

P.L. 2025, CHAPTER 325, *approved January 20, 2026*
Senate, No. 4847 (*Fourth Reprint*)

1 AN ACT concerning Cannabis Regulatory Commission members ¹,
2 reforming the legalized medical and personal use cannabis
3 marketplace,¹ and amending ¹**【P.L.2019, c.153 and P.L.2021,**
4 **c.16】** various parts of the statutory law and supplementing chapter
5 35 of Title 2C of the New Jersey Statutes¹.
6

7 **BE IT ENACTED** *by the Senate and General Assembly of the State*
8 *of New Jersey:*
9

10 1. Section 31 of P.L.2019, c.153 (C.24:6I-24) is amended to
11 read as follows:

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

14 (1) assume all powers, duties, and responsibilities with regard to
15 the regulation and oversight of activities authorized pursuant to
16 P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health
17 for the further development, expansion, regulation, and enforcement
18 of activities associated with the medical use of cannabis pursuant to
19 P.L.2009, c.307 (C.24:6I-1 et al.). All powers, duties, and
20 responsibilities with regard to the regulation and oversight of
21 activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
22 shall be transferred from the Department of Health to the Cannabis
23 Regulatory Commission at such time as the members of the
24 commission are appointed as provided in subsection b. of this
25 section and the commission first organizes. Thereafter, any
26 reference to the Department of Health or the Commissioner of
27 Health in any statute or regulation pertaining to the provisions of
28 P.L.2009, c.307 (C.24:6I-1 et al.) shall be deemed to refer to the
29 Cannabis Regulatory Commission. The provisions of this
30 paragraph shall be carried out in accordance with the "State Agency
31 Transfer Act," P.L.1971, c.375 (C.52:14D-1 et seq.); and

32 (2) 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.).

35 b. (1) The commission shall consist of five members, one of
36 whom shall be designated by **【the Governor as the chair】** a majority
37 of the total authorized members as the chair, and one of whom shall
38 be designated the vice-chair in accordance with the appointment
39 process set forth in paragraph (7) of this subsection. The chair shall

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SJU committee amendments adopted December 1, 2025.

²Senate SBA committee amendments adopted December 8, 2025.

³Senate floor amendments adopted December 22, 2025.

⁴Assembly floor amendments adopted January 12, 2026.

1 not have direct supervisory powers over the remaining members of
2 the commission.

3 (2) The members of the commission shall be directly appointed
4 as follows:

5 (a) One member shall be appointed by the Senate President;

6 (b) One member shall be appointed by the Speaker of the
7 General Assembly;

8 (c) Three members **】, including the chair,】** shall be appointed
9 by the Governor.

10 (3) **¹【Initial appointments of commission members pursuant to**
11 **paragraph (2) of this subsection shall not require the advice and**
12 **consent of the Senate. Subsequent appointments made pursuant to**
13 **subparagraph (c) of paragraph (2) of this subsection, including**
14 **reappointments of members initially appointed, shall be made with**
15 **the advice and consent of the Senate. Subsequent appointments**
16 **made pursuant to subparagraphs (a) and (b) of paragraph (2) of this**
17 **subsection shall be made in the same manner as the original**
18 **appointment.】 Deleted by amendment P.L. , c. (pending before**
19 **the Legislature as this bill)¹**

20 (4) All five members shall be residents of this State. At least
21 one member shall be a State representative of a national
22 organization or State branch of a national organization with a stated
23 mission of studying, advocating, or adjudicating against minority
24 historical oppression, past and present discrimination,
25 unemployment, poverty and income inequality, and other forms of
26 social injustice or inequality, and all five members shall possess
27 education, training, or experience with legal, policy, or criminal
28 justice issues, corporate or industry management, finance,
29 securities, or production or distribution, medicine or pharmacology,
30 or public health, mental health, or substance use disorders.

31 (5) The chair and the other members shall serve for terms of five
32 years; provided that, for the two other members initially appointed
33 by the Governor without any needed recommendation, one shall be
34 appointed for a term of four years, and one shall be appointed for a
35 term of three years. The chair and the other members shall serve in
36 their respective capacities throughout their entire term and until
37 their successors shall have been duly appointed and qualified. Any
38 vacancy in the commission occurring for any reason other than the
39 expiration of a term **¹【, including a vacancy occurring during the**
40 **term of the initial chair or another initial member,】¹ shall be filled**
41 **¹【in accordance with the requirements for subsequent appointments**
42 **set forth in paragraph (3) of this subsection】 by the appropriate**
43 **appointing authority¹ for the remainder of the unexpired term only.**

44 (6) (a) The chair and other members of the commission shall
45 devote full time to their respective duties of office and shall not
46 pursue or engage in any other business, occupation, or gainful
47 employment. Each member shall receive an annual salary **³【to be**

1 fixed and established by the Governor³, which for the chair shall
2 ³~~be~~ ³[\$141,000,] \$165,000 and for the other members
3 shall ³~~be~~ ³[\$] ¹\$125,000] \$160,000.

4 (b) Notwithstanding subparagraph (a) of this paragraph, a
5 member may hold local elected office, provided that, in the
6 judgment of the State Ethics Commission and Local Finance Board
7 of the Department of Community Affairs, such office or
8 employment will not interfere with the member's responsibilities to
9 the commission, and will not create a conflict of interest, or
10 reasonable risk of the public perception of a conflict of interest, on
11 the part of the member.

12 In accordance with this subparagraph, a member who holds local
13 elected office shall be permitted to campaign for local elected office
14 in the same year as the election for such office, and shall be
15 permitted to fundraise for that campaign. ¹A person with any
16 ownership interest in a cannabis business shall not be permitted to
17 donate to the campaign of a person seeking local elected office if
18 such person is also a member of the commission. A member of the
19 commission who is seeking to concurrently hold local elected office
20 shall not accept any campaign donations from any person with an
21 ownership interest in a cannabis business.¹

22 (7) The members of the commission ¹~~],~~ at the commission's first
23 meeting when called by the chair,¹ shall elect, by a majority of the
24 total authorized membership of the commission, one of the
25 members who is appointed ¹~~based upon the recommendation of]~~
26 ¹by the Senate President or Speaker of the General Assembly as set
27 forth in paragraph (2) of this subsection to serve as vice-chair
28 during that member's term. A new vice-chair shall be elected upon
29 the expiration of the current vice-chair's term, even if that member
30 remains on the commission until that member's successor is duly
31 appointed and qualified. The vice-chair shall be empowered to
32 carry out all of the responsibilities of the chair during the chair's
33 absence, disqualification, or inability to serve.

34 (8) A majority of the total authorized membership of the
35 commission shall be required to establish a quorum, and a majority
36 of the total authorized membership of the commission shall be
37 required to exercise its powers at any meeting thereof. However,
38 only if all five commissioners have been duly appointed in
39 accordance with the appointment process set forth in paragraph (2)
40 of this subsection, and five appointed commissioners are present at
41 a meeting, may a majority of the total authorized membership act to
42 assume the powers, duties, and responsibilities with regard to the
43 regulation and oversight of activities authorized pursuant to
44 P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health;
45 and similarly, only if all five appointed commissioners are present
46 at a meeting, may a majority of the total authorized membership act
47 to adopt the commission's initial rules and regulations concerning

1 personal use cannabis pursuant to subparagraph (a) of paragraph (1)
2 of subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34), by
3 which the licensing of cannabis establishments, distributors, and
4 delivery services, and the lawfully permitted licensing activities of
5 those establishments, distributors, and delivery services may begin.

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

8 (10) Any member of the commission may be removed from
9 office by the Governor, for cause, upon notice and opportunity to be
10 heard at a public hearing. Any member of the commission shall
11 automatically forfeit the member's office upon conviction for any
12 crime.

13 c. (1) The commission shall establish, and from time to time
14 alter, a plan of organization, and employ personnel as it deems
15 necessary under the direct supervision of a full-time executive
16 director for the commission. The plan of organization shall include
17 the Office of Minority, Disabled Veterans, and Women Cannabis
18 Business Development established by section 32 of P.L.2019, c.153
19 (C.24:6I-25).

20 (a) The initial executive director shall be appointed by the
21 Governor, and thereafter every subsequent executive director shall
22 be appointed by the Governor with the advice and consent of the
23 Senate. The executive director shall serve at the pleasure of the
24 appointing Governor during the Governor's term of office and until
25 a successor has been duly appointed and qualified. Any vacancy in
26 the office occurring for any reason other than the expiration of a
27 term, including a vacancy occurring during the term of the initial
28 executive director, shall be filled for the unexpired term only in the
29 same manner as the appointment of any subsequent executive
30 director as set forth herein. The executive director shall receive an
31 annual salary to be fixed and established by the Governor, which
32 shall not exceed **[\$141,000]** ²**[\$165,000]** \$175,000².

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

39 (ii) If, as a result of transferring powers, duties, and
40 responsibilities with regard to the regulation and oversight of
41 activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
42 from the Department of Health to the commission pursuant to
43 subsection a. of this section, the commission needs to employ an
44 individual to fill a position, employees of the department who
45 performed the duties of the position to be filled shall be given a
46 one-time right of first refusal offer of employment with the
47 commission, and such employees may be removed by the
48 commission for cause or if deemed unqualified to hold the position,

1 notwithstanding any other provision of law to the contrary. A
2 department employee who becomes employed by the commission
3 shall retain as an employee of the commission the seniority, and all
4 rights related to seniority, that the employee had with the
5 department as of the last day of employment with the department;
6 provided, however, that such seniority and seniority rights shall be
7 retained only by an employee who was transferred from
8 employment with the department to employment with the
9 commission, and shall not be retained by an employee who was
10 removed from employment with the department due to layoff
11 procedures or who resigned from a position with the department
12 prior to being hired by the commission.

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

19 (3) The commission may incur additional expenses within the
20 limits of funds available to it in order to carry out its duties,
21 functions, and powers under P.L.2009, c.307 (C.24:6I-1 et al.) and
22 P.L.2021, c.16 (C.24:6I-31 et al.).

23 d. With respect to the activities of the commission, neither the
24 President of the Senate or the Speaker of the General Assembly
25 shall be permitted to appear or practice or act in any capacity
26 whatsoever before the commission regarding any matter
27 whatsoever, nor shall any member of the immediate family of the
28 Governor, President of the Senate, or Speaker of the General
29 Assembly be permitted to so practice or appear in any capacity
30 whatsoever before the commission regarding any matter
31 whatsoever. As used in this subsection, "immediate family" means
32 the spouse, domestic partner, or civil union partner, and any
33 dependent child or stepchild, recognized by blood or by law, of the
34 Governor, President of the Senate, or Speaker of the General
35 Assembly, or of the spouse, domestic partner, or civil union partner
36 residing in the same household as the Governor, President of the
37 Senate, or Speaker of the General Assembly.

38 e. The commission may designate its powers and authority as it
39 deems necessary and appropriate to carry out its duties and
40 implement the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) and
41 P.L.2021, c.16 (C.24:6I-31 et al.).

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

46 (1) the commission's organization;

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

1 (3) the overall effectiveness of the commission as a full time
2 entity; and

3 (4) whether the regulation and oversight of medical cannabis or
4 personal use cannabis could be more effectively and efficiently
5 managed through a reorganization of the commission, consolidation
6 of the commission within the Department of Health or another
7 Executive Branch department, conversion to a part-time
8 commission, or the transfer of some or all of the commission's
9 operations elsewhere within the Executive Branch.

10 The commission shall submit the findings of the independent
11 study, along with the commission's recommendations for
12 appropriate executive, administrative, or legislative action, to the
13 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
14 19.1), to the Legislature.
15 (cf: P.L.2025, c.86, s.2)

16

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

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

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

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

31 c. The Code of Ethics promulgated and maintained by the
32 commission, and any amendments or restatements thereof, shall be
33 submitted to the State Ethics Commission for approval. The Code of
34 Ethics shall include, but not be limited to, provisions that:

35 (1) No commission member or employee shall be permitted to
36 enter and engage in any activities, nor have any interest, directly or
37 indirectly, in any medical cannabis cultivator, medical cannabis
38 manufacturer, medical cannabis dispensary, or clinical registrant
39 issued a permit by the commission in accordance with P.L.2009, c.307
40 (C.24:6I-1 et al.) or any entity that employs any certified medical
41 cannabis handler to perform transfers or deliveries of medical
42 cannabis, or any cannabis cultivator, cannabis manufacturer, cannabis
43 wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery
44 service issued a license by the commission in accordance with
45 P.L.2021, c.16 (C.24:6I-31 et al.) or any entity that employs or uses a
46 certified personal use cannabis handler to perform work for or on
47 behalf of a licensed cannabis establishment, distributor, or delivery
48 service, except in the course of the member's or employee's duties;

1 provided that nothing in this paragraph shall be construed to prohibit a
2 member or employee who is a registered qualifying patient, or who is
3 serving as a designated caregiver or institutional caregiver for a
4 registered qualifying patient, from being dispensed medical cannabis
5 consistent with the requirements of P.L.2009, c.307 (C.24:6I-1 et al.);
6 and further provided that nothing in this paragraph shall be construed
7 to prohibit a member or employee from being sold cannabis items by a
8 cannabis retailer as a consumer as authorized by P.L.2021, c.16
9 (C.24:6I-31 et al.).

10 (2) No commission member or employee shall solicit or accept
11 employment from any holder of, or applicant for, a medical cannabis
12 cultivator, medical cannabis manufacturer, medical cannabis
13 dispensary, or clinical registrant permit or any entity that employs any
14 certified medical cannabis handler to perform transfers or deliveries of
15 medical cannabis, or a cannabis cultivator, cannabis manufacturer,
16 cannabis wholesaler, cannabis distributor, cannabis retailer, or
17 cannabis delivery service license or any entity that employs or uses a
18 certified personal use cannabis handler to perform work for or on
19 behalf of a licensed cannabis establishment, distributor, or delivery
20 service, for a period of two years after termination of service with the
21 commission, except as otherwise provided in section 35 of P.L.2019,
22 c.153 (C.24:6I-28).

23 (3) No commission member or employee shall act in the member's
24 or employee's official capacity in any matter wherein the member,
25 employee, or the member's or employee's spouse, domestic partner, or
26 partner in a civil union couple, or child, parent, or sibling has a direct
27 or indirect personal financial interest that might reasonably be
28 expected to impair the member's or employee's objectivity or
29 independence of judgment.

30 (4) No commission member or employee shall act in the member's
31 or employee's official capacity in a matter concerning any holder of, or
32 applicant for, a medical cannabis cultivator, medical cannabis
33 manufacturer, medical cannabis dispensary, or clinical registrant
34 permit or any entity that employs any certified medical cannabis
35 handler to perform transfers or deliveries of medical cannabis, or a
36 cannabis cultivator, cannabis manufacturer, cannabis wholesaler,
37 cannabis distributor, cannabis retailer, or cannabis delivery service
38 license or any entity that employs or uses a certified personal use
39 cannabis handler to perform work for or on behalf of a licensed
40 cannabis establishment, distributor, or delivery service, who is the
41 employer of a spouse, domestic partner, or partner in a civil union
42 couple, or child, parent, or sibling of the commission member or
43 employee when the fact of the employment of the spouse, domestic
44 partner, or partner in a civil union couple, or child, parent, or sibling
45 might reasonably be expected to impair the objectivity and
46 independence of judgment of the commission member or employee.

47 (5) No spouse, domestic partner, or partner in a civil union couple,
48 or child, parent, or sibling of a commission member shall be employed

1 in any capacity by any holder of, or applicant for, a medical cannabis
2 cultivator, medical cannabis manufacturer, medical cannabis
3 dispensary, or clinical registrant permit or any entity that employs any
4 certified medical cannabis handler to perform transfers or deliveries of
5 medical cannabis, or a cannabis cultivator, cannabis manufacturer,
6 cannabis wholesaler, cannabis distributor, cannabis retailer, or
7 cannabis delivery service license or any entity that employs or uses a
8 certified personal use cannabis handler to perform work for or on
9 behalf of a licensed cannabis establishment, distributor, or delivery
10 service, nor by any holding, intermediary, or subsidiary company
11 thereof.

12 (6) **[No]** Except for any matter for which a member is recused, a
13 commission member [shall] , including the chair, the executive
14 director of the commission, and any other employee of the commission
15 holding a supervisory or policy-making management position may
16 meet and discuss with any person [, except for any other member of
17 the commission or employee of the commission, or discuss] any issues
18 involving any pending or proposed application or any matter
19 whatsoever which may reasonably be expected to come before the
20 commission, or any member thereof, for determination **[unless the**
21 **meeting or discussion takes place on the business premises of the**
22 **commission, provided, however, that commission members may meet**
23 **to consider matters requiring the physical inspection of equipment or**
24 **premises at the location of the equipment or premises]** , at the business
25 premises of the commission or any other location designated by the
26 commission. All meetings or discussions subject to this paragraph
27 shall be noted in a log maintained for this purpose and available for
28 inspection pursuant to the provisions of P.L.1963, c.73 (C.47:1A-1 et
29 seq.). Any meeting subject to the provisions of this paragraph
30 attended by more than ⁴**[one member]** two members⁴ shall be subject
31 to the ¹**[“Open Public Records Act,”]** “Senator Byron M. Baer Open
32 Public Meetings Act,”¹ P.L.1975, c.231 (C.10:4-6 et seq.).

33 d. No commission member or employee shall have any interest,
34 direct or indirect, in any holder of, or applicant for, a medical cannabis
35 cultivator, medical cannabis manufacturer, medical cannabis
36 dispensary, or clinical registrant permit or any entity that employs any
37 certified medical cannabis handler to perform transfers or deliveries of
38 medical cannabis, or a cannabis cultivator, cannabis manufacturer,
39 cannabis wholesaler, cannabis distributor, cannabis retailer, or
40 cannabis delivery service license or any entity that employs or uses a
41 certified personal use cannabis handler to perform work for or on
42 behalf of a licensed cannabis establishment, distributor, or delivery
43 service, during the member's term of office or employee's term of
44 employment.

45 e. **[Each]** Except as otherwise provided in subparagraph (b) of
46 paragraph (6) of subsection b. of section 21 of P.L.2019, c.153
47 (C.24:6I-24), each commission member and employee shall devote the

1 member's or employee's entire time and attention to the member's or
2 employee's duties, as applicable, and shall not pursue any other
3 business or occupation or other gainful employment; provided,
4 however, that secretarial and clerical personnel may engage in such
5 other gainful employment as shall not interfere with their duties to the
6 commission, unless otherwise directed; and provided further, however,
7 that other employees of the commission may engage in such other
8 gainful employment as shall not interfere or be in conflict with their
9 duties to the commission upon approval by the commission.

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

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

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

19 (b) directly or indirectly coerce, attempt to coerce, command, or
20 advise any person to pay, lend, or contribute anything of value to a
21 party, committee, organization, agency, or person for political
22 purposes; or

23 (c) except as otherwise provided in subparagraph (b) of paragraph
24 (6) of subsection b. of section 21 of P.L.2019, c.153 (C.24:61-24), take
25 any active part in political campaigns or the management thereof,
26 including fundraising for that campaign, provided, however, that
27 nothing herein shall prohibit a member or employee from voting as the
28 member or employee chooses or from expressing personal opinions on
29 political subjects and candidates.

30 (3) A member of the commission and the executive director or any
31 other employee of the commission holding a supervisory or policy-
32 making management position, following written notice by a member
33 or the executive director to the chair, may attend ¹an event not upon
34 the commission premises, including¹ a political event ^{1,1} in the
35 member's, director's, or employee's official capacity. ¹Upon receipt
36 of notification by a member, the chair shall forward such notification
37 to the executive director.¹

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

46 (cf: P.L.2021, c.16, s.9)

1 ¹[3. Section 31 of P.L.2021, c.16 (C.24:6I-45) is amended to
2 read as follows:

3 31. Municipal Regulations or Ordinances.

4 a. A municipality may enact ordinances or regulations, not in
5 conflict with the provisions of P.L.2021, c.16 (C.24:6I-31 et al.):

6 (1) governing the number of cannabis establishments,
7 distributors, or delivery services, as well as the location, manner,
8 and times of operation of establishments and distributors, but the
9 time of operation of delivery services shall be subject only to
10 regulation by the commission; and

11 (2) establishing civil penalties for violation of an ordinance or
12 regulation governing the number of cannabis establishments,
13 distributors, or delivery services that may operate in such
14 municipality, or their location, manner, or the times of operations.

15 b. A municipality may prohibit the operation of any one or
16 more classes of cannabis establishment, or cannabis distributors or
17 cannabis delivery services, but not the delivery of cannabis items
18 and related supplies by a delivery service, within the jurisdiction of
19 the municipality through the enactment of an ordinance, and this
20 prohibiting ordinance shall apply throughout the municipality, even
21 if that municipality or parts thereof fall within any district, area, or
22 other geographical jurisdiction for which land use planning, site
23 planning, zoning requirements or other development authority is
24 exercised by an independent State authority, commission,
25 instrumentality, or agency pursuant to the enabling legislation that
26 governs its duties, functions, and powers, even if this development
27 authority is expressly stated or interpreted to be exclusive
28 thereunder; the local prohibiting ordinance applies, notwithstanding
29 the provisions of any independent State authority law to the
30 contrary. Only an ordinance to prohibit one or more classes of
31 cannabis establishment, or cannabis distributors or cannabis
32 delivery services enacted pursuant to the specific authority to do so
33 by this section shall be valid and enforceable; any ordinance
34 enacted by a municipality prior to the effective date of this section
35 addressing the issue of prohibiting one or more types of cannabis-
36 related activities within the jurisdiction of the municipality is null
37 and void, and that entity may only prohibit the operation of one or
38 more classes of cannabis establishment, or cannabis distributors or
39 cannabis delivery services by enactment of a new ordinance based
40 upon the specific authority to do so by this section. The failure of a
41 municipality to enact an ordinance prohibiting the operation of one
42 or more classes of cannabis establishment, or cannabis distributors
43 or cannabis delivery services within 180 days after the effective
44 date of P.L.2021, c.16 (C.24:6I-31 et al.), shall result in any class of
45 cannabis establishment, or a cannabis distributor or cannabis
46 delivery service that is not prohibited from operating within the
47 municipality as being permitted to operate therein as follows: the
48 growing, cultivating, manufacturing, and selling and reselling of

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

23 c. (1) When the commission receives an application for initial
24 licensing or renewal of an existing license for any cannabis
25 establishment, distributor, or delivery service pursuant to section 19
26 of P.L.2021, c.16 (C.24:6I-36), or endorsement for a cannabis
27 consumption area pursuant to section 28 of P.L.2019, c.153
28 (C.24:6I-21), the commission shall provide, within 14 days, a copy
29 of the application to the municipality in which the establishment,
30 distributor, delivery service, or consumption area is to be located,
31 unless the municipality has prohibited the operation of the
32 particular class of business for which licensure is sought pursuant to
33 subsection b. of this section, or in the case of an application seeking
34 a consumption area endorsement, prohibited the operation of
35 cannabis retailers. The municipality shall determine whether the
36 application complies with its local restrictions on the number of
37 cannabis establishments, distributors, or delivery services, or their
38 location, manner, or times of operation, and the municipality shall
39 inform the commission whether the application complies with its
40 local restrictions.

41 (2) A municipality may impose a separate local licensing or
42 endorsement requirement as a part of its restrictions on the number
43 of cannabis establishments, distributors, or delivery services, or
44 their location, manner, or times of operation. A municipality may
45 decline to impose any local licensing or endorsement requirements,
46 but a local jurisdiction shall notify the commission that it either
47 approves or denies each application forwarded to it.

d. (1) Notwithstanding any provision of law to the contrary, in the case of a medical cannabis dispensary issued a permit pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al), which is applying for approval or renewal of a Class 5 Cannabis Retailer license pursuant to P.L.2021, c.16 (C.24:6I-31 et al.), and which is proposed to be co-located on the premises of an existing medical cannabis dispensary in a municipality that permits the sale of medical cannabis, but not the retail sale of adult-use cannabis items, the Commission shall not require municipal review, consent, or approval as a condition of issuing a Class 5 Cannabis Retailer license for such location. Any prior municipal approval authorizing the medical cannabis dispensary to lawfully operate on the premises shall be deemed to authorize the operation of a Class 5 Cannabis Retailer license at such location

(2) A municipality shall not prohibit the retail sale of cannabis items by any medical cannabis dispensary issued a permit pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al) that has been open and lawfully operating in such municipality without any violation, or notice thereof, for a period of not less than 180 days prior.

(3) Any medical cannabis dispensary operating as of the effective date of P.L.2021, c.16 (C.24:6I-31 et al.) shall not be subject to any municipal restrictions on the number of cannabis dispensaries or locations.

(cf: P.L.2021, c.16, s.31)]¹

¹[4.] 3.¹ Section 4 of P.L.1981, c.142 (C.52:13D-17.2) is amended to read as follows:

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

(1) (a) with respect to casino activity, ¹[activity related to medical cannabis authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), and activity related to personal use cannabis authorized pursuant to P.L.2021, c.16 (C.24:6I-31 et al.)]¹: the Governor; the President of the Senate; the Speaker of the General Assembly; any full-time member of the Judiciary; any full-time professional employee of the Office of the Governor; the head of a principal department; the assistant or deputy heads of a principal department, including all assistant and deputy commissioners; the head of any division of a principal department; any State officer or employee subject to financial disclosure by law or executive order and any other State officer or employee with responsibility for matters affecting casino activity; any special State officer or employee with responsibility for matters affecting casino activity; any member of the Legislature; any full-time professional employee of the Legislature; members of the Casino Reinvestment Development Authority;¹

1 (b) ¹【with respect to casino activity: any State officer or
 2 employee subject to financial disclosure by law or executive order
 3 and any other State officer or employee with responsibility for
 4 matters affecting casino activity; any special State officer or
 5 employee with responsibility for matters affecting casino activity;
 6 any member of the Legislature; any full-time professional employee
 7 of the Legislature; members of the Casino Reinvestment
 8 Development Authority】 Deleted by amendment
 9 P.L. , c. (pending before the Legislature as this bill)¹; or

10 (c) with respect to activity related to medical cannabis
 11 authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) and
 12 activity related to personal use cannabis authorized pursuant to
 13 P.L.2021, c.16 (C.24:6I-31 et al.): ¹【any State officer or employee
 14 subject to financial disclosure by law or executive order and】 the
 15 Governor, the President of the Senate; the Speaker of the General
 16 Assembly; any full-time member of the Judiciary; any full-time
 17 professional employee of the Office of the Governor; the head of a
 18 principal department; the assistant or deputy heads of a principal
 19 department, including all assistant and deputy commissioners; the
 20 head of any division of a principal department;¹ any other State
 21 officer or employee with responsibility for matters affecting
 22 medical cannabis activity or personal use cannabis activity; ¹and¹
 23 any special State officer or employee with responsibility for matters
 24 affecting medical cannabis activity or personal use cannabis activity
 25 ¹【; members of the Cannabis Regulatory Commission】¹; or

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

33 (b) any member of the governing body or the municipal judge of
 34 a municipality, any member of the planning board or zoning board
 35 of adjustment, or any professional planner, or consultant regularly
 36 employed or retained by such planning board or zoning board of
 37 adjustment, of a municipality wherein a medical cannabis
 38 cultivator, medical cannabis manufacturer, medical cannabis
 39 dispensary, or clinical registrant issued a permit pursuant to
 40 P.L.2009, c.307 (C.24:6I-1 et al.), or wherein a cannabis cultivator,
 41 cannabis manufacturer, cannabis wholesaler, cannabis distributor,
 42 cannabis retailer, or cannabis delivery service issued a license
 43 pursuant to P.L.2021, c.16 (C.24:6I-31 et al.), is located.

44 b. (1) No State officer or employee, nor any person, nor any
 45 member of the immediate family of any State officer or employee,
 46 or person, nor any partnership, firm, or corporation with which any
 47 such State officer or employee or person is associated or in which

1 he has an interest, nor any partner, officer, director, or employee
2 while he is associated with such partnership, firm, or corporation,
3 shall hold, directly or indirectly, an interest in, or hold employment
4 with, or represent, appear for, or negotiate on behalf of, any holder
5 of, or applicant for, a casino license, or any holding or intermediary
6 company with respect thereto, in connection with any cause,
7 application, or matter, except as provided in section 3 of P.L.2009,
8 c.26 (C.52:13D-17.3), and except that (a) a State officer or
9 employee other than a State officer or employee included in the
10 definition of person, and (b) a member of the immediate family of a
11 State officer or employee, or of a person, may hold employment
12 with the holder of, or applicant for, a casino license if, in the
13 judgment of the State Ethics Commission, the Joint Legislative
14 Committee on Ethical Standards, or the Supreme Court, as
15 appropriate, such employment will not interfere with the
16 responsibilities of the State officer or employee, or person, and will
17 not create a conflict of interest, or reasonable risk of the public
18 perception of a conflict of interest, on the part of the State officer or
19 employee, or person.

20 No special State officer or employee without responsibility for
21 matters affecting casino activity, excluding those serving in the
22 Departments of Education, Health, and Human Services and the
23 Office of the Secretary of Higher Education, shall hold, directly or
24 indirectly, an interest in any holder of, or applicant for, a casino
25 license, or any holding or intermediary company with respect
26 thereto. However, a special State officer or employee without
27 responsibility for matters affecting casino activity may hold
28 employment directly with, or may represent, appear for, or
29 negotiate on behalf of, any holder of or applicant for a casino
30 license or any holding or intermediary company thereof and if so
31 employed may hold, directly or indirectly, an interest in, or
32 represent, appear for, or negotiate on behalf of, that employer,
33 except as otherwise prohibited by law.

34 (2) No State officer or employee, nor any person, nor any
35 member of the immediate family of any State officer or employee,
36 or person, nor any partnership, firm, or corporation with which any
37 such State officer or employee or person is associated or in which
38 he has an interest, nor any partner, officer, director, or employee
39 while he is associated with such partnership, firm, or corporation,
40 shall hold, directly or indirectly, an interest in, or hold employment
41 with, or represent, appear for, or negotiate on behalf of, or derive
42 any remuneration, payment, benefit, or any other thing of value for
43 any services, including but not limited to consulting or similar
44 services, from any holder of, or applicant for, a license, permit, or
45 other approval to conduct Internet gaming, or any holding or
46 intermediary company with respect thereto, or any Internet gaming
47 affiliate of any holder of, or applicant for, a casino license, or any
48 holding or intermediary company with respect thereto, or any

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

22 (3) No State officer or employee, nor any person, nor any
23 member of the immediate family of any State officer or employee,
24 or person, nor any partnership, firm, or corporation with which any
25 such State officer or employee or person is associated or in which
26 he has an interest, nor any partner, officer, director, or employee
27 while he is associated with such partnership, firm, or corporation,
28 shall hold, directly or indirectly, an interest in, or hold employment
29 with, or represent, appear for, or negotiate on behalf of, any holder
30 of, or applicant for, a medical cannabis cultivator, medical cannabis
31 manufacturer, medical cannabis dispensary, or clinical registrant
32 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any
33 entity that employs any certified medical cannabis handler to
34 perform transfers or deliveries of medical cannabis, or any holding
35 or intermediary company with respect thereto, or a cannabis
36 cultivator, cannabis manufacturer, cannabis wholesaler, cannabis
37 distributor, cannabis retailer, or cannabis delivery service license
38 issued pursuant to P.L.2021, c.16 (C.24:6I-31 et al.), or any entity
39 that employs or uses a certified personal use cannabis handler to
40 perform work for or on behalf of a licensed cannabis establishment,
41 distributor, or delivery service, or any holding or intermediary
42 company with respect thereto, in connection with any cause,
43 application, or matter, except as provided in section 3 of P.L.2009,
44 c.26 (C.52:13D-17.3), and except that:

45 (a) a State officer or employee other than a State officer or
46 employee included in the definition of person **【, and】** may hold
47 employment with the holder of, or applicant for, a medical cannabis
48 cultivator, medical cannabis manufacturer, medical cannabis

1 dispensary, or clinical registrant permit or any entity that employs
2 any certified medical cannabis handler to perform transfers or
3 deliveries of medical cannabis, or a cannabis cultivator, cannabis
4 manufacturer, cannabis wholesaler, cannabis distributor, cannabis
5 retailer, or cannabis delivery service license or any entity that
6 employs or uses a certified personal use cannabis handler to
7 perform work for or on behalf of a licensed cannabis establishment,
8 distributor, or delivery service, if, in the judgment of the State
9 Ethics Commission, the Joint Legislative Committee on Ethical
10 Standards, or the Supreme Court, as appropriate, such employment
11 will not interfere with the responsibilities of the State officer or
12 employee, or person, and will not create a conflict of interest, or
13 reasonable risk of the public perception of a conflict of interest, on
14 the part of the State officer or employee ³ [, or person]³;

15 (b) a member of the immediate family of a State officer or
16 employee, or of a person, may hold employment with the holder of,
17 or applicant for, a medical cannabis cultivator, medical cannabis
18 manufacturer, medical cannabis dispensary, or clinical registrant
19 permit or any entity that employs any certified medical cannabis
20 handler to perform transfers or deliveries of medical cannabis, or a
21 cannabis cultivator, cannabis manufacturer, cannabis wholesaler,
22 cannabis distributor, cannabis retailer, or cannabis delivery service
23 license or any entity that employs or uses a certified personal use
24 cannabis handler to perform work for or on behalf of a licensed
25 cannabis establishment, distributor, or delivery service, if, in the
26 judgment of the State Ethics Commission, the Joint Legislative
27 Committee on Ethical Standards, or the Supreme Court, as
28 appropriate, such employment will not interfere with the
29 responsibilities of the State officer or employee, or person, and will
30 not create a conflict of interest, or reasonable risk of the public
31 perception of a conflict of interest, on the part of the State officer or
32 employee, or person; and

33 (c) A member of the immediate family of any State officer or
34 employee ³, or of a person, ³ may hold, directly or indirectly, an
35 interest in, ³ or represent, appear for, or negotiate on behalf of any
36 holder of or applicant for³ a medical cannabis cultivator, medical
37 cannabis manufacturer, medical cannabis dispensary, or clinical
38 registrant permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et
39 al.) or any entity that employs any certified medical cannabis
40 handler to perform transfers or deliveries of medical cannabis, or
41 any holding or intermediary company with respect thereto, or a
42 cannabis cultivator, cannabis manufacturer, cannabis wholesaler,
43 cannabis distributor, cannabis retailer, or cannabis delivery service
44 license issued pursuant to P.L.2021, c.16 (C.24:6I-31 et al.), or any
45 entity that employs or uses a certified personal use cannabis handler
46 to perform work for or on behalf of a licensed cannabis
47 establishment, distributor, or delivery service, or any holding or
48 intermediary company with respect thereto, only if, in the judgment

1 of the State Ethics Commission, the Joint Legislative Committee on
2 Ethical Standards, or the Supreme Court, as appropriate, such
3 employment or interest will not interfere with the responsibilities of
4 the State officer or employee, or person, and will not create a
5 conflict of interest, or reasonable risk of the public perception of a
6 conflict of interest, on the part of the State officer or employee, or
7 person.

8 ¹~~["No special"]~~ A special¹ State officer or employee ³~~["1, or any~~
9 member of the immediate family of any special State officer or
10 employee.¹³ without responsibility for matters affecting medical
11 cannabis activity or personal use cannabis activity, ¹~~["excluding"]~~
12 including¹ those serving in the Departments of Education, Health,
13 and Human Services and the Office of the Secretary of Higher
14 Education, ¹~~["shall"]~~ may¹ hold, directly or indirectly, an interest in
15 any holder of, or applicant for, a medical cannabis cultivator,
16 medical cannabis manufacturer, medical cannabis dispensary, or
17 clinical registrant permit or any entity that employs any certified
18 medical cannabis handler to perform transfers or deliveries of
19 medical cannabis, or any holding or intermediary company with
20 respect thereto, or a cannabis cultivator, cannabis manufacturer,
21 cannabis wholesaler, cannabis distributor, cannabis retailer, or
22 cannabis delivery service license or any entity that employs or uses
23 a certified personal use cannabis handler to perform work for or on
24 behalf of a licensed cannabis establishment, distributor, or delivery
25 service, or any holding or intermediary company with respect
26 thereto. ¹~~["However, a"]~~ A¹ special State officer or employee
27 without responsibility for matters affecting medical cannabis
28 activity or personal use cannabis activity may hold employment
29 directly with, or may represent, appear for, or negotiate on behalf
30 of, any holder of or applicant for a medical cannabis cultivator,
31 medical cannabis manufacturer, medical cannabis dispensary, or
32 clinical registrant permit, or any entity that employs any certified
33 medical cannabis handler to perform transfers or deliveries of
34 medical cannabis, or any holding or intermediary company thereof,
35 or a cannabis cultivator, cannabis manufacturer, cannabis
36 wholesaler, cannabis distributor, cannabis retailer, or cannabis
37 delivery service license or any entity that employs or uses a
38 certified personal use cannabis handler to perform work for or on
39 behalf of a licensed cannabis establishment, distributor, or delivery
40 service, or any holding or intermediary company with respect
41 thereto, and if so employed may hold, directly or indirectly, an
42 interest in, or represent, appear for, or negotiate on behalf of, that
43 employer, except as otherwise prohibited by law. ³~~["1"]~~ An immediate
44 family member of any special State officer or employee may hold
45 employment directly with any holder of or applicant for a medical
46 cannabis cultivator, medical cannabis manufacturer, medical
47 cannabis dispensary, or clinical registrant permit, or any entity that

1 employs any certified medical cannabis handler to perform transfers
2 or deliveries of medical cannabis, or any holding or intermediary
3 company thereof, or a cannabis cultivator, cannabis manufacturer,
4 cannabis wholesaler, cannabis distributor, cannabis retailer, or
5 cannabis delivery service license or any entity that employs or uses
6 a certified personal use cannabis handler to perform work for or on
7 behalf of a licensed cannabis establishment, distributor, or delivery
8 service, or any holding or intermediary company with respect
9 thereto.¹³

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

25 (a) a member of the immediate family of a person may hold
26 employment with the holder of, or applicant for, a casino license if,
27 in the judgment of the State Ethics Commission, the Joint
28 Legislative Committee on Ethical Standards, or the Supreme Court,
29 as appropriate, such employment will not interfere with the
30 responsibilities of the person and will not create a conflict of
31 interest, or reasonable risk of the public perception of a conflict of
32 interest, on the part of the person;

33 (b) an employee who is terminated as a result of a reduction in
34 the workforce at the agency where employed, other than an
35 employee who held a policy-making management position at any
36 time during the five years prior to termination of employment, may,
37 at any time prior to the end of the two-year period, accept
38 employment with the holder of, or applicant for, a casino license if,
39 in the judgment of the State Ethics Commission, the Joint
40 Legislative Committee on Ethical Standards, or the Supreme Court,
41 as appropriate, such employment will not create a conflict of
42 interest, or reasonable risk of the public perception of a conflict of
43 interest, on the part of the employee. In no case shall the restrictions
44 of this subsection apply to a secretarial or clerical employee.

45 Nothing herein contained shall alter or amend the post-
46 employment restrictions applicable to members and employees of
47 the Casino Control Commission and employees and agents of the
48 Division of Gaming Enforcement pursuant to paragraph (2) of

1 subsection e. of section 59 and section 60 of P.L.1977, c.110
2 (C.5:12-59 and C.5:12-60); and

3 (c) any partnership, firm, or corporation engaged in the practice
4 of law or in providing any other professional services with which
5 any person included in ¹subparagraphs subparagraph¹ (a) ¹and
6 (b)¹ of paragraph (1) of subsection a. of this section, or a member
7 of the immediate family of that person, is associated, and any
8 partner, officer, director, or employee thereof, other than that
9 person, or immediate family member, may represent, appear for or
10 negotiate on behalf of any holder of, or applicant for, a casino
11 license in connection with any cause, application or matter or any
12 holding company or intermediary company with respect to such
13 holder of, or applicant for, a casino license in connection with any
14 phase of casino development, permitting, licensure or any other
15 matter whatsoever related to casino activity, and that person or
16 immediate family member shall not be barred from association with
17 such partnership, firm or corporation, if for a period of two years
18 next subsequent to the termination of the person's office or
19 employment, the person or immediate family member (i) is
20 screened from personal participation in any such representation,
21 appearance or negotiation; and (ii) is associated with the
22 partnership, firm or corporation in a position which does not entail
23 any equity interest in the partnership, firm or corporation. The
24 exception provided in this subparagraph shall not apply to a former
25 Governor, Lieutenant Governor, Attorney General, member of the
26 Legislature, person included in subparagraph (a) of paragraph (2) of
27 subsection a. of this section, or to the members of their immediate
28 families.

29 (2) No person or any member of the person's immediate family,
30 nor any partnership, firm, or corporation with which such person is
31 associated or in which the person has an interest, nor any partner,
32 officer, director, or employee while the person is associated with
33 such partnership, firm, or corporation, shall, within two years next
34 subsequent to the termination of the office or employment of such
35 person, hold, directly or indirectly, an interest in, or hold
36 employment with, or represent, appear for, or negotiate on behalf
37 of, any holder of, or applicant for, a medical cannabis cultivator,
38 medical cannabis manufacturer, medical cannabis dispensary, or
39 clinical registrant permit issued pursuant to P.L.2009, c.307
40 (C.24:6I-1 et al.) or any entity that employs any certified medical
41 cannabis handler to perform transfers or deliveries of medical
42 cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis
43 wholesaler, cannabis distributor, cannabis retailer, or cannabis
44 delivery service license issued pursuant to P.L.2021, c.16 (C.24:6I-
45 31 et al.) or any entity that employs or uses a certified personal use
46 cannabis handler to perform work for or on behalf of a licensed
47 cannabis establishment, distributor, or delivery service in
48 connection with any cause, application, or matter, or any holding or

1 intermediary company with respect to such holder of, or applicant
2 for, a medical cannabis cultivator, medical cannabis manufacturer,
3 medical cannabis dispensary, or clinical registrant permit or any
4 entity that employs any certified medical cannabis handler to
5 perform transfers or deliveries of medical cannabis, or a cannabis
6 cultivator, cannabis manufacturer, cannabis wholesaler, cannabis
7 distributor, cannabis retailer, or cannabis delivery service license or
8 any entity that employs or uses a certified personal use cannabis
9 handler to perform work for or on behalf of a licensed cannabis
10 establishment, distributor, or delivery service in connection with
11 any phase of development, permitting, licensure, or any other
12 matter whatsoever related to medical cannabis activity or personal
13 use cannabis activity, except as provided in section 3 of P.L.2009,
14 c.26 (C.52:13D-17.3), and except that:

15 (a) a member of the immediate family of a person may hold
16 employment with the holder of, or applicant for, a medical cannabis
17 cultivator, medical cannabis manufacturer, medical cannabis
18 dispensary, or clinical registrant permit issued pursuant to P.L.2009,
19 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
20 medical cannabis handler to perform transfers or deliveries of
21 medical cannabis, or a cannabis cultivator, cannabis manufacturer,
22 cannabis wholesaler, cannabis distributor, cannabis retailer, or
23 cannabis delivery service license issued pursuant to P.L.2021, c.16
24 (C.24:6I-31 et al.) or any entity that employs or uses a certified
25 personal use cannabis handler to perform work for or on behalf of a
26 licensed cannabis establishment, distributor, or delivery service if,
27 in the judgment of the State Ethics Commission, the Joint
28 Legislative Committee on Ethical Standards, or the Supreme Court,
29 as appropriate, such employment will not interfere with the
30 responsibilities of the person and will not create a conflict of
31 interest, or reasonable risk of the public perception of a conflict of
32 interest, on the part of the person;

33 (b) an employee who is terminated as a result of a reduction in
34 the workforce at the agency where employed, other than an
35 employee who held a policy-making management position at any
36 time during the five years prior to termination of employment, may,
37 at any time prior to the end of the two-year period, accept
38 employment with the holder of, or applicant for, a medical cannabis
39 cultivator, medical cannabis manufacturer, medical cannabis
40 dispensary, or clinical registrant permit or any entity that employs
41 any certified medical cannabis handler to perform transfers or
42 deliveries of medical cannabis, or a cannabis cultivator, cannabis
43 manufacturer, cannabis wholesaler, cannabis distributor, cannabis
44 retailer, or cannabis delivery service license or any entity that
45 employs or uses a certified personal use cannabis handler to
46 perform work for or on behalf of a licensed cannabis establishment,
47 distributor, or delivery service if, in the judgment of the State Ethics
48 Commission, the Joint Legislative Committee on Ethical Standards,

1 or the Supreme Court, as appropriate, such employment will not
2 create a conflict of interest, or reasonable risk of the public
3 perception of a conflict of interest, on the part of the employee. In
4 no case shall the restrictions of this subsection apply to a secretarial
5 or clerical employee. Nothing herein contained shall alter or amend
6 the post-service or post-employment restrictions applicable to
7 members and employees of the Cannabis Regulatory Commission
8 pursuant to paragraph (2) of subsection c. of section 34 and section
9 35 of P.L.2019, c.153 (C.24:6I-27 and C.24:6I-28); **and**

10 (c) any partnership, firm, or corporation engaged in the practice
11 of law or in providing any other professional services with which
12 any person included in ¹**subparagraphs (a) and** subparagraph¹ (c)
13 of paragraph (1) of subsection a. of this section, or a member of the
14 immediate family of that person, is associated, and any partner,
15 officer, director, or employee thereof, other than that person, or
16 immediate family member, may represent, appear for, or negotiate
17 on behalf of any holder of, or applicant for, a medical cannabis
18 cultivator, medical cannabis manufacturer, medical cannabis
19 dispensary, or clinical registrant permit or any entity that employs
20 any certified medical cannabis handler to perform transfers or
21 deliveries of medical cannabis, or a cannabis cultivator, cannabis
22 manufacturer, cannabis wholesaler, cannabis distributor, cannabis
23 retailer, or cannabis delivery service license or any entity that
24 employs or uses a certified personal use cannabis handler to
25 perform work for or on behalf of a licensed cannabis establishment,
26 distributor, or delivery service in connection with any cause,
27 application, or matter or any holding company or intermediary
28 company with respect to such holder of, or applicant for, a medical
29 cannabis cultivator, medical cannabis manufacturer, medical
30 cannabis dispensary, or clinical registrant permit or any entity that
31 employs any certified medical cannabis handler to perform transfers
32 or deliveries of medical cannabis, or a cannabis cultivator, cannabis
33 manufacturer, cannabis wholesaler, cannabis distributor, cannabis
34 retailer, or cannabis delivery service license or any entity that
35 employs or uses a certified personal use cannabis handler to
36 perform work for or on behalf of a licensed cannabis establishment,
37 distributor, or delivery service in connection with any phase of
38 development, permitting, licensing, or any other matter whatsoever
39 related to medical cannabis activity or personal use cannabis
40 activity, and that person or immediate family member shall not be
41 barred from association with such partnership, firm, or corporation,
42 if for a period of ³**one year** two years³ next subsequent to the
43 termination of the person's office or employment, the person or
44 immediate family member is screened from personal participation
45 in any such representation, appearance or negotiation. The
46 exception provided in this subparagraph shall not apply to a former
47 Governor, Lieutenant Governor, Attorney General, the President of
48 the Senate, the Speaker of the General Assembly, to a person

1 included in subparagraph (b) of paragraph (2) of subsection a. of
2 this section, or to the members of their immediate families; ¹and¹
3 ³and³

4 (d) A member of the immediate family of any ³State officer or
5 employee³ person³ may hold, directly or indirectly, an interest in,
6 ³or represent, appear for, or negotiate on behalf of any holder of or
7 applicant for³ a medical cannabis cultivator, medical cannabis
8 manufacturer, medical cannabis dispensary, or clinical registrant
9 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any
10 entity that employs any certified medical cannabis handler to
11 perform transfers or deliveries of medical cannabis, or any holding
12 or intermediary company with respect thereto, or a cannabis
13 cultivator, cannabis manufacturer, cannabis wholesaler, cannabis
14 distributor, cannabis retailer, or cannabis delivery service license
15 issued pursuant to P.L.2021, c.16 (C.24:6I-31 et al.), or any entity
16 that employs or uses a certified personal use cannabis handler to
17 perform work for or on behalf of a licensed cannabis establishment,
18 distributor, or delivery service, or any holding or intermediary
19 company with respect thereto, only if, in the judgment of the State
20 Ethics Commission, the Joint Legislative Committee on Ethical
21 Standards, or the Supreme Court, as appropriate, such employment
22 or interest will not interfere with the responsibilities of the State
23 officer or employee, or person, and will not create a conflict of
24 interest, or reasonable risk of the public perception of a conflict of
25 interest, on the part of the ³State officer or employee, or³ person
26 ³;¹ and

27 (e) A special State officer or employee, or any member of the
28 special State officer's or employee's immediate family, without
29 responsibility for matters affecting medical cannabis activity or
30 personal use cannabis activity may, within two years next
31 subsequent to the termination of the office or employment of such
32 person, hold employment with any holder of, or applicant for, a
33 medical cannabis cultivator, medical cannabis manufacturer,
34 medical cannabis dispensary, or clinical registrant permit issued
35 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that
36 employs any certified medical cannabis handler to perform transfers
37 or deliveries of medical cannabis, or a cannabis cultivator, cannabis
38 manufacturer, cannabis wholesaler, cannabis distributor, cannabis
39 retailer, or cannabis delivery service license issued pursuant to
40 P.L.2021, c.16 (C.24:6I-31 et al.) or any entity that employs or uses
41 a certified personal use cannabis handler to perform work for or on
42 behalf of a licensed cannabis establishment, distributor, or delivery
43 service, or any holding or intermediary company with respect to
44 such holder of, or applicant for, a medical cannabis cultivator,
45 medical cannabis manufacturer, medical cannabis dispensary, or
46 clinical registrant permit or any entity that employs any certified
47 medical cannabis handler to perform transfers or deliveries of

1 medical cannabis, or a cannabis cultivator, cannabis manufacturer,
2 cannabis wholesaler, cannabis distributor, cannabis retailer, or
3 cannabis delivery service license or any entity that employs or uses
4 a certified personal use cannabis handler to perform work for or on
5 behalf of a licensed cannabis establishment, distributor, or delivery
6 service in connection with any phase of development, permitting,
7 licensure, or any other matter whatsoever related to medical
8 cannabis activity or personal use cannabis activity'¹³.

9 d. This section shall not apply to the spouse of a State officer
10 or employee, which State officer or employee is without
11 responsibility for matters affecting casino, medical cannabis, or
12 personal use cannabis activity, who becomes the spouse subsequent
13 to the State officer's or employee's appointment or employment as a
14 State officer or employee and who is not individually or directly
15 employed by a holder of, or applicant for, a casino license, medical
16 cannabis permit, personal use cannabis license, or any entity that
17 employs or uses a certified personal use cannabis handler to
18 perform work for or on behalf of a licensed cannabis establishment,
19 distributor, or delivery service, or any holding or intermediary
20 company thereof.

21 e. The Joint Legislative Committee on Ethical Standards and
22 the State Ethics Commission, as appropriate, shall forthwith
23 determine and publish, and periodically update, a list of those
24 positions in State government with responsibility for matters
25 affecting casino, medical cannabis activity, or personal use cannabis
26 activity.

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

32 (2) No person shall solicit or accept, directly or indirectly, any
33 complimentary service or discount from any holder of, or applicant
34 for, a medical cannabis cultivator, medical cannabis manufacturer,
35 medical cannabis dispensary, or clinical registrant permit issued
36 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that
37 employs any certified medical cannabis handler to perform transfers
38 or deliveries of medical cannabis, or a cannabis cultivator, cannabis
39 manufacturer, cannabis wholesaler, cannabis distributor, cannabis
40 retailer, or cannabis delivery service license issued pursuant to
41 P.L.2021, c.16 (C.24:6I-31 et al.) or any entity that employs or uses
42 a certified personal use cannabis handler to perform work for or on
43 behalf of a licensed cannabis establishment, distributor, or delivery
44 service which the person knows or has reason to know is other than
45 a service or discount that is offered to members of the general
46 public in like circumstance.

47 g. (1) No person shall influence, or attempt to influence, by use
48 of his official authority, the decision of the Casino Control

1 Commission or the investigation of the Division of Gaming
2 Enforcement in any application for casino licensure or in any
3 proceeding to enforce the provisions of this act or the regulations of
4 the commission. Any such attempt shall be promptly reported to the
5 Attorney General; provided, however, that nothing in this section
6 shall be deemed to proscribe a request for information by any
7 person concerning the status of any application for licensure or any
8 proceeding to enforce the provisions of this act or the regulations of
9 the commission.

10 (2) No person shall influence, or attempt to influence, by use of
11 the person's official authority, the decision of the Cannabis
12 Regulatory Commission in any application for a medical cannabis
13 cultivator, medical cannabis manufacturer, medical cannabis
14 dispensary, or clinical registrant permit, or a cannabis cultivator,
15 cannabis manufacturer, cannabis wholesaler, cannabis distributor,
16 cannabis retailer, or cannabis delivery service license, or in any
17 proceeding to enforce the provisions of P.L.1981, c.142 (C.52:13D-
18 17.2 et al.), P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2021, c.16
19 (C.24:6I-31 et al.), or the regulations of the Cannabis Regulatory
20 Commission. Any such attempt shall be promptly reported to the
21 Attorney General; provided, however, that nothing in this section
22 shall be deemed to proscribe a request for information by any
23 person concerning the status of any permit or license application, or
24 any proceeding to enforce the provisions of P.L.1981, c.142
25 (C.52:13D-17.2 et al.), P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2021,
26 c.16 (C.24:6I-31 et al.), or the regulations of the Cannabis
27 Regulatory Commission.

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

31 In addition, for violations of subsection c. of this section
32 occurring after the effective date of P.L.2005, c.382, a civil penalty
33 of not less than \$500 nor more than \$10,000 shall be imposed upon
34 a former State officer or employee or former special State officer or
35 employee of a State agency in the Executive Branch upon a finding
36 of a violation by the State Ethics Commission, which penalty may
37 be collected in a summary proceeding pursuant to the "Penalty
38 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
39 (cf: P.L.2025, c.86, s.3)
40

41 ¹**[5.] 4.**¹ (New section) a. The Division of State Police, in
42 consultation with local law enforcement agencies and the Cannabis
43 Regulatory Commission, shall develop and implement an
44 enforcement program to identify, investigate, and initiate
45 enforcement action against any person or entity engaged in the
46 unlicensed manufacture, distribution, or sale of ¹'purported'¹
47 cannabis or cannabis items ¹, which activities violate N.J.S.2C:35-5

1 as the unlawful manufacturing, distribution, or dispensing of
2 marijuana¹.

3 b. Upon the discovery of any violation by an unlicensed
4 business, the New Jersey State Police or the local law enforcement
5 agency, in conjunction with the Office of the Attorney General in
6 the Department of Law and Public Safety, may take such necessary
7 steps to close any business which violates the provisions of
8 N.J.S.2C:35-5, seize any marijuana manufactured, distributed, or
9 dispensed in violation of N.J.S.2C:35-5 by an unlicensed business,
10 and refer any violation of N.J.S.2C:35-5 to the Attorney General or
11 the prosecutor of the county in which the business is located for
12 criminal prosecution.

13 c. An unlicensed business found to be in violation of
14 N.J.S.2C:35-5 shall be deemed a public nuisance. Notwithstanding
15 any other provision of law, a municipality shall have the power to
16 impose restrictions on the operation, including closure, of any
17 business determined to constitute a public nuisance in accordance
18 with this subsection.

19

20 ¹5. Section 48 of P.L.2021, c.16 (C.24:6I-52) is amended to read
21 as follows:

22 48. Employers, Driving, Minors and Control of Property.

23 a. (1) No employer shall refuse to hire or employ any person or
24 shall discharge from employment or take any adverse action against
25 any employee with respect to compensation, terms, conditions, or
26 other privileges of employment because that person does or does
27 not smoke, vape, aerosolize or otherwise use cannabis items, and an
28 employee shall not be subject to any adverse action by an employer
29 solely due to the presence of cannabinoid metabolites in the
30 employee's bodily fluid from engaging in conduct permitted under
31 P.L.2021, c.16 (C.24:6I-31 et al.). However, an employer may
32 require an employee to undergo a drug test upon reasonable
33 suspicion of an employee's usage of a cannabis item while engaged
34 in the performance of the employee's work responsibilities, or upon
35 finding any observable signs of intoxication related to usage of a
36 cannabis item, or following a work-related accident subject to
37 investigation by the employer. A drug test may also be done
38 randomly by the employer, or as part of a pre-employment
39 screening, or regular screening of current employees to determine
40 use during an employee's prescribed work hours. The drug test
41 shall include scientifically reliable objective testing methods and
42 procedures, such as testing of blood, urine, or saliva, and a physical
43 evaluation in order to determine an employee's state of impairment.
44 The physical evaluation shall be conducted by an individual with
45 the necessary certification to opine on the employee's state of
46 impairment, or lack thereof, related to the usage of a cannabis item
47 in accordance with paragraph (2) of this subsection. The employer
48 may use the results of the drug test when determining the

1 appropriate employment action concerning the employee, including,
2 but not limited to dismissal, suspension, demotion, or other
3 disciplinary action.

4 (2) (a) In order to better ensure the protections for prospective
5 employees and employees against refusals to hire or employ, or
6 against being discharged or having any other adverse action taken
7 by an employer, while simultaneously supporting the authority of
8 employers to require employees undergo drug tests under the
9 circumstances set forth in paragraph (1) of this subsection, as well
10 as employer efforts to maintain a drug- and alcohol-free workplace
11 or other drug- or alcohol workplace policy as described in
12 paragraph (1) of subsection b. of this section, the commission, in
13 consultation with the **Police Training Commission** established
14 pursuant to section 5 of P.L.1961, c.56 (C.52:17B-70) **Department**
15 of Labor and Workforce Development, shall prescribe standards in
16 regulation for a Workplace Impairment Recognition **Expert**
17 Evaluator certification, to be issued to full- or part-time employees,
18 or others contracted to perform services on behalf of an employer,
19 based on education and training in detecting and identifying an
20 employee's usage of, or impairment from, a cannabis item or other
21 intoxicating substance, and for assisting in the investigation of
22 workplace accidents. The commission's regulations shall also
23 prescribe minimum curriculum courses of study for the
24 certifications, as well as standards for the commission's approval
25 and continuation of approval of non-profit and for-profit programs,
26 organizations, or schools and their instructors to offer courses of
27 study**],** and may include the use of a Police Training Commission
28 approved school as that term is defined in section 2 of P.L.1961,
29 c.56 (C.52:17B-67) if consented to by the Police Training
30 Commission**].**

31 (b) Any person who demonstrates to the commission's
32 satisfaction that the person has successfully completed a Drug
33 Recognition **Expert** Evaluator program provided by **a Police**
34 **Training Commission** **a Department of Labor and Workforce**
35 Development approved school, or another program or course
36 conducted by the Department of Labor and Workforce
37 Development, any federal, State, or other public or private agency,
38 the requirements of which are substantially equivalent to the
39 requirements established by the commission pursuant to
40 subparagraph (a) of this paragraph for a Workplace Impairment
41 Recognition **Expert** Evaluator certification, **[may, at the**
42 **discretion of the commission,]** shall be issued **[this]** a certification
43 by the commission, which shall be subject to subsequent
44 continuation of certification approval by the commission.

45 b. Nothing in P.L.2021, c.16 (C.24:6I-31 et al.):

46 (1) (a) Requires an employer to amend or repeal, or affect,
47 restrict or preempt the rights and obligations of employers to

1 maintain a drug- and alcohol-free workplace or require an employer
2 to permit or accommodate the use, consumption, being under the
3 influence, possession, transfer, display, transportation, sale, or
4 growth of cannabis or cannabis items in the workplace, or to affect
5 the ability of employers to have policies prohibiting use of cannabis
6 items or intoxication by employees during work hours;

7 (b) If any of the provisions set forth in this paragraph or
8 subsection a. of this section result in a provable adverse impact on
9 an employer subject to the requirements of a federal contract, then
10 the employer may revise their employee prohibitions consistent
11 with federal law, rules, and regulations;

12 (2) Is intended to allow driving under the influence of cannabis
13 items or driving while impaired by cannabis items or to supersede
14 laws related to driving under the influence of marijuana or cannabis
15 items or driving while impaired by marijuana or cannabis items;

16 (3) Is intended to permit the transfer of cannabis items, with or
17 without remuneration, to a person under 21 years of age or to allow
18 a person under 21 years of age to purchase, possess, use, transport,
19 grow, or consume cannabis items, unless the person is under 21
20 years of age, but at least 18 years of age, and an employee of a
21 cannabis establishment, distributor, or delivery service acting in the
22 person's employment capacity;

23 (4) Shall, consistent with subsection c. of section 46 of
24 P.L.2021, c.16 (C.2C:35-10a), prohibit a person or entity that owns
25 or controls a property from prohibiting or otherwise regulating the
26 consumption, use, display, transfer, distribution, sale, or
27 transportation of cannabis items on or in that property, or portion
28 thereof, including a hotel property that is a casino hotel facility as
29 defined in section 19 of P.L.1977, c.110 (C.5:12-19), a casino as
30 defined in section 6 of P.L.1977, c.110 (C.5:12-6), or casino
31 simulcasting facility authorized pursuant to the "Casino
32 Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.), provided that
33 a person or entity that owns or controls multifamily housing that is
34 a multiple dwelling as defined in section 3 of P.L.1967, c.76
35 (C.55:13A-3), the structure or specific units of the structure of a
36 cooperative as defined in section 3 of P.L.1987, c.381 (C.46:8D-
37 3), a unit of a condominium as defined in section 3 of P.L.1969,
38 c.257 (C.46:8B-3), or a site in a mobile home park as defined in
39 section 3 of P.L.1983, c.386 (C.40:55D-102), which site is leased to
40 the owner of a manufactured home, as defined in that section, that is
41 installed thereon, may only prohibit or otherwise regulate the
42 smoking, vaping, or aerosolizing, but not other consumption, of
43 cannabis items, and further provided that municipalities may not
44 prohibit delivery, possession, or consumption of cannabis items by
45 a person 21 years of age or older as permitted by section 46 of
46 P.L.2021, c.16 (C.2C:35-10a);

47 (5) Is intended to permit any person to possess, consume, use,
48 display, transfer, distribute, sell, transport, or grow or manufacture

1 cannabis or cannabis items in a school, hospital, detention facility,
2 adult correctional facility, or youth correctional facility;

3 (6) Is intended to permit the smoking, vaping, or aerosolizing of
4 cannabis items in any place that any other law prohibits the
5 smoking of tobacco, including N.J.S.2C:33-13 and the "New Jersey
6 Smoke-Free Air Act," P.L.2005, c.383 (C.26:3D-55 et seq.). Except
7 as otherwise provided by P.L.2021, c.16 (C.24:6I-31 et al.), any
8 fines or civil penalties that may be assessed for the smoking of
9 tobacco in designated places shall be applicable to the smoking,
10 vaping, or aerosolizing of cannabis items.¹

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

12
13 ¹6. Section 3 of P.L.2021, c.16 (C.24:6I-33) is amended to read
14 as follows:

15 3. Definitions.

16 As used in P.L.2021, c.16 (C.24:6I-31 et al.) regarding the
17 personal use of cannabis, unless the context otherwise requires:

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

27 "Cannabis" means all parts of the plant *Cannabis sativa* L.,
28 whether growing or not, the seeds thereof, and every compound,
29 manufacture, salt, derivative, mixture, or preparation of the plant or
30 its seeds, except those containing resin extracted from the plant,
31 which are cultivated and, when applicable, manufactured in
32 accordance with P.L.2021, c.16 (C.24:6I-31 et al.) for use in
33 cannabis products as set forth in this act, but shall not include the
34 weight of any other ingredient combined with cannabis to prepare
35 topical or oral administrations, food, drink, or other product.

36 "Cannabis" does not include: medical cannabis dispensed to
37 registered qualifying patients pursuant to the "Jake Honig
38 Compassionate Use Medical Cannabis Act," P.L.2009, c.307
39 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);
40 marijuana as defined in N.J.S.2C:35-2 and applied to any offense
41 set forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey
42 Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or marihuana as
43 defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to
44 any offense set forth in the "New Jersey Controlled Dangerous
45 Substances Act," P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a
46 hemp product cultivated, handled, processed, transported, or sold
47 pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238
48 (C.4:28-6 et al.).

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

14 "Cannabis cultivator" means any licensed person or entity that
15 grows, cultivates, or produces cannabis in this State, and sells, and
16 may transport, this cannabis to other cannabis cultivators, or usable
17 cannabis to cannabis manufacturers, cannabis wholesalers, or
18 cannabis retailers, but not to consumers. This person or entity shall
19 hold a Class 1 Cannabis Cultivator license.

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

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

38 "Cannabis establishment" means a cannabis cultivator, a
39 cannabis manufacturer, a cannabis wholesaler, or a cannabis
40 retailer.

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

1 "Cannabis flower" means the flower of the plant *Cannabis sativa*
2 L. within the plant family Cannabaceae.

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

12 "Cannabis leaf" means the leaf of the plant *Cannabis sativa* L.
13 within the plant family Cannabaceae.

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

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

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

39 "Cannabis resin" means the resin extracted from any part of the
40 plant *Cannabis sativa* L., including cannabis extract and resin
41 extracted using non-chemical processes, processed and used in
42 accordance with P.L.2021, c.16 (C.24:6I-31 et al.). "Cannabis
43 resin" does not include: any form of medical cannabis dispensed to
44 registered qualifying patients pursuant to the "Jake Honig
45 Compassionate Use Medical Cannabis Act," P.L.2009, c.307
46 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);
47 hashish as defined in N.J.S.2C:35-2 and applied to any offense set
48 forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey

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

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

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

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

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

31 "Conditional license" means a temporary license designated as
32 either a Class 1 Cannabis Cultivator license, a Class 2 Cannabis
33 Manufacturer license, a Class 3 Cannabis Wholesaler license, a
34 Class 4 Cannabis Distributor license, a Class 5 Cannabis Retailer
35 license, or a Class 6 Cannabis Delivery license that allows the
36 holder to lawfully act as a cannabis cultivator, cannabis
37 manufacturer, cannabis wholesaler, cannabis distributor, cannabis
38 retailer, or cannabis delivery service as the case may be, which is
39 issued pursuant to an abbreviated application process, after which
40 the conditional license holder shall have a limited period of time in
41 which to become fully licensed by satisfying all of the remaining
42 conditions for licensure which were not required for the issuance of
43 the conditional license.

44 "Consumer" means a person 21 years of age or older who
45 purchases, directly or through a cannabis delivery service, acquires,
46 owns, holds, or uses cannabis items for personal use by a person 21
47 years of age or older, but not for resale to others.

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

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

15 "Department" means the Department of Health.

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

19 "Executive director" means the executive director of the
20 Cannabis Regulatory Commission.

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

24 "Immature cannabis plant" means a cannabis plant that is not
25 flowering.

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

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

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

45 (3) is a municipality located in a county of the third class, based
46 upon the county's population according to the most recently
47 compiled federal decennial census as of the effective date of
48 P.L.2021, c.16 (C.24:6I-31 et al.), that meets all of the criteria set

1 forth in paragraph (2) other than having a crime index total of 825
2 or higher; or

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

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

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

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

36 "License" means a license issued under P.L.2021, c.16 (C.24:6I-
37 31 et al.), including a license that is designated as either a Class 1
38 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer
39 license, a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis
40 Distributor license, a Class 5 Cannabis Retailer license, or a Class 6
41 Cannabis Delivery license. The term includes a conditional license
42 for a designated class, except when the context of the provisions of
43 P.L.2021, c.16 (C.24:6I-31 et al.) otherwise intend to only apply to
44 a license and not a conditional license.

45 "Licensee" means a person or entity that holds a license issued
46 under P.L.2021, c.16 (C.24:6I-31 et al.), including a license that is
47 designated as either a Class 1 Cannabis Cultivator license, a Class 2
48 Cannabis Manufacturer license, a Class 3 Cannabis Wholesaler

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

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

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

13 "Mature cannabis plant" means a cannabis plant that is not an
14 immature cannabis plant.

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

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

44 "Noncommercial" means not dependent or conditioned upon the
45 provision or receipt of financial consideration.

46 "Ownership interest" means a present right to ownership or
47 equity interest in an entity. "Ownership interest" shall not include a
48 future right such as an option, warrant, or convertible note.

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.¹

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

17
18 ¹7. Section 19 of P.L.2021, c.16 (C.24:6I-36) is amended to read
19 as follows:

20 19. Application For License or Conditional License.

21 a. Each application for an annual license to operate a cannabis
22 establishment, distributor, or delivery service, or conditional license
23 for a proposed cannabis establishment, distributor, or delivery
24 service, shall be submitted to the commission. A separate license or
25 conditional license shall be required for each location at which a
26 cannabis establishment seeks to operate, or for the location of each
27 premises from which a cannabis distributor or delivery service
28 seeks to operate. Renewal applications for another annual license
29 shall be filed no later than 90 days prior to the expiration of the
30 establishment's, distributor's, or delivery service's license. A
31 conditional license shall not be renewed, but replaced with an
32 annual license upon the commission's determination of qualification
33 for the annual license, or otherwise expire, as set forth in paragraph
34 (2) of subsection b. of this section. Notwithstanding any law to the
35 contrary, an expanded alternative treatment center shall be required
36 to pay only one renewal fee, and such fee shall be the same fee
37 assessed on the holder of a license issued pursuant to P.L.2021, c.16
38 (C.24:6I-31 et al.).

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

41 (a) begin accepting and processing applications within 30 days
42 after the commission's initial rules and regulations have been
43 adopted pursuant to subparagraph (a) of paragraph (1) of subsection
44 d. of section 6 of P.L.2021, c.16 (C.24:6I-34);

45 (b) forward, within 14 days of receipt, a copy of each
46 application to the municipality in which the applicant desires to
47 operate the cannabis establishment, distributor, or delivery service;
48 and

1 (c) verify the information contained in the application and
2 review the qualifications for the applicable license class, set forth in
3 section 20, 22, 23, 24, 25, or 26 of P.L.2021, c.16 (C.24:6I-37,
4 C.24:6I-39, C.24:6I-40, C.24:6I-41, C.24:6I-42, or C.24:6I-43), and
5 regulations concerning qualifications for licensure promulgated by
6 the commission for which the applicant seeks licensure, and not
7 more than 90 days after the receipt of an application, make a
8 determination as to whether the application is approved or denied,
9 or that the commission requires more time to adequately review the
10 application.

11 The commission shall deny a license application to any applicant
12 who fails to provide information, documentation and assurances as
13 required by P.L.2021, c.16 (C.24:6I-31 et al.) or as requested by the
14 commission, or who fails to reveal any material fact to
15 qualification, or who supplies information which is untrue or
16 misleading as to a material fact pertaining to the qualification
17 criteria for licensure. The commission shall approve a license
18 application that meets the requirements of this section unless the
19 commission finds by clear and convincing evidence that the
20 applicant would be manifestly unsuitable to perform the activities
21 for the applicable license class for which licensure is sought.

22 (i) If the application is approved, upon collection of the license
23 fee, the commission shall issue an annual license to the applicant no
24 later than 30 days after giving notice of approval of the application
25 unless the commission finds the applicant is not in compliance with
26 regulations for annual licenses enacted pursuant to the provisions of
27 paragraph (1) of subsection d. of section 6 of P.L.2021, c.16
28 (C.24:6I-34) or the commission is notified by the relevant
29 municipality that the applicant is not in compliance with ordinances
30 and regulations made pursuant to the provisions of section 31 of
31 P.L.2021, c.16 (C.24:6I-45) and in effect at the time of application,
32 provided, if a municipality has enacted a numerical limit on the
33 number of cannabis establishments, distributors, or delivery
34 services and a greater number of applicants seek licenses, the
35 commission shall solicit and consider input from the municipality as
36 to the municipality's preference or preferences for licensure.

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

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

44 (a) begin accepting and processing applications from applicants
45 within 30 days after the commission's initial rules and regulations
46 have been adopted pursuant to subparagraph (a) of paragraph (1) of
47 subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34), and
48 ensure that at least 35 percent of the total licenses issued for each

1 class of cannabis establishment, and for cannabis distributors and
2 delivery services, are conditional licenses, which 35 percent figure
3 shall also include any conditional license issued to an applicant
4 which is subsequently replaced by the commission with an annual
5 license due to that applicant's compliance for the annual license
6 pursuant to subsubparagraph (i) of subparagraph (d) of this
7 paragraph;

8 (b) forward, within 14 days of receipt, a copy of each
9 application to the municipality in which the applicant desires to
10 operate a proposed cannabis establishment, or to the municipality in
11 which the premises is located from which the applicant desires to
12 operate a proposed cannabis distributor or delivery service; and

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

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

18 (ii) a listing included with the application, showing all persons
19 with a financial interest who also have decision making authority
20 for the proposed cannabis establishment, distributor, or delivery
21 service detailed in the application;

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

26 (iv) the name, address, date of birth, and resumes of each
27 executive officer, all significantly involved persons, and persons
28 with a financial interest who also have decision making authority
29 for the proposed cannabis establishment, distributor, or delivery
30 service, as well as a photocopy of their driver's licenses or other
31 government-issued form of identification, plus background check
32 information in a form and manner determined by the commission in
33 consultation with the Superintendent of State Police; concerning the
34 background check, an application shall be denied if any person has
35 any disqualifying conviction pursuant to subparagraph (c) of
36 paragraph (4) of subsection a. of section 20, 22, 23, 24, 25 or 26 of
37 P.L.2021, c.16 (C.24:6I-37, C.24:6I-39, C.24:6I-40, C.24:6I-41,
38 C.24:6I-42, or C.24:6I-43), based upon the applicable class of
39 cannabis establishment for which the application was submitted, or
40 based upon the application being for a cannabis distributor or
41 delivery service, unless the commission determines pursuant to
42 subsubparagraph (ii) of those subparagraphs that the conviction
43 should not disqualify the application;

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

1 (vi) a certification that each person with a financial interest who
2 also has decision making authority for the proposed cannabis
3 establishment, distributor, or delivery service does not have any
4 financial interest in an application for an annual license under
5 review before the commission or a cannabis establishment,
6 distributor, or delivery service that is currently operating with an
7 annual license;

8 (vii) the federal and State tax identification numbers for the
9 proposed cannabis establishment, distributor, or delivery service,
10 and proof of business registration with the Division of Revenue in
11 the Department of the Treasury;

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

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

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

21 (xi) any other requirements established by the commission
22 pursuant to regulation; and

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

27 The commission shall deny a conditional license application to
28 any applicant who fails to provide information, documentation and
29 assurances as required by P.L.2021, c.16 (C.24:6I-31 et al.) or as
30 requested by the commission, or who fails to reveal any material
31 fact to qualification, or who supplies information which is untrue or
32 misleading as to a material fact pertaining to the qualification
33 criteria for licensure. The commission shall approve a license
34 application that meets the requirements of this section unless the
35 commission finds by clear and convincing evidence that the
36 applicant would be manifestly unsuitable to perform the activities
37 for the applicable license class for which conditional licensure is
38 sought.

39 (i) If the application is approved, upon collection of the
40 conditional license fee, the commission shall issue a conditional
41 license to the applicant, which is non-transferable for its duration,
42 no later than 30 days after giving notice of approval of the
43 application, unless the commission finds the applicant is not in
44 compliance with regulations for conditional licenses enacted
45 pursuant to the provisions of paragraph (1) of subsection d. of
46 section 6 of P.L.2021, c.16 (C.24:6I-34) or the commission is
47 notified by the relevant municipality that the applicant is not in
48 compliance with ordinances and regulations made pursuant to the

1 provisions of section 31 of P.L.2021, c.16 (C.24:6I-45) and in effect
2 at the time of application, provided, if a municipality has enacted a
3 numerical limit on the number of marijuana cannabis
4 establishments, distributors, or delivery services and a greater
5 number of applicants seek licenses, the commission shall solicit and
6 consider input from the municipality as to the municipality's
7 preference or preferences for licensure. For each license issued, the
8 commission shall also provide the approved licensee with
9 documentation setting forth the remaining conditions to be satisfied
10 under section 20, 22, 23, 24, 25, or 26 of P.L.2021, c.16 (C.24:6I-
11 37, C.24:6I-39, C.24:6I-40, C.24:6I-41, C.24:6I-42, or C.24:6I-43),
12 or relevant regulations, based upon the applicable class of cannabis
13 establishment for which the conditional license was issued, or based
14 upon the conditional license issued for a cannabis distributor or
15 delivery service, and which were not already required for the
16 issuance of that license, to be completed within 120 days of
17 issuance of the conditional license, which period may be extended
18 upon request to the commission for an additional period of up to 45
19 days at the discretion of the commission. If the commission
20 subsequently determines during that 120-day period, or during any
21 additional period granted, that the conditional licensee is in
22 compliance with all applicable conditions and is implementing the
23 plans, procedures, protocols, actions, or other measures set forth in
24 its application, the commission shall replace the conditional license
25 by issuing an annual license, which will expire one year from its
26 date of issuance; if the conditional licensee is not in compliance
27 with all applicable conditions or not implementing the plans,
28 procedures, protocols, actions, or other measures set forth in its
29 application, the conditional license shall automatically expire at the
30 end of the 120-day period, or at the end of any additional period
31 granted by the commission;

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

38 c. The commission shall require all applicants for cannabis
39 licenses, other than applicants for a conditional license for any class
40 of cannabis establishment, or for a cannabis distributor or delivery
41 service, or for either a conditional or annual license for an
42 establishment, distributor, or delivery service that is a
43 microbusiness pursuant to subsection f. of this section, to submit an
44 attestation signed by a bona fide labor organization stating that the
45 applicant has entered into a labor peace agreement with such bona
46 fide labor organization. The maintenance of a labor peace
47 agreement with a bona fide labor organization by a licensed
48 cannabis establishment, distributor, or delivery service, other than

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

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

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

1 utilize a public lottery to determine which applicants receive a
2 license or conditional license, as the case may be.

3 (a) An initial application for licensure shall be evaluated
4 according to criteria to be developed by the commission. There
5 shall be included bonus points for applicants who are residents of
6 New Jersey.

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

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

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

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

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

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

1 - plans for the storage of cannabis and cannabis items, including
2 any safes, vaults, and climate control systems that will be utilized
3 for this purpose;

4 - a diversion prevention plan;

5 - an emergency management plan;

6 - procedures for screening, monitoring, and performing criminal
7 history record background checks of employees;

8 - cybersecurity procedures;

9 - workplace safety plans and the applicant's familiarity with
10 federal Occupational Safety and Health Administration regulations;

11 - the applicant's history of workers' compensation claims and
12 safety assessments;

13 - procedures for reporting adverse events; and

14 - a sanitation practices plan.

15 (iii) A summary of the applicant's business experience, including
16 the following, if applicable:

17 - the applicant's experience operating businesses in highly-
18 regulated industries;

19 - the applicant's experience in operating cannabis establishments
20 or alternative treatment centers and related cannabis production,
21 manufacturing, warehousing, or retail entities, or experience in
22 operating cannabis distributors or delivery services, under the laws
23 of New Jersey or any other state or jurisdiction within the United
24 States; and

25 - the applicant's plan to comply with and mitigate the effects of
26 26 U.S.C. s.280E on cannabis businesses, and for evidence that the
27 applicant is not in arrears with respect to any tax obligation to the
28 State.

29 In evaluating the experience described under this
30 subsubparagraph, the commission shall afford the greatest weight to
31 the experience of the applicant itself, controlling owners, and
32 entities with common ownership or control with the applicant;
33 followed by the experience of those with a 15 percent or greater
34 ownership interest in the applicant's organization; followed by
35 significantly involved persons in the applicant's organization;
36 followed by other officers, directors, and current and prospective
37 employees of the applicant who have a bona fide relationship with
38 the applicant's organization as of the date of the application.

39 (iv) A description of the proposed location for the applicant's
40 site, including the following, if applicable:

41 - the proposed location, the surrounding area, and the suitability
42 or advantages of the proposed location, along with a floor plan and
43 optional renderings or architectural or engineering plans;

44 - the submission of zoning approvals for the proposed location,
45 which shall consist of a letter or affidavit from appropriate officials
46 of the municipality that the location will conform to local zoning
47 requirements allowing for activities related to the operations of the
48 proposed cannabis cultivator, cannabis manufacturer, cannabis

1 wholesaler, cannabis distributor, cannabis retailer, or cannabis
2 delivery service as will be conducted at the proposed facility; and

3 - the submission of proof of local support for the suitability of
4 the location, which may be demonstrated by a resolution adopted by
5 the municipality's governing body indicating that the intended
6 location is appropriately located or otherwise suitable for activities
7 related to the operations of the proposed cannabis cultivator,
8 cannabis manufacturer, cannabis wholesaler, cannabis distributor,
9 cannabis retailer, or cannabis delivery service.

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

19 Notwithstanding any other provision of this subsubparagraph, an
20 application shall be disqualified from consideration unless it
21 includes documentation demonstrating that the applicant will have
22 final control of the premises upon approval of the application,
23 including, but not limited to, a lease agreement, contract for sale,
24 title, deed, or similar documentation. In addition, if the applicant
25 will lease the premises, the application will be disqualified from
26 consideration unless it includes certification from the landlord that
27 the landlord is aware that the tenant's use of the premises will
28 involve activities associated with operations as a cannabis
29 cultivator, cannabis manufacturer, cannabis wholesaler, cannabis
30 distributor, cannabis retailer, or cannabis delivery service.

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

34 - a community impact plan summarizing how the applicant
35 intends to have a positive impact on the community in which the
36 proposed cannabis establishment, distributor, or delivery service is
37 to be located, which shall include an economic impact plan and a
38 description of outreach activities;

39 - a written description of the applicant's record of social
40 responsibility, philanthropy, and ties to the proposed host
41 community;

42 - a written description of any research the applicant has
43 conducted on the adverse effects of the use of cannabis items,
44 substance use disorder, and the applicant's participation in or
45 support of cannabis-related research and educational activities; and

46 - a written plan describing any research and development
47 regarding the adverse effects of cannabis, and any cannabis-related

1 educational and outreach activities, which the applicant intends to
2 conduct if issued a license by the commission.

3 In evaluating the information submitted pursuant to this
4 subsubparagraph, the commission shall afford the greatest weight to
5 responses pertaining to the applicant itself, controlling owners, and
6 entities with common ownership or control with the applicant;
7 followed by those with a 15 percent or greater ownership interest in
8 the applicant's organization; followed by significantly involved
9 persons in the applicant's organization; followed by other officers,
10 directors, and current and prospective employees of the applicant
11 who have a bona fide relationship with the applicant's organization
12 as of the date of the application.

13 (vi) A workforce development and job creation plan, which may
14 include information on the applicant's history of job creation and
15 planned job creation at the proposed cannabis establishment,
16 distributor, or delivery service; education, training, and resources to
17 be made available for employees; any relevant certifications; and an
18 optional diversity plan.

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

- 21 - an executive summary of the applicant's business plan;
- 22 - a demonstration of the applicant's financial ability to implement
23 its business plan, which may include, but shall not be limited to,
24 bank statements, business and individual financial statements, net
25 worth statements, and debt and equity financing statements; and
- 26 - a description of the applicant's plan to comply with guidance
27 pertaining to cannabis issued by the Financial Crimes Enforcement
28 Network under 31 U.S.C. s.5311 et seq., the federal "Bank Secrecy
29 Act," which may be demonstrated by submitting letters regarding
30 the applicant's banking history from banks or credit unions that
31 certify they are aware of the business activities of the applicant, or
32 entities with common ownership or control with the applicant, in
33 any state where the applicant has operated a business related to
34 personal use or medical cannabis. For the purposes of this
35 subsubparagraph, the commission shall consider only bank
36 references involving accounts in the name of the applicant or of an
37 entity with common ownership or control with the applicant. An
38 applicant who does not submit the information about a plan of
39 compliance with the federal "Bank Secrecy Act" shall not be
40 disqualified from consideration.

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

47 (ix) Any other information the commission deems relevant in
48 determining whether to grant a license to the applicant.

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

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

8 (b) Applicants that are party to a collective bargaining
9 agreement with a bona fide labor organization that currently
10 represents, or is actively seeking to represent cannabis workers in
11 New Jersey.

12 (c) Applicants that are party to a collective bargaining
13 agreement with a bona fide labor organization that currently
14 represents cannabis workers in another state.

15 (d) Applicants that submit a signed project labor agreement with
16 a bona fide building trades labor organization, which is a form of
17 pre-hire collective bargaining agreement covering terms and
18 conditions of a specific project, including labor issues and worker
19 grievances associated with that project, for the construction or
20 retrofit of the facilities associated with the licensed entity.

21 (e) Applicants that submit a signed project labor agreement with
22 a bona fide labor organization for any other applicable project
23 associated with the licensed entity.

24 As used in this paragraph, "bona fide labor organization" means
25 "bona fide labor organization" as defined in subsection c. of this
26 section, and includes a bona fide building trades labor organization.

27 (3) In reviewing an initial license application, unless the
28 information is otherwise solicited by the commission in a specific
29 application question, the commission's evaluation of the application
30 shall be limited to the experience and qualifications of the
31 applicant's organization, including controlling owners, any entities
32 with common ownership or control with the applicant, those with a
33 15 percent or greater ownership interest in the applicant's
34 organization, significantly involved persons in the applicant's
35 organization, the other officers, directors, and current or prospective
36 employees of the applicant who have a bona fide relationship with
37 the applicant's organization as of the date of the application, and
38 consultants and independent contractors who have a bona fide
39 relationship with the applicant as of the date of the application.
40 Responses pertaining to applicants who are exempt from the
41 criminal history record background check requirements of
42 P.L.2021, c.16 (C.24:6I-31 et al.) shall not be considered. Each
43 applicant shall certify as to the status of the individuals and entities
44 included in the application.

45 (4) The commission shall give special consideration to any
46 applicant that has entered into an agreement with an institution of
47 higher education to create an integrated curriculum involving the
48 cultivation, manufacturing, wholesaling, distributing, retail sales, or

1 delivery of personal use cannabis or cannabis items, provided that
2 the curriculum is approved by both the commission and the Office
3 of the Secretary of Higher Education and the applicant agrees to
4 maintain the integrated curriculum in perpetuity. An integrated
5 curriculum license shall be subject to revocation if the license
6 holder fails to maintain or continue the integrated curriculum. In the
7 event that, because of circumstances outside a license holder's
8 control, the license holder will no longer be able to continue an
9 integrated curriculum, the license holder shall notify the
10 commission and shall make reasonable efforts to establish a new
11 integrated curriculum with an institution of higher education,
12 subject to approval by the commission and the Office of the
13 Secretary of Higher Education. If the license holder is unable to
14 establish a new integrated curriculum within six months after the
15 date the current integrated curriculum arrangement ends, the
16 commission shall revoke the entity's license, unless the commission
17 finds there are extraordinary circumstances that justify allowing the
18 license holder to retain the license without an integrated curriculum
19 and the commission finds that allowing the license holder to retain
20 the license would be consistent with the purposes of P.L.2021, c.16
21 (C.24:6I-31 et al.). The commission may revise the application and
22 license fees or other conditions for a license pursuant to this
23 paragraph as may be necessary to encourage applications for
24 licensure which involves an integrated curriculum.

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

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

46 e. (1) The commission shall also prioritize applications on the
47 basis of impact zones, for which past criminal marijuana enterprises
48 contributed to higher concentrations of law enforcement activity,

1 unemployment, and poverty, or any combination thereof, within
2 parts of or throughout these zones, regardless of whether there is
3 any competition among applications for a particular class of license.

4 An "impact zone" means any municipality that:

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

8 (b) based upon data for calendar year 2019:

9 (i) ranks in the top 40 percent of municipalities in the State for
10 marijuana- or hashish-related arrests for violation of paragraph (4)
11 of subsection a. of N.J.S.2C:35-10;

12 (ii) has a crime index total of 825 or higher based upon the
13 indexes listed in the annual Uniform Crime Report by the Division
14 of State Police; and

15 (iii) has a local average annual unemployment rate that ranks in
16 the top 15 percent of all municipalities in the State, based upon
17 average annual unemployment rates estimated for the relevant
18 calendar year by the Office of Research and Information in the
19 Department of Labor and Workforce Development;

20 (c) is a municipality located in a county of the third class, based
21 upon the county's population according to the most recently
22 compiled federal decennial census as of the effective date of
23 P.L.2021, c.16 (C.24:6I-31 et al.), that meets all of the criteria set
24 forth in subparagraph (b) other than having a crime index total of
25 825 or higher; or

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

30 (i) with a population of less than 60,000 according to the most
31 recently compiled federal decennial census, that for calendar year
32 2019 ranks in the top 40 percent of municipalities in the State for
33 marijuana- or hashish-related arrests for violation of paragraph (4)
34 of subsection a. of N.J.S.2C:35-10; has a crime index total of 1,000
35 or higher based upon the indexes listed in the 2019 annual Uniform
36 Crime Report by the Division of State Police; but for calendar year
37 2019 does not have a local average annual unemployment rate that
38 ranks in the top 15 percent of all municipalities, based upon average
39 annual unemployment rates estimated for the relevant calendar year
40 by the Office of Research and Information in the Department of
41 Labor and Workforce Development; or

42 (ii) with a population of not less than 60,000 or more than 80,000
43 according to the most recently compiled federal decennial census;
44 has a crime index total of 650 or higher based upon the indexes
45 listed in the 2019 annual Uniform Crime Report; and for calendar
46 year 2019 has a local average annual unemployment rate of 3.0
47 percent or higher using the same estimated annual unemployment
48 rates.

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

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

8 (b) An applicant who is a current resident of an impact zone and
9 has resided therein for three or more consecutive years at the time
10 of making the application. To the extent reasonably practicable, at
11 least 25 percent of the total licenses issued to applicants for a
12 cannabis establishment, distributor, or delivery service license shall
13 be awarded to applicants who have resided in an impact zone for
14 three or more consecutive years at the time of making the
15 application, regardless of where the cannabis establishment,
16 distributor, or delivery service is, or is intended to be, located.

17 (c) An applicant who presents a plan, attested to, to employ at
18 least 25 percent of employees who reside in an impact zone, of
19 whom at least 25 percent shall reside in the impact zone nearest to
20 the location, or intended location, of the cannabis establishment,
21 distributor, or delivery service; failure to meet the requisite
22 percentages of employees from an impact zone within 90 days of
23 the opening of a licensed cannabis establishment, distributor, or
24 delivery service shall result in the suspension or revocation of a
25 license or conditional license, as applicable, issued based on an
26 application with an impact zone employment plan.

27 f. (1) The commission shall ensure that at least 10 percent of the
28 total licenses issued for each class of cannabis establishment, or for
29 cannabis distributors and cannabis delivery services, are designated
30 for and only issued to microbusinesses, and that at least 25 percent
31 of the total licenses issued be issued to microbusinesses. The
32 determination of the percentage for each class of license issued to
33 microbusinesses shall include the number of conditional licenses
34 issued to microbusinesses for each class, as the percentage of
35 conditional licenses issued for each class pursuant to subparagraph
36 (a) of paragraph (2) of subsection b. of this section shall not be
37 mutually exclusive of the percentage of licenses issued to
38 microbusinesses pursuant to this subsection. There shall not be any
39 cap or other numerical restriction on the number of licenses issued
40 to microbusinesses pursuant to P.L.2021, c.16 (C.24:6I-31 et al.),
41 and this prohibition on a cap or other numerical restriction shall
42 apply to every class of license issued. The maximum fee assessed
43 by the commission for issuance or renewal of a license designated
44 and issued to a microbusiness shall be no more than half the fee
45 applicable to a license of the same class issued to a person or entity
46 that is not a microbusiness.

- 1 (2) A microbusiness shall meet the following requirements:
- 2 (a) 100 percent of the ownership interest in the microbusiness
- 3 shall be held by current New Jersey residents who have resided in
- 4 the State for at least the past two consecutive years;
- 5 (b) at least 51 percent of the owners, directors, officers, or
- 6 employees of the microbusiness shall be residents of the
- 7 municipality in which the microbusiness is located, or to be located,
- 8 or a municipality bordering the municipality in which the
- 9 microbusiness is located, or to be located;
- 10 (c) concerning business operations, and capacity and quantity
- 11 restrictions:
- 12 (i) employ no more than 10 employees;
- 13 (ii) operate a cannabis establishment occupying an area of no
- 14 more than 2,500 square feet, and in the case of a cannabis
- 15 cultivator, grow cannabis on an area no more than 2,500 square feet
- 16 measured on a horizontal plane and grow above that plane not
- 17 higher than 24 feet; provided, that a cannabis cultivator's grow
- 18 space may, if approved by the commission, be part of a larger
- 19 premises that is owned or operated by a cannabis cultivator that is
- 20 not a licensed microbusiness, allowing for the sharing of a physical
- 21 premises and certain business operations, but only the
- 22 microbusiness cannabis cultivator shall grow cannabis on and above
- 23 the cultivator's grow space;
- 24 (iii) possess no more than 1,000 cannabis plants each month,
- 25 except that a cannabis distributor's possession of cannabis plants for
- 26 transportation shall not be subject to this limit;
- 27 (iv) in the case of a cannabis manufacturer, acquire no more than
- 28 1,000 pounds of usable cannabis each month;
- 29 (v) in the case of a cannabis wholesaler, acquire for resale no
- 30 more than 1,000 pounds of usable cannabis, or the equivalent
- 31 amount in any form of manufactured cannabis product or cannabis
- 32 resin, or any combination thereof, each month; and
- 33 (vi) in the case of a cannabis retailer, acquire for retail sale no
- 34 more than 1,000 pounds of usable cannabis, or the equivalent
- 35 amount in any form of manufactured cannabis product or cannabis
- 36 resin, or any combination thereof, each month;
- 37 (d) no owner, director, officer, or other person with a financial
- 38 interest who also has decision making authority for the
- 39 microbusiness shall hold any financial interest in any other licensed
- 40 cannabis establishment, distributor, or delivery service, whether or
- 41 not a microbusiness;
- 42 (e) no owner, director, officer, or other person with a financial
- 43 interest who also has decision making authority for a licensed
- 44 cannabis establishment, distributor, or delivery service, whether or
- 45 not a microbusiness, shall hold any financial interest in a
- 46 microbusiness;
- 47 (f) the microbusiness shall not sell or transfer the license issued
- 48 to it; and

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

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

10 (a) Any microbusiness that meets the criteria established by the
11 commission for conversion may submit an application to convert its
12 operations. Upon review of the application to confirm the
13 commission's criteria have been met, the commission shall issue a
14 new annual license to the person or entity, and the previously issued
15 license for the microbusiness shall be deemed expired as of the date
16 of issuance of the new annual license. If the commission
17 determines that the criteria have not been met, the conversion
18 application shall be denied, and the commission shall notify the
19 microbusiness applicant of the specific reason for its denial, and
20 provide the applicant with the opportunity for a hearing in
21 accordance with the "Administrative Procedure Act," P.L.1968,
22 c.410 (C.52:14B-1 et seq.).

23 (b) Any new annual license issued pursuant to this paragraph
24 allowing a microbusiness to convert and continue its operations as a
25 licensed person or entity that is not a microbusiness subject to the
26 provisions of this subsection shall be counted towards the
27 percentages of licenses that are designated for and only issued to
28 microbusinesses as set forth in paragraph (1) of this subsection,
29 notwithstanding the microbusiness' converted operations.

30 g. In addition to any other information required to be submitted
31 to the commission pursuant to this section, the commission shall
32 require all license applicants to submit a copy of any services
33 agreement entered into by the applicant with a third-party entity,
34 which agreement shall be subject to review as provided in
35 subsection h. of this section.

36 h. The commission shall have the authority to review any
37 services agreement submitted pursuant to subsection g. of this
38 section and any agreement to provide significant financial or
39 technical assistance or the significant use of intellectual property to
40 an applicant, to determine whether the terms of the agreement,
41 including interest rates, returns, and fees, are commercially
42 reasonable and consistent with the fair market value for the terms
43 generally applicable to agreements of a comparable nature. In the
44 event the commission determines the terms of an agreement are not
45 commercially reasonable or consistent with the fair market value
46 generally applicable to the services to be provided under the
47 agreement, the commission shall have the authority to withhold
48 approval of the license application until the parties renegotiate a

1 new agreement that, as determined by the commission, is
2 commercially reasonable and consistent with the fair market value
3 for the terms generally applicable to agreements of a comparable
4 nature. The parties to the agreement may request that the
5 commission provide guidance as to what terms it would find to be
6 commercially reasonable and consistent with the fair market value
7 generally applicable to agreements of a comparable nature. Nothing
8 in this subsection shall be construed to require the commission to
9 award a license to an applicant if the commission determines the
10 applicant does not otherwise meet the requirements for issuance of
11 the license.¹

12 (cf: P.L.2023, c.177, s.55)

13
14 ¹8. Section 33 of P.L.2021, c.16 (C.24:6I-46) is amended to read
15 as follows:

16 33. Marketplace Regulation.

17 a. (1) (a) For a period of 24 months after the effective date of
18 P.L.2021, c.16 (C.24:6I-31 et al.), it shall be unlawful for any
19 owner, part owner, stockholder, officer, or director of any
20 corporation, or any other person interested in any cannabis
21 cultivator, cannabis manufacturer, cannabis wholesaler, cannabis
22 distributor, cannabis delivery service, or cannabis testing facility to
23 engage in the retailing of any cannabis items in this State, or to
24 own, either in whole or in part, or be directly or indirectly interested
25 in a cannabis retailer, and such interest shall include any payments
26 or delivery of money or property by way of loan or otherwise
27 accompanied by an agreement to sell the product of said cannabis
28 cultivator, cannabis manufacturer, cannabis wholesaler, cannabis
29 distributor, or cannabis testing facility, but does not include any
30 arrangement between a cannabis delivery service and a cannabis
31 retailer for making deliveries of cannabis items to consumers.
32 During this 24-month period, the holder of a Class 1 Cannabis
33 Cultivator license to operate as a cannabis cultivator or a Class 2
34 Cannabis Manufacturer license to operate as a cannabis
35 manufacturer may hold one other license to operate another
36 cannabis establishment, other than a Class 3 Cannabis Wholesaler
37 license to operate as a cannabis wholesaler or a Class 5 Cannabis
38 Retailer license to operate as a cannabis retailer; and the holder of a
39 Class 3 Cannabis Wholesaler license to operate as a cannabis
40 wholesaler may hold one other Class 4 Cannabis Distributor license
41 to operate as a cannabis distributor.

42 (b) Throughout the 24-month period set forth in subparagraph
43 (a) of this paragraph, the commission, except as authorized by
44 paragraph (2) of subsection b. of this section, shall not allow,
45 providing there exist qualified applicants, more than 37 cannabis
46 cultivators to be simultaneously licensed and engaging in cannabis
47 production, which number shall include any alternative treatment
48 centers deemed to be licensed as cannabis cultivators who are

1 issued licenses by the commission pursuant to paragraph (3) of this
2 subsection; provided that cannabis cultivator licenses issued to
3 microbusinesses pursuant to subsection f. of section 19 of P.L.2021,
4 c.16 (C.24:6I-36) shall not count towards this limit.

5 (2) For a period of 24 months after the effective date of
6 P.L.2021, c.16 (C.24:6I-31 et al.), it shall be unlawful for any
7 owner, part owner, stockholder, officer, or director of any
8 corporation, or any other person engaged in any retailing of any
9 cannabis items to engage in the growing of, testing of,
10 manufacturing of, wholesaling of, or transporting in bulk any
11 cannabis items, or to own either whole or in part, or to be a
12 shareholder, officer or director of a corporation or association,
13 directly or indirectly, interested in any cannabis cultivator,
14 cannabis manufacturer, cannabis wholesaler, cannabis distributor,
15 cannabis delivery service, or cannabis testing facility.

16 (3) (a) (i) Except with respect to the cap on the number of
17 cannabis cultivator licenses set forth in subparagraph (b) of
18 paragraph (1) of this subsection, the provisions of paragraphs (1)
19 and (2) of this subsection shall not apply to any alternative
20 treatment center that was issued a permit prior to the effective date
21 of P.L.2019, c.153 (C.24:6I-5.1 et al.), or to any alternative
22 treatment center that was issued a permit subsequent to that
23 effective date pursuant to an application submitted prior to that
24 effective date,

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

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

1 and which alternative treatment center is also deemed, pursuant
2 to subsubparagraph (ii) of subparagraph (c) of paragraph (2) of
3 section 7 of P.L.2009, c.307 (C.24:6I-7), to either concurrently hold
4 a Class 1 Cannabis Cultivator license, a Class 2 Cannabis
5 Manufacturer license, a Class 5 Cannabis Retailer license, plus an
6 additional Class 5 Cannabis Retailer license for each satellite
7 dispensary authorized and established by an alternative treatment
8 center pursuant to subparagraph (d) of paragraph (2) of subsection
9 a. of section 7 of P.L.2009, c.307 (C.24:6I-7), and a Class 6
10 Cannabis Delivery license, or alternatively to hold a Class 3
11 Cannabis Wholesaler license, and may also be deemed to hold a
12 Class 4 Cannabis Distributor license.

13 (ii) For each alternative treatment center deemed to have
14 licenses pursuant to subsubparagraph (i) of this subparagraph, the
15 commission shall not require the submission of an application for
16 licensure, as the application requirement is deemed satisfied by the
17 alternative treatment center's previously approved permit
18 application that was submitted to the Department of Health or to the
19 commission pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7),
20 but the alternative treatment center shall not begin to operate as any
21 class of cannabis establishment distributor, or delivery service until
22 the alternative treatment center has submitted a written approval for
23 a proposed cannabis establishment distributor, or delivery service
24 from the municipality in which the proposed establishment
25 distributor, or delivery service is to be located, which approval is
26 based on a determination that the proposed establishment
27 distributor, or delivery service complies with the municipality's
28 restrictions on the number of establishments distributor, or delivery
29 services, as well as the location, manner, and times of operation of
30 establishments or distributors enacted pursuant to section 31 of
31 P.L.2021, c.16 (C.24:6I-45). The commission shall thereafter only
32 issue the initial license to the alternative treatment center for a
33 cannabis establishment of the appropriate class, or for a cannabis
34 distributor or delivery service, once the commission certifies that it
35 has sufficient quantities of medical cannabis and medical cannabis
36 products available to meet the reasonably anticipated needs of
37 registered qualifying patients in accordance with subsubparagraph
38 (iii) of this subparagraph. The commission shall begin accepting
39 municipal approvals from alternative treatment centers beginning
40 on the date of adoption of the commission's initial rules and
41 regulations pursuant to subparagraph (a) of paragraph (1) of
42 subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34).

43 (iii) An alternative treatment center with approval from a
44 municipality pursuant to subsubparagraph (ii) of this subparagraph
45 shall not engage in activities related to the growing, manufacturing,
46 wholesaling, transporting or delivering of cannabis or cannabis
47 items until it has certified to the commission that that it has
48 sufficient quantities of medical cannabis and medical cannabis

1 products available to meet the reasonably anticipated needs of
2 registered qualifying patients, and the commission has accepted the
3 alternative treatment center's certification, which acceptance is
4 conditioned on the commission's review of the alternative treatment
5 center as set forth in subsubparagraph (iv) of this subparagraph.
6 Upon acceptance of the certification, the commission shall issue the
7 initial license to the alternative treatment center for a cannabis
8 establishment of the appropriate class or for a cannabis distributor
9 or delivery service.

10 Notwithstanding the date determined by the commission
11 pursuant to paragraph (2) of subsection d. of section 6 of P.L.2021,
12 c.16 (C.24:6I-34) to be the first date on which cannabis retailers
13 issued licenses and conditional licenses begin retail sales of
14 personal use cannabis items, an alternate treatment center, if
15 approved by the commission to operate as a cannabis retailer, may
16 begin to engage in the retail sale of cannabis items on any date after
17 the date that the commission adopts its initial rules and regulations
18 pursuant to subparagraph (a) of paragraph (1) of subsection d. of
19 section 6 of that act P.L.2021, c.16 (C.24:6I-34), so long as it has
20 certified to the commission that it has sufficient quantities of
21 medical cannabis and, if applicable, medical cannabis products
22 available to meet the reasonably anticipated needs of registered
23 qualifying patients, and the commission has accepted the alternative
24 treatment center's certification, which acceptance is conditioned on
25 the commission's review of the alternative treatment center as set
26 forth in subsubparagraph (iv) of this subparagraph. Upon
27 acceptance of the certification, the commission shall issue the initial
28 cannabis retailer license to the alternative treatment center for
29 engaging in the retail sale of cannabis items.

30 (iv) An alternative treatment center issued a license for a
31 cannabis establishment or delivery service shall be authorized to
32 use the same premises for all activities authorized under P.L.2021,
33 c.16 (C.24:6I-31 et al.) and the "Jake Honig Compassionate Use
34 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), without
35 being required to establish or maintain any physical barriers or
36 separations between operations related to the medical use of
37 cannabis and operations related to personal use of cannabis items,
38 provided that the alternative treatment center shall be required to
39 certify that it has sufficient quantities of medical cannabis and, if
40 applicable, medical cannabis products available to meet the
41 reasonably anticipated needs of registered qualifying patients, as set
42 forth in subsubparagraph (ii) or (iii) of this subparagraph, and only
43 if accepted by the commission, which is a condition for licensure as
44 a cannabis establishment of the appropriate class or as a cannabis
45 delivery service.

46 In determining whether to accept, pursuant to this subparagraph,
47 an alternative treatment center's certification that it has sufficient
48 quantities of medical cannabis or medical cannabis products

1 available to meet the reasonably anticipated needs of registered
2 qualifying patients, the commission shall assess patient enrollment,
3 inventory, sales of medical cannabis and medical cannabis products,
4 and any other factors determined by the commission through
5 regulation.

6 As a condition of licensure following acceptance of a
7 certification, an alternative treatment center shall meet the
8 anticipated treatment needs of registered qualifying patients before
9 meeting the retail requests of cannabis consumers, and the
10 alternative treatment center shall not make operational changes that
11 reduce access to medical cannabis for registered qualifying patients
12 in order to operate a cannabis establishment or delivery service. If
13 an alternative treatment center is found by the commission to not
14 have sufficient quantities of medical cannabis or medical cannabis
15 products available to meet the reasonably anticipated needs of
16 qualified patients, the commission may issue fines, limit retail or
17 other sales, temporarily suspend the alternative treatment center's
18 cannabis establishment, distributor, or delivery service license, or
19 issue any other penalties determined by the commission through
20 regulation.

21 (b) Beginning on a date determined by the commission, to be
22 not later than one year from the date determined by the commission
23 pursuant to paragraph (2) of subsection d. of section 6 of P.L.2021,
24 c.16 (C.24:6I-34) to be the first date on which cannabis retailers
25 issued licenses and conditional licenses begin retail sales of
26 personal use cannabis items, an alternative treatment center deemed
27 to have licenses and issued initial licenses pursuant to subparagraph
28 (a) of this paragraph shall certify to the commission, within a period
29 of time, as determined by the commission, prior to the date on
30 which a license issued to the alternative treatment center is set to
31 expire, the continued material accuracy of the alternative treatment
32 center's previously approved permit application to the Department
33 of Health or to the commission pursuant to section 7 of P.L.2009,
34 c.307 (C.24:6I-7), and its compliance with the provisions of
35 P.L.2021, c.16 (C.24:6I-31 et al.) as required by the commission for
36 its operations concerning cannabis or cannabis items, and this
37 certification shall be supplemented with a new written approval
38 from the municipality in which the alternative treatment center is
39 operating as a cannabis establishment or delivery service for which
40 the initial license was issued, approving the continued operations as
41 a cannabis establishment distributor, or delivery service. The
42 commission shall renew the license of the alternative treatment
43 center based upon a review of the certification and supporting
44 municipality's continued approval. This license renewal process
45 shall thereafter be followed for each expiring license issued to the
46 alternative treatment center.

1 b. Following the 24-month period set forth in subparagraph (a)
2 of paragraph (1) of subsection a. of this section, a cannabis license
3 holder shall be authorized to hold:

4 (1) (a) a Class 1 Cannabis Cultivator license or its owners
5 through a separate company, a Class 2 Cannabis Manufacturer
6 license or its owners through a separate company, a Class 5
7 Cannabis Retailer license or its owners through a separate company,
8 and a Class 6 Cannabis Delivery license or its owners through a
9 separate company concurrently, provided that no license holder
10 shall be authorized to concurrently hold more than one license of
11 each class, except in accordance with subsection c. of this section
12 and for an alternative treatment center that was deemed, during the
13 24-month period, to have an additional Class 5 Cannabis Retailer
14 license for each satellite dispensary that was authorized and
15 established by the alternative treatment center pursuant to
16 subparagraph (d) of paragraph (2) of subsection a. of section 7 of
17 P.L.2009, c.307 (C.24:6I-7). These additional retailer licenses only
18 permit the retail operation of each satellite dispensary, and shall not
19 be replaced by any other class of cannabis establishment distributor,
20 or delivery service license; or

21 (b) a Class 3 Cannabis Wholesaler license and a Class 4
22 Cannabis Distributor license. In no case may a holder of a Class 3
23 Cannabis Wholesaler license concurrently hold a license of any
24 other class of cannabis establishment, or concurrently hold a license
25 as a cannabis delivery service.

26 (2) The commission, pursuant to its authority under paragraph
27 (1) of subsection a. of section 18 of P.L.2021, c.16 (C.24:6I-35) for
28 making periodic evaluations of whether the number of each class of
29 cannabis establishment, or number of cannabis distributors or
30 delivery services, is sufficient to meet the market demands of the
31 State, shall review the limit on the number of cannabis cultivator
32 licenses set forth in subparagraph (b) of paragraph (1) of subsection
33 a. of this section, and providing there exist qualified applicants,
34 accept new applications for additional licenses as it deems
35 necessary.

36 (3) A license holder may submit an application for a license of
37 any type that the license holder does not currently hold prior to the
38 expiration of the 24-month period set forth in subparagraph (a) of
39 paragraph (1) of subsection a. of this section, or thereafter, does not
40 currently hold pursuant to paragraph (1) of this subsection, provided
41 that no license shall be awarded to the license holder during the 24-
42 month period, or thereafter, if issuance of the license would violate
43 the restrictions set forth in subsection a. of this section concerning
44 the classes of licenses that may be concurrently held during that 24-
45 month period, or the restrictions set forth in paragraph (1) of this
46 subsection.

47 c. Notwithstanding the provisions of this section, an investor,
48 investor group, or fund that provides significant financial or

1 technical assistance or the significant use of intellectual property, or
2 a combination thereof, to an applicant for a Class 5 cannabis retailer
3 license, which applicant has been certified as a minority business
4 pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.), a women's
5 business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.), or is
6 a disabled-veterans' business, as defined in section 2 of P.L.2015,
7 c.116 (C.52:32-31.2), may own up to a 35 percent interest in up to
8 seven entities that have been issued a Class 5 cannabis retailer
9 license, provided that each such retailer is a certified minority or
10 women's business or a disabled-veterans' business, and the terms of
11 the agreement to provide significant financial or technical
12 assistance or the significant use of intellectual property, or a
13 combination thereof, whether provided in the form of equity, a loan,
14 or otherwise, including interest rates, returns, and fees, are
15 commercially reasonable based on the terms generally provided to
16 comparable businesses. The terms of the agreement for the
17 provision of significant financial or technical assistance or the
18 significant use of intellectual property, or a combination thereof,
19 may include performance, quality, and other requirements as a
20 condition of providing the financial or technical assistance or use of
21 intellectual property. An applicant for a Class 5 cannabis retailer
22 license that has or will receive significant financial or technical
23 assistance or the significant use of intellectual property under this
24 subsection shall include with the license application materials
25 submitted to the commission a copy of the agreement to provide
26 significant financial or technical assistance or significant use of
27 intellectual property, or a combination thereof, which agreement
28 shall be subject to review by the commission as provided in
29 subsection f. of section 11 of P.L.2019, c.153 (C.24:6I-7.1). In
30 accordance with this subsection, an applicant may be owned
31 entirely by an investor, investor group, or fund, provided that the
32 applicant otherwise complies with the provisions of this section.
33 An investor, investor group, or fund may be part or all of the
34 individuals that qualify the entity as a minority business pursuant to
35 P.L.1986, c.195 (C.52:27H-21.18 et seq.), a women's business
36 pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.), or is a
37 disabled-veterans' business, as defined in section 2 of P.L.2015,
38 c.116 (C.52:32-31.2) ². Upon any changes to the ownership interest
39 of a certified minority business pursuant to P.L.1986, c.195
40 (C.52:27H-21.18 et seq.), a women's business pursuant to P.L.1986,
41 c.195 (C.52:27H-21.18 et seq.), or is a disabled-veterans' business,
42 as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), such
43 business shall recertify with the commission the eligibility as a
44 minority business, women's business, or disabled-veterans'
45 business.²

46 An applicant for a Class 5 cannabis retailer license that receives
47 significant financial or technical assistance or the significant use of
48 intellectual property under this subsection shall pay back to the

1 investor, investor group, or fund the full value of the financial or
2 technical assistance or intellectual property provided under the
3 agreement, plus any applicable interest and fees, in a period not less
4 than five years after the date of the agreement if the full value of the
5 assistance or property is less than \$100,000, in a period not less
6 than seven years after the date of the agreement if the full value of
7 the assistance or property is between \$100,001 and \$250,000, in a
8 period not less than 10 years after the date of agreement if the full
9 value of the assistance or property is between \$250,001 and
10 \$500,000, and, subject to any terms and conditions imposed by a
11 lender, in a period not less than 10 years after the date of the
12 agreement if the full value of the assistance or property is greater
13 than \$500,000. An investor, investor group, or fund that has
14 acquired an ownership interest in one or more entities that have
15 been issued a Class 5 cannabis retailer license as authorized under
16 this subsection may maintain the ownership interest after the date
17 the full value of the financial or technical assistance or use of
18 intellectual property provided under the agreement, plus interest
19 and fees, has been repaid by the applicant that received the
20 assistance or use of intellectual property.

21 In no case may the controlling interest in the entity that holds a
22 Class 5 cannabis retailer license in which an investor, investor
23 group, or fund owns an interest as authorized pursuant to this
24 subsection revert to the investor, investor group, or fund in the
25 event of a default or failure by the certified minority or women's
26 business or disabled-veterans' business, as applicable ²], and [any
27 such controlling interest may only be transferred to a certified
28 minority or women's business or a disabled-veterans' business] the
29 entity shall remain a certified minority or women's business or a
30 disabled-veterans' business, as applicable under the law]².

31 An entity issued a Class 1 cannabis cultivator license, Class 2
32 cannabis manufacturer license, or Class 5 cannabis retailer license,
33 or an alternative treatment center, or an individual associated with
34 the ownership or management of such entity, may invest or
35 participate in an investor group or a fund that meets the
36 requirements of this subsection with respect to a Class 5 cannabis
37 retailer license or an alternative treatment center permit.

38 d. ³[Notwithstanding any law to the contrary, an immediate
39 family member, other than a spouse, of a holder of a cannabis
40 license issued pursuant to P.L.2021, c.16 (C.24:6I-31 et al.) may
41 submit an application for any type of license, provided that such
42 person complies with all other applicable rules and regulations
43 related to the application process enforced by the commission.]¹
44 With respect to the implementation of the prohibition against a
45 license holder concurrently holding more than one license of each
46 class under subparagraph (a) of paragraph (1) of subsection b. of
47 this section, no restriction shall impute to any individual based upon

1 such individual's familial relationship with the license holder or
2 owner of license holder unless the individual is a member of the
3 immediate family of the license holder or owner of the license
4 holder. As used in this subsection, "immediate family" means the
5 spouse, domestic partner, or civil union partner, and any dependent
6 child or stepchild, recognized by blood or by law, of the license
7 holder or owner of the license holder, or of the spouse, domestic
8 partner, or civil union partner residing in the same household as the
9 license holder or owner of license holder.³

10 (cf: P.L.2023, c.162, s.2)

11
12 ²9. Section 6 of P.L.2021 ,c.16 (C.24:6I-34) is amended to read as
13 follows :

14 6. Commission Activities Associated with the Personal Use of
15 Cannabis.

16 a. The Cannabis Regulatory Commission shall have all powers
17 necessary or proper to enable it to carry out the commission's duties,
18 functions, and powers under P.L.2021, c.16 (C.24:6I-31 et al.). The
19 jurisdiction, supervision, duties, functions, and powers of the
20 commission extend to any person who buys, sells, cultivates, produces,
21 manufactures, transports, or delivers any cannabis or cannabis items
22 within this State.

23 b. The duties, functions and powers of the commission shall
24 include the following:

25 (1) To regulate the purchase, sale, cultivation, production,
26 manufacturing, transportation, and delivery of cannabis or cannabis
27 items in accordance with the provisions of P.L.2021, c.16 (C.24:6I-31
28 et al.);

29 (2) To grant, refuse, suspend, revoke, cancel, or take actions
30 otherwise limiting licenses or conditional licenses for the sale,
31 cultivation, production, or manufacturing of cannabis items, or other
32 licenses in regard to cannabis items, and to permit, in the commission's
33 discretion, the transfer of a license between persons;

34 (3) To investigate and aid in the prosecution of every violation of
35 the statutory laws of this State relating to cannabis and cannabis items
36 and to cooperate in the prosecution of offenders before any State court
37 of competent jurisdiction;

38 (4) To adopt, amend, or repeal regulations as necessary to carry
39 out the intent and provisions of P.L.2021, c.16 (C.24:6I-31 et al.);

40 (5) To exercise all powers incidental, convenient, or necessary to
41 enable the commission to administer or carry out the provisions of
42 P.L.2021, c.16 (C.24:6I-31 et al.), or any other law of this State that
43 charges the commission with a duty, function, or power related to
44 personal use cannabis. Powers described in this paragraph include, but
45 are not limited to:

46 (a) Issuing subpoenas;

47 (b) Compelling attendance of witnesses;

48 (c) Administering oaths;

1 (d) Certifying official acts;

2 (e) Taking depositions as provided by law;

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

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

9 (6) To adopt rules regulating and prohibiting the advertising of
10 cannabis items in a manner that is appealing to minors; that promotes
11 excessive use; that promotes illegal activity; or that otherwise presents
12 a significant risk to public health and safety; **[and]**

13 (7) To regulate the use of cannabis and cannabis items for
14 scientific, pharmaceutical, manufacturing, mechanical, industrial, and
15 other purposes; and

16 (8) To make recommendations to the Legislature regarding the
17 creation of a new license type to be administered by the commission in
18 accordance with its authority pursuant to P.L.2021, c.16 (C.24:6I-31 et
19 al.).

20 c. The powers of the commission further include the power to
21 purchase, seize, possess, and dispose of cannabis and cannabis items.
22 The commission may purchase, possess, seize, or dispose of cannabis
23 and cannabis items as is necessary to ensure compliance with and
24 enforcement of the provisions of P.L.2021, c.16 (C.24:6I-31 et al.),
25 and any rule adopted pursuant thereto. Any State officer, board,
26 commission, corporation, institution, department, or other State body,
27 and any local officer, board, commission, institution, department, or
28 other local government body, that is permitted by the statutory laws of
29 this State to perform a duty, function, or power with respect to
30 cannabis or a cannabis item, may purchase, possess, seize, or dispose
31 of the cannabis or cannabis item as the State officer, board,
32 commission, corporation, institution, department or other State body,
33 or the local officer, board, commission, institution, department, or
34 other local government body, considers necessary to ensure
35 compliance with and enforce the applicable statutory law or any rule
36 adopted under the applicable statutory law.

37 d. (1) (a) Within 180 days after the effective date of this section,
38 which takes effect immediately upon enactment of P.L.2021, c.16
39 (C.24:6I-31 et al.), or within 45 days of all five members of the
40 commission being duly appointed in accordance with the appointment
41 process set forth in paragraph (2) of subsection b. of section 31 of
42 P.L.2019, c.153 (C.24:6I-24), whichever date is later, and
43 notwithstanding the provisions of the "Administrative Procedure Act,"
44 P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, the commission,
45 after consultation with the Attorney General, State Treasurer,
46 Commissioner of Health, and Commissioner of Banking and
47 Insurance, shall, immediately upon filing proper notice with the Office
48 of Administrative Law, adopt rules and regulations prepared by the

1 commission necessary or proper to enable it to carry out the
2 commission's duties, functions, and powers with respect to overseeing
3 the development, regulation, and enforcement of activities associated
4 with the personal use of cannabis pursuant to P.L.2021, c.16 (C.24:6I-
5 31 et al.).

6 (b) The initial rules and regulations adopted pursuant to
7 subparagraph (a) of this paragraph shall be in effect for a period not to
8 exceed one year after the date of filing with the Office of
9 Administrative Law. These rules and regulations shall thereafter be
10 adopted, amended, or readopted, and any subsequent rules and
11 regulations adopted, amended, or readopted, by the commission in
12 accordance with the requirements of the "Administrative Procedure
13 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), after consultation with
14 other department heads, as the commission deems appropriate.

15 (2) On the date of adoption of the initial rules and
16 regulations pursuant to subparagraph (a) of paragraph (1) of this
17 subsection, the provisions of P.L.2021, c.16 (C.24:6I-31 et al.) shall
18 become operative, other than those provisions which were operative
19 immediately upon enactment. Subsequent to the date of adoption of
20 the initial rules and regulations, the commission shall determine the
21 first date thereafter on which cannabis retailers issued licenses and
22 conditional licenses may begin retail sales of personal use cannabis
23 items, which latter date shall not be more than 180 days after the
24 commission's adoption of its initial rules and regulations. The
25 commission shall provide every person or entity issued licenses or
26 conditional licenses by the commission with at least 30 days' notice of
27 this date, and shall also provide this notice to every alternative
28 treatment center deemed to be licensed for personal use cannabis
29 activities pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), as
30 amended by P.L.2021, c.16 (C.24:6I-31 et al.), whether or not already
31 engaged in retail sales of personal use cannabis items as permitted
32 prior to the retail sales date established pursuant to this paragraph, as
33 set forth in paragraph (3) of subsection a. of section 33 of P.L.2021,
34 c.16 (C.24:6I-46).²

35 (cf: P.L.2021, c.16, s.6)

36
37 ²10. Section 27 of P.L.2021, c.16 (C.24:6I-44) is amended to read
38 as follows:

39 27. Personal Use Cannabis Handlers; Transportation and Delivery
40 of Cannabis and Cannabis Items.

41 a. (1) An individual who performs work for or on behalf of a
42 person who holds a license classified pursuant to section 20, 22, 23,
43 24, 25, or 26 of P.L.2021, c.16 (C.24:6I-37, C.24:6I-39, C.24:6I-40,
44 C.24:6I-41, C.24:6I-42, or C.24:6I-43) shall have a valid certification
45 issued by the commission under this section if the individual
46 participates in:

47 (a) the possession, securing, or selling of cannabis or cannabis
48 items at the premises for which the license has been issued;

1 (b) the recording of the possession, securing, or selling of cannabis
2 or cannabis items at the premises for which the license has been
3 issued; or

4 (c) the transportation of cannabis or cannabis items between
5 licensed cannabis establishments or testing facilities, or delivery of
6 cannabis items to consumers.

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

13 b. A person who holds a license classified pursuant to section 20,
14 22, 23, 24, 25, or 26 of P.L.2021, c.16 (C.24:6I-37, C.24:6I-39,
15 C.24:6I-40, C.24:6I-41, C.24:6I-42, or C.24:6I-43) shall verify that an
16 individual has a valid certification issued under this section before
17 allowing the individual to perform any work described in this section
18 for which the license has been issued pursuant to those sections.

19 c. The commission shall issue certifications to qualified
20 applicants to perform work described in this section. The commission
21 shall adopt rules and regulations establishing: the qualifications for
22 performing work described in this section; the terms of a certification
23 issued under this section; procedures for applying for and renewing a
24 certification issued under this section; and reasonable application,
25 issuance, and renewal fees for a certification issued under this section.

26 d. (1) (a) The commission may require an individual applying for a
27 certification under this section to successfully complete a course, made
28 available by or through the commission, in which the individual
29 receives training on: checking identification; detecting intoxication;
30 handling cannabis and cannabis items; statutory and regulatory
31 provisions relating to cannabis; and any matter deemed necessary by
32 the commission to protect the public health and safety. The
33 commission or other provider may charge a reasonable fee for the
34 course.

35 (b) The commission shall not require an individual to successfully
36 complete the course more than once, except that the commission may
37 adopt regulations directing continuing education training on a
38 prescribed schedule.

39 (2) As part of a final order suspending a certification issued under
40 this section, the commission may require a holder of a certification to
41 successfully complete the course as a condition of lifting the
42 suspension, and as part of a final order revoking a certification issued
43 under this section the commission shall require an individual to
44 successfully complete the course prior to applying for a new
45 certification.

46 e. (1) **【Each】** Except as provided in paragraph (5) of this
47 subsection, each individual applying for a certification under this
48 section shall undergo a criminal history record background check. The

1 commission is authorized to exchange fingerprint data with and
2 receive criminal history record background information from the
3 Division of State Police and the Federal Bureau of Investigation
4 consistent with the provisions of applicable State and federal laws,
5 rules, and regulations. The Division of State Police shall forward
6 criminal history record background information to the commission in a
7 timely manner when requested pursuant to the provisions of this
8 subsection.

9 (2) Each individual shall submit to being fingerprinted in
10 accordance with applicable State and federal laws, rules, and
11 regulations. No check of criminal history record background
12 information shall be performed pursuant to this subsection unless the
13 individual has furnished written consent to that check. Any individual
14 who refuses to consent to, or cooperate in, the securing of a check of
15 criminal history record background information shall not be
16 considered for a certification. Each individual shall bear the cost for
17 the criminal history record background check, including all costs of
18 administering and processing the check.

19 (3) Upon receipt and review of the criminal history record
20 background information from the Division of State Police and the
21 Federal Bureau of Investigation, the commission shall provide written
22 notification to the individual of the qualification or disqualification for
23 a certification. If the individual is disqualified because of a
24 disqualifying conviction as set forth in subsection f. of this section, the
25 conviction that constitutes the basis for the disqualification shall be
26 identified in the written notice.

27 (4) The Division of State Police shall promptly notify the
28 commission in the event that an individual who was the subject of a
29 criminal history record background check conducted pursuant to this
30 subsection is convicted of a crime in this State after the date the
31 background check was performed. Upon receipt of that notification,
32 the commission shall make a determination regarding the continued
33 eligibility to hold a certification.

34 (5) The commission may provide, by rule or regulation, that
35 certain classes of employees, including entry-level employees, may be
36 exempt from the requirement of undergoing a criminal background
37 check as established pursuant to this subsection.

38 f. (1) (a) With respect to determining whether any conviction of an
39 individual contained in the criminal history record background check
40 should disqualify an applicant for a certification, the commission shall
41 not take into consideration any conviction for a crime or offense that
42 occurred prior to the effective date of P.L.2021, c.16 (C.24:6I-31 et
43 al.) involving a controlled dangerous substance or controlled substance
44 analog as set forth in paragraph (11) or (12) of subsection b., or
45 subparagraph (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5,
46 or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any
47 similar indictable offense under federal law, this State's law, or any
48 other state's law, or for any conviction under federal law for conduct

1 involving cannabis or a cannabis item that is authorized by P.L.2021,
2 c.16 (C.24:6I-31 et al.). Additionally, the commission shall not take
3 into consideration any other prior conviction, unless that conviction is
4 for an indictable offense under federal law, other than a conviction for
5 conduct involving cannabis or a cannabis item that is authorized by
6 P.L.2021, c.16 (C.24:6I-31 et al.), or under this State's law, or any
7 other state's law that is substantially related to the qualifications,
8 functions, or duties for which certification is required, and not more
9 than five years have passed since the date of that conviction,
10 satisfactory completion of probation or parole, or release from
11 incarceration, whichever is later. In determining which indictable
12 offenses are substantially related to the qualifications, functions, or
13 duties for which certification is required, the commission shall at least
14 consider any conviction involving fraud, deceit, or embezzlement, and
15 any conviction for N.J.S.2C:35-6, employing a minor in a drug
16 distribution scheme, or similar indictable offense in this or another
17 jurisdiction involving the use of a minor to dispense or distribute a
18 controlled dangerous substance or controlled substance analog;

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

30 g. The commission shall deny an application to any applicant who
31 fails to provide information, documentation and assurances as required
32 by P.L.2021, c.16 (C.24:6I-31 et al.) or as requested by the
33 commission, or who fails to reveal any material fact to qualification, or
34 who supplies information which is untrue or misleading as to a
35 material fact pertaining to the qualification criteria for certification.

36 h. The commission may suspend, revoke, or refuse to renew a
37 certification if the individual who is applying for or who holds the
38 certification: violates any provision of P.L.2021, c.16 (C.24:6I-31 et
39 al.) or any rule or regulation adopted under P.L.2021, c.16 (C.24:6I-31
40 et al.); makes a false statement to the commission; or refuses to
41 cooperate in any investigation by the commission.

42 i. A certification issued under this section is a personal privilege
43 and permits work described under subsection a. of this section only for
44 the individual who holds the certification.

45 j. In addition to the requirements for regulations set forth in
46 paragraph (1) of subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-
47 34) the commission shall promulgate regulations to allow for a
48 cannabis retailer's customer orders of cannabis items and related

1 supplies to be delivered off-premises by a certified cannabis handler
2 performing work for or on behalf of a cannabis retailer, as well as a
3 certified cannabis handler employed by a cannabis delivery service
4 providing courier services for consumer purchases of cannabis items
5 and related supplies fulfilled by the cannabis retailer, and which
6 regulations shall include, but not be limited to, the following
7 requirements:

8 (1) Deliveries shall be made only to a residence, including a
9 temporary residence, in this State.

10 (2) Deliveries shall be made only to a legal consumer by a certified
11 cannabis handler who is an employee of a cannabis retailer, cannabis
12 delivery service, or an approved contractor vender for a cannabis
13 retailer.

14 (3) Deliveries shall not be made to a residence located on land
15 owned by the federal government or any residence on land or in a
16 building leased by the federal government.

17 (4) Each delivery vehicle shall be staffed by a certified cannabis
18 handler who is an employee of the cannabis retailer or cannabis
19 delivery service who shall be at least 18 years of age, or use an
20 approved contract vendor whose certified cannabis handler delivery
21 employees shall be at least 18 years of age.

22 (5) All deliveries of cannabis items shall be made in person. A
23 delivery of cannabis items shall not be made through the use of an
24 unmanned vehicle.

25 (6) Each certified cannabis handler shall carry a cannabis
26 employee, cannabis delivery service, or contract vendor identification
27 card. The cannabis handler shall present the identification card upon
28 request to State and local law enforcement, and State and local
29 regulatory authorities and agencies.

30 (7) Each certified cannabis handler shall have access to a secure
31 form of communication with the cannabis retailer or cannabis delivery
32 service making a customer delivery of a purchase order fulfilled by the
33 cannabis retailer, such as a cellular telephone, at all times that a
34 delivery vehicle contains cannabis items.

35 (8) During delivery, the certified cannabis handler shall maintain a
36 physical or electronic copy of the customer's delivery request and shall
37 make it available upon request to State and local law enforcement, and
38 State and local regulatory authorities and agencies.

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

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

45 (11) A delivery vehicle shall contain a Global Positioning System
46 (GPS) device for identifying the geographic location of the delivery
47 vehicle. The device shall be either permanently or temporarily affixed
48 to the delivery vehicle while the delivery vehicle is in operation, and

1 the device shall remain active and in the possession of the certified
2 cannabis handler at all times during delivery. At all times, the cannabis
3 retailer or cannabis delivery service shall be able to identify the
4 geographic location of all delivery vehicles that are making deliveries
5 for the cannabis retailer, or for the cannabis delivery service making
6 deliveries of customer purchase orders fulfilled by the cannabis
7 retailer, as the case may be, and shall provide that information to the
8 commission upon request.

9 (12) Upon request, a cannabis retailer or cannabis delivery service
10 shall provide the commission with information regarding any vehicles
11 used for delivery, including the vehicle's make, model, color, Vehicle
12 Identification Number, license plate number, and vehicle registration.

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

18 (14) Each cannabis retailer and cannabis delivery service shall
19 ensure that vehicles used to deliver cannabis items bear no markings
20 that would either identify or indicate that the vehicle is used to deliver
21 cannabis items.

22 (15) Each cannabis retailer and cannabis delivery service shall
23 ensure that deliveries are completed in a timely and efficient manner.

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

36 (17) The process of delivery begins when the certified cannabis
37 handler leaves the cannabis retailer's licensed premises with the
38 customer's purchase order of a cannabis item for delivery. The process
39 of delivering ends when the cannabis handler returns to the cannabis
40 retailer's licensed premises, or delivery service's or contract vendor's
41 premises, after delivering the cannabis item to the consumer.

42 (18) Each cannabis retailer and cannabis delivery service shall
43 maintain a record of each cannabis item delivery in a delivery log,
44 which may be written or electronic. For each delivery, the log shall
45 record:

- 46 (a) The date and time that the delivery began and ended;
47 (b) The name of the certified cannabis handler;
48 (c) The cannabis item delivered;

1 (d) The batch or lot number of the cannabis item; and

2 (e) The signature of the consumer who accepted delivery.

3 (19) A cannabis retailer or cannabis delivery service shall report
4 any vehicle accidents, diversions, losses, or other reportable events
5 that occur during delivery to the appropriate State and local
6 authorities, including the commission.

7 k. Any cannabis or cannabis item may be transported or
8 delivered, consistent with the requirements set forth in this section and
9 regulations promulgated by the commission, to any location in the
10 State. As set forth in section 33 of P.L.2021, c.16 (C.24:6I-46), in no
11 case may a municipality restrict the transportation or deliveries of
12 cannabis items to consumers within that municipality by adoption of a
13 municipal ordinance or any other measure, and any restriction to the
14 contrary shall be deemed void and unenforceable.

15 l. The commission may authorize the use of an Internet-based
16 web service developed and maintained by an independent third party
17 entity that does not hold any license or certificate issued pursuant to
18 P.L.2021, c.16 (C.24:6I-31 et al.), and is not a significantly involved
19 person or other investor in any licensee, which may be used by
20 cannabis retailers to receive, process, and fulfill orders by consumers,
21 or used by consumers to request or schedule deliveries of cannabis
22 items pursuant to subsection j. of this section.²

23 (cf: P.L.2021, c.16, s.27)

24

25 ³11. Section 25 of P.L.2021, c.16 (C.24:6I-42) is amended to read
26 as follows:

27 25. Class 5 Cannabis Retailer license. A cannabis retailer shall
28 have a Class 5 Cannabis Retailer license issued by the commission
29 for the premises at which cannabis items are retailed, which may
30 include purchase orders for off-premises delivery by a certified
31 cannabis handler working for or on behalf of the cannabis retailer,
32 or consumer purchases to be fulfilled from the retail premises that
33 are presented by a cannabis delivery service with a Class 6
34 Cannabis Delivery Service license and which will be delivered by
35 the cannabis delivery service to that consumer. The commission
36 shall determine the maximum number of licenses, of which at least
37 35 percent shall be conditional licenses issued pursuant to
38 subparagraph (a) of paragraph (2) of subsection b. of section 19 of
39 P.L.2021, c.16 (C.24:6I-36), and at least 10 percent of the total
40 number of licenses and conditional licenses shall be designated for
41 and only issued to microbusinesses pursuant to subsection f. of that
42 section. Providing there exist qualified applicants, the commission
43 shall issue a sufficient number of licenses to meet the market
44 demands of the State, and may, as authorized by paragraph (1) of
45 subsection a. of section 18 of P.L.2021, c.16 (C.24:6I-35), accept
46 new applications for additional licenses as it deems necessary to
47 meet those demands.

- 1 a. To hold a Class 5 Cannabis Retailer license under this
2 section, a cannabis retailer:
- 3 (1) Shall apply for a license in the manner described in section
4 18 of P.L.2021, c.161 (C.24:6I-35);
- 5 (2) Shall have at least one significantly involved person who has
6 resided in this State for at least two years as of the date of the
7 application, and provide proof that this person and any other person
8 with a financial interest who also has decision making authority for
9 the cannabis retailer listed on an application submitted under
10 section 18 of P.L.2021, c.16 (C.24:6I-35) is 21 years of age or
11 older;
- 12 (3) Shall meet the requirements of any rule adopted by the
13 commission under subsection b. of this section; and
- 14 (4) Shall provide for each of the following persons to undergo a
15 criminal history record background check: any owner, other than an
16 owner who holds less than a five percent investment interest in the
17 cannabis retailer or who is a member of a group that holds less than
18 a 20 percent investment interest in the cannabis retailer and no
19 member of that group holds more than a five percent interest in the
20 total group investment, and who lacks the authority to make
21 controlling decisions regarding the cannabis retailer's operations;
22 any director; any officer; and any employee.
- 23 (a) Pursuant to this provision, the commission is authorized to
24 exchange fingerprint data with and receive criminal history record
25 background information from the Division of State Police and the
26 Federal Bureau of Investigation consistent with the provisions of
27 applicable State and federal laws, rules, and regulations. The
28 Division of State Police shall forward criminal history record
29 background information to the commission in a timely manner
30 when requested pursuant to the provisions of this section;
- 31 (b) Each person shall submit to being fingerprinted in
32 accordance with applicable State and federal laws, rules, and
33 regulations. No check of criminal history record background
34 information shall be performed pursuant to this section unless a
35 person has furnished his written consent to that check. A person
36 who refuses to consent to, or cooperate in, the securing of a check
37 of criminal history record background information shall not be
38 considered for licensure as a retailer. Each person shall bear the
39 cost for the criminal history record background check, including all
40 costs of administering and processing the check;
- 41 (c) (i) With respect to determining whether any conviction of a
42 person contained in the criminal history record background check
43 should disqualify an applicant for a Class 5 Cannabis Retailer
44 license, the commission shall not take into consideration any
45 conviction for a crime or offense that occurred prior to the effective
46 date of P.L.2021, c.16 (C.24:6I-31 et al.) involving a controlled
47 dangerous substance or controlled substance analog as set forth in
48 paragraph (11) or (12) of subsection b., or subparagraph (b) of

1 paragraph (10) of subsection b. of N.J.S.2C:35-5, or paragraph (3)
2 or (4) of subsection a. of N.J.S.2C:35-10, or any similar indictable
3 offense under federal law, this State's law, or any other state's law,
4 or for any conviction under federal law for conduct involving
5 cannabis or a cannabis item that is authorized by P.L.2021, c.16
6 (C.24:6I-31 et al.). Additionally, the commission shall not take into
7 consideration any other prior conviction, unless that conviction is
8 for an indictable offense under federal law, other than a conviction
9 for conduct involving cannabis or a cannabis item that is authorized
10 by P.L.2021, c.16 (C.24:6I-31 et al.), or under this State's law, or
11 any other state's law that is substantially related to the
12 qualifications, functions, or duties for which the license is required,
13 and not more than five years have passed since the date of that
14 conviction, satisfactory completion of probation or parole, or
15 release from incarceration, whichever is later. In determining
16 which indictable offenses are substantially related to the
17 qualifications, functions, or duties for which the license is required,
18 the commission shall at least consider any conviction involving
19 fraud, deceit, or embezzlement, and any conviction for N.J.S.2C:35-
20 6, employing a minor in a drug distribution scheme, or similar
21 indictable offense in this or another jurisdiction involving the use of
22 a minor to dispense or distribute a controlled dangerous substance
23 or controlled substance analog;

24 (ii) The commission may approve an applicant for a Class 5
25 Cannabis Retailer license after conducting a thorough review of any
26 previous conviction of a person that substantially related to the
27 qualifications, functions, or duties for which the license is required
28 that is contained in the criminal history record background
29 information, and this review shall include examining the nature of
30 the indictable offense, the circumstances at the time of committing
31 the offense, and evidence of rehabilitation since conviction. If the
32 commission determines that the reviewed conviction should not
33 disqualify the applicant, the applicant may be approved so long as
34 the applicant is otherwise qualified to be issued the license; and

35 (d) Upon receipt and review of the criminal history record
36 background information from the Division of State Police and the
37 Federal Bureau of Investigation, the commission shall provide
38 written notification to the applicant of the qualification or
39 disqualification for a Class 5 Cannabis Retailer license.

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

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

1 date the background check was performed. Upon receipt of that
2 notification, the commission shall make a determination regarding
3 the continued eligibility for the applicant, or following application,
4 for the licensee, to hold a Class 5 Cannabis Retailer license.

5 b. The commission shall adopt rules that:

6 (1) Provide for the annual renewal of the Class 5 Cannabis
7 Retailer license;

8 (2) Establish application, licensure, and renewal of licensure
9 fees for a cannabis retailer in accordance with paragraph (2) of
10 subsection a. of section 18 of P.L.2021, c.16 (C.24:6I-35); and

11 (3) Require a cannabis retailer to meet any public health and
12 safety standards, industry best practices, and all applicable
13 regulations established by the commission related to the retailing of
14 cannabis items.

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

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

18 (2) Shall be deposited in the "Cannabis Regulatory,
19 Enforcement Assistance, and Marketplace Modernization Fund"
20 established under section 41 of P.L.2021, c.16 (C.24:6I-50).

21 d. (1) The commission shall issue or deny issuance of a Class 5
22 Cannabis Retailer license or conditional license in accordance with
23 the procedures set forth in section 18 of P.L.2021, c.16 (C.24:6I-
24 35).

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

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

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

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

40 (1) A licensed cannabis retailer may operate a cannabis
41 consumption area at which the on-premises consumption of
42 cannabis items either obtained from the retailer, or brought by a
43 person to the consumption area, may occur.

44 (2) Each licensed cannabis retailer may operate only one
45 cannabis consumption area.

46 (3) The cannabis consumption area shall be either (a) an indoor,
47 structurally enclosed area of the licensed cannabis retailer that is
48 separate from the area in which retail sales of cannabis items occur

1 or (b) an exterior structure on the same premises as the retailer,
2 either separate from or connected to the retailer.

3 (4) A Class 5 Cannabis Retailer licensee that has been approved
4 for a cannabis consumption area endorsement may transfer cannabis
5 items purchased by a consumer in its retail establishment to that
6 consumer in its cannabis consumption area. The Class 5 Cannabis
7 Retailer licensee shall not transfer to the consumption area an
8 amount of cannabis items that exceed the limits established by the
9 commission.

10 h. Notwithstanding any law to the contrary, the holder of a
11 Class 5 Cannabis Retailer license shall be authorized to maintain up
12 to two satellite retail locations. A Class 5 Retailer licensee seeking
13 to establish a satellite location shall obtain commission approval in
14 accordance with P.L.2021, c.16 (C.24:6I-31 et al.) and, upon
15 commission approval, shall be authorized to establish and maintain
16 up to two satellite locations.³

17 (cf: P.L.2021, c.16, s.25)

18
19 ¹[6.] ²[9.¹] ³[11.²] ^{12.}³ This act shall take effect ³[on May
20 1, 2026] the 90th day next following the date of enactment³.

21
22
23
24
25 Makes various changes to membership on Cannabis Regulatory
26 Commission and to legalized medical and personal use cannabis
27 marketplace.