

**ASSEMBLY, No. 5068**

**STATE OF NEW JERSEY**  
**221st LEGISLATURE**

INTRODUCED DECEMBER 9, 2024

**Sponsored by:**

**Assemblyman ROBERT J. KARABINCHAK**

**District 18 (Middlesex)**

**Assemblyman WILLIAM W. SPEARMAN**

**District 5 (Camden and Gloucester)**

**SYNOPSIS**

Permits Department of Agriculture to regulate sale and distribution of hemp-derived consumable products under certain circumstances.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 2/10/2025)

1 AN ACT to regulate the sale and distribution of hemp-derived  
2 consumable products under certain circumstances, amending  
3 various sections of statutory law, supplementing Title 4 of the  
4 Revised Statutes, and repealing various sections of statutory law.

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

8  
9 1. Section 3 of P.L.2019, c.238 (C.4:28-8) is amended to read  
10 as follows:

11 3. As used in sections 1 through 9 of P.L.2019, c.238 (C.4:28-6 et  
12 al.), unless the context otherwise requires:

13 "Agent" means an employee or contractor of a hemp producer.

14 "Applicant" means a person, or for a business entity, any person  
15 authorized to act on behalf of the business entity, who applies to the  
16 department to be a hemp producer in the State.

17 "Batch" means the hemp-derived consumable product produced  
18 during a period of time under similar conditions and identified by a  
19 specific code that allows the product to be traced.

20 "Commercial sale" means the sale of a product in the stream of  
21 commerce at retail, at wholesale, or on the Internet.

22 "Cultivate" means to plant, water, grow, or harvest a plant or crop.

23 "Department" means the New Jersey Department of Agriculture.

24 "Distributor" means a person or entity that delivers or sells hemp-  
25 derived consumable products for the purpose of distribution in  
26 commerce.

27 "Exit package" means an opaque bag or other similar opaque  
28 covering provided at the point of sale that satisfies the child resistant  
29 effectiveness standards under 16 C.F.R. s.1700.15(b)(1) when tested in  
30 accordance with the requirements of 16 C.F.R. s.1700.20.

31 "Federally defined THC level for hemp" means a delta-9  
32 tetrahydrocannabinol concentration of not more than 0.3 percent on a  
33 dry weight basis for hemp or in a hemp product.

34 "Handle" means to possess or store a hemp plant on premises  
35 owned, operated, or controlled by a hemp producer for any period of  
36 time or in a vehicle for any period of time other than during the actual  
37 transport of the plant between premises owned, operated, or controlled  
38 by hemp producers or persons or entities authorized to produce hemp  
39 pursuant to 7 U.S.C. s.1639o et seq. and any state law or rule or  
40 regulation adopted pursuant thereto. "Handle" does not mean  
41 possession or storage of finished hemp products.

42 "Hemp" means the plant *Cannabis sativa* L. and any part of that  
43 plant, including the seeds of the plant and all derivatives, extracts,  
44 cannabinoids, isomers, acids, salts, and salts of isomers, whether  
45 growing or not, with a **[total]** delta-9 tetrahydrocannabinol

**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 concentration of not more than 0.3 percent on a dry weight basis.  
2 Hemp and hemp-derived cannabinoids, including cannabidiol, shall be  
3 considered an agricultural commodity and not a controlled substance  
4 due to the presence of hemp or hemp-derived cannabinoids.

5 “Hemp-derived beverage” means a hemp-derived consumable  
6 product that is a beverage intended for human ingestion.

7 “Hemp-derived cannabinoid” means any phytocannabinoid found  
8 in hemp, including delta-9 tetrahydrocannabinol (delta-9 THC),  
9 tetrahydrocannabinolic acid (THCA), cannabidiol (CBD),  
10 cannabidiolic acid (CBDA), cannabinol (CBN), cannabigerol (CBG),  
11 cannabichromene (CBC), cannabicyclol (CBL), cannabivarin (CBV),  
12 tetrahydrocannabivarin (THCV), cannabidivarin (CBDV),  
13 cannabicitran (CBT), delta-7 tetrahydrocannabinol (delta-7 THC),  
14 delta-8 tetrahydrocannabinol (delta-8 THC), or delta-10  
15 tetrahydrocannabinol (delta-10 THC). “Hemp-derived cannabinoid”  
16 shall include any naturally occurring cannabinoid derived from hemp  
17 and contained in a hemp-derived consumable product, except  
18 “synthetic cannabinoid” as defined in section 2 of P.L.2013, c.35  
19 (C.2C:35-5.3b). “Hemp-derived cannabinoid” shall not include hemp  
20 products intended for topical applications, or seeds or seed-derived  
21 ingredients that are recognized as safe by the United States Food and  
22 Drug Administration.

23 “Hemp-derived consumable product” means a hemp product that is  
24 a good intended for human ingestion or inhalation that contains a  
25 delta-9 THC concentration of not more than three-tenths of one  
26 percent, 0.3%, on a dry weight basis, but may contain concentrations  
27 of other hemp-derived cannabinoids in excess of that amount. “Hemp-  
28 derived consumable product” includes a hemp-derived beverage.

29 "Hemp producer" means a person or business entity authorized by  
30 the department to cultivate, handle, or process hemp in the State.

31 "Hemp product" means a finished product with a **【total】** delta-9  
32 tetrahydrocannabinol concentration of not more than 0.3 percent **【,** and  
33 not more than 0.5 milligrams of total THC per serving and 2.5  
34 milligrams of total THC per package,**】** that is derived from or made by  
35 processing a hemp plant or plant part and prepared in a form available  
36 for commercial sale. The term includes cosmetics, personal care  
37 products, food intended for human or animal consumption, cloth,  
38 cordage, fiber, fuel, paint, paper, particleboard, plastics, and any  
39 product containing one or more hemp-derived cannabinoids such as  
40 cannabidiol. Hemp products shall not be considered controlled  
41 substances due to the presence of hemp or hemp-derived cannabinoids.  
42 **【“Hemp product” shall not mean a cannabinoid product that is not**  
43 **derived from naturally occurring biologically active chemical**  
44 **constituents and shall not mean an intoxicating hemp product as**  
45 **defined in section 3 of P.L.2021, c.16 (C.24:6I-33).】**

46 “Independent testing laboratory” means a laboratory that meets the  
47 following conditions:

- 1       (1) holds an ISO 17025 accreditation or is registered with the Drug  
2 Enforcement Administration in accordance with 21 C.F.R. s.1301.13;  
3       (2) does not have a direct or indirect interest in the entity whose  
4 product is being tested;  
5       (3) does not have a direct or indirect interest in a facility that  
6 cultivates, processes, distributes, dispenses, or sells hemp-derived  
7 consumable products in this State or any other jurisdiction;  
8       (4) has entered into a compliance agreement with the New Jersey  
9 Division of Alcoholic Beverage Control in the Department of Law and  
10 Public Safety to conduct tetrahydrocannabinol concentration sampling  
11 and testing using the high-performance chromatography testing  
12 method.  
13       “Ingestion” means the process of consuming hemp through the  
14 mouth, by swallowing into the gastrointestinal system, or through  
15 tissue absorption.  
16       “Inhalation” means the process of consuming hemp into the  
17 respiratory system through the mouth or nasal passages.  
18       “License” means a license issued in accordance with P.L.     , c.  
19 (C.     ) (pending before the Legislature as this bill).  
20       “Manufacture” means to compound, blend, extract, infuse, cook, or  
21 otherwise manipulate hemp or a hemp-derived cannabinoid to make,  
22 prepare, or package hemp-derived consumable products.  
23       “Manufacturer” means any person or entity that engages in the  
24 process of manufacturing, preparing, or packaging of hemp-derived  
25 consumable products.  
26       "Process" means to convert hemp into a marketable form.  
27       “Producer” means any person or entity that engages in the process  
28 of farming and harvesting hemp that is intended to be used in the  
29 manufacture of a hemp-derived consumable product.  
30       “Retailer” means a person or entity that sells products containing a  
31 hemp-derived cannabinoid or a hemp-derived consumable product for  
32 consumption and not for resale. “Retailer” shall not mean a person or  
33 entity that sells products online.  
34       "Secretary" means the Secretary of the New Jersey Department of  
35 Agriculture.  
36       “Seller” means any person who sells a hemp-derived consumable  
37 product to a consumer, including an online retailer.  
38       “Serving” means a quantity of hemp-derived cannabinoid product  
39 as determined by the Department.  
40       “Supplier” means a person or entity that manufactures hemp-  
41 derived cannabinoids or sells products containing hemp-derived  
42 cannabinoids to retailers.  
43       “State” means the State of New Jersey.  
44       "Transport" means the movement or shipment of hemp by a hemp  
45 producer, a person or entity authorized to produce hemp pursuant to 7  
46 U.S.C. s.1639o et seq. and any state law or rule or regulation adopted  
47 pursuant thereto, or a hemp producer's or authorized entity's third-

1 party carrier or agent. "Transport" shall not mean the movement or  
2 shipment of hemp products.

3 **【“Total THC” means the total concentration of all**  
4 **tetrahydrocannabinols in hemp or a hemp product, including delta-8,**  
5 **delta-9, delta-10, tetrahydrocannabinolic acid and any other**  
6 **chemically similar compound, substance, derivative, or isomer of**  
7 **tetrahydrocannabinol, regardless of how derived or manufactured, and**  
8 **any other cannabinoid, other than cannabidiol, identified by the**  
9 **Cannabis Regulatory Commission, in consultation with the**  
10 **Department of Agriculture and the Attorney General, as causing**  
11 **intoxication.】**

12 (cf: P.L.2024, c.73, s.1)

13

14 2. Section 3 of P.L.2021, c.16 (C.24:6I-33) is amended to read  
15 as follows:

16 3. Definitions.

17 As used in P.L.2021, c.16 (C.24:6I-31 et al.) regarding the  
18 personal use of cannabis, unless the 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,  
23 medical cannabis dispensary, or clinical registrant, as well as any  
24 alternative treatment center deemed pursuant to section 7 of that act  
25 (C.24:6I-7) to concurrently hold a medical cannabis cultivator  
26 permit, a medical cannabis manufacturer permit, and a medical  
27 cannabis dispensary 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, manufactured in  
33 accordance with P.L.2021, c.16 (C.24:6I-31 et al.) for use in  
34 cannabis products as set forth in this act, but shall not include the  
35 weight of any other ingredient combined with cannabis to prepare  
36 topical or oral administrations, food, drink, or other product.  
37 "Cannabis" does not include: medical cannabis dispensed to  
38 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  
42 set forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey  
43 Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or marihuana as  
44 defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to  
45 any offense set forth in the "New Jersey Controlled Dangerous  
46 Substances Act," P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a  
47 hemp product cultivated, handled, processed, transported, or sold

1 pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238  
2 (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 cultivator" means any licensed person or entity that  
17 grows, cultivates, or produces cannabis in this State, and sells, and  
18 may transport, this cannabis to other cannabis cultivators, or usable  
19 cannabis to cannabis manufacturers, cannabis wholesalers, or  
20 cannabis retailers, but not to consumers. This person or entity shall  
21 hold a Class 1 Cannabis Cultivator license.

22 "Cannabis delivery service" means any licensed person or entity  
23 that provides courier services for consumer purchases of cannabis  
24 items and related supplies fulfilled by a cannabis retailer in order to  
25 make deliveries of the cannabis items and related supplies to that  
26 consumer, and which services include the ability of a consumer to  
27 purchase the cannabis items directly through the cannabis delivery  
28 service, which after presenting the purchase order to the cannabis  
29 retailer for fulfillment, is delivered to that consumer. This person  
30 or entity shall hold a Class 6 Cannabis Delivery license.

31 "Cannabis distributor" means any licensed person or entity that  
32 transports cannabis in bulk intrastate from one licensed cannabis  
33 cultivator to another licensed cannabis cultivator, or transports  
34 cannabis items in bulk intrastate from any one class of licensed  
35 cannabis establishment to another class of licensed cannabis  
36 establishment, and may engage in the temporary storage of cannabis  
37 or cannabis items as necessary to carry out transportation activities.  
38 This person or entity shall hold a Class 4 Cannabis Distributor  
39 license.

40 "Cannabis establishment" means a cannabis cultivator, a  
41 cannabis manufacturer, a cannabis wholesaler, or a cannabis  
42 retailer.

43 "Cannabis extract" means a substance obtained by separating  
44 resins from cannabis by: (1) a chemical extraction process using a  
45 hydrocarbon-based solvent, such as butane, hexane, or propane; (2)  
46 a chemical extraction process using the hydrocarbon-based solvent  
47 carbon dioxide, if the process uses high heat or pressure; or (3) any

1 other process identified by the Cannabis Regulatory Commission by  
2 rule or regulation.

3 "Cannabis flower" means the flower of the plant *Cannabis sativa*  
4 L. within the plant family Cannabaceae.

5 "Cannabis item" means any usable cannabis, cannabis product,  
6 cannabis extract, [intoxicating hemp product,] and any other  
7 cannabis resin. "Cannabis item" does not include: any form of  
8 medical cannabis dispensed to registered qualifying patients  
9 pursuant to the "Jake Honig Compassionate Use Medical Cannabis  
10 Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158  
11 (C.18A:40-12.22 et al.); or hemp or a hemp product cultivated,  
12 handled, processed, transported, or sold pursuant to the "New Jersey  
13 Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

14 "Cannabis leaf" means the leaf of the plant *Cannabis sativa* L.  
15 within the plant family Cannabaceae.

16 "Cannabis manufacturer" means any licensed person or entity  
17 that processes cannabis items in this State by purchasing or  
18 otherwise obtaining usable cannabis, manufacturing, preparing, and  
19 packaging cannabis items, and selling, and optionally transporting,  
20 these items to other cannabis manufacturers, cannabis wholesalers,  
21 or cannabis retailers, but not to consumers. This person or entity  
22 shall hold a Class 2 Cannabis Manufacturer license."

23 "Cannabis paraphernalia" means any equipment, products, or  
24 materials of any kind which are used, intended for use, or designed  
25 for use in planting, propagating, cultivating, growing, harvesting,  
26 composting, manufacturing, compounding, converting, producing,  
27 processing, preparing, testing, analyzing, packaging, repackaging,  
28 storing, vaporizing, or containing cannabis, or for ingesting,  
29 inhaling, or otherwise introducing a cannabis item into the human  
30 body. "Cannabis paraphernalia" does not include drug  
31 paraphernalia as defined in N.J.S.2C:36-1 and which is used or  
32 intended for use to commit a violation of chapter 35 or 36 of Title  
33 2C of the New Jersey Statutes.

34 "Cannabis product" means a product containing usable cannabis,  
35 cannabis extract, or any other cannabis resin and other ingredients  
36 intended for human consumption or use, including a product  
37 intended to be applied to the skin or hair, edible cannabis products,  
38 ointments, and tinctures. "Cannabis product" does not include: (1)  
39 usable cannabis by itself; or (2) cannabis extract by itself; or (3) any  
40 other cannabis resin by itself.

41 "Cannabis resin" means the resin extracted from any part of the  
42 plant *Cannabis sativa* L., including cannabis extract and resin  
43 extracted using non-chemical processes, processed and used in  
44 accordance with P.L.2021, c.16 (C.24:6I-31 et al.). "Cannabis  
45 resin" does not include: any form of medical cannabis dispensed to  
46 registered qualifying patients pursuant to the "Jake Honig  
47 Compassionate Use Medical Cannabis Act," P.L.2009, c.307  
48 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);

1 hashish as defined in N.J.S.2C:35-2 and applied to any offense set  
2 forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey  
3 Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or as defined in  
4 section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense  
5 of the "New Jersey Controlled Dangerous Substances Act,"  
6 P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product  
7 cultivated, handled, processed, transported, or sold pursuant to the  
8 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

9 "Cannabis retailer" means any licensed person or entity that  
10 purchases or otherwise obtains usable cannabis from cannabis  
11 cultivators and cannabis items from cannabis manufacturers or  
12 cannabis wholesalers, and sells these to consumers from a retail  
13 store, and may use a cannabis delivery service or a certified  
14 cannabis handler for the off-premises delivery of cannabis items  
15 and related supplies to consumers. A cannabis retailer shall also  
16 accept consumer purchases to be fulfilled from its retail store that  
17 are presented by a cannabis delivery service which will be delivered  
18 by the cannabis delivery service to that consumer. This person or  
19 entity shall hold a Class 5 Cannabis Retailer license.

20 "Cannabis testing facility" means an independent, third-party  
21 entity meeting accreditation requirements established by the  
22 Cannabis Regulatory Commission that is licensed to analyze and  
23 certify cannabis items and medical cannabis for compliance with  
24 applicable health, safety, and potency standards.

25 "Cannabis wholesaler" means any licensed person or entity that  
26 purchases or otherwise obtains, stores, sells or otherwise transfers,  
27 and may transport, cannabis items for the purpose of resale or other  
28 transfer to either another cannabis wholesaler or to a cannabis  
29 retailer, but not to consumers. This person or entity shall hold a  
30 Class 3 Cannabis Wholesaler license.

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

33 "Conditional license" means a temporary license designated as  
34 either a Class 1 Cannabis Cultivator license, a Class 2 Cannabis  
35 Manufacturer 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 that allows the  
38 holder to lawfully act as a cannabis cultivator, cannabis  
39 manufacturer, cannabis wholesaler, cannabis distributor, cannabis  
40 retailer, or cannabis delivery service as the case may be, which is  
41 issued pursuant to an abbreviated application process, after which  
42 the conditional license holder shall have a limited period of time in  
43 which to become fully licensed by satisfying all of the remaining  
44 conditions for licensure which were not required for the issuance of  
45 the conditional license.

46 "Consumer" means a person 21 years of age or older who  
47 purchases, directly or through a cannabis delivery service, acquires,



1 owns, holds, or uses cannabis items for personal use by a person 21  
2 years of age or older, but not for resale to others.

3 "Consumption" means the act of ingesting, inhaling, or otherwise  
4 introducing cannabis items into the human body.

5 "Delivery" means the transportation of cannabis items and  
6 related supplies to a consumer. "Delivery" also includes the use by  
7 a licensed cannabis retailer of any third party technology platform  
8 to receive, process, and fulfill orders by consumers, which third  
9 party shall not be required to be a licensed cannabis establishment,  
10 distributor, or delivery service, provided that any physical acts in  
11 connection with fulfilling the order and delivery shall be  
12 accomplished by a certified cannabis handler performing work for  
13 or on behalf of the licensed cannabis retailer, which includes a  
14 certified cannabis handler employed or otherwise working on behalf  
15 of a cannabis delivery service making off-premises deliveries of  
16 consumer purchases fulfilled by that cannabis retailer.

17 "Department" means the Department of Health.

18 "Director" means the Director of the Office of Minority,  
19 Disabled Veterans, and Women Cannabis Business Development in  
20 the Cannabis Regulatory Commission.

21 "Executive director" means the executive director of the  
22 Cannabis Regulatory Commission.

23 "Financial consideration" means value that is given or received  
24 either directly or indirectly through sales, barter, trade, fees,  
25 charges, dues, contributions, or donations.

26 "Immature cannabis plant" means a cannabis plant that is not  
27 flowering.

28 "Impact zone" means any municipality, based on past criminal  
29 marijuana enterprises contributing to higher concentrations of law  
30 enforcement activity, unemployment, and poverty, or any  
31 combination thereof, within parts of or throughout the municipality,  
32 that:

33 (1) has a population of 120,000 or more according to the most  
34 recently compiled federal decennial census as of the effective date  
35 of P.L.2021, c.16 (C.24:6I-31 et al.);

36 (2) based upon data for calendar year 2019, ranks in the top 40  
37 percent of municipalities in the State for marijuana- or hashish-  
38 related arrests for violation of paragraph (4) of subsection a. of  
39 N.J.S.2C:35-10; has a crime index total of 825 or higher based upon  
40 the indexes listed in the annual Uniform Crime Report by the  
41 Division of State Police; and has a local average annual  
42 unemployment rate that ranks in the top 15 percent of all  
43 municipalities, based upon average annual unemployment rates  
44 estimated for the relevant calendar year by the Office of Research  
45 and Information in the Department of Labor and Workforce  
46 Development;

47 (3) is a municipality located in a county of the third class, based  
48 upon the county's population according to the most recently

1 compiled federal decennial census as of the effective date of  
2 P.L.2021, c.16 (C.24:6I-31 et al.), that meets all of the criteria set  
3 forth in paragraph (2) other than having a crime index total of 825  
4 or higher; or

5 (4) is a municipality located in a county of the second class,  
6 based upon the county's population according to the most recently  
7 compiled federal decennial census as of the effective date of  
8 P.L.2021, c.16 (C.24:6I-31 et al.):

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

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

28 **【“Intoxicating hemp product” means any product cultivated,**  
29 **derived, or manufactured in this State from hemp regulated pursuant**  
30 **to the “Agricultural Improvement Act of 2018,” Pub.L.115-334 or**  
31 **the “New Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et**  
32 **al.) that is sold in this State that has a concentration of total THC**  
33 **greater than 0.5 milligrams per serving or 2.5 milligrams per**  
34 **package. “Intoxicating hemp product” shall not include a**  
35 **cannabinoid product that is not derived from naturally occurring**  
36 **biologically active chemical constituents and shall not include hemp**  
37 **products as defined in section 3 of P.L.2019, c.238 (C.4:28-8).】**

38 "License" means a license issued under P.L.2021, c.16 (C.24:6I-  
39 31 et al.), including a license that is designated as either a Class 1  
40 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer  
41 license, a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis  
42 Distributor license, a Class 5 Cannabis Retailer license, or a Class 6  
43 Cannabis Delivery license. The term includes a conditional license  
44 for a designated class, except when the context of the provisions of  
45 P.L.2021, c.16 (C.24:6I-31 et al.) otherwise intend to only apply to  
46 a license and not a conditional license.

47 "Licensee" means a person or entity that holds a license issued  
48 under P.L.2021, c.16 (C.24:6I-31 et al.), including a license that is

1 designated as either a Class 1 Cannabis Cultivator license, a Class 2  
2 Cannabis Manufacturer license, a Class 3 Cannabis Wholesaler  
3 license, a Class 4 Cannabis Distributor license, a Class 5 Cannabis  
4 Retailer license, or a Class 6 Cannabis Delivery license, and  
5 includes a person or entity that holds a conditional license for a  
6 designated class, except when the context of the provisions of  
7 P.L.2021, c.16 (C.24:6I-31 et al.) otherwise intend to only apply to  
8 a person or entity that holds a license and not a conditional license.

9 "Licensee representative" means an owner, director, officer,  
10 manager, employee, agent, or other representative of a licensee, to  
11 the extent that the person acts in a representative capacity.

12 "Manufacture" means the drying, processing, compounding, or  
13 conversion of usable cannabis into cannabis products or cannabis  
14 resins. "Manufacture" does not include packaging or labeling.

15 "Mature cannabis plant" means a cannabis plant that is not an  
16 immature cannabis plant.

17 "Medical cannabis" means cannabis dispensed to registered  
18 qualifying patients pursuant to the "Jake Honig Compassionate Use  
19 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and  
20 P.L.2015, c.158 (C.18A:40-12.22 et al.). "Medical cannabis" does  
21 not include any cannabis or cannabis item which is cultivated,  
22 produced, processed, and consumed in accordance with P.L.2021,  
23 c.16 (C.24:6I-31 et al.).

24 "Microbusiness" means a person or entity licensed under  
25 P.L.2021, c.16 (C.24:6I-31 et al.) as a cannabis cultivator, cannabis  
26 manufacturer, cannabis wholesaler, cannabis distributor, cannabis  
27 retailer, or cannabis delivery service that may only, with respect to  
28 its business operations, and capacity and quantity of product: (1)  
29 employ no more than 10 employees; (2) operate a cannabis  
30 establishment occupying an area of no more than 2,500 square feet,  
31 and in the case of a cannabis cultivator, grow cannabis on an area  
32 no more than 2,500 square feet measured on a horizontal plane and  
33 grow above that plane not higher than 24 feet; (3) possess no more  
34 than 1,000 cannabis plants each month, except that a cannabis  
35 distributor's possession of cannabis plants for transportation shall  
36 not be subject to this limit; (4) acquire each month, in the case of a  
37 cannabis manufacturer, no more than 1,000 pounds of usable  
38 cannabis; (5) acquire for resale each month, in the case of a  
39 cannabis wholesaler, no more than 1,000 pounds of usable cannabis,  
40 or the equivalent amount in any form of manufactured cannabis  
41 product or cannabis resin, or any combination thereof; and (6)  
42 acquire for retail sale each month, in the case of a cannabis retailer,  
43 no more than 1,000 pounds of usable cannabis, or the equivalent  
44 amount in any form of manufactured cannabis product or cannabis  
45 resin, or any combination thereof.

46 "Noncommercial" means not dependent or conditioned upon the  
47 provision or receipt of financial consideration.

1 "Premises" or "licensed premises" includes the following areas  
2 of a location licensed under P.L.2021, c.16 (C.24:6I-31 et al.): all  
3 public and private enclosed areas at the location that are used in the  
4 business operated at the location, including offices, kitchens, rest  
5 rooms, and storerooms; all areas outside a building that the  
6 Cannabis Regulatory Commission has specifically licensed for the  
7 production, manufacturing, wholesaling, distributing, retail sale, or  
8 delivery of cannabis items; and, for a location that the commission  
9 has specifically licensed for the production of cannabis outside a  
10 building, the entire lot or parcel that the licensee owns, leases, or  
11 has a right to occupy.

12 "Produce" means the planting, cultivation, growing or harvesting  
13 of cannabis. "Produce" does not include the drying of cannabis by a  
14 cannabis manufacturer, if the cannabis manufacturer is not  
15 otherwise manufacturing cannabis.

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

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

28 "Significantly involved person" means a person or entity who  
29 holds at least a five percent investment interest in a proposed or  
30 licensed cannabis cultivator, cannabis manufacturer, cannabis  
31 wholesaler, cannabis distributor, cannabis retailer, or cannabis  
32 delivery service, or who is a decision making member of a group  
33 that holds at least a 20 percent investment interest in a proposed or  
34 licensed cannabis cultivator, cannabis manufacturer, cannabis  
35 wholesaler, cannabis distributor, cannabis retailer, or cannabis  
36 delivery service, in which no member of that group holds more than  
37 a five percent interest in the total group investment interest, and the  
38 person or entity makes controlling decisions regarding the proposed  
39 or licensed cannabis cultivator, cannabis manufacturer, cannabis  
40 wholesaler, cannabis distributor, cannabis retailer, or cannabis  
41 delivery service operations.

42 "Television" means a system for transmitting visual images and  
43 sound that are reproduced on screens, and includes broadcast, cable,  
44 on-demand, satellite, or Internet programming. "Television"  
45 includes any video programming downloaded or streamed via the  
46 Internet.

1 "THC" means delta-9-tetrahydrocannabinol and its precursor,  
2 tetrahydrocannabinolic acid, the main psychoactive chemicals  
3 contained in the cannabis plant.

4 **【**"Total THC" means the total concentration of all  
5 tetrahydrocannabinols in hemp or a hemp product, including delta-  
6 8, delta-9, delta-10, tetrahydrocannabinolic acid and any other  
7 chemically similar compound, substance, derivative, or isomer of  
8 tetrahydrocannabinol, regardless of how derived or manufactured,  
9 and any other cannabinoid, other than cannabidiol, identified by the  
10 Cannabis Regulatory Commission, in consultation with the  
11 Department of Agriculture and the Attorney General, as causing  
12 intoxication.**】**

13 "Usable cannabis" means the dried leaves and flowers of the  
14 female plant *Cannabis sativa* L., and does not include the seedlings,  
15 seeds, stems, stalks, or roots of the plant.

16 (cf: P.L.2024, c.73, s.2)

17

18 3. Section 5 of P.L.1970, c.226 (C.24:21-5) is amended to read  
19 as follows:

20 5. a. Tests. The director shall place a substance in  
21 Schedule I if he finds that the substance: (1) has high potential for  
22 abuse; and (2) has no accepted medical use in treatment in the  
23 United States; or lacks accepted safety for use in treatment under  
24 medical supervision.

25 b. The controlled dangerous substances listed in this section are  
26 included in Schedule I, subject to any revision and republishing by  
27 the director pursuant to subsection d. of section 3 of P.L.1970,  
28 c.226 (C.24:21-3), and except to the extent provided in any other  
29 schedule.

30 c. Any of the following opiates, including their isomers, esters,  
31 and ethers, unless specifically excepted, whenever the existence of  
32 such isomers, esters, ethers and salts is possible within the specific  
33 chemical designation:

- 34 (1) Acetylmethadol
- 35 (2) Allylprodine
- 36 (3) Alphacetylmethadol
- 37 (4) Alphameprodine
- 38 (5) Alphamethadol
- 39 (6) Benzethidine
- 40 (7) Betacetylmethadol
- 41 (8) Betameprodine
- 42 (9) Betamethadol
- 43 (10) Betaprodine
- 44 (11) Clonitazene
- 45 (12) Dextromoramide
- 46 (13) Dextrorphan
- 47 (14) Diampromide
- 48 (15) Diethylthiambutene

- 1 (16) Dimenoxadol
- 2 (17) Dimepheptanol
- 3 (18) Dimethylthiambutene
- 4 (19) Dioxaphetyl butyrate
- 5 (20) Dipipanone
- 6 (21) Ethylmethylthiambutene
- 7 (22) Etonitazene
- 8 (23) Etoxeridine
- 9 (24) Furethidine
- 10 (25) Hydroxypethidine
- 11 (26) Ketobemidone
- 12 (27) Levomoramide
- 13 (28) Levophenacylmorphan
- 14 (29) Morpheridine
- 15 (30) Noracymethadol
- 16 (31) Norlevorphanol
- 17 (32) Normethadone
- 18 (33) Norpipanone
- 19 (34) Phenadoxone
- 20 (35) Phenampromide
- 21 (36) Phenomorphan
- 22 (37) Phenoperidine
- 23 (38) Piritramide
- 24 (39) Proheptazine
- 25 (40) Properidine
- 26 (41) Racemoramide
- 27 (42) Trimeperidine.

28 d. Any of the following narcotic substances, their salts, isomers  
29 and salts of isomers, unless specifically excepted, whenever the  
30 existence of such salts, isomers and salts of isomers is possible  
31 within the specific chemical designation:

- 32 (1) Acetorphine
- 33 (2) Acetylcodone
- 34 (3) Acetyldihydrocodeine
- 35 (4) Benzylmorphine
- 36 (5) Codeine methylbromide
- 37 (6) Codeine-N-Oxide
- 38 (7) Cyprenorphine
- 39 (8) Desomorphine
- 40 (9) Dihydromorphine
- 41 (10) Etorphine
- 42 (11) Heroin
- 43 (12) Hydromorphenol
- 44 (13) Methyl-desorphine
- 45 (14) Methylhydromorphine
- 46 (15) Morphine methylbromide
- 47 (16) Morphine methylsulfonate
- 48 (17) Morphine-N-Oxide

- 1 (18) Myrophine
- 2 (19) Nicocodeine
- 3 (20) Nicomorphine
- 4 (21) Normorphine
- 5 (22) Phoclodine
- 6 (23) Thebacon.
- 7 e. Any material, compound, mixture or preparation which
- 8 contains any quantity of the following hallucinogenic substances,
- 9 their salts, isomers and salts of isomers, unless specifically
- 10 excepted, whenever the existence of such salts, isomers, and salts of
- 11 isomers is possible within the specific chemical designation:
- 12 (1) 3,4-methylenedioxy amphetamine
- 13 (2) 5-methoxy-3,4-methylenedioxy amphetamine
- 14 (3) 3,4,5-trimethoxy amphetamine
- 15 (4) Bufotenine
- 16 (5) Diethyltryptamine
- 17 (6) Dimethyltryptamine
- 18 (7) 4-methyl-2,5-dimethoxylamphetamine
- 19 (8) Ibogaine
- 20 (9) Lysergic acid diethylamide
- 21 (10) Marijuana; except that on and after the effective date of the
- 22 "New Jersey Cannabis Regulatory, Enforcement Assistance, and
- 23 Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.),
- 24 marijuana shall no longer be included in Schedule I, and shall not
- 25 be designated or rescheduled and included in any other schedule by
- 26 the director pursuant to the director's designation and rescheduling
- 27 authority set forth in section 3 of P.L.1970, c.226 (C.24:21-3).
- 28 (11) Mescaline
- 29 (12) Peyote
- 30 (13) N-ethyl-3-piperidyl benzilate
- 31 (14) N-methyl-3-piperidyl benzilate
- 32 (15) Psilocybin
- 33 (16) Psilocyn
- 34 (17) Tetrahydrocannabinols, **[including those produced by way**
- 35 **of manufacture,]** except when found in hemp **[or]** , a hemp
- 36 product, or a hemp-derived consumable product cultivated, handled,
- 37 processed, transported, or sold pursuant to the "New Jersey Hemp
- 38 Farming Act," P.L.2019, c.238 (C.4:28-6 et al.) or P.L. \_\_\_\_\_,
- 39 c. (C. \_\_\_\_\_) (pending before the Legislature as this bill), or
- 40 cannabis or a cannabis item, as those terms are defined in section 3
- 41 of P.L.2021, c.16 (C.24:6I-33), that is grown, cultivated, produced,
- 42 or manufactured, **[, or sold]** in accordance with the "New Jersey
- 43 Cannabis Regulatory, Enforcement Assistance, and Marketplace
- 44 Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.).
- 45 (cf: P.L.2024, c.73, s.3)
- 46
- 47 4. R.S.33:1-12 is amended to read as follows:

1 33:1-12. Class C licenses shall be subdivided and classified as  
2 follows:

3 Plenary retail consumption license. 1. The holder of this license  
4 shall be entitled, subject to rules and regulations, to sell any alcoholic  
5 beverages or hemp-derived beverages in accordance with section 8 of  
6 P.L. , c. (C. ) (pending before the Legislature as this bill) for  
7 consumption on the licensed premises by the glass or other open  
8 receptacle, and also to sell any alcoholic beverages or hemp-derived  
9 beverages in original containers for consumption off the licensed  
10 premises; but this license shall not be issued to permit the sale of  
11 alcoholic beverages or hemp-derived beverages in or upon any  
12 premises in which a grocery, delicatessen, drug store or other  
13 mercantile business is carried on, except as hereinafter provided. The  
14 holder of this license shall be permitted to conduct consumer wine,  
15 beer, **[and]** spirits, and hemp-derived beverages tasting events and  
16 samplings for a fee or on a complimentary basis pursuant to conditions  
17 established by rules and regulations of the Division of Alcoholic  
18 Beverage Control, provided however, that the holder of this license  
19 complies with the terms and conditions set forth in section 3 of  
20 P.L.2009, c.216 (C.33:1-12d). Subject to such rules and regulations  
21 established from time to time by the director, the holder of this license  
22 shall be permitted to sell alcoholic beverages or hemp-derived  
23 beverages in or upon the premises in which any of the following is  
24 carried on: the keeping of a hotel or restaurant including the sale of  
25 mercantile items incidental thereto as an accommodation to patrons;  
26 the sale, at an entertainment facility as defined in R.S.33:1-1, having a  
27 seating capacity for no less than 4,000 patrons, of mercantile items  
28 traditionally associated with the type of event or program held at the  
29 site; the sale of distillers', brewers' and vintners' packaged merchandise  
30 prepacked as a unit with other suitable objects as gift items to be sold  
31 only as a unit; the sale of novelty wearing apparel identified with the  
32 name of the establishment licensed under the provisions of this  
33 section; the sale of cigars, cigarettes, packaged crackers, chips, nuts  
34 and similar snacks and ice at retail as an accommodation to patrons, or  
35 the retail sale of nonalcoholic beverages as accessory beverages to  
36 alcoholic beverages; or, in commercial bowling establishments, the  
37 retail sale or rental of bowling accessories and the retail sale from  
38 vending machines of candy, ice cream and nonalcoholic beverages.  
39 The fee for this license shall be fixed by the governing board or body  
40 of the municipality in which the licensed premises are situated, by  
41 ordinance, at not less than \$250 and not more than \$2,500. No  
42 ordinance shall be enacted which shall raise or lower the fee to be  
43 charged for this license by more than 20% from that charged in the  
44 preceding license year or \$500.00, whichever is the lesser. The  
45 governing board or body of each municipality may, by ordinance,  
46 enact that no plenary retail consumption license shall be granted within  
47 its respective municipality.



1 The holder of this license shall be permitted to obtain a restricted  
2 brewery license issued pursuant to subsection 1c. of R.S.33:1-10 and  
3 to operate a restricted brewery immediately adjoining the licensed  
4 premises in accordance with the restrictions set forth in that  
5 subsection. All fees related to the issuance of both licenses shall be  
6 paid in accordance with statutory law.

7 Seasonal retail consumption license. 2. (1) The holder of this  
8 license shall be entitled, subject to rules and regulations, to sell any  
9 alcoholic beverages or hemp-derived beverages for consumption on  
10 the licensed premises by the glass or other open receptacle, and also to  
11 sell any alcoholic beverages or hemp-derived beverages in original  
12 containers for consumption off the licensed premises, during the  
13 summer season from May 1 until November 14, inclusive, or during  
14 the winter season from November 15 until April 30, inclusive.

15 (2) In addition, the director shall issue to the holder of this license,  
16 upon request by the licensee, one-day permits that shall entitle the  
17 license holder to sell alcoholic beverages for consumption on the  
18 licensed premises during the season when the license holder is not  
19 authorized to sell alcoholic beverages pursuant to subparagraph (1) of  
20 this subsection. The number of one-day permits issued to a licensee  
21 pursuant to this subsection shall not exceed an aggregate of 14 permits  
22 in one calendar year. A one-day permit issued pursuant to this  
23 subsection shall be valid for 24 consecutive hours. The fee for each  
24 one-day permit shall be \$500.

25 The governing body of the municipality in which the licensed  
26 premises is situated may place reasonable conditions upon a one-day  
27 permit for the purpose of maintaining public safety on the licensed  
28 premises and immediately surrounding area. The costs associated with  
29 the reasonable conditions placed on the one-day permit shall be  
30 assumed by the holder of this license.

31 (3) This license shall not be issued to permit the sale of alcoholic  
32 beverages or hemp-derived beverages in or upon any premises in  
33 which a grocery, delicatessen, drug store or other mercantile business  
34 is carried on, except as hereinafter provided. Subject to such rules and  
35 regulations established from time to time by the director, the holder of  
36 this license shall be permitted to sell alcoholic beverages or hemp-  
37 derived beverages in or upon the premises in which any of the  
38 following is carried on: the keeping of a hotel or restaurant including  
39 the sale of mercantile items incidental thereto as an accommodation to  
40 patrons; the sale of distillers', brewers' and vintners' packaged  
41 merchandise prepacked as a unit with other suitable objects as gift  
42 items to be sold only as a unit; the sale of novelty wearing apparel  
43 identified with the name of the establishment licensed under the  
44 provisions of this section; the sale of cigars, cigarettes, packaged  
45 crackers, chips, nuts and similar snacks and ice at retail as an  
46 accommodation to patrons; or the retail sale of nonalcoholic beverages  
47 as accessory beverages to alcoholic beverages. The fee for this license  
48 shall be fixed by the governing board or body of the municipality in

1 which the licensed premises are situated, by ordinance, at 75% of the  
2 fee fixed by said board or body for plenary retail consumption  
3 licenses. The governing board or body of each municipality may, by  
4 ordinance, enact that no seasonal retail consumption license shall be  
5 granted within its respective municipality.

6 Plenary retail distribution license. 3. a. The holder of this license  
7 shall be entitled, subject to rules and regulations, to sell any alcoholic  
8 beverages **【**or intoxicating hemp beverages pursuant to section 5 of  
9 P.L.2024, c.73 (C.24:6I-48.2),**】** or hemp-derived beverages in  
10 accordance with section 8 of P.L. , c. (C. ) (pending before the  
11 Legislature as this bill), for consumption off the licensed premises, but  
12 only in original containers; except that licensees shall be permitted to  
13 conduct consumer wine, beer, **【and】** spirits, and hemp-derived  
14 beverages tasting events and samplings on a complimentary basis  
15 pursuant to conditions established by rules and regulations of the  
16 Division of Alcoholic Beverage Control, provided however, that the  
17 holder of this license complies with the terms and conditions set forth  
18 in section 3 of P.L.2009, c.216 (C.33:1-12d).

19 The governing board or body of each municipality may, by  
20 ordinance, enact that this license shall not be issued to permit the sale  
21 of alcoholic beverages or hemp-derived beverages in or upon any  
22 premises in which any other mercantile business is carried on, except  
23 that any such ordinance, heretofore or hereafter adopted, shall not  
24 prohibit the retail sale of distillers', brewers' and vintners' packaged  
25 merchandise prepacked as a unit with other suitable objects as gift  
26 items to be sold only as a unit; the sale of novelty wearing apparel  
27 identified with the name of the establishment licensed under the  
28 provisions of this act; cigars, cigarettes, packaged crackers, chips, nuts  
29 and similar snacks, ice, and nonalcoholic beverages as accessory  
30 beverages to alcoholic beverages. The fee for this license shall be  
31 fixed by the governing board or body of the municipality in which the  
32 licensed premises are situated, by ordinance, at not less than \$125 and  
33 not more than \$2,500. No ordinance shall be enacted which shall raise  
34 or lower the fee to be charged for this license by more than 20% from  
35 that charged in the preceding license year or \$500.00, whichever is the  
36 lesser. The governing board or body of each municipality may, by  
37 ordinance, enact that no plenary retail distribution license shall be  
38 granted within its respective municipality.

39 Limited retail distribution license. 3. b. The holder of this license  
40 shall be entitled, subject to rules and regulations, to sell any unchilled,  
41 brewed, malt alcoholic beverages in quantities of not less than 72 fluid  
42 ounces for consumption off the licensed premises, but only in original  
43 containers; provided, however, that this license shall be issued only for  
44 premises operated and conducted by the licensee as a bona fide  
45 grocery store, meat market, meat and grocery store, delicatessen, or  
46 other type of bona fide food store at which groceries or other  
47 foodstuffs are sold at retail; and provided further that this license shall  
48 not be issued except for premises at which the sale of groceries or

1 other foodstuffs is the primary and principal business and at which the  
2 sale of alcoholic beverages is merely incidental and subordinate  
3 thereto. The fee for this license shall be fixed by the governing body  
4 or board of the municipality in which the licensed premises are  
5 situated, by ordinance, at not less than \$31 and not more than \$63.  
6 The governing board or body of each municipality may, by ordinance,  
7 enact that no limited retail distribution license shall be granted within  
8 its respective municipality.

9 Plenary retail transit license. 4. The holder of this license shall be  
10 entitled, subject to rules and regulations, to sell any alcoholic  
11 beverages or hemp-derived beverages, for consumption only, on  
12 railroad trains, airplanes, limousines and boats, while in transit. The  
13 fee for this license for use by a railroad or air transport company shall  
14 be \$375, for use by the owners of limousines shall be \$31 per vehicle,  
15 and for use on a boat shall be \$63 on a boat 65 feet or less in length,  
16 \$125 on a boat more than 65 feet in length but not more than 110 feet  
17 in length, and \$375 on a boat more than 110 feet in length; such boat  
18 lengths shall be determined in the manner prescribed by the Bureau of  
19 Customs of the United States Government or any federal agency  
20 successor thereto for boat measurement in connection with issuance of  
21 marine documents. A license issued under this provision to a railroad  
22 or air transport company shall cover all railroad cars and planes  
23 operated by any such company within the State of New Jersey. A  
24 license for a boat or limousine issued under this provision shall apply  
25 only to the particular boat or limousine for which issued, and shall  
26 permit the purchase of alcoholic beverages or hemp-derived beverages  
27 for sale or service in a boat or limousine to be made from any Class A  
28 and B licensee or from any Class C licensee whose license privilege  
29 permits the sale of alcoholic beverages or hemp-derived beverages in  
30 original containers for off-premises consumption. An interest in a  
31 plenary retail transit license issued in accordance with this section  
32 shall be excluded in determining the maximum number of retail  
33 licenses permitted under P.L.1962, c.152 (C.33:1-12.31 et seq.).

34 Club license. 5. The holder of this license shall be entitled, subject  
35 to rules and regulations, to sell any alcoholic beverages or hemp-  
36 derived beverages but only for immediate consumption on the licensed  
37 premises and only to bona fide club members and their guests. The fee  
38 for this license shall be fixed by the governing board or body of the  
39 municipality in which the licensed premises are situated, by ordinance,  
40 at not less than \$63 and not more than \$188. The governing board or  
41 body of each municipality may, by ordinance, enact that no club  
42 licenses shall be granted within its respective municipality. Club  
43 licenses may be issued only to such corporations, associations and  
44 organizations as are operated for benevolent, charitable, fraternal,  
45 social, religious, recreational, athletic, or similar purposes, and not for  
46 private gain, and which comply with all conditions which may be  
47 imposed by the Director of the Division of Alcoholic Beverage  
48 Control by rules and regulations.

1 The provisions of section 23 of P.L.2003, c.117 amendatory of this  
2 section shall apply to licenses issued or transferred on or after July 1,  
3 2003, and to license renewals commencing on or after July 1, 2003.

4 Sporting facility license. 6. The holder of this license shall be  
5 entitled, subject to rules and regulations, to sell at retail or to serve any  
6 alcoholic beverages or hemp-derived beverages as the owner, operator,  
7 lessee, or concessionaire of a sporting facility by the glass or other  
8 receptacle or in original containers only on the premises of the  
9 sporting facility.

10 Notwithstanding any other provision of Title 33 of the Revised  
11 Statutes and subject to conditions established by the director, the  
12 holder of this license may share direction and control of the premises  
13 to be licensed and share proceeds and profits from the sale of alcoholic  
14 beverages or hemp-derived beverages with the owner, operator,  
15 concessionaire, or lessee of the facility. The holder of this license  
16 shall be permitted to conduct consumer wine, beer, **[and]** spirits, and  
17 hemp-derived beverages tasting events and samplings for a fee or on a  
18 complimentary basis provided, however, the license holder complies  
19 with the provisions of section 3 of P.L.2009, c.216 (C.33:1-12d) and  
20 rules and regulations promulgated thereto. Notwithstanding any law,  
21 rule or regulation to the contrary, the holder of this license shall be  
22 entitled to establish an all-inclusive area within the licensed sporting  
23 facility, provided the all-inclusive area is limited to one area within the  
24 sporting facility for each game or event and the capacity of the all-  
25 inclusive area does not exceed 500 persons.

26 The fee for this license shall be \$2,500 for venues with a capacity  
27 of less than 7,500 persons; \$5,000 for venues with a capacity of not  
28 less than 7,500 persons but not more than 14,999 persons; \$7,500 for  
29 venues with a capacity of not less than 15,000 persons but not more  
30 than 22,499 persons; and \$10,000 for venues with a capacity of 22,500  
31 persons or more.

32 For the purposes of this subsection:

33 "Sporting facility" means a stadium, arena, team training facility,  
34 or similar venue located on public property where alcoholic beverages  
35 are served or sold at retail for consumption on the premises by the  
36 glass or other open receptacle or in original containers.

37 "Team training facility" shall include team offices and team  
38 headquarters.

39 (cf: P.L.2024, c.73, s.6)

40

41 5. Section 41 of P.L.2021, c.16 (C.24:6I-50) is amended to read  
42 as follows:

43 41. Cannabis Regulatory, Enforcement Assistance, and  
44 Marketplace Modernization Fund.

45 a. All fees and penalties collected by the commission, and all  
46 tax revenues on retail sales of cannabis items, and all tax revenues  
47 collected pursuant to the provisions of the "Jake Honig  
48 Compassionate Use Medical Cannabis Act," P.L.2009, c.307

1 (C.24:6I-1 et al.), except for amounts credited to the Property Tax  
2 Reform Account in the Property Tax Relief Fund pursuant to  
3 paragraph 7 of Section I of Article VIII of the New Jersey  
4 Constitution, all revenues, if any, collected for the Social Equity  
5 Excise Fee pursuant to section 39 of P.L.2021, c.16 (C.54:47F-1),  
6 [all tax revenues on the retail sale of intoxicating hemp beverages  
7 by any plenary retail distribution license holder , as well as any fees  
8 associated with the approval provided to any plenary wholesale  
9 license holder to sell intoxicating hemp beverages , as defined  
10 pursuant to section 5 of P.L.2024, c.73 (C.C:24:6I-48.2),] shall be  
11 deposited in a special nonlapsing fund which shall be known as the  
12 "Cannabis Regulatory, Enforcement Assistance, and Marketplace  
13 Modernization Fund," with 15 percent of the monies deposited  
14 being placed into an account within the fund to be known as the  
15 "Underage Deterrence and Prevention Account."

16 b. Monies in the fund, other than any monies derived from the  
17 Social Equity Excise Fee to be appropriated annually in accordance  
18 with subsection d. of this section and the monies placed into the  
19 "Underage Deterrence and Prevention Account" within the fund for  
20 the commission to fund programs and services in accordance with  
21 subsection e. of this section, shall be appropriated annually as  
22 follows:

23 (1) at least 70 percent of all tax revenues on retail sales of  
24 cannabis items shall be appropriated for investments, including  
25 through grants, loans, reimbursements of expenses, and other  
26 financial assistance, in municipalities defined as an "impact zone"  
27 pursuant to section 3 of P.L.2021, c.16 (C.24:6I-33), as well as  
28 provide direct financial assistance to qualifying persons residing  
29 therein as recommended by the commission; and (2) the remainder  
30 of the monies in the fund shall be appropriated by the Legislature to  
31 include the following:

32 (a) to oversee the development, regulation, and enforcement of  
33 activities associated with the personal use of cannabis pursuant to  
34 P.L.2021, c.16 (C.24:6I-31 et al.), and assist with assuming  
35 responsibility from the Department of Health for the further  
36 development and expansion, regulation, and enforcement of  
37 activities associated with the medical use of cannabis pursuant to  
38 the "Jake Honig Compassionate Use Medical Cannabis Act,"  
39 P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-  
40 12.22 et al.);

41 (b) to reimburse the expenses incurred by any county or  
42 municipality for the training costs associated with the attendance  
43 and participation of a police officer from its law enforcement unit,  
44 as those terms are defined in section 2 of P.L.1961, c.56 (C.52:17B-  
45 67), in a program provided by an approved school, also defined in  
46 that section, which trains and certifies the police officer, including a  
47 police officer with a working dog as that term is defined in section  
48 1 of P.L.2006, c.88 (C.10:5-29.7), as a Drug Recognition Expert for

1 detecting, identifying, and apprehending drug-impaired motor  
2 vehicle operators, and pay for the same training costs incurred by  
3 the Division of State Police in the Department of Law and Public  
4 Safety for the training of a State police officer or trooper, including  
5 an officer or trooper with a working dog, as a Drug Recognition  
6 Expert, as well as its costs in furnishing additional program  
7 instructors to provide Drug Recognition Expert training to police  
8 officers, troopers, and working dogs. A municipality or county  
9 seeking reimbursement shall apply to the commission, itemizing the  
10 costs, with appropriate proofs, for which reimbursement is  
11 requested and provide a copy of the certificate issued to the police  
12 officer to indicate the successful completion of the program by the  
13 police officer, and that officer's working dog, if applicable; and

14 (c) for further investments, including through grants, loans,  
15 reimbursements of expenses, and other financial assistance, in  
16 municipalities defined as an "impact zone" pursuant to section 3 of  
17 P.L.2021, c.16 (C.24:6I-33), as well as provide direct financial  
18 assistance to qualifying persons residing therein as recommended  
19 by the commission.

20 The monies appropriated pursuant to paragraph (1) of this  
21 subsection shall be offset by any revenue constitutionally dedicated  
22 to municipalities defined as an "impact zone" pursuant to section 3  
23 of P.L.2021, c.16 (C.24:6I-33).

24 c. Any remaining available monies, after the appropriation of  
25 those monies in the fund in accordance with subsection b. of this  
26 section, shall be deposited in the State's General Fund.

27 d. (1) (a) Not less than 60 days prior to the first day of each State  
28 fiscal year, the commission shall consult and make  
29 recommendations to the Governor and Legislature for making social  
30 equity appropriations based upon the amount of any revenues  
31 collected during the current fiscal year for the Social Equity Excise  
32 Fee pursuant to section 39 of P.L.2021, c.16 (C.54:47F-1), or, if the  
33 commission has not imposed or adjusted the excise fee in the  
34 current fiscal year pursuant to that section, then appropriations to be  
35 made from the General Fund in an amount equal to the revenues  
36 that would have been collected had it imposed or adjusted the fee,  
37 in order to invest, through grants, loans, reimbursements of  
38 expenses, and other financial assistance, in private for-profit and  
39 non-profit organizations, public entities, including any municipality  
40 defined as an "impact zone" pursuant to section 3 of P.L.2021, c.16  
41 (C.24:6I-33) as well as provide direct financial assistance to  
42 qualifying persons as determined by the commission, in order to  
43 create, expand, or promote educational and economic opportunities  
44 and activities, and the health and well-being of both communities  
45 and individuals.

46 (b) Not less than 30 days prior to submitting its  
47 recommendations to the Governor and Legislature pursuant to  
48 subparagraph (a) of this paragraph, the commission shall hold at

1 least three regional public hearings throughout the State, with at  
2 least one hearing in the northern, central, and southern regions of  
3 the State, to solicit the public input on the social equity investments  
4 to be made as described in this section.

5 (2) The commission's recommendations to the Governor and  
6 Legislature may include, but are not limited to, recommending  
7 investments in the following categories of social equity programs:

8 (a) educational support, including literacy programs, extended  
9 learning time programs that endeavor to close the achievement gap  
10 and provide services for enrolled students after the traditional  
11 school day, GED application and preparedness assistance, tutoring  
12 programs, vocational programming, and financial literacy;

13 (b) economic development, including the encouragement and  
14 support of community activities so as to stimulate economic activity  
15 or increase or preserve residential amenities, and business  
16 marketing, and job skills and readiness training, specific  
17 employment training, and apprenticeships;

18 (c) social support services, including food assistance, mental  
19 health services, substance use disorders treatment and recovery,  
20 youth recreation and mentoring services, life skills support services,  
21 and reentry and other rehabilitative services for adults and juveniles  
22 being released from incarceration; and

23 (d) legal aid for civil and criminal cases, regardless of a party's  
24 citizenship or immigration status.

25 (3) The commission may also, subject to the annual  
26 appropriations act, recommend that it retain a portion of the Social  
27 Equity Excise Fee to administer startup grants, low-interest loans,  
28 application fee assistance, and job training programs through the  
29 commission's Office of Minority, Disabled Veterans and Women  
30 Cannabis Business Development established by section 32 of  
31 P.L.2019, c.153 (24:6I-25).

32 (4) Prior to the first day of each fiscal year, the Legislature shall  
33 provide to the commission a statement which lists the investments,  
34 including the investment recipients and investment amount, to be  
35 made by appropriations as set forth in paragraph (1) of this  
36 subsection based upon recommendations presented to the Governor  
37 and Legislature pursuant to paragraphs (1) through (3) of this  
38 subsection, and how the investment is intended to support and  
39 advance social equity as described in this subsection.

40 e. The monies deposited in the "Underage Deterrence and  
41 Prevention Account" within the fund shall be used by the  
42 commission, based on the acceptance of applications submitted on a  
43 form and through an approval or denial process promulgated by the  
44 commission, to fund private for-profit and non-profit organizations,  
45 and county and municipal programs and services that offer social  
46 services, educational, recreational, and employment opportunities,  
47 and local economic development designed to encourage, improve,  
48 and support youthful community activities to divert and prevent

1 persons under 18 years of age from activities associated with the  
2 consumption of cannabis items, or marijuana or hashish.

3 (cf: P.L.2024, c.73, s.7)

4

5 6. Section 40 of P.L.2021, c.16 (C.40:48I-1) is amended to read  
6 as follows:

7 40. Optional Local Cannabis Transfer Tax and User Tax.

8 a. (1) A municipality may adopt an ordinance imposing a  
9 transfer tax on the sale of cannabis or cannabis items by a cannabis  
10 establishment **【**or a holder of a plenary wholesale license or plenary  
11 retail distribution license selling an intoxicating hemp beverage in  
12 accordance with section 5 of P.L.2024, c.73 (C.24:6I-48.2)**】** that is  
13 located in the municipality. At the discretion of the municipality,  
14 the tax may be imposed on: receipts from the sale of cannabis by a  
15 cannabis cultivator to another cannabis cultivator; receipts from the  
16 sale of cannabis items from one cannabis establishment to another  
17 cannabis establishment; receipts from the retail sales of cannabis  
18 items **【**or intoxicating hemp beverages**】** by a cannabis retailer **【**or a  
19 holder of a plenary wholesale license or plenary retail distribution  
20 license**】** to retail consumers who are 21 years of age or older; or  
21 any combination thereof. Each municipality shall set its own rate or  
22 rates, but in no case shall a rate exceed: two percent of the receipts  
23 from each sale by a cannabis cultivator; two percent of the receipts  
24 from each sale by a cannabis manufacturer; one percent of the  
25 receipts from each sale by a cannabis wholesaler; and two percent  
26 of the receipts from each sale by a cannabis retailer **【**or holder of a  
27 plenary wholesale license or plenary retail distribution license**】**.

28 (2) A local tax ordinance adopted pursuant to paragraph (1) of  
29 this subsection shall also include provisions for imposing a user tax,  
30 at the equivalent transfer tax rates, on any concurrent license  
31 holder, as permitted by section 33 of P.L.2021, c.16 (C.24:6I-46),  
32 operating more than one cannabis establishment **【**, or on any  
33 concurrent holder of plenary wholesale licenses or plenary retail  
34 distribution licenses**】**. The user tax shall be imposed on the value  
35 of each transfer or use of cannabis or cannabis items not otherwise  
36 subject to the transfer tax imposed pursuant to paragraph (1) of this  
37 subsection, from the license holder's establishment that is located in  
38 the municipality to any of the other license holder's establishments,  
39 whether located in the municipality or another municipality.

40 b. (1) A transfer tax or user tax imposed pursuant to this section  
41 shall be in addition to any other tax imposed by law. Any  
42 transaction for which the transfer tax or user tax is imposed, or  
43 could be imposed, pursuant to this section, other than those which  
44 generate receipts from the retail sales by cannabis retailers **【**or a  
45 holder of a plenary wholesale license or plenary retail distribution  
46 license**】**, shall be exempt from the tax imposed under the "Sales and  
47 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.). The transfer tax



1 or user tax shall be collected or paid, and remitted to the  
2 municipality by the cannabis establishment **【**or the holder of the  
3 plenary wholesale license or plenary retail distributor license**】** from  
4 the cannabis establishment **【**, plenary wholesale license holder, or  
5 plenary retail distributor**】** purchasing or receiving the cannabis or  
6 cannabis item, or from the consumer at the point of sale, on behalf  
7 of the municipality by the cannabis retailer **【**, plenary wholesale  
8 license holder, or plenary retail distributor**】** selling the cannabis  
9 item to that consumer. The transfer tax or user tax shall be stated,  
10 charged, and shown separately on any sales slip, invoice, receipt, or  
11 other statement or memorandum of the price paid or payable, or  
12 equivalent value of the transfer, for the cannabis or cannabis item.

13 (2) Every cannabis establishment **【**, plenary wholesale license  
14 holder, or plenary retail distributor**】** required to collect a transfer  
15 tax or user tax imposed by ordinance pursuant to this section shall  
16 be personally liable for the transfer tax or user tax imposed,  
17 collected, or required to be collected under this section. Any  
18 cannabis establishment **【**, plenary wholesale license holder, or  
19 plenary retail distributor**】** shall have the same right with respect to  
20 collecting the transfer tax or user tax from another cannabis  
21 establishment **【**, plenary retail distributor, plenary whole license  
22 holder,**】** or the consumer as if the transfer tax or user tax was a part  
23 of the sale and payable at the same time, or with respect to non-  
24 payment of the transfer tax or user tax by the cannabis  
25 establishment**【**, plenary retail distributor, plenary whole license  
26 holder,**】** or consumer, as if the transfer tax or user tax was a part of  
27 the purchase price of the cannabis or cannabis item, or equivalent  
28 value of the transfer of the cannabis or cannabis item, and payable  
29 at the same time; provided, however, that the chief fiscal officer of  
30 the municipality which imposes the transfer tax or user tax shall be  
31 joined as a party in any action or proceeding brought to collect the  
32 transfer tax or user tax.

33 (3) No cannabis establishment **【**, plenary wholesale license  
34 holder, or plenary retail distributor**】** required to collect a transfer  
35 tax or user tax imposed by ordinance pursuant to this section shall  
36 advertise or hold out to any person or to the public in general, in  
37 any manner, directly or indirectly, that the transfer tax or user tax  
38 will not be separately charged and stated to another cannabis  
39 establishment**【**, plenary retail distributor, plenary whole license  
40 holder,**】** or the consumer, or that the transfer tax or user tax will be  
41 refunded to the cannabis establishment**【**, plenary retail distributor,  
42 plenary whole license holder,**】** or the consumer.

43 c. (1) All revenues collected from a transfer tax or user tax  
44 imposed by ordinance pursuant to this section shall be remitted to  
45 the chief financial officer of the municipality in a manner  
46 prescribed by the municipality. The chief financial officer shall

1 collect and administer any transfer tax or user tax imposed by  
2 ordinance pursuant to this section. The municipality shall enforce  
3 the payment of delinquent taxes or transfer fees imposed by  
4 ordinance pursuant to this section in the same manner as provided  
5 for municipal real property taxes.

6 (2) (a) In the event that the transfer tax or user tax imposed by  
7 ordinance pursuant to this section is not paid as and when due by a  
8 cannabis establishment **█**, plenary wholesale license holder, or  
9 plenary retail distributor**█**, the unpaid balance, and any interest  
10 accruing thereon, shall be a lien on the parcel of real property  
11 comprising the cannabis establishment's **█**, plenary wholesale  
12 license holder, or plenary retail distributor**█** premises in the same  
13 manner as all other unpaid municipal taxes, fees, or other charges.  
14 The lien shall be superior and paramount to the interest in the parcel  
15 of any owner, lessee, tenant, mortgagee, or other person, except the  
16 lien of municipal taxes, and shall be on a parity with and deemed  
17 equal to the municipal lien on the parcel for unpaid property taxes  
18 due and owing in the same year.

19 (b) A municipality shall file in the office of its tax collector a  
20 statement showing the amount and due date of the unpaid balance  
21 and identifying the lot and block number of the parcel of real  
22 property that comprises the delinquent cannabis establishment's **█**,  
23 plenary wholesale license holder, or plenary retail distributor**█**  
24 premises. The lien shall be enforced as a municipal lien in the same  
25 manner as all other municipal liens are enforced.

26 d. As used in this section:

27 "Cannabis" means the same as that term is defined in section 3 of  
28 P.L.2021, c.16 (C.24:6I-33).

29 "Cannabis cultivator" means the same as that term is defined in  
30 section 3 of P.L.2021, c.16 (C.24:6I-33).

31 "Cannabis establishment" means the same as that term is defined  
32 in section 3 of P.L.2021, c.16 (C.24:6I-33).

33 "Cannabis items" means the same as that term is defined in  
34 section 3 of P.L.2021, c.16 (C.24:6I-33).

35 "Cannabis manufacturer" means the same as that term is defined  
36 in section 3 of P.L.2021, c.16 (C.24:6I-33).

37 "Cannabis retailer" means the same as that term is defined in  
38 section 3 of P.L.2021, c.16 (C.24:6I-33).

39 "Cannabis wholesaler" means the same as that term is defined in  
40 section 3 of P.L.2021, c.16 (C.24:6I-33).

41 "Consumer" means the same as that term is defined in section 3  
42 of P.L.2021, c.16 (C.24:6I-33).

43 "Premises" means the same as that term is defined in section 3 of  
44 P.L.2021, c.16 (C.24:6I-33).

45 (cf: P.L.2024, c.73, s.9)

46

47 7. R.S.33:1-11 is amended to read as follows:

1 33:1-11. Class B licenses shall be subdivided and classified as  
2 follows:

3 Plenary wholesale license. 1. The holder of this license shall be  
4 entitled, subject to rules and regulations, to sell and distribute  
5 alcoholic beverages **or** intoxicating hemp beverages, in accordance  
6 with section 5 of P.L.2024, c.73 (C.24:6I-48.2), or hemp-derived  
7 beverages in accordance with section 8 of P.L. , c. (C. )  
8 (pending before the Legislature as this bill), to retailers and  
9 wholesalers licensed in accordance with this chapter, and to sell and  
10 distribute without this State to any persons pursuant to the laws of  
11 the places of such sale and distribution, and to maintain a  
12 warehouse and salesroom; provided, however, that the delivery of  
13 such alcoholic beverages by the holder of this license to retailers  
14 licensed under this Title shall be from inventory in a warehouse  
15 located in New Jersey which is operated under a plenary wholesale  
16 license. The fee for this license shall be \$8,750.

17 Limited wholesale license. 2a. The holder of this license shall be  
18 entitled, subject to rules and regulations, to sell and distribute  
19 brewed malt alcoholic beverages and naturally fermented wines to  
20 retailers and wholesalers licensed in accordance with this chapter,  
21 and to sell and distribute without this State to any persons pursuant  
22 to the laws of the places of such sale and distribution, and to  
23 maintain a warehouse and salesroom. The fee for this license shall  
24 be \$1,875.

25 Wine wholesale license. 2b. The holder of this license shall be  
26 entitled, subject to rules and regulations, to sell and distribute any  
27 naturally fermented, treated, blended, fortified and sparkling wines  
28 to retailers and wholesalers licensed in accordance with this  
29 chapter, and to sell and distribute without this State to any persons  
30 pursuant to the laws of the places of such sale and distribution, and  
31 to maintain a warehouse and salesroom; provided, however, that the  
32 delivery of such wines by the holder of this license to retailers  
33 licensed under this Title shall be from inventory in a warehouse  
34 located in New Jersey which is operated under a wine wholesale  
35 license. The fee for this license shall be \$3,750.

36 State beverage distributor's license. 2c.(1) The holder of this  
37 license shall be entitled, subject to rules and regulations, to sell and  
38 distribute unchilled, brewed, malt alcoholic beverages in original  
39 containers only, in quantities of not less than 144 fluid ounces and  
40 chilled draught malt alcoholic beverages in kegs, barrels or other  
41 similar containers of at least one fluid gallon in capacity, to retailers  
42 licensed in accordance with this chapter, and to sell and distribute  
43 without this State to any person pursuant to the laws of the places of  
44 such sale and distribution, and to maintain a warehouse and  
45 salesroom. The holder of this license may sell unchilled, brewed,  
46 malt alcoholic beverages in original containers only, in quantities of  
47 not less than 144 fluid ounces and chilled draught malt alcoholic  
48 beverages in kegs, barrels or other similar containers of at least 7.75

1 fluid gallons in capacity, at retail; provided, however, that such  
2 sales shall be made only for consumption off the licensed premises.  
3 This license shall not be issued to any person holding a plenary or  
4 limited brewery license, nor shall it be issued to any person directly  
5 or indirectly interested in any brewery within or without this State.  
6 This license shall not be issued for premises in or upon which any  
7 retail business, except the sale of malt alcoholic beverages and  
8 nonalcoholic beverages, is carried on. The fee for this license shall  
9 be \$1,031.

10 (2) After the effective date of P.L.1995, c. 309 any license  
11 issued or transferred pursuant to this subsection for a premises  
12 located in a municipality in a county of the fifth or sixth class shall  
13 be limited to prohibit retail sales.

14 (3) The holder of a license issued pursuant to this subsection  
15 shall not be entitled to sell malt alcoholic beverages at retail as  
16 provided in paragraph (1) of this subsection, at hours of the day or  
17 on days of the week during which sales by holders of plenary retail  
18 distributors licenses are prohibited in the municipality in which the  
19 licensed premises is located or in a municipality which, in  
20 accordance with the provisions of this title, prohibits all retail sales  
21 of wine and malt alcoholic beverages in original bottle or can  
22 containers.

23 The provisions of section 22 of P.L.2003 , c.117 amendatory of  
24 this section shall apply to licenses issued or transferred on or after  
25 July 1, 2003, and to license renewals commencing on or after July  
26 1, 2003.

27 (cf: P.L.2024, c.73, s.10)

28

29 8. (New section) Licensing of Hemp-Derived Consumable  
30 Products. a. (1) A person or entity that is in the business of  
31 manufacturing or selling a hemp-derived consumable product in this  
32 State, including a distributor, manufacturer, producer, supplier,  
33 seller, or retailer, shall obtain a license from the department  
34 authorizing the person or entity to engage in such business prior to  
35 the commencement of business or within 30 days from when the  
36 department adopts procedures and regulations for the application of  
37 a license, whichever is later. Such license shall be valid for a  
38 period of one year and may be renewed annually pursuant to rules  
39 and regulations adopted by the department. Renewal fees shall be  
40 identical to those established pursuant to subsection b. of this  
41 section.

42 (2) Notwithstanding paragraph (1) of this subsection, if a person  
43 or entity is a holder of any valid and unrevoked plenary brewery  
44 license, limited brewery license, restricted brewery license, plenary  
45 wholesale license, plenary retail consumption license, plenary retail  
46 distribution license, seasonal retail consumption license, plenary  
47 retail transit license, club license, or sporting facility license, as  
48 those terms are defined in R.S.33:1-10, R.S.33:1-11, and R.S.33:1-

1 12, then the person or entity shall be permitted to sell hemp-derived  
2 beverages upon the payment of the annual licensing fee required  
3 pursuant to P.L. , c. (C. ) (pending before the Legislature  
4 as this bill) and shall remain registered with the New Jersey  
5 Division of Alcoholic Beverage Control.

6 (3) Notwithstanding paragraphs (1) or (2) of this subsection, if a  
7 person or entity is a holder of any valid and unrevoked limited  
8 brewery license or restricted brewery license, as those terms are  
9 defined in R.S.33:1-10, then the person or entity shall be able to  
10 manufacture and retail hemp-derived beverages so long as they pay  
11 the annual licensing fees required under this P.L. , c. (C. )  
12 (pending before the Legislature as this bill) and shall remain  
13 registered with the New Jersey Division of Alcoholic Beverage  
14 Control.

15 (4) Notwithstanding paragraph (1) of this subsection, if a person  
16 or entity is a holder of any valid and unrevoked Class 5 Cannabis  
17 Retailer License issued pursuant to P.L.2021, c.16 (C.24:6I-31 et  
18 al.), then the person or entity shall be permitted to sell hemp-  
19 derived consumable products upon the payment of the annual  
20 licensing fee required pursuant to P.L. , c. (C. ) (pending  
21 before the Legislature as this bill) and shall remain registered with  
22 the Cannabis Regulatory Commission.

23 b. In order to obtain and maintain a license pursuant to  
24 subsection a. of this section, a person shall:

25 (1) Submit information as required by the department in  
26 accordance with the rules and regulations adopted by the  
27 department pursuant to P.L. , c. (C. ) (pending before the  
28 Legislature as this bill);

29 (2) (a) For a distributor, manufacturer, producer, or supplier  
30 license, pay a fee of \$500;

31 (b) For a seller or retailer license, pay a fee of \$250 per location;

32 (3) Consent to reasonable inspection by the New Jersey Division  
33 of Consumer Affairs in the Department of Law and Public Safety;

34 (4) Consent to the future sampling of any hemp-derived  
35 consumable products by the department; and

36 (5) Submit to a criminal history background check, including  
37 fingerprinting;

38 c. No person shall operate a retail business which sells hemp-  
39 derived consumable products within 1,000 feet of any elementary or  
40 secondary school, or any municipal or county playground. This  
41 subsection shall not apply to a retail business which sells hemp-  
42 derived consumable products already lawfully operating on the  
43 effective date of P.L. , c. (C. ) (pending before the  
44 Legislature as this bill) or in any instance where an elementary or  
45 secondary school is subsequently established within 1,000 feet.

46 d. The department shall be authorized to:

47 (1) determine requirements for obtaining licenses;

1 (2) issue, deny, or revoke licenses related to the manufacture  
2 and sale of hemp-derived consumable products in this State; and

3 (3) establish and issue any additional civil penalties for any  
4 violation of rules and regulations adopted by the department or any  
5 violation of P.L. , c. (C. ) (pending before the Legislature  
6 as this bill).

7 e. All taxes, fees, penalties, and revenues collected pursuant to  
8 P.L. , c. (C. ) (pending before the Legislature as this bill)  
9 shall be deposited into the “New Jersey Hemp Farming Fund,”  
10 established pursuant to section 8 of P.L.2019, c.238 (C.4:28-13).

11 f. Any business which lawfully manufactures, distributes, or  
12 sells hemp-derived consumable products prior to the effective date  
13 of P.L. , c. (C. ) (pending before the Legislature as this  
14 bill) may continue to operate until such time that the department  
15 adopts rules and regulations pursuant to P.L. , c. (C. )  
16 (pending before the Legislature as this bill) related to licensing and  
17 applications.

18

19 9. R.S.33:1-10 is amended to read as follows:

20 33:1-10. Class A licenses shall be subdivided and classified as  
21 follows:

22 Plenary brewery license. 1a. The holder of this license shall be  
23 entitled, subject to rules and regulations, to brew any malt alcoholic  
24 beverages or hemp-derived beverages and to sell and distribute his  
25 products to wholesalers and retailers licensed in accordance with  
26 this chapter, and to sell and distribute without this State to any  
27 persons pursuant to the laws of the places of such sale and  
28 distribution, and to maintain a warehouse; provided, however, that  
29 the delivery of this product by the holder of this license to retailers  
30 licensed under this title shall be from inventory in a warehouse  
31 located in this State which is operated under a plenary brewery  
32 license. The fee for this license shall be \$10,625.

33 Limited brewery license. 1b. The holder of this license shall be  
34 entitled, subject to rules and regulations, to brew any malt alcoholic  
35 beverages or hemp-derived beverages in a quantity to be expressed  
36 in said license, dependent upon the following fees and not in excess  
37 of 300,000 barrels of 31 fluid gallons capacity per year and to sell  
38 and distribute this product to wholesalers and retailers licensed in  
39 accordance with this chapter, and to sell and distribute without this  
40 State to any persons pursuant to the laws of the places of such sale  
41 and distribution, and to maintain a warehouse; provided, however,  
42 that the delivery of this product by the holder of this license to  
43 retailers licensed under this title shall be from inventory in a  
44 warehouse located in this State which is operated under a limited  
45 brewery license. The holder of this license shall be entitled to sell  
46 this product at retail to consumers on the licensed premises of the  
47 brewery for consumption on the premises, or in a quantity of not  
48 more than 15.5 fluid gallons per person for consumption off the

1 premises, and to offer samples for sampling purposes. The holder  
2 of the license shall be entitled to be a manufacturer, retailer, seller,  
3 or supplier of hemp-derived beverages, as those terms are defined in  
4 section 3 of P.L.2019, c.238 (C.4:28-8) and in accordance with  
5 section 8 of P.L. , c. (C. ) (pending before the Legislature  
6 as this bill). The holder of this license shall not be required to pay a  
7 fee to the division for the privilege of offering samples pursuant to  
8 this section. If the holder of this license holds a bonded warehouse  
9 bottling license issued pursuant to subsection 5 of this section,  
10 product brewed in accordance with this subsection and transferred  
11 to a bonded warehouse for bottling and storage may be sold at retail  
12 and offered for sampling on the licensed premises of the brewery by  
13 the holder of this license. The holder of this license shall not sell  
14 food or operate a restaurant on the licensed premises, but may  
15 coordinate with food vendors pursuant to section 1 of P.L.2023,  
16 c.290 (C.33:1-10b). The holder of this license shall be entitled to  
17 engage in the privileges established pursuant to section 1 of  
18 P.L.2023, c.290 (C.33:1-10b).

19 The fee for this license shall be graduated as follows:

20 to so brew not more than 50,000 barrels of 31 liquid gallons  
21 capacity per annum, \$1,250;

22 to so brew not more than 100,000 barrels of 31 fluid gallons  
23 capacity per annum, \$2,500;

24 to so brew not more than 200,000 barrels of 31 fluid gallons  
25 capacity per annum, \$5,000;

26 to so brew not more than 300,000 barrels of 31 fluid gallons  
27 capacity per annum, \$7,500.

28 For the purposes of this subsection, "sampling" means the selling  
29 at a nominal charge or the gratuitous offering of an open container  
30 not exceeding four ounces of any malt alcoholic beverage. For the  
31 purposes of this subsection, "product" means any malt alcoholic  
32 beverage that is produced on the premises licensed under this  
33 subsection.

34 Restricted brewery license. 1c. The holder of this license shall  
35 be entitled, subject to rules and regulations, to brew any malt  
36 alcoholic beverages or hemp-derived beverages in a quantity to be  
37 expressed in such license not in excess of 300,000 barrels of 31  
38 gallons capacity per year. Notwithstanding the provisions of  
39 R.S.33:1-26, the director shall issue a restricted brewery license  
40 only to a person or an entity which has identical ownership to an  
41 entity which holds a plenary retail consumption license issued  
42 pursuant to R.S.33:1-12, provided that such plenary retail  
43 consumption license is operated in conjunction with a restaurant  
44 regularly and principally used for the purpose of providing meals to  
45 its customers and having adequate kitchen and dining room  
46 facilities, and that the licensed restaurant premises is immediately  
47 adjoining the premises licensed under this subsection. The holder  
48 of this license shall be entitled to sell or deliver the product to that

1 restaurant premises. The holder of this license also shall be entitled  
2 to sell and distribute the product to wholesalers and retailers  
3 licensed in accordance with this chapter and to sell and distribute  
4 without this State to any persons pursuant to the laws of those  
5 places of such sale and distribution, and to maintain a warehouse;  
6 provided, however, that the delivery of this product by the holder of  
7 this license to retailers licensed under this title shall be from  
8 inventory in a warehouse located in this State which is operated  
9 under a restricted brewery license. The holder of the license shall  
10 be entitled to be a manufacturer, retailer, and seller of hemp-derived  
11 beverages, as those terms are defined in section 3 of P.L.2019,  
12 c.238 (C.4:28-8) and in accordance with section 8 of P.L. \_\_\_\_\_, c.  
13 (C. \_\_\_\_\_) (pending before the Legislature as this bill). The amount  
14 of malt alcoholic beverages that may be sold and distributed  
15 directly to retailers pursuant to this subsection on an annual basis  
16 shall be not more than 50 percent of the product manufactured in  
17 that year by the holder of this license. The fee for this license shall  
18 be \$1,250, which fee shall entitle the holder to brew up to 1,000  
19 barrels of 31 liquid gallons per annum. The licensee also shall pay  
20 an additional \$250 for every additional 1,000 barrels of 31 fluid  
21 gallons produced. The fee shall be paid at the time of application  
22 for the license, and additional payments based on barrels produced  
23 shall be paid within 60 days following the expiration of the license  
24 term upon certification by the licensee of the actual gallons brewed  
25 during the license term. No more than 10 restricted brewery  
26 licenses shall be issued to a person or entity which holds an interest  
27 in a plenary retail consumption license. If the governing body of  
28 the municipality in which the licensed premises will be located  
29 should file a written objection, the director shall hold a hearing and  
30 may issue the license only if the director finds that the issuance of  
31 the license will not be contrary to the public interest. All fees  
32 related to the issuance of both licenses shall be paid in accordance  
33 with statutory law. The provisions of this subsection shall not be  
34 construed to limit or restrict the rights and privileges granted by the  
35 plenary retail consumption license held by the holder of the  
36 restricted brewery license issued pursuant to this subsection.

37 The holder of this license shall be entitled to offer samples of its  
38 product for promotional purposes at charitable or civic events off  
39 the licensed premises pursuant to an annual permit issued by the  
40 director.

41 For the purposes of this subsection, "sampling" means the selling  
42 at a nominal charge or the gratuitous offering of an open container  
43 not exceeding four ounces of any malt alcoholic beverage product.  
44 For the purposes of this subsection, "product" means any malt  
45 alcoholic beverage that is produced on the premises licensed under  
46 this subsection.

47 Farm brewery license. 1d. The holder of this license shall be  
48 entitled, subject to rules and regulations, to brew any malt alcoholic



1 beverages in a quantity to be expressed in the license not in excess  
2 of 2,500 barrels or 31 fluid gallons per year and to sell products to  
3 consumers for consumption off the licensed premises and to offer  
4 samples for sampling purposes only. The license shall be issued  
5 only when the brewery at which such malt alcoholic beverages are  
6 brewed is located and constructed upon a tract of land exclusively  
7 under the control of the licensee, the licensee is actively engaged in  
8 farming on or adjacent to the brewery premises, and the malt  
9 alcoholic beverages are substantially produced from hops or other  
10 ingredients grown or cultivated on that tract of land. The holder of  
11 this license shall not sell or offer food for consumption on the  
12 licensed premises.

13 The fee for this license shall be graduated as follows: to  
14 manufacture between 1,200 and 2,500 barrels per year, \$300; to  
15 manufacture between 100 and 1,199 barrels per year, \$200; to  
16 manufacture fewer than 100 barrels per year, \$100. An individual  
17 or entity shall not hold more than one farm brewery license.

18 For purposes of this subsection, "sampling" means the selling at  
19 a nominal charge or the gratuitous offering of an open container not  
20 exceeding one and one-half ounces of a malt alcoholic beverage.

21 Plenary winery license. 2a. Provided that the holder is engaged  
22 in growing and cultivating grapes or fruit used in the production of  
23 wine on at least three acres on, or adjacent to, the winery premises,  
24 except as otherwise provided in this subsection for certain  
25 alternating proprietorship agreements, the holder of this license  
26 shall be entitled, subject to rules and regulations, to produce any  
27 fermented wines, and to blend, fortify and treat wines, and to sell  
28 and distribute his products to wholesalers licensed in accordance  
29 with this chapter and to churches for religious purposes, and to sell  
30 and distribute without this State to any persons pursuant to the laws  
31 of the places of such sale and distribution, and to maintain a  
32 warehouse, and to sell his products at retail to consumers on the  
33 licensed premises of the winery for consumption on or off the  
34 premises and to offer samples for sampling purposes only. The fee  
35 for this license shall be \$938. A holder of this license who  
36 produces not more than 250,000 gallons per year shall also have the  
37 right to sell and distribute his products to retailers licensed in  
38 accordance with this chapter, except that the holder of this license  
39 shall not use a common carrier for such distribution. The fee for  
40 this additional privilege shall be graduated as follows: a licensee  
41 who manufactures more than 150,000 gallons, but not in excess of  
42 250,000 gallons per annum, \$1,000; a licensee who manufactures  
43 more than 100,000 gallons, but not in excess of 150,000 gallons per  
44 annum, \$500; a licensee who manufactures more than 50,000  
45 gallons, but not in excess of 100,000 gallons per annum, \$250; a  
46 licensee who manufactures 50,000 gallons or less per annum, \$100.  
47 A holder of this license who produces not more than 250,000  
48 gallons per year shall have the right to sell such wine at retail in

1 original packages in 15 salesrooms apart from the winery premises  
2 for consumption on or off the premises and for sampling purposes  
3 for consumption on the premises, at a fee of \$250 for each  
4 salesroom. Licensees shall not jointly control and operate  
5 salesrooms. Additionally, the holder of this license who produces  
6 not more than 250,000 gallons per year may ship not more than 12  
7 cases of wine per year, subject to regulation, to any person within or  
8 without this State over 21 years of age for personal consumption  
9 and not for resale. A case of wine shall not exceed a maximum of  
10 nine liters. A copy of the original invoice shall be available for  
11 inspection by persons authorized to enforce the alcoholic beverage  
12 laws of this State for a minimum period of three years at the  
13 licensed premises of the winery. For the purposes of this  
14 subsection, "sampling" means the selling at a nominal charge or the  
15 gratuitous offering of an open container not exceeding one and one-  
16 half ounces of any wine.

17 A holder of this license who produces not more than 250,000  
18 gallons per year shall not own, either in whole or in part, or hold,  
19 either directly or indirectly, any interest in a winery that produces  
20 more than 250,000 gallons per year. In addition, a holder of this  
21 license who produces more than 250,000 gallons per year shall not  
22 own, either in whole or in part, or hold, either directly or indirectly,  
23 any interest in a winery that produces not more than 250,000  
24 gallons per year.

25 An applicant for a plenary winery license or the holder of a  
26 plenary winery license may apply to the director for approval to  
27 enter into an agreement with a host New Jersey winery to use the  
28 host's equipment and space in an alternating proprietorship for  
29 production of wine, provided that the applicant or holder has  
30 obtained approval of the proposed alternating proprietorship  
31 arrangement from the Alcohol and Tobacco Tax and Trade Bureau.  
32 The director shall approve the agreement if the director determines  
33 that the Alcohol and Tobacco Tax and Trade Bureau has approved  
34 the agreement and the agreement does not violate any applicable  
35 New Jersey alcohol licensing and taxation laws and related  
36 regulations or special rulings of the director. The director shall  
37 approve or deny the application no later than 180 days after receipt  
38 of the application, unless the applicant agrees to an extension.

39 An applicant for a plenary winery license who also applies to the  
40 director to enter into an alternating proprietorship agreement  
41 pursuant to this subsection shall, upon approval by the director of  
42 both applications, be permitted to grow and cultivate grapes or fruit  
43 used in the production of wine on at least three acres within a five-  
44 mile radius of the host winery premises.

45 For the purposes of this subsection, "product" means any wine  
46 that is produced, blended, fortified, or treated by the licensee on its  
47 licensed premises situated in the State of New Jersey. For the

1 purposes of this subsection, "wine" shall include "hard cider" and  
2 "mead" as defined in this section.

3 Farm winery license. 2b. The holder of this license shall be  
4 entitled, subject to rules and regulations, to manufacture any  
5 fermented wines and fruit juices in a quantity to be expressed in  
6 said license, dependent upon the following fees and not in excess of  
7 50,000 gallons per year and to sell and distribute his products to  
8 wholesalers and retailers licensed in accordance with this chapter  
9 and to churches for religious purposes and to sell and distribute  
10 without this State to any persons pursuant to the laws of the places  
11 of such sale and distribution, and to maintain a warehouse and to  
12 sell at retail to consumers for consumption on or off the licensed  
13 premises and to offer samples for sampling purposes only. The  
14 license shall be issued only when the winery at which such  
15 fermented wines and fruit juices are manufactured is located and  
16 constructed upon a tract of land exclusively under the control of the  
17 licensee, provided that the licensee is actively engaged in growing  
18 and cultivating an area of not less than three acres on or adjacent to  
19 the winery premises and on which are growing grape vines or fruit  
20 to be processed into wine or fruit juice, except in the case of certain  
21 alternating proprietorship agreements, as provided in this  
22 subsection; and provided, further, that for the first five years of the  
23 operation of the winery such fermented wines and fruit juices shall  
24 be manufactured from at least 51 percent grapes or fruit grown in  
25 the State and that thereafter they shall be manufactured from grapes  
26 or fruit grown in this State at least to the extent required for  
27 labeling as "New Jersey Wine" under the applicable federal laws  
28 and regulations. The containers of all wine sold to consumers by  
29 such licensee shall have affixed a label stating such information as  
30 shall be required by the rules and regulations of the Director of the  
31 Division of Alcoholic Beverage Control. The fee for this license  
32 shall be graduated as follows: to so manufacture between 30,000  
33 and 50,000 gallons per annum, \$375; to so manufacture between  
34 2,500 and 30,000 gallons per annum, \$250; to so manufacture  
35 between 1,000 and 2,500 gallons per annum, \$125; to so  
36 manufacture less than 1,000 gallons per annum, \$63. No farm  
37 winery license shall be held by the holder of a plenary winery  
38 license.

39 The holder of this license shall also have the right to sell and  
40 distribute his products to retailers licensed in accordance with this  
41 chapter, except that the holder of this license shall not use a  
42 common carrier for such distribution. The fee for this additional  
43 privilege shall be \$100. The holder of this license shall have the  
44 right to sell his products in original packages at retail to consumers  
45 in 15 salesrooms apart from the winery premises for consumption  
46 on or off the premises, and for sampling purposes for consumption  
47 on the premises, at a fee of \$250 for each salesroom. Licensees  
48 shall not jointly control and operate salesrooms. Additionally, the

1 holder of this license may ship not more than 12 cases of wine per  
2 year, subject to regulation, to any person within or without this  
3 State over 21 years of age for personal consumption and not for  
4 resale. A case of wine shall not exceed a maximum of nine liters.  
5 A copy of the original invoice shall be available for inspection by  
6 persons authorized to enforce the alcoholic beverage laws of this  
7 State for a minimum period of three years at the licensed premises  
8 of the winery. For the purposes of this subsection, "sampling"  
9 means the selling at a nominal charge or the gratuitous offering of  
10 an open container not exceeding one and one-half ounces of any  
11 wine.

12 A holder of this license who produces not more than 250,000  
13 gallons per year shall not own, either in whole or in part, or hold,  
14 either directly or indirectly, any interest in a winery that produces  
15 more than 250,000 gallons per year.

16 An applicant for a farm winery license or the holder of a farm  
17 winery license may apply to the director for approval to enter into  
18 an agreement with a host New Jersey winery to use the host's  
19 equipment and space in an alternating proprietorship for production  
20 of wine, provided that the applicant or holder has obtained approval  
21 of the proposed alternating proprietorship arrangement from the  
22 Alcohol and Tobacco Tax and Trade Bureau. The director shall  
23 approve the agreement if the director determines that the Alcohol  
24 and Tobacco Tax and Trade Bureau has approved the agreement  
25 and the agreement does not violate any applicable New Jersey  
26 alcohol licensing and taxation laws and related regulations or  
27 special rulings of the director. The director shall approve or deny  
28 the application no later than 180 days after receipt of the  
29 application, unless the applicant agrees to an extension.

30 An applicant for a farm winery license who also applies to the  
31 director to enter into an alternating proprietorship agreement  
32 pursuant to this subsection shall, upon approval by the director of  
33 both applications, be permitted to grow and cultivate grapes or fruit  
34 used in the production of wine on at least three acres within a five-  
35 mile radius of the host winery premises.

36 Unless otherwise indicated, for the purposes of this subsection,  
37 with respect to farm winery licenses, "manufacture" means the  
38 vinification, aging, storage, blending, clarification, stabilization and  
39 bottling of wine or juice from New Jersey fruit to the extent  
40 required by this subsection.

41 For the purposes of this subsection, "wine" shall include "hard  
42 cider" and "mead" as defined in this section.

43 Wine blending license. 2c. The holder of this license shall be  
44 entitled, subject to rules and regulations, to blend, treat, mix, and  
45 bottle fermented wines and fruit juices with non-alcoholic  
46 beverages, and to sell and distribute his products to wholesalers and  
47 retailers licensed in accordance with this chapter, and to sell and  
48 distribute without this State to any persons pursuant to the laws of

1 the places of such sale and distribution, and to maintain a  
2 warehouse. The fee for this license shall be \$625.

3 For the purposes of this subsection, "wine" shall include "hard  
4 cider" and "mead" as defined in this section.

5 Instructional winemaking facility license. 2d. The holder of this  
6 license shall be entitled, subject to rules and regulations, to instruct  
7 persons in and provide them with the opportunity to participate  
8 directly in the process of winemaking and to directly assist such  
9 persons in the process of winemaking while in the process of  
10 instruction on the premises of the facility. The holder of this  
11 license also shall be entitled to manufacture wine on the premises  
12 not in excess of an amount of 10 percent of the wine produced  
13 annually on the premises of the facility, which shall be used only to  
14 replace quantities lost or discarded during the winemaking process,  
15 to maintain a warehouse, and to offer samples produced by persons  
16 who have received instruction in winemaking on the premises by  
17 the licensee for sampling purposes only on the licensed premises for  
18 the purpose of promoting winemaking for personal or household use  
19 or consumption. Wine produced on the premises of an instructional  
20 winemaking facility shall be used, consumed or disposed of on the  
21 facility's premises or distributed from the facility's premises to a  
22 person who has participated directly in the process of winemaking  
23 for the person's personal or household use or consumption. The  
24 holder of this license may sell mercantile items traditionally  
25 associated with winemaking and novelty wearing apparel identified  
26 with the name of the establishment licensed under the provisions of  
27 this section. The holder of this license may use the licensed  
28 premises for an event or affair, including an event or affair at which  
29 a plenary retail consumption licensee serves alcoholic beverages in  
30 compliance with all applicable statutes and regulations promulgated  
31 by the director. The fee for this license shall be \$1,000. For the  
32 purposes of this subsection, "sampling" means the gratuitous  
33 offering of an open container not exceeding one and one-half  
34 ounces of any wine.

35 For the purposes of this subsection, "wine" shall include "hard  
36 cider" and "mead" as defined in this section.

37 Out-of-State winery license. 2e. Provided that the applicant  
38 does not produce more than 250,000 gallons of wine per year, the  
39 holder of a valid winery license issued in any other state may make  
40 application to the director for this license. The holder of this  
41 license shall have the right to sell and distribute his products to  
42 wholesalers licensed in accordance with this chapter and to sell  
43 such wine at retail in original packages in 16 salesrooms apart from  
44 the winery premises for consumption on or off the premises at a fee  
45 of \$250 for each salesroom. Licensees shall not jointly control and  
46 operate salesrooms. The annual fee for this license shall be \$938.  
47 A copy of a current license issued by another state shall accompany  
48 the application. The holder of this license also shall have the right

1 to sell and distribute his products to retailers licensed in accordance  
2 with this chapter, except that the holder of this license shall not use  
3 a common carrier for such distribution. The fee for this additional  
4 privilege shall be graduated as follows: a licensee who  
5 manufactures more than 150,000 gallons, but not in excess of  
6 250,000 gallons per annum, \$1,000; a licensee who manufactures  
7 more than 100,000 gallons, but not in excess of 150,000 gallons per  
8 annum, \$500; a licensee who manufactures more than 50,000  
9 gallons, but not in excess of 100,000 gallons per annum, \$250; a  
10 licensee who manufactures 50,000 gallons or less per annum, \$100.  
11 Additionally, the holder of this license may ship not more than 12  
12 cases of wine per year, subject to regulation, to any person within or  
13 without this State over 21 years of age for personal consumption  
14 and not for resale. A case of wine shall not exceed a maximum of  
15 nine liters. A copy of the original invoice shall be available for  
16 inspection by persons authorized to enforce the alcoholic beverage  
17 laws of this State for a minimum period of three years at the  
18 licensed premises of the winery.

19 The licensee shall collect from the customer the tax due on the  
20 sale pursuant to the "Sales and Use Tax Act," P.L.1966, c.30  
21 (C.54:32B-1 et seq.) and shall pay the tax due on the delivery of  
22 alcoholic beverages pursuant to the "Alcoholic beverage tax law,"  
23 R.S.54:41-1 et seq. The Director of the Division of Taxation in the  
24 Department of the Treasury shall promulgate such rules and  
25 regulations necessary to effectuate the provisions of this paragraph,  
26 and may provide by regulation for the co-administration of the tax  
27 due on the delivery of alcoholic beverages pursuant to the  
28 "Alcoholic beverage tax law," R.S.54:41-1 et seq. with the  
29 administration of the tax due on the sale pursuant to the "Sales and  
30 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

31 A holder of this license who produces not more than 250,000  
32 gallons per year shall not own, either in whole or in part, or hold,  
33 either directly or indirectly, any interest in a winery that produces  
34 more than 250,000 gallons per year.

35 For the purposes of this subsection, "wine" shall include "hard  
36 cider" and "mead" as defined in this section.

37 Cidery and meadery license. 2f. The holder of this license shall  
38 be entitled, subject to rules and regulations, to manufacture hard  
39 cider and mead and to sell and distribute these products to  
40 wholesalers and retailers licensed in accordance with this chapter,  
41 and to sell and distribute without this State to any persons pursuant  
42 to the laws of the places of such sale and distribution, and to  
43 maintain a warehouse. The holder of this license shall be entitled to  
44 sell these products at retail to consumers on the licensed premises  
45 for consumption on or off the premises and to offer samples for  
46 sampling purposes only. The holder of this license shall be  
47 permitted to offer for sale or make the gratuitous offering of  
48 packaged crackers, chips, nuts, and similar snacks to consumers.

1 The holder of this license shall not operate a restaurant on the  
2 licensed premises, but may coordinate with food vendors pursuant  
3 to section 1 of P.L.2023, c.290 (C.33:1-10b). The holder of this  
4 license shall be entitled to engage in the privileges established  
5 pursuant to section 1 of P.L.2023, c.290 (C.33:1-10b). The fee for  
6 this license shall be \$938.

7 The holder of this license shall be entitled to manufacture hard  
8 cider in a quantity not to exceed 50,000 barrels of 31 fluid gallons  
9 capacity per year. With respect to the sale and distribution of hard  
10 cider to a wholesaler, the licensee shall be subject to the same  
11 statutory and regulatory requirements as a brewer, and hard cider  
12 shall be considered a malt alcoholic beverage, for the purposes of  
13 the "Malt Alcoholic Beverage Practices Act," P.L.2005, c.243  
14 (C.33:1-93.12 et seq.). The holder of this license shall not directly  
15 ship hard cider either within or without this State.

16 The holder of this license shall be entitled to manufacture not  
17 more than 250,000 gallons of mead per year. The holder of this  
18 license may ship not more than 12 cases of mead per year, subject  
19 to regulation, to any person within or without this State over 21  
20 years of age for personal consumption and not for resale. A case of  
21 mead shall not exceed a maximum of nine liters. A copy of the  
22 original invoice shall be available for inspection by persons  
23 authorized to enforce the alcoholic beverage laws of this State for a  
24 minimum period of three years at the licensed premises.

25 As used in this subsection:

26 "Hard cider" means a fermented alcoholic beverage derived  
27 primarily from apples, pears, apple juice concentrate and water, or  
28 pear juice concentrate and water, which may include spices, herbs,  
29 honey, or other flavoring, and which contains at least one half of  
30 one percent but less than eight and one half percent alcohol by  
31 volume.

32 "Mead" means an alcoholic beverage primarily made from  
33 honey, water, and yeast, and which may contain fruit, fruit juices,  
34 spices, or herbs added before or after fermentation has completed,  
35 except that the ratio of fermentable sugars from fruit or fruit juices  
36 shall not exceed 49 percent of the total fermentable sugars used to  
37 produce mead.

38 "Sampling" means the selling at a nominal charge or the  
39 gratuitous offering of an open container not exceeding four ounces  
40 of hard cider or mead produced on the licensed premises.

41 Plenary distillery license. 3a. The holder of this license shall be  
42 entitled, subject to rules and regulations, to manufacture any  
43 distilled alcoholic beverages and rectify, blend, treat and mix, and  
44 to sell and distribute his products to wholesalers and retailers  
45 licensed in accordance with this chapter, and to sell and distribute  
46 without this State to any persons pursuant to the laws of the places  
47 of such sale and distribution, and to maintain a warehouse. The fee  
48 for this license shall be \$12,500.

1 Limited distillery license. 3b. The holder of this license shall be  
2 entitled, subject to rules and regulations, to manufacture and bottle  
3 any alcoholic beverages distilled from fruit juices and rectify,  
4 blend, treat, mix, compound with wine and add necessary  
5 sweetening and flavor to make cordial or liqueur, and to sell and  
6 distribute to wholesalers and retailers licensed in accordance with  
7 this chapter, and to sell and distribute without this State to any  
8 persons pursuant to the laws of the places of such sale and  
9 distribution and to warehouse these products. The fee for this  
10 license shall be \$3,750.

11 Supplementary limited distillery license. 3c. The holder of this  
12 license shall be entitled, subject to rules and regulations, to bottle  
13 and rebottle, in a quantity to be expressed in said license, dependent  
14 upon the following fees, alcoholic beverages distilled from fruit  
15 juices by such holder pursuant to a prior plenary or limited distillery  
16 license, and to sell and distribute his products to wholesalers and  
17 retailers licensed in accordance with this chapter, and to sell and  
18 distribute without this State to any persons pursuant to the laws of  
19 the places of such sale and distribution, and to maintain a  
20 warehouse. The fee for this license shall be graduated as follows:  
21 to so bottle and rebottle not more than 5,000 wine gallons per  
22 annum, \$313; to so bottle and rebottle not more than 10,000 wine  
23 gallons per annum, \$625; to so bottle and rebottle without limit as  
24 to amount, \$1,250.

25 Craft distillery license. 3d. The holder of this license shall be  
26 entitled, subject to rules and regulations, to manufacture not more  
27 than 20,000 gallons of distilled alcoholic beverages, to rectify,  
28 blend, treat and mix distilled alcoholic beverages, to sell and  
29 distribute this product to wholesalers and retailers licensed in  
30 accordance with this chapter, and to sell and distribute without this  
31 State to any persons pursuant to the laws of the places of such sale  
32 and distribution, and to maintain a warehouse. The holder of this  
33 license shall be entitled to sell this product at retail to consumers on  
34 the licensed premises of the distillery for consumption on the  
35 premises and for consumption off the premises in a quantity of not  
36 more than five liters per person. In addition, the holder of this  
37 license may offer any person not more than three samples per  
38 calendar day for sampling purposes only. For the purposes of this  
39 subsection, "sampling" means the gratuitous offering of an open  
40 container not exceeding one-half ounce serving of distilled  
41 alcoholic beverage produced on the distillery premises. If the holder  
42 of this license holds a bonded warehouse bottling license issued  
43 pursuant to subsection 5 of this section, product manufactured in  
44 accordance with this subsection and transferred to a bonded  
45 warehouse for bottling and storage may be sold at retail and offered  
46 for sampling on the licensed premises of the distillery by the holder  
47 of this license. Nothing in this subsection shall be deemed to  
48 permit the direct shipment of distilled spirits either within or



1 without this State. The holder of this license shall be entitled to  
2 engage in the privileges established pursuant to section 1 of  
3 P.L.2023, c.290 (C.33:1-10b).

4 The holder of this license shall not sell food or operate a  
5 restaurant on the licensed premises, but may coordinate with food  
6 vendors pursuant to section 1 of P.L.2023, c.290 (C.33:1-10b). A  
7 holder of this license who certifies that not less than 51 percent of  
8 the raw materials used in the production of distilled alcoholic  
9 beverages under this section are grown in this State or purchased  
10 from providers located in this State may, consistent with all  
11 applicable federal laws and regulations, label these distilled  
12 alcoholic beverages as "New Jersey Distilled." The fee for this  
13 license shall be \$938.

14 Rectifier and blender license. 4. The holder of this license shall  
15 be entitled, subject to rules and regulations, to rectify, blend, treat  
16 and mix distilled alcoholic beverages, and to fortify, blend, and  
17 treat fermented alcoholic beverages, and prepare mixtures of  
18 alcoholic beverages, and to sell and distribute his products to  
19 wholesalers and retailers licensed in accordance with this chapter,  
20 and to sell and distribute without this State to any persons pursuant  
21 to the laws of the places of such sale and distribution, and to  
22 maintain a warehouse. The fee for this license shall be \$7,500.

23 Bonded warehouse bottling license. 5. The holder of this license  
24 shall be entitled, subject to rules and regulations, to bottle alcoholic  
25 beverages in bond on behalf of all persons authorized by federal and  
26 State law and regulations to withdraw alcoholic beverages from  
27 bond. The fee for this license shall be \$625. This license shall be  
28 issued only to persons holding permits to operate Internal Revenue  
29 bonded warehouses pursuant to the laws of the United States.

30 The provisions of section 21 of P.L.2003, c.117 amendatory of  
31 this section shall apply to licenses issued or transferred on or after  
32 July 1, 2003, and to license renewals commencing on or after July  
33 1, 2003.

34 (cf: P.L.2023, c.290, s.2)

35

36 10. Section 8 of P.L.2019, c.238 (C.4:28-13) is amended to read  
37 as follows:

38 8. a. There is established in the Department of Agriculture a  
39 special nonlapsing fund to be known as the "New Jersey Hemp  
40 Farming Fund." Moneys in the fund shall be used for the  
41 administration and enforcement of P.L.2019, c.238 (C.4:28-6 et al.).

42 b. The fund shall be credited with:

43 (1) penalties and fees collected by the department pursuant to  
44 P.L.2019, c.238 (C.4:28-6 et al.);

45 (2) moneys as are appropriated by the Legislature;

46 (3) moneys made available to the department for the purposes of  
47 P.L.2019, c.238 (C.4:28-6 et al.), including federal funds; **[and]**

1 (4) any return on investment of moneys deposited in the fund;  
2 and

3 (5) penalties and fees collected by the department pursuant to  
4 P.L. , c. (C. ) (pending before the Legislature as this bill).  
5 (cf: P.L.2019, c.238, s.8)  
6

7 11. (New section) Sales restrictions on hemp-derived  
8 consumable products. a. No person shall:

9 (1) Knowingly, or having reason to know, sell a hemp-derived  
10 consumable product to a person who is under 21 years of age;

11 (2) Knowingly, or having reason to know, distribute samples of  
12 hemp-derived consumable products in or on a public street,  
13 sidewalk, or park;

14 (3) Engage in the business of selling a hemp-derived  
15 consumable product without a valid license held or issued in  
16 accordance with P.L. , c. (C. ) (pending before the  
17 Legislature as this bill).

18 (4) Knowingly, or having reason to know, sell at retail a hemp-  
19 derived consumable product that has a concentration of more than  
20 0.3% on a dry weight basis of delta-9 tetrahydrocannabinol;

21 (5) Knowingly, or having reason to know, sell a hemp-derived  
22 consumable product that is not contained in an exit package, unless  
23 the product is sold in a glass by a business that is validly licensed  
24 by the New Jersey Division of Alcoholic Beverage Control to sell  
25 hemp-derived beverages;

26 (6) Knowingly, or having reason to know, sell a hemp-derived  
27 consumable product that is not in compliance with P.L. , c.  
28 (C. ) (pending before the Legislature as this bill) or any rules or  
29 regulations adopted pursuant to department authority;

30 (7) Knowingly, or having reason to know, sell at retail hemp  
31 flower or a product containing hemp flower that is not accompanied  
32 by a certificate of analysis issued within the previous six-month  
33 period demonstrating that the hemp flower or product containing  
34 hemp flower has a concentration of no more than 0.3% on a dry  
35 weight basis of delta-9 tetrahydrocannabinol; or

36 (8) Sell a hemp-derived consumable product that is not behind a  
37 physical counter or barrier wall to prevent customer contact, unless  
38 such product is a hemp-derived beverage and is sold by a business  
39 that is validly licensed by the New Jersey Division of Alcoholic  
40 Beverage Control to sell hemp-derived beverages.

41 b. Any person who violates this section shall be subject to the  
42 following penalties from the Department of Agriculture:

43 (1) for a first violation, a civil penalty of not more than \$500;

44 (2) for a second violation within three years of the first  
45 violation, a civil penalty of not more than \$750;

46 (3) For a third violation within three years of the first violation,  
47 a civil penalty of not more than \$1,000, and suspension of the  
48 license; and

1 (4) For a fourth or subsequent violation within three years of the  
2 first violation, a civil penalty of not more than \$2,000 and  
3 revocation of the license.

4 c. In lieu of any suspension or revocation of a license  
5 prescribed pursuant to paragraphs (3) and (4) of subsection b. of  
6 this section, the department may accept the payment of a penalty in  
7 the sum of \$3,000. The department may accept the payment, and if  
8 accepted, shall not suspend or revoke the license of the person or  
9 entity.

10 d. It shall be a defense to a violation of subsection a. of this  
11 section if the retailer or seller, for a violation of paragraph (1) of  
12 subsection a., provides evidence that the purchaser produced a New  
13 Jersey driver's license or other photo identification issued by the  
14 State, another state, or federal government showing the purchaser's  
15 age to be at least 21 years of age or other evidence that reasonably  
16 indicates that at the time of sale the purchaser was 21 years of age.

17 e. The department shall seize any product sold in violation of  
18 paragraph (4) of subsection a. of this section.

19 f. (1) A person who commits a violation of paragraph (3) of  
20 subsection a. of this section twice is guilty of a disorderly persons  
21 offense.

22 (2) A person who commits a third or subsequent violation of  
23 paragraph (3) of subsection a. of this section is guilty of a fourth  
24 degree crime.

25  
26 12. (New section) Sales and transfer restrictions on producers.

27 a. A producer shall not knowingly sell or transfer hemp that has  
28 been processed or prepared with the intent to be used in a hemp-  
29 derived consumable product to any person or entity other than a  
30 manufacturer licensed by the department in accordance with P.L. ,

31 c. (C. ) (pending before the Legislature as this bill).

32 b. The department shall impose the following penalties for a  
33 violation of this section:

34 (1) for a first violation, a penalty of no more than \$500;

35 (2) for a second violation within three years of the first  
36 violation, a penalty of no more than \$750;

37 (3) for a third violation within three years of the first violation, a  
38 penalty of no more than \$1,000; and

39 (4) for a fourth or subsequent violation within three years of the  
40 first violation, a penalty of no more than \$2,000.

41 c. Any person who commits a violation under paragraph (2) of  
42 subsection b. shall be guilty of a disorderly persons offense. Any  
43 person who commits a violation under paragraphs (3) or (4) of  
44 subsection b. shall be guilty of a fourth degree crime.

45 d. In lieu of any suspension or revocation of a license for a  
46 violation of subsection a. of this section, the department may accept  
47 the payment of a penalty in the sum of \$3,000. The department  
48 may accept the payment, and if accepted, shall not revoke the

1 license of the person or entity. The department may accept the  
2 payment and suspend the license.

3 e. Nothing in this section shall be construed as prohibiting a  
4 producer from selling or transferring hemp that is intended to be  
5 used in any lawful product other than those regulated by P.L. , c.  
6 (C. ) (pending before the Legislature as this bill).

7  
8 13. (New section) a. It shall be unlawful for:

9 (1) any person to sell a hemp-derived consumable product to an  
10 individual under 21 years of age;

11 (2) a person under 21 years of age to possess, purchase, or  
12 attempt to purchase a hemp-derived consumable product;

13 (3) any person under 21 years of age to attempt to obtain  
14 permission to purchase hemp-derived consumable products by using  
15 or attempting to use any of the following:

16 (a) a fraudulent or altered driver's license or other photo  
17 identification issued by the State, another state, or federal  
18 government;

19 (b) a driver's license issued to another person;

20 (c) an identification document other than a driver's license  
21 issued to another person; or

22 (d) any other form or means of identification that misrepresents  
23 the age of the purchaser;

24 (4) any person to permit the use of the person's driver's license  
25 or any other form of identification for the purpose of permitting an  
26 individual under 21 years of age to purchase hemp-derived  
27 consumable products.

28 b. (1) A person who violates paragraphs (2) or (3) of this  
29 subsection a. of this section shall be guilty of a petty disorderly  
30 persons offense.

31 (2) A person who violates paragraphs (1) or (4) of subsection a.  
32 of this section is guilty of a disorderly persons offense.

33 c. Nothing in this section prohibits a person under 21 years of  
34 age from selling, transporting, or possessing hemp-derived  
35 consumable products in the course of employment if the  
36 employment of the person is lawful.

37  
38 14. (New section) a. It shall be unlawful for a manufacturer or  
39 distributor to:

40 (1) knowingly, or having reason to know, distribute samples of a  
41 hemp-derived consumable product in or on a public street,  
42 sidewalk, or park;

43 (2) engage in the business of manufacturing or distributing a  
44 hemp-derived consumable product without a valid license issued in  
45 accordance with P.L. , c. (C. ) (pending before the  
46 Legislature as this bill); or

47 (3) knowingly, or having reason to know, manufacture or  
48 distribute a hemp-derived consumable product that has a

1 concentration of delta-9 tetrahydrocannabinol that is more than  
2 0.3% on a dry weight basis of total combined.

3 A violation of this subsection is a disorderly persons offense.

4 b. In addition to any criminal penalties for a violation of  
5 subsection a. of this section, the department may impose the  
6 following:

7 (1) suspend the license of the license holder for a period of time  
8 not to exceed three years;

9 (2) revoke the license of the license holder;

10 (3) impose conditions on the operating hours of the licensed  
11 business; or

12 (4) impose any of the following penalties:

13 (a) for a first violation, a penalty of no more than \$1,000;

14 (b) for a second violation within three years of the first  
15 violation, a penalty of no more than \$5,000; and

16 (c) for a third violation within three years of the first violation, a  
17 penalty of no more than \$7,500.

18 c. In lieu of any suspension or revocation of a license  
19 prescribed pursuant to paragraphs (1) and (2) of subsection b. of  
20 this section, the department may accept the payment of a penalty in  
21 the sum of \$8,000. The department may accept the payment, and if  
22 accepted, shall not suspend or revoke the license of the person or  
23 entity.

24 d. For a violation of paragraph (3) of subsection a., the  
25 manufacturer or distributor shall pay to the department the actual  
26 costs paid by the department for the testing of the samples that  
27 resulted in the violation.

28 e. It shall be a defense to paragraph (3) of subsection a. if the  
29 manufacturer completes the following:

30 (1) recalls all hemp-derived consumable products from the same  
31 batch as the product on which the violation is based; and

32 (2) has samples of the batch tested by an independent testing  
33 laboratory and provides such certified results to the department  
34 indicating the batch was compliant with department rules. The  
35 amount required to be submitted for testing shall be determined by  
36 the department.

37 f. The department shall seize any product sold in violation of  
38 paragraph (3) of subsection a. of this section.

39

40 15. (New section) a. (1) A validly licensed manufacturer of  
41 hemp-derived consumable products shall have the product tested  
42 prior to distribution to a distributor or before distributing the  
43 product to a retailer or seller. The testing shall determine the  
44 presence and amounts of any substances as identified by the  
45 department. A product that exceeds any testing standards identified  
46 by the department shall not be distributed or sold in this State.

47 (2) A distributor shall not be required to test the hemp-derived  
48 consumable product if the consumable product is packaged in exit

1 package when delivered to the distributor and the distributor does  
2 not open such exit package.

3 (3) If the hemp-derived consumable product is not packaged in  
4 an exit package when delivered to the distributor, or the distributor  
5 opens the exit package, the distributor shall have the hemp-derived  
6 consumable product tested prior to distribution.

7 b. (1) The department shall identify qualified independent  
8 testing laboratories that manufacturers and distributors may contract  
9 with to complete testing of hemp-derived consumable products in  
10 accordance with this section and any rules and regulations adopted  
11 by the department.

12 (2) The department shall:

13 (a) develop an application process for independent testing  
14 laboratories to qualify as such; and

15 (b) maintain and post on its website a registry of any qualified  
16 independent testing laboratory that is qualified to test manufactured  
17 material and hemp-derived consumable products.

18 c. If a manufacturer or distributor fails to submit to testing of  
19 any hemp-derived consumable product in accordance with P.L. ,

20 c. (C. ) (pending before the Legislature as this bill) or any  
21 rules or regulations adopted by the department, the department may:

22 (1) suspend the license of the license holder for a period of time  
23 not to exceed three years;

24 (2) revoke the license of the license holder;

25 (3) impose conditions on the operating hours of the licensed  
26 business; or

27 (4) impose any of the following penalties:

28 (a) for a first violation, a penalty of no more than \$1,000;

29 (b) for a second violation within three years of the first  
30 violation, a penalty of no more than \$5,000; and

31 (c) for a third violation within three years of the first violation, a  
32 penalty of no more than \$7,500.

33 d. In lieu of any suspension or revocation of a license  
34 prescribed pursuant to paragraphs (1) and (2) of subsection c. of this  
35 section, the department may accept the payment of a penalty in the  
36 sum of \$8,000. The department may accept the payment, and if  
37 accepted, shall not revoke the license of the person or entity;  
38 however, may still suspend the license of the person or entity.

39

40 16. (New section) a. P.L. , c. (C. ) (pending before the  
41 Legislature as this bill) shall not apply to:

42 (1) a safe harbor hemp product; or

43 (2) a safe harbor manufacturer or storage facility.

44 b. For the purposes of this section:

45 "Safe harbor hemp product" means a hemp-derived compound or  
46 cannabinoid, whether a finished product or in the process or being  
47 produced, that is permitted to be manufactured for distribution,  
48 produced for distribution, packaged for distribution, processed for

1 distribution, treated for distribution, transported for distribution, or  
2 held for distribution in the State for export from the State but that is  
3 not permitted to be sold or distributed in the State.

4 "Safe harbor manufacturer or storage facility" means a facility  
5 that manufactures for distribution, produces for distribution,  
6 packages for distribution, processes for distribution, prepares for  
7 distribution, treats for distribution, transports for distribution, or  
8 holds for distribution a safe harbor hemp product.

9  
10 17. (New section) a. Nothing in P.L. , c. (C. ) (pending  
11 before the Legislature as this bill) shall be construed to:

12 (1) Permit a person to undertake any task under the influence of  
13 a hemp-derived consumable product when doing so would  
14 constitute negligence or professional malpractice;

15 (2) Permit a person to operate, navigate, or be in actual physical  
16 control of a motor vehicle, aircraft, unmanned aircraft, motorized  
17 watercraft, or any other vehicle while under the influence of a  
18 hemp-derived consumable product;

19 (3) Require an employer to accommodate the use of a hemp-  
20 derived consumable product in a workplace or an employee  
21 working while under the influence of a hemp-derived consumable  
22 product;

23 (4) Require an individual or establishment in lawful possession  
24 of hemp-derived consumable products to admit a guest, client,  
25 customer, or other visitor who is impaired as a result of the person's  
26 use of a hemp-derived consumable product;

27 (5) Exempt a person from prosecution for a criminal offense  
28 related to impairment or intoxication resulting from the use of a  
29 hemp-derived consumable product or relieve a person from any  
30 requirement under law to submit to a breath, blood, urine, or other  
31 test to detect the presence of a controlled substance;

32 (6) Limit the ability of an employer to establish, continue, or  
33 enforce a drug-free workplace program or policy;

34 (7) Create a cause of action against an employer for wrongful  
35 discharge or discrimination; or

36 (8) Allow the possession, sale, manufacture, or distribution of  
37 any controlled substance that is otherwise prohibited by New Jersey  
38 Controlled Dangerous Substances Act, P.L. 1970, c. 226 (C.24:21-1  
39 et al.).

40  
41 18. (New section) a. There is levied a tax at the rate of 6% of  
42 the sales price of products containing hemp-derived consumable  
43 products or hemp-derived beverages when sold by a retailer in this  
44 State, of which 1% is set aside for social equity programs such as  
45 legal services, apprenticeships, financial assistance, and workforce  
46 development.

47 b. The tax levied under this section is due and payable monthly  
48 on the first day of each month, and for the purpose of ascertaining

1 the amount of tax payable under this section, all retailers making  
2 taxable sales on or before the twentieth day of each month shall  
3 register with the New Jersey Division of Revenue and Enterprise  
4 Services and shall file electronically with the New Jersey Division  
5 of Taxation upon forms prescribed by the Division of Taxation  
6 returns showing gross sales during the preceding month.

7 c. All revenue generated from the tax levied pursuant to  
8 subsection a. shall be deposited into a special account in the state  
9 general fund, with 50% being allocated to the Department of  
10 Treasury and 50% being allocated to the Department of Agriculture,  
11 to be used exclusively for the regulation of products containing  
12 hemp-derived consumable products in this State.

13 d. A municipality may charge a local hemp excise tax of up to  
14 2% on retail sales of hemp-derived consumable products, including  
15 hemp-derived beverages.

16  
17 19. (New section) a. The New Jersey Department of Education  
18 shall adopt a written policy prohibiting the use of any hemp-derived  
19 consumable products by any person in school buildings, facilities,  
20 or campuses, on school buses or transportation services vehicles,  
21 and in or on any other property owned or operated by the school.  
22 The policy shall further prohibit the use of hemp-derived  
23 consumable products by any person attending a school-sponsored  
24 event when in the presence of students or school personnel.

25 b. The policy shall include the following:

26 (1) Adequate notice to students, parents, the public, and school  
27 personnel of the policy;

28 (2) Posting of signs prohibiting at all times the use of hemp-  
29 derived consumable products by any person in and on school  
30 property; and

31 (3) Requirements that school personnel enforce the policy.

32 c. Subsection a. of this section shall not apply where hemp-  
33 derived consumable products are included as part of instructional or  
34 research activities and which is supervised by faculty members and  
35 does not include ingesting any hemp-derived consumable product.

36 d. Nothing in this section or any other section of P.L. , c.  
37 (C. ) (pending before the Legislature as this bill) prohibits a  
38 governing body of a public school unit from adopting and enforcing  
39 a more restrictive policy on the use of hemp-derived consumable  
40 products in school buildings, in school facilities, on school  
41 campuses, at school-related or school-sponsored events, or in or on  
42 other school property.

43  
44 20. (New section) a. The department shall adopt rules and  
45 regulations to effectuate the provisions of P.L. , c. (C. )  
46 (pending before the Legislature as this bill). The rules and  
47 regulations adopted pursuant to this section and P.L. , c.



- 1 (C. ) (pending before the Legislature as this bill) shall include,  
2 but not be limited to, provisions concerning:
- 3 (1) packaging of hemp-derived consumable products, including  
4 requiring child-resistant packaging that satisfies the standards under  
5 16 C.F.R. s.1700.15(b)(1) when tested in accordance with the  
6 requirements of 16 C.F.R. s.1700.20, consumer protections  
7 warnings, nutritional facts, and the inclusion of expiration dates;
- 8 (2) product testing and safety standards, including identifying  
9 independent laboratories which provide mandatory testing of hemp-  
10 derived consumable products as required pursuant to P.L. , c.  
11 (C. ) (pending before the Legislature as this bill);
- 12 (3) advertisement restrictions, including prohibiting a  
13 manufacturer, distributor, retailer, or a seller of a hemp-derived  
14 consumable product from advertising, marketing, or offering for  
15 sale the product by using, in the labeling or design of the product or  
16 product packaging, or in advertising or marketing materials for the  
17 product, any imagery or scenery that depicts or signifies characters  
18 or symbols known to appeal primarily to persons under 21 years of  
19 age, including, but not limited to, superheroes, comic book  
20 characters, video game characters, television show characters,  
21 movie characters, mythical creatures, or unicorns;
- 22 (4) any additional fees to be charged by the department to cover  
23 the reasonable costs of administering P.L. , c. (C. )  
24 (pending before the Legislature as this bill);
- 25 (5) hours and operations of retailers which sell hemp-derived  
26 consumable products to consumers;
- 27 (6) penalties for any violations related to the packaging or  
28 advertisement requirements established by the department;
- 29 (7) labeling of hemp-derived consumable products, including  
30 requiring the label to include a consumer protection warning with  
31 the following information:
- 32 (a) a list of ingredients and possible allergens and a nutritional  
33 fact panel or a code that may be scanned that directs consumers to a  
34 website containing such information;
- 35 (b) a statement that use of a hemp-derived consumable product  
36 while pregnant or breastfeeding may be harmful;
- 37 (c) a statement that the consumption of certain cannabinoids  
38 may impair a person's ability to drive and operate heavy machinery;
- 39 (d) a statement that the product is not approved by the United  
40 States Food and Drug Administration;
- 41 (e) a statement to keep out of reach of children;
- 42 (f) a statement to consult a physician before use;
- 43 (g) if the product is ingestible, the amount of hemp-derived  
44 cannabinoid in each serving of the product, measured in milligrams;
- 45 (h) the total amount of hemp-derived cannabinoid in the entire  
46 package, measured in milligrams;
- 47 (i) the net weight of the product;

- 1 (j) a code that can be scanned to access a website providing the  
2 product's batch number, date received, date of completion, and  
3 method of analysis for the testing required; and
- 4 (k) an expiration date in accordance with applicable federal law;
- 5 (8) establish limitations on non-liquid ingestible products,  
6 including that a non-liquid ingestible hemp-derived consumable  
7 product shall not:
- 8 (a) be sold in a serving that contains more than 25 milligrams, in  
9 the aggregate of one or more of the following hemp derived  
10 cannabinoids:
- 11 (i) Delta-7 tetrahydrocannabinol;  
12 (ii) Delta 8 tetrahydrocannabinol;  
13 (iii) Delta-9 tetrahydrocannabinol; or  
14 (iv) Delta 10 tetrahydrocannabinol; and
- 15 (b) be formed in the shape of an animal or cartoon character;
- 16 (9) establish limitations on liquid ingestible products, including  
17 that a liquid ingestible hemp-derived consumable product shall not  
18 be sold in a serving that contains more than 10 milligrams, in the  
19 aggregate, of one or more of the following hemp-derived  
20 cannabinoids:
- 21 (a) Delta-7 tetrahydrocannabinol;  
22 (b) Delta 8 tetrahydrocannabinol;  
23 (c) Delta-9 tetrahydrocannabinol; or  
24 (d) Delta 10 tetrahydrocannabinol;
- 25 (10) establish limitations on inhalable hemp-derived consumable  
26 products, including that a inhalable product shall not be sold in a  
27 container that contains more than 3 milliliters of hemp-derived  
28 cannabinoids, in the aggregate, of one or more of the following  
29 hemp-derived cannabinoids:
- 30 (a) Delta-7 tetrahydrocannabinol;  
31 (b) Delta 8 tetrahydrocannabinol;  
32 (c) Delta-9 tetrahydrocannabinol; or  
33 (d) Delta 10 tetrahydrocannabinol; and
- 34 (11) any other rules or regulations the department deems  
35 necessary to effectuate P.L. , c. (C. ) (pending before the  
36 Legislature as this bill).
- 37 b. Notwithstanding any provision of the "Administrative  
38 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the  
39 contrary, and in accordance with the authority established pursuant  
40 to section 5 of P.L.2019, c.238 (C.4:28-10), the department is  
41 authorized to adopt immediately upon filing with the Office of  
42 Administrative Law rules and regulations necessary to implement  
43 P.L. , c. (C. ) (pending before the Legislature as this bill).  
44 The rules and regulations adopted pursuant to this section shall be  
45 effective for a period not to exceed 18 months following the date of  
46 filing and may thereafter be amended, adopted, or readopted by the  
47 director in accordance with the requirements of P.L.1968, c.410  
48 (C.52:14B-1 et seq.).

1 c. Following any rules or regulations adopted by the department  
2 in accordance with P.L. , c. (C. ) (pending before the  
3 Legislature as this bill), the department shall, and in accordance  
4 with the "Administrative Procedure Act," P.L.1968, c.410  
5 (C.52:14B-1 et seq.), adopt rules and regulations as necessary to  
6 implement P.L. , c. (C. ) (pending before the Legislature as  
7 this bill).

8 d. Nothing in P.L. , c. (C. ) (pending before the  
9 Legislature as this bill) shall be construed or interpreted to limit the  
10 enforceability or applicability of the federal "Agriculture  
11 Improvement Act of 2018," Pub.L.115-334 or the "New Jersey  
12 Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

13  
14 21. The following sections are repealed:

15 Section 4 of P.L.2024, c.73 (C.24:6I-48.1);

16 Section 5 of P.L.2024, c.73 (C.24:6I-48.2);

17 Section 8 of P.L.2024, c.73 (C.24:6I-48.3); and

18 Section 11 of P.L.2024, c.73 (C.24:6I-48.4).

19  
20 22. This act shall take effect as follows:

21 a. Sections 8, 10 through 18, and 20 shall take effect 30 days  
22 after the initial adoption of regulations by the Department of  
23 Agriculture, except that the Department of Agriculture may take  
24 any anticipatory administrative action in advance as shall be  
25 necessary for the implementation of P.L. , c. (C. ) (pending  
26 before the Legislature as this bill);

27 b. The remainder of P.L. , c. (C. ) (pending before the  
28 Legislature as this bill) shall take effect immediately.

29  
30  
31 STATEMENT

32  
33 This bill establishes a licensing scheme for the regulation of  
34 hemp-derived consumable products by the Department of  
35 Agriculture (department) and hemp-derived beverages by the New  
36 Jersey Division of Alcoholic Beverage Control (ABC).

37  
38 Licensing

39 Businesses or entities involved in the manufacturing,  
40 distribution, or sale of hemp-derived consumable products  
41 (products) are required to obtain a license from the department prior  
42 to beginning operations or within 30 days after the department has  
43 adopted rules and regulations for the application and licensing of  
44 businesses. Entities holding certain existing licenses related to  
45 alcoholic beverages are permitted to sell or manufacture hemp-  
46 derived products by paying an annual fee and maintaining  
47 registration with the ABC. This includes the holders of the  
48 following ABC licenses:

- 1 (1) plenary retail consumption license;
- 2 (2) seasonal retail consumption license;
- 3 (3) plenary retail distribution license;
- 4 (4) plenary retail transit license;
- 5 (5) club license;
- 6 (6) sporting facility license;
- 7 (7) plenary brewery license;
- 8 (8) limited brewery license;
- 9 (9) restricted brewery license; and
- 10 (10) plenary wholesale license.

11 See N.J.S.A.33:1-10 through N.J.S.A.33:1-12 for definitions of  
12 these license holders.

13 Both new and existing licensees are subject to inspections,  
14 product sampling, and background checks in accordance with this  
15 bill and the rules and regulations adopted by the department.

16 The various monies from licensing fees or penalties would be  
17 placed in the “New Jersey Hemp Farming Fund” established by  
18 N.J.S.A.4:28-13.

19 The bill prohibits a license from being granted to any business  
20 that is attempting to operate and sell products within 1,000 feet of  
21 any elementary or secondary school, or any municipal or county  
22 playground. This does not apply to any business which was selling  
23 products before the effective date of the bill or where a school or  
24 playground is established within 1,000 feet subsequent to the bills  
25 enactment.

26

#### 27 Regulatory Authority

28 The bill grants the department the authority to adopt rules and  
29 regulations to implement the provisions of the bill that concerns  
30 hemp-derived consumable products.

31 The regulations will cover:

- 32 (1) packaging and labeling requirements, including child-  
33 resistant packaging and consumer warnings;
- 34 (2) product testing and safety standards;
- 35 (3) advertising standards;
- 36 (4) business operation standards;
- 37 (5) the imposition of penalties for violations of the bill or the  
38 rules and regulations adopted by the department; and
- 39 (6) standards and restrictions for non-liquid ingestible products,  
40 liquid ingestible products, and inhalable products.

41

#### 42 Restrictions on Sale of Products

43 The bill prohibits selling products to individuals under 21 years  
44 of age, distributing samples of products in public spaces, operating  
45 without a license, selling products which contain a concentration of  
46 delta-9 tetrahydrocannabinol (THC) that is more than 0.3% on a dry  
47 weight basis, and selling a product without proper packaging.  
48 Further, the bill requires that any retail sale of a product complies

1 with the regulations adopted by the department, including placing  
2 products behind a counter and ensuring certification that the  
3 product was properly tested.

4 Violations of these restrictions can result in various civil  
5 penalties, including increasing fines for repeat offenders, and  
6 suspension or revocation of licenses. Products with a concentration  
7 of delta-9 THC that is more than 0.3% on a dry weight basis and are  
8 retailed may be seized by the department. A person who sells a  
9 product without a valid license twice in violation of this bill would  
10 be guilty of a disorderly persons offense. If a person commits this  
11 offense a third or subsequent time, the person is guilty of a fourth  
12 degree crime. A disorderly persons offense is punishable by up to  
13 six months imprisonment, a fine of up to \$1,000, or both. A fourth  
14 degree crime is punishable by up to 18 months imprisonment, a fine  
15 of up to \$10,000, or both.

16

#### 17 Restrictions on Producers

18 Producers of hemp that is intended for use in products are  
19 restricted to selling or transferring the products only to licensed  
20 manufacturers. Violations of this provision would result in  
21 penalties ranging from \$500, for a first offense, to \$2,000 for  
22 subsequent offenses within three years of the first violation. A  
23 producer may avoid suspension or revocation of its license by  
24 paying a \$3,000 penalty. If payment-in-lieu-of-revocation is  
25 accepted by the department, the department is prohibited from  
26 revoking the license, though the department reserves the right to  
27 still suspend the license.

28 Repeat offenders may face criminal charges, with a second  
29 violation of these restrictions resulting in a disorderly persons  
30 offense, and a third or subsequent offense potentially resulting in a  
31 fourth degree crime.

32 A disorderly persons offense is punishable by up to six months  
33 imprisonment, a fine of up to \$1,000, or both. A fourth degree  
34 crime is punishable by up to 18 months imprisonment, a fine of up  
35 to \$10,000, or both.

36

#### 37 Manufacture and Distributor Restrictions

38 The bill prohibits a manufacturer or distributor from distributing  
39 samples in public spaces, operating without a valid license issued  
40 by the department, and manufacturing or distributing a product that  
41 has a concentration of delta-9 THC that is more than 0.3% on a dry  
42 weight basis. A knowing violation of these restrictions would result  
43 in a disorderly persons offense. A disorderly persons offense is  
44 punishable by up to six months imprisonment, a fine of up to  
45 \$1,000, or both.

46 Further, the bill provides for civil penalties for a violation of  
47 these provisions, including license suspension or revocation,  
48 limitations on business hours, and increasing fines for repeat

1 violations. Manufacturers and distributors may avoid suspension or  
2 revocation by paying a penalty of \$8,000. If payment-in-lieu-of-  
3 suspension or revocation is accepted by the department, the  
4 department is prohibited from suspending or revoking the license.

5 If the violation is related to a product that has a concentration of  
6 delta-9 THC that is more than 0.3% on a dry weight basis, the  
7 license holder is required to cover additional testing costs. For such  
8 a violation, the bill permits a license holder to avoid the additional  
9 penalties if the batch is recalled and the license holder proves  
10 compliance through an independent testing laboratory. The  
11 department is authorized to seize products that exceed the delta-9  
12 THC threshold.

13

#### 14 General Restrictions

15 The bill makes it illegal to provide a product to anyone under 21  
16 years of age, and for individuals under 21 years of age to possess or  
17 attempt to purchase products. Further, the bill prohibits the  
18 fraudulent use of an identification, whether a fake identification or  
19 using someone else's identification, to buy product. Under the bill,  
20 violations of these provisions, relating to attempting to buy a  
21 product while under 21 years of age or the use of a fake  
22 identification card, are petty disorderly persons offenses. Providing  
23 a product to a person under 21 years of age or permitting the  
24 fraudulent use of another person's identification is a disorderly  
25 persons offense. A petty disorderly persons offense is punishable  
26 by up to 30 days imprisonment, a fine of up to \$500, or both. A  
27 disorderly persons offense is punishable by up to six months  
28 imprisonment, a fine of up to \$1,000, or both.

29 The bill clarifies that individuals under 21 years of age are  
30 allowed to handle these products if doing so is part of lawful  
31 employment.

32

#### 33 Testing Requirements

34 The bill requires that licensed manufacturers of products have  
35 the products tested for compliance with the bill and the rules and  
36 regulations adopted by the department prior to distributing the  
37 product to distributors, retailers, or sellers. Distributors are  
38 required to test the product if: the product is not packaged in a  
39 manner that may be sold to the consumer of the product when  
40 delivered to the distributor; or the distributor opens a product  
41 package that is packaged in a manner that may be sold to the  
42 consumer.

43 The department is required to develop an application process for  
44 independent testing laboratories to qualify as designated  
45 laboratories for testing purposes. After approving such  
46 applications, the department is required to maintain a website of  
47 those laboratories and designate qualified independent testing  
48 laboratories for manufacturers and distributors to use.

1 If testing is not completed in accordance with the bill, the  
2 department can impose penalties, including license suspension or  
3 revocation, or increasing fines for repeated violations.  
4 Manufacturers and distributors may avoid suspension or revocation  
5 by paying a penalty of \$8,000. If payment-in-lieu-of revocation is  
6 accepted by the department, the department is prohibited from  
7 revoking the license, though the department reserves the right to  
8 still suspend the license.

#### 9 10 Taxes

11 The bill imposes a 6% tax on the retail sale of products in New  
12 Jersey, with 1% of the tax revenue designated for social equity  
13 programs such as legal services and workforce development.  
14 Further, the bill requires retailers to pay the tax monthly, register  
15 with the New Jersey Division of Revenue and Enterprise Services,  
16 and file returns electronically. Finally, the bill directs that tax  
17 revenue will be split evenly between the Department of Treasury  
18 and the Department of Agriculture to regulate products. The bill  
19 permits municipalities to impose a local excise tax of up to 2% on  
20 the retail sales of products.

#### 21 22 Exemptions from Regulation

23 Certain hemp products and facilities are exempted from  
24 regulation of the bill. These include any “safe harbor hemp  
25 product” or “safe harbor manufacture or storage facility.”

26 Under the bill, a "safe harbor hemp product" is a hemp-derived  
27 product or cannabinoid that is permitted to be processed and  
28 distributed within New Jersey for export but is not allowed to be  
29 sold or distributed within the State. A "safe harbor manufacturer or  
30 storage facility" is a facility involved in the production, packaging,  
31 or transport of such products, but only for export purposes.

#### 32 33 Limitations of Act

34 The bill does not permit or legalize certain actions related to the  
35 products. Specifically, it does not:

36 (1) allow performing tasks under the influence of products that  
37 would be considered negligent or malpractice if performed while  
38 impaired;

39 (2) permit operating vehicles or machinery while impaired;

40 (3) require employers to accommodate workplace use or tolerate  
41 impairment;

42 (4) require retailers or sellers to permit access to a premises by a  
43 person under the influence;

44 (5) exempt people from criminal prosecution for intoxication;

45 (6) prohibit employers from maintaining drug-free policies; or

46 (7) permit the possession or sale of controlled substances  
47 prohibited by New Jersey law.

1 Schools

2 The bill requires the New Jersey Department of Education to  
3 implement a policy banning the use of the products in school  
4 buildings and facilities, on school transportation, and at school-  
5 sponsored events involving students and staff. The bill does  
6 provide an exception for instructional or research activities which  
7 are supervised by faculty and which do not involve ingestion of any  
8 products.

9 The bill permits school governing bodies to establish more  
10 stringent requirements than established under the bill regarding the  
11 use of the products.

12

13 Repealer

14 The bill repeals the recent enactment of P.L.2024, c.73 related to  
15 intoxicating hemp products. Specifically, the bill repeals  
16 N.J.S.A.24:6I-48.1; N.J.S.A.24:6I-48.2; N.J.S.A.24:6I-48.3; and  
17 N.J.S.A.24:6I-48.4.