40 aerosolizing. This subsection shall not apply, with respect to the  
41 possession of an alcoholic beverage, to a passenger of a charter or  
42 special bus operated as defined under R.S.48:4-1 or a limousine  
43 service.

44       b. A person shall not be deemed to be in possession of an  
45 opened or unsealed alcoholic beverage container or unsealed  
46 cannabis item pursuant to this section if such container or unsealed  
47 cannabis item is located in the trunk of a motor vehicle, behind the  
48 last upright seat in a trunkless vehicle, or in the living quarters of a

1 motor home or house trailer. For the purposes of this section, the  
2 term "open or unsealed" shall mean **【a】** an alcoholic beverage  
3 container with its original seal broken, or a container or package  
4 that is not the original container or package such as a glass **【or】** ,  
5 cup, box, bag, or wrapping.

6 c. For a first offense, a person convicted of violating this  
7 section shall be fined \$200 and shall be informed by the court of the  
8 penalties for a second or subsequent violation of this section. For a  
9 second or subsequent offense, a person convicted of violating this  
10 section shall be fined \$250 or shall be ordered by the court to  
11 perform community service for a period of 10 days in such form  
12 and on such terms as the court shall deem appropriate under the  
13 circumstances.

14 (cf: P.L.2000, c.83, s.6)

15  
16 78. This act shall take effect as follows:

17 a. (1) Sections 1 through 18, 31 and 32, 38 through 43, 51  
18 through 56, and 69 through 74 shall take effect immediately; and

19 (2) Sections 19 through 30, 33 through 37, 44 through 50, 57  
20 through 68, and 75 through 77 shall take effect immediately, but  
21 shall only become operative upon adoption of the commission's  
22 initial rules and regulations pursuant to subparagraph (a) of  
23 paragraph (1) of subsection d. of section 6 of P.L. , c. (C. )  
24 (pending before the Legislature as this bill).

25 b. The Attorney General, State Treasurer, Commissioner of  
26 Health, Commissioner of Banking and Insurance, and the  
27 Administrative Director of the Courts, and once constituted and  
28 organized, the Cannabis Regulatory Commission, may take such  
29 anticipatory administrative action as may be necessary to effectuate  
30 the provisions of P.L. , c. (C. ) (pending before the  
31 Legislature as this bill).

## 32 33 34 STATEMENT

35  
36 This bill, titled the "New Jersey Cannabis Regulatory, Enforcement  
37 Assistance, and Marketplace Modernization Act," primarily concerns  
38 the development, regulation, and enforcement of activities associated  
39 with the personal use, by persons 21 years of age or older, of legal  
40 cannabis or cannabis resin (the terms provided to distinguish the  
41 legalized products from unlawful marijuana or hashish). This would  
42 be accomplished through the expansion of the scope and duties of the  
43 Cannabis Regulatory Commission, created by P.L.2019, c.153  
44 (C.24:6I-5.1 et al.) to oversee the State's medical cannabis program,  
45 which is primarily set forth in the "Jake Honig Compassionate Use  
46 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.).

47 Cannabis Regulatory Commission

1 With respect to the personal use of cannabis, the general duties,  
2 functions, and powers of the commission would include:

3 (1) Regulating the purchase, sale, production, processing,  
4 packaging, transportation, and delivery of cannabis items – a broadly  
5 defined term which incorporates all cannabis, cannabis resin, cannabis  
6 products, and cannabis extracts;

7 (2) Granting, refusing, suspending, revoking, cancelling, or  
8 otherwise limiting licenses or conditional licenses for the production,  
9 processing, warehousing, transportation, sale, and delivery of cannabis  
10 items. As further detailed below with respect to licensing activities, a  
11 “conditional license” is a type of license that would be issued by the  
12 commission pursuant to an abbreviated application process, after  
13 which the conditional license holder has a limited period of time in  
14 which to become fully licensed by satisfying all of the remaining  
15 conditions for full licensure which were not required for the issuance  
16 of the conditional license;

17 (3) Investigating and aiding in the prosecution of violations of law  
18 relating to cannabis items;

19 (4) Taking regulatory actions to prohibit advertising of cannabis  
20 items in a manner that is appealing to minors, that promotes excessive  
21 use, or that promotes illegal activity; and

22 (5) Regulating the use of cannabis items for scientific,  
23 pharmaceutical, manufacturing, mechanical, industrial, and other  
24 purposes.

25 The commission’s Office of Minority, Disabled Veterans, and  
26 Women Medical Cannabis Business Development would be re-titled  
27 by removing the reference to “medical,” and this office would  
28 establish and administer, under the direction of the commission,  
29 unified practices and procedures for promoting participation in the  
30 lawful operation of personal use cannabis businesses by persons from  
31 socially and economically disadvantaged communities, including by  
32 prospective and existing minority owned and women’s owned  
33 businesses, as these terms are defined in section 2 of P.L.1986, c.195  
34 (C.52:27H-21.18), and disabled veterans’ businesses as defined in  
35 section 2 of P.L.2015, c.116 (C.52:32-31.2), which could be licensed  
36 as personal use cannabis growers, processors, wholesalers,  
37 distributors, retailers, delivery services, or testing facilities under the  
38 bill. These unified practices and procedures would include a business’  
39 certification and subsequent recertification at regular intervals as a  
40 minority owned or women’s owned business, or a disabled veterans’  
41 business, in accordance with eligibility criteria and a certification  
42 application process established by the commission in consultation with  
43 the office.

44 The effectiveness of the office’s methods would be measured by  
45 whether the office’s actions resulted in not less than 30 percent of the  
46 total number of cannabis licenses issued by the commission being  
47 issued to businesses certified by the office; their effectiveness would  
48 be further assessed by considering whether the actions resulted in not

1 less than 15 percent of licenses being issued to certified minority  
2 owned businesses, and not less than 15 percent of licenses being issued  
3 to certified women's owned and disabled veterans' businesses. The  
4 office, in support of these efforts, would conduct advertising and  
5 promotional campaigns, as well as sponsor seminars and informational  
6 programs, directed toward those persons and prospective and existing  
7 certified businesses, which would address personal use cannabis  
8 business management, marketing, and other practical business matters.

9 Ethical and Conflicts-of-Interest Considerations for the  
10 Commission, its Employees, and Other Parties

11 The members of the five-person commission and all commission  
12 employees would be subject to ethical and conflicts-of-interest  
13 restrictions concerning the regulation of personal use cannabis,  
14 addressing activities engaged in prior to, during, and following service  
15 with the commission. For instance, a person generally could not be an  
16 appointed member or employee of the commission if, during the  
17 period commencing three years prior to appointment or employment,  
18 the person held any direct or indirect interest in, or any employment  
19 by, a holder of or applicant for a personal use cannabis license, unless  
20 the person's prior interest would not, in the opinion of the commission,  
21 interfere with the person's obligations of appointment or employment;  
22 and generally, for a period of two years commencing from the date  
23 that a member's or employee's service terminates, that former member  
24 or employee would not be permitted to hold any direct or indirect  
25 interest in, or any employment by, a holder of or applicant for a  
26 cannabis license (this two-year post-service restriction would not apply  
27 to secretarial or clerical employees).

28 The bill also expands the "New Jersey Conflicts of Interest Law,"  
29 P.L.1971, c.182 (C.52:13D-12 et seq.), as well as the scope of the  
30 Code of Ethics promulgated by the commission, which applies to all  
31 commission members and employees with respect to medical cannabis  
32 licensing and other activities, and incorporates similar provisions to  
33 address personal use cannabis licensing and other activities. Per the  
34 existing law, all members and employees would be prohibited from  
35 using any official authority to interfere with or affect the result of an  
36 election or nomination for office, coerce or advise any person to  
37 contribute anything of value to another person or organization for  
38 political purposes, or take active part in any political campaign. For  
39 the commission members, the executive director of the commission,  
40 and any other employee holding a supervisory or policy-making  
41 management position, the law also provides a prohibition on making  
42 any political contributions to candidates or campaigns, as that term is  
43 defined in "The New Jersey Campaign Contributions and Expenditures  
44 Reporting Act," P.L.1973, c.83 (C.19:44A-1 et seq.).

45 The "New Jersey Conflicts of Interest Law," P.L.1971, c.182  
46 (C.52:13D-12 et seq.), is also amended to establish restrictions on  
47 various State officers or employees, the Governor and full-time  
48 professionals employed in the Governor's Office, full-time members



1 of the Judiciary, and various municipal officers in which licensed or  
2 permitted personal use cannabis entities are located. These restrictions  
3 concern not only their own activities, but the activities of their  
4 associated partnerships, firms, or corporations, and their family  
5 members in connection with either employment or another interest in,  
6 or representation of, current license holders or applicants. The  
7 restrictions are similar to the restrictions on these people and  
8 businesses under the current law concerning casino and medical  
9 cannabis licensees and applicants, and casino-related and medical  
10 cannabis activities, and include a general prohibition on employment,  
11 representation, appearance for, or negotiation on behalf of, any license  
12 holder or applicant in connection with any cause, application, or  
13 matter, and these restrictions can carry over into the post-employment  
14 or post-service period following the departure of a person from State  
15 or local employment or office.

16 As per existing law, the ethical and conflicts-of-interest restrictions  
17 would be enforced by the State Ethics Commission, and any person  
18 found to have committed a violation would be subject to a civil penalty  
19 of not less than \$500 or more than \$10,000. Additionally, any willful  
20 violation of the restrictions similar to the restrictions concerning  
21 casino and medical cannabis licensees and applicants that are  
22 applicable to the above State or municipal elected, appointed, or  
23 employed persons, their associated partnerships, firms, or  
24 corporations, and their family members, would be considered a  
25 disorderly persons offense, punishable by a term of imprisonment of  
26 up to six months, a fine of up to \$1,000, or both.

27 If a license holder or applicant for a license commits a violation  
28 involving a commission member or employee with respect to the  
29 above described pre-service activities, activities during service, or  
30 post-service activities, that license holder or applicant could have their  
31 license revoked or suspended, or application denied by the  
32 commission.

33 Licensing of Cannabis Businesses; Updating Certain Medical  
34 Cannabis Alternative Treatment Centers' Permitted Operations

35 The bill would establish six "marketplace" classes of licensed  
36 businesses: a Class 1 Cannabis Grower license, for facilities involved  
37 in growing and cultivating cannabis; a Class 2 Cannabis Processor  
38 license, for facilities involved in the manufacturing, preparation, and  
39 packaging of cannabis items; a Class 3 Cannabis Wholesaler license,  
40 for facilities involved in obtaining and selling cannabis items for later  
41 resale by other licensees; a Class 4 Cannabis Distributor license, for  
42 businesses involved in transporting cannabis items in bulk intrastate,  
43 from one licensed cannabis establishment to another; a Class 5  
44 Cannabis Retailer license, for locations at which cannabis items and  
45 paraphernalia are sold to consumers; and a Class 6 Cannabis Delivery  
46 license, for business providing courier services for a licensed  
47 cannabis retailer in order to make deliveries of cannabis items and  
48 related supplies to a consumer.

1 Except with respect to an initial period in which the number of  
2 cannabis grower licenses would be capped, as further explained below,  
3 the commission would determine the maximum number of licenses for  
4 each class based upon market demands, and would be authorized to  
5 make requests for new license applications as it deemed necessary to  
6 meet those demands.

7 The commission would be responsible for reviewing each  
8 application for a full, annual license, or application for a conditional  
9 license, intended to be issued and then subsequently replaced with a  
10 full license. Applications would be scored and reviewed based upon a  
11 point scale with the commission determining the amount of points, the  
12 point categories, and system of point distribution by regulation, subject  
13 to some required criteria for consideration in the point scale, such as  
14 an analysis of an applicant's: operating plan; environmental plan; and  
15 safety and security plans. This point system could be adjusted, or a  
16 separate point system used for any application for which a conditional  
17 license is sought. Further, in ranking applications, in addition to the  
18 awarding of points, the commission would prioritize applications for  
19 licensure using two other factors.

20 One prioritizing factor would be based on "impact zones," which  
21 are identified under the bill as any municipality that: (1) has a  
22 population of 120,000 or more according to the most recently  
23 compiled federal decennial census as of the bill taking effect; or (2)  
24 ranks in the top 40 percent of municipalities in the State for small  
25 amount marijuana possession arrests in the calendar year next  
26 preceding the bill taking effect; has a crime index total of 825 or  
27 higher based upon the indexes listed in the most recently issued annual  
28 Uniform Crime Report by the Division of State Police, as of the bill  
29 taking effect; and has an annual average unemployment rate that ranks  
30 in the top 15 percent of all municipalities in the State in the calendar  
31 year next preceding the bill taking effect. Concerning applications  
32 involving impact zones, the commission would not only prioritize  
33 applications for at least two licensed businesses in such zones, but  
34 would also prioritize applications: that included a person who is a  
35 current resident of an impact zone and had resided therein for three or  
36 more consecutive years at the time of making the application (to the  
37 extent possible the commission would grant at least 25 percent of the  
38 total licenses issued, regardless of license class and location of the  
39 business, to such applicants); or that included a plan to employ 25  
40 percent of employees who reside in an impact zone.

41 The second prioritization would be based upon a point system used  
42 to rank applications, which gave higher rankings to an applicant which  
43 included an in-State resident of at least five years who was a  
44 "significantly involved person," being someone who holds at least a  
45 five percent investment interest or is a member of a group who holds  
46 at least a 20 percent investment interest and would have authority to  
47 make controlling decisions about the cannabis business, or an  
48 applicant that met one of the following conditions for its labor

1 environment: being a party to a collective bargaining agreement with a  
2 labor organization that currently represents, or is actively seeking to  
3 represent, cannabis workers in New Jersey; being a party to a  
4 collective bargaining agreement with a labor organization that  
5 currently represents cannabis workers in another state; submitting an  
6 attestation affirming that the applicant will use best efforts to utilize  
7 building trades labor organizations in the construction or retrofit of  
8 the facilities associated with the cannabis establishment or distributor;  
9 or submitting an attestation affirming that they have a project labor  
10 agreement, or will utilize a project labor agreement, which is a form  
11 of pre-hire collective bargaining agreement covering terms and  
12 conditions, including labor issues and worker grievances, associated  
13 with any applicable project.

14 When processing applications, the commission would also  
15 incorporate the licensing efforts developed by the Office of Minority,  
16 Disabled Veterans, and Women Cannabis Business Development  
17 designed to promote the formulation and participation in the lawful  
18 operation of cannabis businesses by persons from socially and  
19 economically disadvantaged communities.

20 In accordance with the bill, at least 35 percent of the total licenses  
21 issued for each class would be conditional licenses. Either a full  
22 license or conditional license would only be issued for applications  
23 which presented an ownership structure that included an in-State  
24 resident of at least two years who was a “significantly involved  
25 person.” Another requirement, applicable only to a conditional  
26 license, would be that the significantly involved person and any other  
27 person with a financial interest who also has decision making authority  
28 for a proposed cannabis business could only have, for the immediately  
29 preceding taxable year, an adjusted gross income of no more than  
30 \$200,000 or no more than \$400,000 if filing jointly with another. For  
31 purposes of calculating the 35 percent figure for conditional licenses,  
32 the figure would include any conditional license issued to an applicant  
33 that was subsequently replaced with a full, annual license (which  
34 process is further detailed below).

35 Additionally, at least 10 percent of the total licenses issued for  
36 each license class, and at least 25 percent of the overall total number of  
37 licenses issued would be designated for and only issued to  
38 “microbusinesses.” A microbusiness is described in the bill as  
39 employing no more than 10 employees, and: possessing no more than  
40 1,000 cannabis plants each month, except that a cannabis distributor’s  
41 possession of cannabis plants for transportation would not be subject  
42 to this limit; operating an establishment occupying an area of no more  
43 than 2,500 square feet, and in the case of a cannabis grower, growing  
44 on an area no more than 2,500 square feet measured on a horizontal  
45 plane and growing above that plane not higher than 24 feet; in the case  
46 of a cannabis processor, acquiring and processing no more than 1,000  
47 pounds of cannabis in dried form each month; in the case of a cannabis  
48 wholesaler, acquiring for resale no more than 1,000 pounds of

1 cannabis in dried form, or the equivalent amount in any other form, or  
2 any combination thereof, each month; and in the case of a cannabis  
3 retailer, acquiring for retail sale no more than 1,000 pounds of  
4 cannabis in dried form, or the equivalent amount in any other form, or  
5 any combination thereof, each month. For this subset of the five  
6 classes of cannabis businesses, 100 percent of the ownership would  
7 have to involve New Jersey residents who have resided in the State for  
8 at least two years.

9 The minimum 10 percent per class, and 25 percent overall, of  
10 microbusiness-designated licenses issued would include the number of  
11 conditional licenses issued for each class, as these two categories are  
12 not considered mutually exclusive of one another.

13 The commission would require that an applicant for licensure,  
14 other than an applicant seeking to operate a microbusiness of any class  
15 or seeking a conditional license, submit an attestation signed by a bona  
16 fide labor organization stating that the applicant entered into a labor  
17 peace agreement with such bona fide organization. The maintenance  
18 of an agreement would be an ongoing material condition of a full,  
19 annual license, unless the business was a microbusiness. Submission  
20 of proof of an agreement from an applicant originally issued a  
21 conditional license would be a requirement for final approval granting  
22 full licensure. As an additional labor requirement, failure to enter, or  
23 to make a good faith effort to enter, into a collective bargaining  
24 agreement within 200 days of the opening of a cannabis business  
25 would result in the suspension or revocation of a license.

26 Any applicant for a license or conditional license would have to  
27 provide proof for each person with any investment interest as being 21  
28 years of age or older, and each of the following persons associated  
29 with the cannabis business for which licensure is sought would be  
30 subject to a criminal history record background check: any owner,  
31 other than an owner who holds less than a five percent investment  
32 interest or who is a member of a group that holds less than a 20  
33 percent investment interest, and who has no authority for making  
34 controlling business decisions; any director; any officer; and any  
35 employee. With respect to qualification or disqualification for  
36 licensure based on the background check, the commission would be  
37 prohibited from considering any convictions for an offense that  
38 occurred prior to the bill's effective date involving the manufacturing,  
39 distribution or possession with intent to distribute, less than five  
40 pounds of marijuana or less than one pound of hashish, or simple  
41 possession of any amount of marijuana or hashish, whether convicted  
42 under the laws of this or another state, or under federal law, or any  
43 other prior conviction, unless less than five years have passed since  
44 convicted, or since completing probation, parole, or a term of  
45 imprisonment, and the conviction involved fraud, deceit,  
46 embezzlement, employing a minor in a drug distribution scheme, or  
47 some other conviction "substantially related to the qualifications,  
48 functions, or duties for which the license is required," as determined

1 by the commission. Such a conviction would not be an automatic  
2 disqualifier, as the commission would still have the authority to issue a  
3 license or conditional license to an applicant which included a person  
4 with a “substantially related” conviction, after examining the nature of  
5 the offense associated with the conviction, the circumstances at the  
6 time of committing the offense, and evidence of rehabilitation since  
7 conviction.

8 With respect to the application for a full license, the commission  
9 would complete its review for license approval or denial within 90  
10 days of the submission of the application, unless the commission  
11 determined that more time is required. If approved, a license would be  
12 issued by the commission not later than 30 days after it gave notice of  
13 the approval, unless the applicant was subsequently found to not be in  
14 compliance with relevant regulations or local regulating ordinances  
15 applicable to the applicant’s business operations. An issued license  
16 would expire after one year, but could be renewed following  
17 submission of a new application, in which the applicant would detail  
18 aspects of the cannabis licensee’s operations and on-going compliance  
19 measures as part of the renewal process.

20 With respect to the application for a conditional license, the  
21 commission would complete an expedited review for approval or  
22 denial within 30 days, unless the commission determined that more  
23 time is required. If approved, a conditional license would be issued by  
24 the commission not later than 30 days after it gave notice of the  
25 approval, unless the applicant was subsequently found to not be in  
26 compliance with relevant regulations or local regulating ordinances  
27 applicable to conditionally licensed operations. The applicant would  
28 not need to be in compliance with every aspect of the regulatory  
29 requirements expected for full licensure in order to obtain a  
30 conditional license, but would need to provide sufficient plans for  
31 actions to be taken to eventually achieve compliance for full licensure.  
32 During a 120-day period following issuance of the conditional license,  
33 which period could be extended for an additional period of up to 45  
34 days at the discretion of the commission, if it determined that the  
35 conditional licensee was in compliance with all plans and other  
36 measures necessary to achieve full licensure, it would replace the  
37 conditional license with a full, annual license, dated to expire one year  
38 from its date of issuance and which could be subsequently renewed; if  
39 the conditional licensee was not in compliance as needed for full  
40 licensure, the conditional license would automatically expire at the end  
41 of the 120-day (or extended) review period.

42 Additionally, the bill would create a license for cannabis testing  
43 facilities, which could test samples of both personal use cannabis and  
44 medical cannabis products for compliance with health, safety, and  
45 potency standards. The above described licensing efforts developed  
46 by the Office of Minority, Disabled Veterans, and Women Cannabis  
47 Business Development designed to promote the formulation and  
48 participation in the lawful operation of cannabis businesses by persons

1 from socially and economically disadvantaged communities would  
2 apply to the licensing of testing facilities. The bill would also permit  
3 laboratories newly licensed to test batches of medical cannabis  
4 products pursuant to section 25 of P.L.2019, c.153 (C.24:6I-18) to  
5 also test personal use cannabis products. Any existing laboratory  
6 licensed only to test batches of medical cannabis products would be  
7 authorized to test personal use cannabis products under an existing  
8 license, if the laboratory certifies to the commission that its facility,  
9 and the condition and calibration of any equipment used for testing  
10 meet the commission's new accreditation requirements for licensure  
11 as a personal use cannabis testing facility.

12 Finally, concerning any alternative treatment center that was  
13 issued a permit prior to the effective date of P.L.2019, c.153  
14 (C.24:6I-5.1 et al.), any such center would be permitted to cultivate  
15 from up to two physical locations, provided that the alternative  
16 treatment center's combined mature cannabis plant grow canopy  
17 between both locations shall not exceed 150,000 square feet of  
18 bloom space or the square footage of canopy permitted under the  
19 largest tier in the tiered system adopted by the commission pursuant  
20 to paragraph (2) of subsection b. of section 21 of P.L. ,  
21 c. (C. ) (pending before the Legislature as this bill).

#### 22 Certification of Cannabis Handlers

23 In addition to the above described licensing requirements, any  
24 individual who performed work for or on behalf of any class of  
25 licensee (or conditional licensee) would need to have a valid  
26 certification issued by the commission, in order to participate in: the  
27 possession, securing, or selling of cannabis items at the licensed  
28 premises; the recording of the possession, securing, or selling of  
29 cannabis items at that premises; or the transportation of cannabis items  
30 to and from licensed establishments, or home delivery of cannabis  
31 items and related supplies to a retail consumer. The commission could  
32 require that anyone applying for a handler certification successfully  
33 complete a one-time course which provides training on checking  
34 identification, detecting intoxication, the proper handling of cannabis  
35 items, and statutory and regulatory provisions relating to cannabis. A  
36 person seeking a certification would also be subject to a criminal  
37 history record background check, and subject to the same potential  
38 disqualifying standards as applicable to applicants for licenses.

#### 39 Transition to Full Legal Market for Cannabis Items

40 Within 180 days after the bill is signed into law, or within 45 days  
41 of all five members of the commission being duly appointed in  
42 accordance with the appointment process set forth in paragraph (2) of  
43 subsection b. of section 31 of P.L.2019, c.153 (C.24:6I-24),  
44 whichever date is later (at present the initial appoint process is not  
45 complete), and after consultation with the Attorney General, State  
46 Treasurer, Commissioner of Health, and Commissioner of Banking  
47 and Insurance, the commission would, upon filing proper notice with  
48 the Office of Administrative Law, and notwithstanding the provisions

1 of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1  
2 et seq.), immediately adopt rules and regulations it prepared that are  
3 necessary and proper to enable it to carry out the commission’s duties,  
4 functions, and powers with respect to activities associated with the  
5 personal use of cannabis or cannabis resin. These initial rules and  
6 regulations would be in effect for a period not to exceed one year after  
7 the date of filing, and thereafter be adopted, amended, or readopted,  
8 and any subsequent rules and regulations adopted, amended, or  
9 readopted, in accordance with the “Administrative Procedure Act.”

10 The commission would begin accepting and processing  
11 applications for licenses and conditional licenses within 30 days after  
12 the commission’s initial rules and regulations have been adopted.  
13 Also, at the time of initial adoption, provisions of the bill concerning  
14 the lawful operations of licensed cannabis growers, processors,  
15 wholesalers, distributors, retailers, and delivery services would  
16 become operative to permit those cannabis businesses issued licenses  
17 by the commission to commence work in growing, cultivating,  
18 processing, packaging, and transporting cannabis and cannabis items  
19 for future retail sales, which would not yet be authorized by licensed  
20 cannabis retailers.

21 Also becoming operative at this time would be provisions which  
22 would deem the following medical cannabis alternative treatment  
23 centers to either concurrently hold a Class 1 Cannabis Grower license,  
24 a Class 2 Cannabis Processor license, and a Class 5 Cannabis Retailer  
25 license (and any of their satellite dispensaries would also be deemed to  
26 hold a Class 5 retailer license), or alternatively to hold only a Class 3  
27 Cannabis Wholesaler license:

28 - any alternative treatment center that was issued a permit prior  
29 to the effective date of the 2019 medical cannabis reform and  
30 expansion by P.L.2019, c.153 (C.24:6I-5.1 et al.), or any alternative  
31 treatment center that was issued a permit subsequent to that act’s  
32 effective date pursuant to an application submitted prior to that  
33 effective date;

34 - the one alternative treatment center, out of four, issued a permit  
35 pursuant to an application submitted after the effective date of  
36 P.L.2019, c.153 (C.24:6I-5.1 et al.) based on a request for applications  
37 published in the New Jersey Register prior to that effective date, that is  
38 expressly exempt, pursuant to subsection a. of section 11 of  
39 P.L.2019, c.153 (C.24:6I-7.1), from statutory provisions prohibiting  
40 the holding of concurrent medical cannabis permits, and this  
41 alternative treatment center was deemed pursuant to section 7 of  
42 P.L.2009, c.307 (C.24:6I-7) to concurrently hold more than one such  
43 permit; and

44 - the one other alternative treatment center, out of three, issued a  
45 permit pursuant to an application submitted on or after the effective  
46 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that is expressly  
47 exempt, pursuant to subsection a. of section 11 of P.L.2019,  
48 c.153 (C.24:6I-7.1), from statutory provisions prohibiting the

1 holding of concurrent medical cannabis permits, and this other  
2 alternative treatment center was deemed pursuant to section 7 of  
3 P.L.2009, c.307 (C.24:6I-7) to concurrently hold more than one such  
4 permit.

5 However, any such alternative treatment center deemed to have  
6 cannabis licenses, directly or through a satellite dispensary, could not  
7 engage in any preparatory work to incorporate personal use cannabis  
8 items into its operations, and thus simultaneously function as personal  
9 use cannabis businesses, until it submitted written approval to the  
10 commission to operate as one or more classes of a cannabis business,  
11 received from the municipality in which the business is to be located,  
12 and the commission in turn issues an actual license or licenses.

13 Notwithstanding the date determined by the commission to be the  
14 first date on which cannabis retailers issued licenses and conditional  
15 licenses begin retail sales of personal use cannabis items, discussed  
16 below, an alternate treatment center with a locally approved Class 5  
17 Retailer license could begin to engage in the retail sale of cannabis  
18 items on any date after the date that the commission adopts its initial  
19 rules and regulations, and could be legally consumed by persons 21  
20 years of age or older, so long as it has certified to the commission, and  
21 to the municipality in which it is located and intends to engage in retail  
22 sales, that it has sufficient quantities of medical cannabis and medical  
23 cannabis products available to meet the reasonably anticipated need of  
24 registered qualifying patients.

25 Prior to and during this transition phase leading up to eventual  
26 retail sales of cannabis items, every municipality would have the  
27 option to authorize and regulate the times of operation, place, manner,  
28 and number of licensed cannabis businesses operating within its  
29 jurisdiction, in a manner consistent with the bill's regulation of such  
30 businesses. Alternatively, but only during a 180-day period following  
31 the bill's enactment, a municipality could enact an ordinance to  
32 prohibit such operations by any one or more classes of business, other  
33 than business operations by a cannabis delivery service making  
34 deliveries to consumers. Only an ordinance to prohibit operations by  
35 one or more license classes enacted pursuant to the specific authority  
36 to do so by the bill would be valid and enforceable; any ordinance  
37 enacted prior to the bill's effective date addressing the issue of  
38 prohibition within the jurisdiction of a municipality would be null and  
39 void, and that municipality could only prohibit the operation of one or  
40 more classes of cannabis business by enactment of a new ordinance in  
41 accordance with the bill's provisions.

42 The failure of a municipality to timely enact an ordinance  
43 prohibiting such operations would result in any class of cannabis  
44 business that is not prohibited from operating within the local  
45 jurisdiction as being permitted to operate therein for a period of five  
46 years as follows: the growing, cultivating, processing, and selling and  
47 reselling, and transporting of cannabis and cannabis items by a  
48 cannabis grower, cannabis processor, cannabis wholesaler, or cannabis



1 distributor would be permitted uses in all industrial zones of the  
2 municipality; and the selling of cannabis items to consumers from a  
3 retail store by a cannabis retailer would be a conditional use in all  
4 commercial zones or retail zones, subject to meeting the conditions set  
5 forth in any applicable zoning ordinance or receiving a variance from  
6 one or more of those conditions in accordance with the “Municipal  
7 Land Use Law,” P.L.1975, c.291 (C.40:55D-1 et seq.). At the end of  
8 any five-year period following a failure to enact a local ordinance, the  
9 municipality could revisit the issue of prohibition, but any ordinance  
10 would be prospective only and not apply to any cannabis business  
11 already operating within the local jurisdiction subject to the ordinance.

12 If a municipality allowed the operation of cannabis businesses, a  
13 copy of each license application submitted to the commission for a  
14 business to be located within that local jurisdiction would be provided  
15 to the municipality, which in turn would inform the commission  
16 whether the application complies with its local regulatory scheme, and  
17 the local review could be the basis for a denial of an application if it is  
18 not in compliance.

19 Lastly, during the transition phrase when applications are being  
20 processed and licensed cannabis businesses starting operations or  
21 medical alternative treatment centers starting preparatory work or  
22 actually incorporating personal use cannabis items into their  
23 operations, the commission would determine the first date on which  
24 cannabis retailers issued licenses and conditional licenses may begin  
25 retail sales of personal use cannabis items. This date would be no  
26 more than 180 days after the adoption of the commission’s initial rules  
27 and regulations, and the commission would provide at least 30 days’  
28 notice of the date to every licensed cannabis establishment and  
29 alternative treatment center deemed to be a licensed cannabis  
30 establishment, even if that center was already engaging in retail sales.  
31 On that date and thereafter, legal retail sales and consumption of  
32 personal use cannabis items sold by licensed cannabis retailers would  
33 begin.

34 Once retail sales by licensed cannabis retailers have begun, there  
35 would be a limitation, for a period of 18 months, on the number and  
36 classes of licenses any one licensee could hold. During this time, the  
37 bill would not permit a licensed grower, processor, wholesaler,  
38 distributor, or delivery service to also be a licensed retailer, and vice  
39 versa, plus a grower or processor could only concurrently hold two  
40 licenses (either another grower or processor license), and a wholesaler  
41 would be limited to just the one wholesaler license; these restrictions  
42 would not apply to a medical alternative treatment center deemed to  
43 concurrently possess one of each type of cannabis license class as  
44 described above. Additionally, throughout this 18-month period, the  
45 commission would not allow more than 28 cannabis growers to be  
46 simultaneously licensed and engaging in personal use cannabis  
47 activities, which number would include any alternative treatment

1 centers deemed to be licensed as cannabis growers who are issued  
2 licenses by the commission.

3 Following the 18-month period, a license holder could hold:

4 - a Class 1 Cannabis Grower license, a Class 2 Cannabis  
5 Processor license, and a Class 5 Cannabis Retailer license  
6 concurrently, provided that no license holder would be authorized  
7 to concurrently hold more than one license of each class, except for  
8 an alternative treatment center that was deemed, during the 18-  
9 month period, to have an additional Class 5 Cannabis Retailer  
10 license for each satellite dispensary as described above; or

11 - a Class 3 Cannabis Wholesaler license; in no case could a  
12 holder of a Class 3 Cannabis Wholesaler license concurrently hold a  
13 license of any other class of listed above.

14 Concerning the above described alternative treatment centers  
15 deemed from the onset to hold cannabis licenses and actually issued  
16 licenses based upon local approval, after a period no greater than one  
17 year from the date that retail sales by licensed cannabis retailers have  
18 begun, all such centers, in order to continue their operations  
19 concerning personal use cannabis, would be required to submit a  
20 certification, prior to the date that a cannabis license was set to expire,  
21 as to the continued material accuracy of their previously approved  
22 medical permit application to either the Department of Health or the  
23 commission, and their compliance with the provisions of this bill as  
24 required by the commission. The certification would also need to be  
25 supported by a new written approval from the municipality in order for  
26 the commission to renew a license for continued personal use  
27 operations.

#### 28 Cannabis Consumption Areas

29 A licensed cannabis retailer, medical cannabis dispensary or  
30 clinical registrant properly permitted, or an alternative treatment center  
31 that has a permit to dispense medical cannabis pursuant to the “Jake  
32 Honig Compassionate Use Medical Cannabis Act,” may apply to the  
33 commission seeking an endorsement to operate a cannabis  
34 consumption area at which the on-premises consumption of personal  
35 use or medical cannabis could occur. Along with the commission’s  
36 endorsement, the municipality in which the consumption area would  
37 operate would also review the application and have to provide a local  
38 endorsement.

39 An endorsed cannabis retailer could only allow the consumption of  
40 personal use cannabis at its consumption area. Any other endorsed  
41 party involved in the medical cannabis marketplace could only allow  
42 the consumption of medical cannabis at its consumption area, unless it  
43 was also deemed during the transition period to the legal cannabis  
44 market (see above) to have one or more Class 5 Cannabis Retailer  
45 licenses and was actually issued such a license or licenses, or had  
46 otherwise been issued such a license by the commission, in which case  
47 both personal use and medical cannabis could be consumed.

1 An on-premises consumption area could either be indoors or  
2 outdoors. An indoor consumption area would be a structurally  
3 enclosed area within a cannabis retailer, medical cannabis dispensary,  
4 clinical registrant facility, or alternative treatment center that is  
5 separated by solid walls or windows from the area in which retail sales  
6 of cannabis, or retail sales along with the dispensing of medical  
7 cannabis occurs, would only be accessible through an interior door  
8 after first entering the facility, and, in the case of a personal use  
9 consumption area, would need to comply with all ventilation  
10 requirements applicable to cigar lounges under the “New Jersey  
11 Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.); the  
12 smoking of medical cannabis would not be permitted in an indoor  
13 consumption area. An outdoor consumption area would be an exterior  
14 structure on the same premises as the cannabis retailer, medical  
15 cannabis dispensary, clinical registrant facility, or alternative treatment  
16 center, that is either separate from or connected to the facility and that  
17 is not required to be completely enclosed, but would need to have  
18 enough walls, fences, or other barriers to prevent any view of persons  
19 consuming personal use cannabis items or medical cannabis from any  
20 sidewalk or other pedestrian or non-motorist right-of-way; and with  
21 respect to any consumption by smoking, vaping, or aerosolizing at an  
22 outdoor area, the facility would need to ensure that any such activity  
23 does not result in migration, seepage, or recirculation of smoke or  
24 other exhaled material to any indoor public place or workplace.

25 Business Treatment of Cannabis Licensees

26 Concerning the business treatment of any licensee:

27 A financial institution, as defined by section 2 of P.L.1983,  
28 c.466 (C.17:16K-2), would not be permitted to engage in any  
29 discriminatory activities with respect to the banking activities of a  
30 cannabis business, or the banking activities of a person associated  
31 with a cannabis business. Any such activities could result in the  
32 suspension or revocation of a financial institution’s charter or other  
33 available enforcement action by the Commissioner of Banking and  
34 Insurance. Additionally,

35 (1) A cannabis grower would be prohibited from operating or  
36 being located on any land that is valued, assessed, or taxed as an  
37 agricultural or horticultural use pursuant to the “Farmland Assessment  
38 Act of 1964,” P.L.1964, c.48 (C.54:4-23.1 et seq.);

39 (2) A person or entity issued any class of license to operate a  
40 cannabis business would not be eligible for a State or local economic  
41 incentive during the period of time that the economic incentive is in  
42 effect;

43 (3) The issuance of a license to operate as any class of cannabis  
44 business to a person or entity that has been awarded a State or local  
45 economic incentive would invalidate the right of the person or entity to  
46 benefit from the economic incentive as of the date of issuance of the  
47 license;

1 (4) A property owner, developer, or operator of a project to be  
2 used, in whole or in part, as a cannabis business would not be eligible  
3 for a State or local economic incentive during the period of time that  
4 the economic incentive is in effect; and

5 (5) The issuance of a license to operate as any class of cannabis  
6 business at a location that is the subject of a State or local economic  
7 incentive would invalidate the right of a property owner, developer, or  
8 operator to benefit from the economic incentive as of the date of  
9 issuance of the license.

10 New Jersey Cannabis Regulatory, Enforcement Assistance, and  
11 Marketplace Modernization Fund

12 All license fees and licensee penalties would be deposited into a  
13 new fund, referred to as the “Cannabis Regulatory, Enforcement  
14 Assistance and Marketplace Modernization Fund.” This fund would  
15 also receive deposits from the tax revenues collected on medical  
16 cannabis transactions pursuant to the “Jake Honig Compassionate  
17 Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), as  
18 well as tax revenues on personal use cannabis retail sales, which tax  
19 is mandated by paragraph 13 of Section VII of Article IV of the  
20 New Jersey Constitution legalizing and permitting the State’s  
21 regulation of cannabis. Monies in this fund would be used for  
22 several purposes, including: to pay for the operational costs of the  
23 commission; and reimburse expenses incurred by any county or  
24 municipality for the training costs associated with the attendance and  
25 participation of a police officer in a Drug Recognition Expert program  
26 for detecting, identifying, and apprehending drug-impaired motor  
27 vehicle operators.

28 Optional Municipal-Level Taxation

29 The bill would also permit any municipality to adopt an ordinance  
30 that authorized a local transfer tax. This transfer tax could be imposed  
31 on sales that occur within the municipality: between a cannabis  
32 business that holds a grower, processor, wholesaler, or retail cannabis  
33 license and another such licensed cannabis business; between cannabis  
34 retailers and customers; or any combination thereof. This local tax  
35 would not be imposed on transfers involving distributors for purposes  
36 of the bulk transportation of cannabis items, or delivery services for  
37 purposes of delivering cannabis items to consumers. The municipality  
38 would have discretion to set the rate or rates of the transfer tax, but a  
39 rate could not exceed: two percent of the receipts from each sale by a  
40 cannabis grower; two percent of the receipts from each sale by a  
41 cannabis processor; one percent of the receipts from each sale by a  
42 cannabis wholesaler; and two percent of the receipts from each sale by  
43 a cannabis retailer. This tax would be applied in the form of an  
44 equivalent user tax on non-sale transactions between cannabis  
45 businesses operated by the same license holder. The local transfer tax  
46 or user tax would be collected by cannabis businesses and forwarded  
47 to the chief financial officer of the municipality for use by that  
48 municipality.

1        Legalized and Prohibited Activities Concerning Personal Use  
2        Cannabis Items

3        Once the provisions for the lawful personal use of cannabis items  
4        become operative and retail sales of cannabis items have begun, the  
5        following acts would not be an offense under the “New Jersey Code of  
6        Criminal Justice,” Title 2C of the New Jersey Statutes, for a person 21  
7        years of age or older:

8        (1) Possessing, purchasing, or transporting: cannabis  
9        paraphernalia; one ounce or less of cannabis; the equivalent of one  
10       ounces or less of cannabis infused product in solid, liquid, or  
11       concentrate form, based upon an equivalency calculation for different  
12       product forms set by the commission in its regulations; or five grams  
13       or less of cannabis resin;

14       (2) Transferring any cannabis item in any amount described above  
15       to another person 21 years of age or older, so long as the transfer is for  
16       non-promotional, non-business purposes; and

17       (3) Taking delivery of or consuming any lawfully acquired  
18       cannabis item, provided that nothing in the bill is intended to permit a  
19       person to smoke, vape, aerosolize a cannabis item in a public place,  
20       other than a designated consumption area as detailed above.

21       A person possessing, purchasing, transporting, or transferring to  
22       another at any one time any cannabis or resin in an amount greater  
23       than as permitted, or an infused product in solid, liquid, or concentrate  
24       form with more than the equivalency permitted would generally be  
25       considered a violation of the “Comprehensive Drug Reform Act of  
26       1987,” P.L.1987, c.106 (N.J.S.2C:35-1 et al.), and would subject the  
27       person to a civil penalty or prosecution as if the person possessed,  
28       purchased, transported, or transferred illegal marijuana or hashish in  
29       violation of that act.

30       With respect to consumption, the smoking, vaping, or aerosolizing  
31       of a cannabis item would be prohibited in any place pursuant to law  
32       that prohibits the smoking of tobacco, including the “New Jersey  
33       Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.), as well as  
34       any “indoor public place” as defined in that act (even if such a place is  
35       otherwise permitted to allow the smoking of tobacco), except that  
36       smoking, vaping, or aerosolizing would be permitted in a designated  
37       consumption area or in up to 20 percent of the guest rooms of a hotel,  
38       motel, or other lodging establishment as permitted by the person or  
39       entity that owns or controls that establishment. The smoking, vaping,  
40       or aerosolizing of cannabis items could also be prohibited in private  
41       multifamily housing, as decided by the person or entity that owns or  
42       controls the housing, and prohibited in the units of a condominium, if  
43       approved by its association and a majority of all of the unit owners.  
44       Any fines or civil penalties that could be assessed for the smoking of  
45       tobacco where prohibited under the “New Jersey Smoke-Free Air Act”  
46       would be applicable to the smoking, vaping, or aerosolizing of  
47       cannabis where prohibited under this bill, other than smoking, vaping,  
48       or aerosolizing on elementary or secondary school property, which

1 would be classified as a disorderly persons offense (punishable by  
2 imprisonment for up to six months, a fine of up to \$1,000, or both).

3 As to consumption other than by smoking, vaping, or aerosolizing:  
4 a person or entity that owns or controls a property, except for  
5 multifamily housing, a unit of a condominium, or a site in a mobile  
6 home park on which a manufactured home is located, could prohibit or  
7 otherwise regulate consumption on or in that property; and a  
8 municipality would be empowered to enact an ordinance making it  
9 unlawful for any person 21 years of age or older to consume any  
10 cannabis item in a public place, other than school property (which  
11 would be punishable as a disorderly persons offense), and the  
12 ordinance could provide for a civil penalty of up to \$200 per violation.  
13 The bill would also prohibit consumption in any area of any building  
14 of, on the grounds of, or in any facility owned, leased, or controlled  
15 by, any public or private institution of higher education or a related  
16 entity thereof, regardless of whether the area or facility is an indoor  
17 place or outdoors, and the penalty provisions of the “New Jersey  
18 Smoke-Free Air Act” would be applicable for a violation.

19 Mere possession of a cannabis item (in addition to consuming such  
20 item) on elementary or secondary school property by a person of legal  
21 age to purchase such item would be a disorderly persons offense, as is  
22 the case currently with respect to the unauthorized possession of  
23 alcohol on such property (punishable by imprisonment for up to six  
24 months, a fine of up to \$1,000, or both). Additionally, similar to the  
25 statutory law’s treatment of the possession of an “open container” of  
26 alcohol, or consumption of alcohol, while operating a motor vehicle,  
27 the bill would amend relevant laws in Title 39 of the Revised Statutes  
28 to make it a motor vehicle offense for the motor vehicle operator to  
29 possess an “open container” or “open package” of a cannabis item. A  
30 first offense would be subject to a fine of \$200, and a subsequent  
31 offense would be subject to a fine of \$250 or alternatively imposition  
32 of a period of community service, the same penalties applied to  
33 violations involving an alcoholic beverage. Passengers in motor  
34 vehicles would be permitted to possess and consume cannabis items,  
35 other than such items intended for smoking, vaping, or aerosolizing.

36 Regarding the possession or consumption of a cannabis item by a  
37 person under the legal age to purchase cannabis, the bill expands the  
38 current laws addressing underage possession or consumption of  
39 alcoholic beverages to include cannabis items:

40 -for possession, in a public place, of an amount that may be  
41 lawfully possessed by a person of legal age to purchase cannabis  
42 items, a first offense would be a petty disorderly persons offense,  
43 subject to a fine of not less than \$250;

44 -for possession, on private property, of an amount that may be  
45 lawfully possessed by a person of legal age to purchase cannabis  
46 items, a first offense would be a civil penalty of \$100, and a second  
47 offense would be a civil penalty of \$200; a third or subsequent offense  
48 would be a municipal fine of \$350, which is the same as a subsequent

1 offense for possession of an alcoholic beverage on private property;  
2 for possession, on private property, of an amount of cannabis items  
3 that exceeds what may be lawfully possessed, or consumption on  
4 private property, a first offense would be a municipal fine of \$250, and  
5 a second or subsequent offense would be a municipal fine of \$350 (the  
6 same penalties as applicable to possession or consumption of an  
7 alcoholic beverage).

8 Finally, it would also be unlawful, generally punishable as a \$50  
9 civil penalty, for an underage person to present a false identification in  
10 order to enter a cannabis establishment or obtain cannabis items; this  
11 would differ than using a false identification with respect to alcoholic  
12 beverages, which is expressly noted in State law as not constituting an  
13 offense and therefore carries with it no statutory punishment.

14 De-scheduling Marijuana as a Schedule I Controlled Dangerous  
15 Substance

16 On and after the effective date of the bill, marijuana would no  
17 longer be included as a Schedule I controlled dangerous substance,  
18 which are substances considered to have a high potential for abuse and  
19 no accepted medical use, as described in the “New Jersey Controlled  
20 Dangerous Substances Act,” P.L.1970, c.226 (C.24:21-1 et al.). The  
21 bill also expressly states that marijuana may not be designated or  
22 rescheduled and included in any other schedule by the Director of the  
23 Division of Consumer Affairs in the Department of Law and Public  
24 Safety pursuant to the director’s designation and rescheduling  
25 authority set forth in section 3 of P.L.1970, c.226 (C.24:21-3).

26 Sentencing Relief for Certain Marijuana and Hashish Offenses

27 As part of a court sentence or adjudication of delinquency imposed  
28 after the bill’s effective date, a person would not be subject to a  
29 forfeiture or postponement of the person’s driving privileges based on  
30 a conviction or finding of delinquency for any of the following  
31 offenses:

32 - unlawful distribution of, or possessing or having under control  
33 with intent to distribute, less than five pounds of marijuana, or less  
34 than one pound of hashish, in violation of paragraph (11) or (12) of  
35 subsection b. of N.J.S.2C:35-5, or a violation of either of those  
36 paragraphs and a violation of subsection a. of section 1 of P.L.1987,  
37 c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327  
38 (C.2C:35-7.1), for distributing, or possessing or having under control  
39 with intent to distribute, on or within 1,000 feet of any school  
40 property, or on or within 500 feet of the real property comprising a  
41 public housing facility, public park, or public building;

42 - obtaining, possessing, using, being under the influence of, or  
43 failing to make lawful disposition of any amount of marijuana or  
44 hashish in violation of paragraph (3) or (4) of subsection a., subsection  
45 b., or subsection c. of N.J.S.2C:35-10; or

46 - a violation involving any of the aforementioned offenses and  
47 using or possessing with intent to use drug paraphernalia with that  
48 marijuana or hashish in violation of N.J.S.2C:36-2.

1        Reporting Requirements by the Commission

2        Lastly, the commission would annually report to the Governor and  
3        Legislature regarding the commission's regulation and enforcement  
4        activities associated with the personal use of cannabis pursuant to the  
5        bill (and the medical use of cannabis pursuant to the "Jake Honig  
6        Compassionate Use Medical Cannabis Act"). The annual report would  
7        include information on: the number of criminal arrests or charges for  
8        small amount marijuana or hashish possession or distribution,  
9        cataloged by the jurisdictions in which the acts resulting in the  
10       citations, arrests, or charges occurred, and the race, ethnicity, gender,  
11       and age of the persons cited, arrested, or charged; the number of  
12       motor vehicle stops by law enforcement, catalogued in the same  
13       manner; the total number of personal use cannabis licenses issued  
14       since the distribution of the previous report to the Governor and  
15       Legislature, as well as the number for each class of license issued; the  
16       total number and type of applicants that submitted applications for  
17       licenses and whether they were approved, reapproved, or denied, plus  
18       data compiled by the Office of Minority, Disabled Veterans, and  
19       Women Cannabis Business Development about participation in the  
20       lawful operation of cannabis businesses by persons from socially and  
21       economically disadvantaged communities, as well as minority owned,  
22       disabled veterans' owned, and women's owned business development  
23       in the personal use cannabis marketplace.