

**SENATE, No. 3012**

**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

INTRODUCED SEPTEMBER 22, 2022

**Sponsored by:**

**Senator NICHOLAS P. SCUTARI**

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

**SYNOPSIS**

Permits Governor to authorize interstate commercial cannabis activity in certain circumstances.

**CURRENT VERSION OF TEXT**

As introduced.



S3012 SCUTARI

2

1 AN ACT concerning interstate transportation or distribution of  
2 medical or personal-use cannabis and amending and  
3 supplementing Title 24 of the Revised Statutes.

4

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

7

8 1. Section 14 of P.L.2009, c.207 (C.24:6I-12) is amended to  
9 read as follows:

10 14. a. The commissioner, or after the effective dates of P.L.2019,  
11 c.153 (C.24:6I-5.1 et al.) and P.L.2021, c.16 (C.24:6I-31 et al.), the  
12 commission, shall report to the Governor, and to the Legislature  
13 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1):

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

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

**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 thereof, cataloged by the jurisdictions in which the stop occurred,  
2 and the race, ethnicity, gender, and age of the vehicle driver and  
3 any other vehicle occupants, the number of deliveries of medical  
4 cannabis performed and the percentage of total medical cannabis  
5 dispensations that were completed by delivery, **【and】** the number of  
6 health care practitioners authorizing patients for the medical use of  
7 cannabis, including the types of license or certification held by  
8 those practitioners, and a list of interstate cannabis agreements  
9 entered into pursuant to section 2 of P.L. , c. (C. )(pending  
10 before the Legislature as this bill), including information regarding  
11 the terms and conditions of each agreement, the activities  
12 undertaken by State agencies to implement the agreement, and the  
13 effects of the agreement on this State’s cannabis industry; and

14 (3) beginning no later than one year after the effective date of  
15 P.L.2021, c.16 (C.24:6I-31 et al.), and annually thereafter in the  
16 same report concerning information on medical cannabis activities  
17 or a separate report, information on:

18 (a) the number of citations, arrests, or charges for  
19 manufacturing, distributing, or possessing or having under control  
20 with the intent to distribute marijuana or hashish in violation of  
21 paragraph (12) of subsection b. of N.J.S.2C:35-5, or for obtaining  
22 or possessing marijuana or hashish in violation of paragraph (3) of  
23 subsection a. of N.J.S.2C:35-10, cataloged by the jurisdictions in  
24 which the acts resulting in the citations, arrests, or charges  
25 occurred, and the race, ethnicity, gender, and age of the persons  
26 cited, arrested, or charged;

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

34 (c) the total number of personal use cannabis licenses issued  
35 since the distribution of the previous report to the Governor and  
36 Legislature, as well as the number for each class of license issued,  
37 and the total number and type of applicants that submitted  
38 applications for licenses and whether they were approved,  
39 reapproved, or denied; **【and】**

40 (d) the data compiled by the Office of Minority, Disabled  
41 Veterans, and Women Cannabis Business Development pursuant to  
42 section 32 of P.L.2019, c.153 (C.24:6I-25) about participation in the  
43 lawful operation of cannabis establishments, distributors, and  
44 delivery services by persons from socially and economically  
45 disadvantaged communities, including minority, disabled veterans',  
46 and women's business licensing and business development in the  
47 personal use cannabis marketplace, and the data shall include the  
48 office's analysis of the total number of licenses applied for and

S3012 SCUTARI

1 issued since the distribution of the previous report to the Governor  
2 and Legislature compared with the total number of minority  
3 businesses and women's businesses, as these terms are defined in  
4 section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled  
5 veterans' businesses, as defined in section 2 of P.L.2015, c.116  
6 (C.52:32-31.2), that submitted applications for licenses and whether  
7 they were approved, reapproved, or denied; and

8 (e) a list of interstate cannabis agreements entered into pursuant  
9 to section 2 of P.L. , c. (C. )(pending before the Legislature as  
10 this bill), including information regarding the terms and conditions  
11 of each agreement, the activities undertaken by State agencies to  
12 implement the agreement, and the effects of the agreement on this  
13 State's cannabis industry.

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

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

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

36 (2) The commission, beginning no later than one year after the  
37 effective date of P.L.2021, c.16 (C.24:6I-31 et al.), may also  
38 include in its reports information concerning its periodic evaluation  
39 of whether the existing numbers of cannabis cultivators, cannabis  
40 manufacturers, cannabis wholesalers, cannabis distributors,  
41 cannabis retailers, and cannabis delivery services are sufficient to  
42 meet the personal use cannabis market demands of the State, and  
43 actions the commission may take to issue additional cannabis  
44 licenses as authorized by paragraph (1) of subsection a. of section  
45 18 of P.L.2021, c.16 (C.24:6I-35), or if there is an oversupply of  
46 licenses, as well as information about any increase in the rates of  
47 use of marijuana and cannabis by persons under 21 years of age.

48 (cf: P.L.2021, c.16, s.7)

S3012 SCUTARI

1 2. (New section) a. As used in this section:

2 “Agreement” means an agreement relating to commercial  
3 cannabis authorized pursuant to this section and entered into  
4 between this State and another state or states.

5 “Commission” means the Cannabis Regulatory Commission.

6 “Contracting state” means a state of the United States, including  
7 a district, commonwealth, territory, or possession subject to the  
8 legislative authority of the United States, with which the Governor  
9 has entered into an agreement pursuant to this section.

10 “Foreign licensee” means the holder of a medical or personal-use  
11 cannabis license issued pursuant to the laws of another State that  
12 has entered into an agreement pursuant to this section.

13 “State license” means a medical or personal-use cannabis license  
14 issued by the licensing authority of this State.

15 b. The Governor of this State is hereby authorized to enter into  
16 an agreement with another state or states authorizing medicinal or  
17 personal-use commercial cannabis activity, or both, between entities  
18 licensed under the laws of the contracting state and entities  
19 operating with a State license, provided that the following criteria  
20 are met:

21 (1) the commercial cannabis activities are lawful and subject to  
22 licensure under the laws of the contracting state; and

23 (2) with respect to the interstate transportation of cannabis or  
24 cannabis products, the agreement prohibits the following:

25 (a) the transportation of cannabis and cannabis products by any  
26 means other than those authorized under the laws of the contracting  
27 state and the regulations of the commission; and

28 (b) the transportation of cannabis and cannabis products through  
29 the jurisdiction of a state, district, commonwealth, territory, or  
30 possession of the United States that does not authorize that  
31 transportation.

32 c. Notwithstanding any other law, a foreign licensee may  
33 engage in commercial cannabis activity with a State licensee and a  
34 State licensee may engage in commercial cannabis activity with a  
35 foreign licensee, subject to the requirements and limitations set  
36 forth in this section.

37 A foreign licensee shall not engage in commercial cannabis  
38 activity within the boundaries of this State without a State license,  
39 or engage in commercial cannabis activity within a local  
40 jurisdiction without proper authorization issued by the local  
41 jurisdiction.

42 d. An agreement shall require that the contracting state impose  
43 requirements on foreign licensees with regard to cannabis and  
44 cannabis products to be sold or otherwise transferred or distributed  
45 within this State that meet or exceed the requirements applicable to  
46 State licensees, including the following:

47 (1) enforceable public health and safety standards that are  
48 equivalent to the requirements of the commission;

**S3012 SCUTARI**

6

1 (2) mandatory participation in a system administered by this  
2 State to regulate and track cultivation, manufacturing, distribution,  
3 transportation, sale, and destruction of cannabis and cannabis  
4 products from seed to sale;

5 (3) standards for testing of cannabis or cannabis products that  
6 meet or exceed the standards applicable to testing laboratories  
7 licensed by the commission;

8 (4) requirements for the packaging and labeling of cannabis and  
9 cannabis products that meet or exceed the packaging and labeling  
10 requirements established pursuant to commission rules;

11 (5) requirements for quality assurance and inspection of  
12 cannabis or cannabis products that meet or exceed the requirements  
13 applicable to cannabis or cannabis products cultivated,  
14 manufactured, or sold by State licensees;

15 (6) restrictions on marketing, labeling, and advertising within  
16 this State by foreign licensees that meet or exceed the restrictions of  
17 State licensees pursuant to P.L.2009, c.307 (C.24:6I-1 et seq.),  
18 P.L.2021, c.16 (C.24:6I-31 et seq.), and commission rules; and

19 (7) a process for identification of adulterated or misbranded  
20 cannabis products, and the destruction of those products, using  
21 standards that meet or exceed the standards and procedures  
22 promulgated by the commission.

23 An agreement shall require that the contracting state impose  
24 restrictions upon advertising, marketing, labeling, or sale within the  
25 contracting state that meet or exceed restrictions established  
26 pursuant to P.L.2009, c.307 (C.24:6I-1 et seq.), P.L.2021, c.16  
27 (C.24:6I-31 et seq.), and commission rules.

28 An agreement shall provide for collection of all applicable taxes.

29 e. An agreement shall include provisions requiring the  
30 commission and any other appropriate regulatory authorities of the  
31 contracting state to address public health and welfare emergencies  
32 concerning cannabis or cannabis products that are sold or intended  
33 for sale within this State, including for prompt recall or embargo of  
34 adulterated or misbranded cannabis products.

35 An agreement shall include provisions requiring appropriate  
36 regulatory authorities of each state to investigate instances of  
37 alleged noncompliance with the commercial cannabis regulatory  
38 rules and regulations upon request by the other state and in  
39 accordance with mutually agree-upon procedures. An agreement  
40 shall include provisions requiring the contracting state to reasonably  
41 cooperate with this State's investigations concerning foreign  
42 licensees, and requiring the commission to reasonably cooperate  
43 with investigations by the contracting state concerning persons or  
44 entities holding State licenses.

45 f. An agreement shall include provisions determined by the  
46 Governor to promote the inclusion and support of individuals and  
47 communities in the cannabis industry who are linked to populations

**S3012 SCUTARI**

1 and neighborhoods that were negatively or disproportionately  
2 impacted by cannabis criminalization.

3 g. The Governor is exempt from the rulemaking procedures and  
4 requirements of the Administrative Procedure Act, P.L.1968, c.410  
5 (C.52:14B-1 et seq.) when entering into an agreement, or  
6 amendments to an agreement, provided that prior to execution of an  
7 agreement or amendment to an agreement, the Governor shall:

8 (1) submit the proposed agreement or amendments to the Joint  
9 Budget Oversight Committee for review and comment. The  
10 committee shall have 60 days to review the proposed agreement or  
11 amendment and to submit written recommendations to the  
12 Governor. The committee shall only submit a recommendation to  
13 the Governor if a majority of the members agree to that  
14 recommendation. The Governor shall consider all recommendations  
15 submitted by the committee and may revise the proposed agreement  
16 or amendment to incorporate the recommendations. If the Governor  
17 does not incorporate any recommendations, the Governor shall set  
18 forth, in writing, the reasons for not incorporating the  
19 recommendations; and

20 (2) post the proposed agreement or amendment on the  
21 Governor's and commission's internet websites for public comment  
22 for 30 days. The Governor shall consider any comments received.

23 h. An agreement entered into pursuant to this section shall not  
24 take effect unless one of the following occurs:

25 (1) federal law is amended to allow for the interstate transfer of  
26 cannabis or cannabis products between authorized commercial  
27 cannabis businesses;

28 (2) federal law is enacted that specifically prohibits the  
29 expenditure of federal funds to prevent the interstate transfer of  
30 cannabis or cannabis products between authorized commercial  
31 cannabis businesses;

32 (3) the United States Department of Justice issues an opinion or  
33 memorandum allowing or tolerating the interstate transfer of  
34 cannabis products between authorized commercial cannabis  
35 businesses; or

36 (4) the Attorney General issues a written opinion that  
37 implementation of agreements entered into under this section will  
38 not result in significant legal risk to this State based on review of  
39 federal judicial decisions and administrative action.

40 The commission shall notify the Governor and the Legislature  
41 upon the occurrence of an event described in this subsection, and  
42 shall post the notification on the commission's internet website.

43

44 3. This act shall take effect immediately.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39

STATEMENT

This bill permits the Governor to enter into interstate agreements authorizing medicinal or personal-use commercial cannabis activity, or both, between entities licensed in states in which cannabis is licensed.

Any interstate agreement is required to prohibit the commercial transportation of cannabis by any other means other than what is established in the agreement and also prohibit the transportation of cannabis through any state which does not authorize that transportation of cannabis. Any foreign licensee is required to obtain a license from this State and any proper authorization from a local jurisdiction prior to engaging in commercial cannabis activity.

Once the agreement is established, a State licensee is permitted to engage in commercial cannabis activity with a foreign licensee, i.e., the holder of a commercial cannabis license issued under the laws of another state. In order for the agreement to become effective, the bill requires that one of the following occur: (1) federal law is amended to allow for the interstate transfer of cannabis or cannabis products between authorized commercial cannabis businesses; (2) federal law is enacted that specifically prohibits the expenditure of federal funds to prevent the interstate transfer of cannabis or cannabis products between authorized commercial cannabis businesses; (3) the United States Department of Justice issues an opinion or memorandum allowing or tolerating the interstate transfer of cannabis products between authorized commercial cannabis businesses; or (4) the Attorney General issues a written opinion that implementation of agreements entered into pursuant to the provisions of this bill will not result in significant legal risk to this State based on review of federal judicial decisions and administrative action.

Prior to making any agreement, the Governor is required to submit the proposed agreement to the Joint Budget Oversight Committee which will have 60 days to review the proposed agreement. The committee may submit a recommendation to the Governor upon agreement of the majority of the members. The proposed agreement also is required to be posted on the Governor's and Cannabis Regulatory Commission's internet websites for public comment for a period of 30 days.