

SENATE, No. 3235

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MAY 13, 2024

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

Senator PAUL D. MORIARTY

District 4 (Atlantic, Camden and Gloucester)

SYNOPSIS

Regulates production and sale of certain intoxicating hemp products.

CURRENT VERSION OF TEXT

As introduced.



S3235 RUIZ, MORIARTY

2

1 AN ACT concerning intoxicating hemp products, supplementing
2 Title 24 of the New Jersey Statutes, and amending various
3 sections of statutory law.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 3 of P.L.2019, c.238 (C.4:28-8) is amended to read
9 as follows:

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

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

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

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

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

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

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

24 "Handle" means to possess or store a hemp plant on premises
25 owned, operated, or controlled by a hemp producer for any period
26 of time or in a vehicle for any period of time other than during the
27 actual transport of the plant between premises owned, operated, or
28 controlled by hemp producers or persons or entities authorized to
29 produce hemp pursuant to 7 U.S.C. s.1639o et seq. and any state
30 law or rule or regulation adopted pursuant thereto. "Handle" does
31 not mean possession or storage of finished hemp products.

32 "Hemp" means the plant *Cannabis sativa* L. and any part of that
33 plant, including the seeds of the plant and all derivatives, extracts,
34 cannabinoids, isomers, acids, salts, and salts of isomers, whether
35 growing or not, with a **【delta-9】 total** tetrahydrocannabinol
36 concentration of not more than 0.3 percent on a dry weight basis.
37 Hemp and hemp-derived cannabinoids, including cannabidiol, shall
38 be considered an agricultural commodity and not a controlled
39 substance due to the presence of hemp or hemp-derived
40 cannabinoids.

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

43 "Hemp product" means a finished product with a **【delta-9】 total**
44 tetrahydrocannabinol concentration of not more than 0.3 percent,
45 and not more than 0.5 milligrams of total THC per serving and 2.5

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

Matter underlined thus is new matter.

1 milligrams of total THC per package, that is derived from or made
2 by processing a hemp plant or plant part and prepared in a form
3 available for commercial sale. The term includes cosmetics,
4 personal care products, food intended for human or animal
5 consumption, cloth, cordage, fiber, fuel, paint, paper, particleboard,
6 plastics, and any product containing one or more hemp-derived
7 cannabinoids such as cannabidiol. Hemp products shall not be
8 considered controlled substances due to the presence of hemp or
9 hemp-derived cannabinoids. “Hemp product” shall not mean a
10 cannabinoid product that is not derived from naturally occurring
11 biologically active chemical constituents and shall not mean an
12 intoxicating hemp product as defined in section 3 of P.L.2021, c.16
13 (C.24:6I-33).

14 "Process" means to convert hemp into a marketable form.

15 "Secretary" means the Secretary of the New Jersey Department
16 of Agriculture.

17 "Transport" means the movement or shipment of hemp by a
18 hemp producer, a person or entity authorized to produce hemp
19 pursuant to 7 U.S.C. s.1639o et seq. and any state law or rule or
20 regulation adopted pursuant thereto, or a hemp producer's or
21 authorized entity's third-party carrier or agent. "Transport" shall
22 not mean the movement or shipment of hemp products.

23 “Total THC” means the total concentration of all
24 tetrahydrocannabinols in a cannabis item, including delta-8, delta-9,
25 delta-10, tetrahydrocannabinolic acid and any other chemically
26 similar compound, substance, derivative, or isomer of
27 tetrahydrocannabinol, regardless of how derived or manufactured,
28 and any other cannabinoid, other than cannabidiol, identified by the
29 Cannabis Regulatory Commission, in consultation with the
30 Department of Agriculture and the Attorney General, as causing
31 intoxication.

32 (cf: P.L.2019, c.238, s.3)

33

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

36 3. Definitions.

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

39 "Alternative treatment center" means an organization issued a
40 permit pursuant to the "Jake Honig Compassionate Use Medical
41 Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) to operate as a
42 medical cannabis cultivator, medical cannabis manufacturer,
43 medical cannabis dispensary, or clinical registrant, as well as any
44 alternative treatment center deemed pursuant to section 7 of that act
45 (C.24:6I-7) to concurrently hold a medical cannabis cultivator
46 permit, a medical cannabis manufacturer permit, and a medical
47 cannabis dispensary permit.

1 "Cannabis" means all parts of the plant *Cannabis sativa* L.,
2 whether growing or not, the seeds thereof, and every compound,
3 manufacture, salt, derivative, mixture, or preparation of the plant or
4 its seeds, except those containing resin extracted from the plant,
5 which are cultivated and, when applicable, manufactured in
6 accordance with P.L.2021, c.16 (C.24:6I-31 et al.) for use in
7 cannabis products as set forth in this act, but shall not include the
8 weight of any other ingredient combined with cannabis to prepare
9 topical or oral administrations, food, drink, or other product.
10 "Cannabis" does not include: medical cannabis dispensed to
11 registered qualifying patients pursuant to the "Jake Honig
12 Compassionate Use Medical Cannabis Act," P.L.2009, c.307
13 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);
14 marijuana as defined in N.J.S.2C:35-2 and applied to any offense
15 set forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey
16 Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or marihuana as
17 defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to
18 any offense set forth in the "New Jersey Controlled Dangerous
19 Substances Act," P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a
20 hemp product cultivated, handled, processed, transported, or sold
21 pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238
22 (C.4:28-6 et al.).

23 "Cannabis consumption area" means, as further described in
24 section 28 of P.L.2019, c.153 (C.24:6I-21), a designated location
25 operated by a licensed cannabis retailer or permit holder for
26 dispensing medical cannabis, for which both a State and local
27 endorsement has been obtained, that is either: (1) an indoor,
28 structurally enclosed area of the cannabis retailer or permit holder
29 that is separate from the area in which retail sales of cannabis items
30 or the dispensing of medical cannabis occurs; or (2) an exterior
31 structure on the same premises as the cannabis retailer or permit
32 holder, either separate from or connected to the cannabis retailer or
33 permit holder, at which cannabis items or medical cannabis either
34 obtained from the retailer or permit holder, or brought by a person
35 to the consumption area, may be consumed.

36 "Cannabis cultivator" means any licensed person or entity that
37 grows, cultivates, or produces cannabis in this State, and sells, and
38 may transport, this cannabis to other cannabis cultivators, or usable
39 cannabis to cannabis manufacturers, cannabis wholesalers, or
40 cannabis retailers, but not to consumers. This person or entity shall
41 hold a Class 1 Cannabis Cultivator license.

42 "Cannabis delivery service" means any licensed person or entity
43 that provides courier services for consumer purchases of cannabis
44 items and related supplies fulfilled by a cannabis retailer in order to
45 make deliveries of the cannabis items and related supplies to that
46 consumer, and which services include the ability of a consumer to
47 purchase the cannabis items directly through the cannabis delivery
48 service, which after presenting the purchase order to the cannabis

1 retailer for fulfillment, is delivered to that consumer. This person
2 or entity shall hold a Class 6 Cannabis Delivery license.

3 "Cannabis distributor" means any licensed person or entity that
4 transports cannabis in bulk intrastate from one licensed cannabis
5 cultivator to another licensed cannabis cultivator, or transports
6 cannabis items in bulk intrastate from any one class of licensed
7 cannabis establishment to another class of licensed cannabis
8 establishment, and may engage in the temporary storage of cannabis
9 or cannabis items as necessary to carry out transportation activities.
10 This person or entity shall hold a Class 4 Cannabis Distributor
11 license.

12 "Cannabis establishment" means a cannabis cultivator, a
13 cannabis manufacturer, a cannabis wholesaler, or a cannabis
14 retailer.

15 "Cannabis extract" means a substance obtained by separating
16 resins from cannabis by: (1) a chemical extraction process using a
17 hydrocarbon-based solvent, such as butane, hexane, or propane; (2)
18 a chemical extraction process using the hydrocarbon-based solvent
19 carbon dioxide, if the process uses high heat or pressure; or (3) any
20 other process identified by the Cannabis Regulatory Commission by
21 rule or regulation.

22 "Cannabis flower" means the flower of the plant *Cannabis sativa*
23 L. within the plant family Cannabaceae.

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

33 "Cannabis leaf" means the leaf of the plant *Cannabis sativa* L.
34 within the plant family Cannabaceae.

35 "Cannabis manufacturer" means any licensed person or entity
36 that processes cannabis items in this State by purchasing or
37 otherwise obtaining usable cannabis, manufacturing, preparing, and
38 packaging cannabis items, and selling, and optionally transporting,
39 these items to other cannabis manufacturers, cannabis wholesalers,
40 or cannabis retailers, but not to consumers. This person or entity
41 shall hold a Class 2 Cannabis Manufacturer license."

42 "Cannabis paraphernalia" means any equipment, products, or
43 materials of any kind which are used, intended for use, or designed
44 for use in planting, propagating, cultivating, growing, harvesting,
45 composting, manufacturing, compounding, converting, producing,
46 processing, preparing, testing, analyzing, packaging, repackaging,
47 storing, vaporizing, or containing cannabis, or for ingesting,
48 inhaling, or otherwise introducing a cannabis item into the human

1 body. "Cannabis paraphernalia" does not include drug
2 paraphernalia as defined in N.J.S.2C:36-1 and which is used or
3 intended for use to commit a violation of chapter 35 or 36 of Title
4 2C of the New Jersey Statutes.

5 "Cannabis product" means a product containing usable cannabis,
6 cannabis extract, or any other cannabis resin and other ingredients
7 intended for human consumption or use, including a product
8 intended to be applied to the skin or hair, edible cannabis products,
9 ointments, and tinctures. "Cannabis product" does not include: (1)
10 usable cannabis by itself; or (2) cannabis extract by itself; or (3) any
11 other cannabis resin by itself.

12 "Cannabis resin" means the resin extracted from any part of the
13 plant *Cannabis sativa* L., including cannabis extract and resin
14 extracted using non-chemical processes, processed and used in
15 accordance with P.L.2021, c.16 (C.24:6I-31 et al.). "Cannabis
16 resin" does not include: any form of medical cannabis dispensed to
17 registered qualifying patients pursuant to the "Jake Honig
18 Compassionate Use Medical Cannabis Act," P.L.2009, c.307
19 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);
20 hashish as defined in N.J.S.2C:35-2 and applied to any offense set
21 forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey
22 Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or as defined in
23 section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense
24 of the "New Jersey Controlled Dangerous Substances Act,"
25 P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product
26 cultivated, handled, processed, transported, or sold pursuant to the
27 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

28 "Cannabis retailer" means any licensed person or entity that
29 purchases or otherwise obtains usable cannabis from cannabis
30 cultivators and cannabis items from cannabis manufacturers or
31 cannabis wholesalers, and sells these to consumers from a retail
32 store, and may use a cannabis delivery service or a certified
33 cannabis handler for the off-premises delivery of cannabis items
34 and related supplies to consumers. A cannabis retailer shall also
35 accept consumer purchases to be fulfilled from its retail store that
36 are presented by a cannabis delivery service which will be delivered
37 by the cannabis delivery service to that consumer. This person or
38 entity shall hold a Class 5 Cannabis Retailer license.

39 "Cannabis testing facility" means an independent, third-party
40 entity meeting accreditation requirements established by the
41 Cannabis Regulatory Commission that is licensed to analyze and
42 certify cannabis items and medical cannabis for compliance with
43 applicable health, safety, and potency standards.

44 "Cannabis wholesaler" means any licensed person or entity that
45 purchases or otherwise obtains, stores, sells or otherwise transfers,
46 and may transport, cannabis items for the purpose of resale or other
47 transfer to either another cannabis wholesaler or to a cannabis

1 retailer, but not to consumers. This person or entity shall hold a
2 Class 3 Cannabis Wholesaler license.

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

5 "Conditional license" means a temporary license designated as
6 either a Class 1 Cannabis Cultivator license, a Class 2 Cannabis
7 Manufacturer license, a Class 3 Cannabis Wholesaler license, a
8 Class 4 Cannabis Distributor license, a Class 5 Cannabis Retailer
9 license, or a Class 6 Cannabis Delivery license that allows the
10 holder to lawfully act as a cannabis cultivator, cannabis
11 manufacturer, cannabis wholesaler, cannabis distributor, cannabis
12 retailer, or cannabis delivery service as the case may be, which is
13 issued pursuant to an abbreviated application process, after which
14 the conditional license holder shall have a limited period of time in
15 which to become fully licensed by satisfying all of the remaining
16 conditions for licensure which were not required for the issuance of
17 the conditional license.

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

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

24 "Delivery" means the transportation of cannabis items and
25 related supplies to a consumer. "Delivery" also includes the use by
26 a licensed cannabis retailer of any third party technology platform
27 to receive, process, and fulfill orders by consumers, which third
28 party shall not be required to be a licensed cannabis establishment,
29 distributor, or delivery service, provided that any physical acts in
30 connection with fulfilling the order and delivery shall be
31 accomplished by a certified cannabis handler performing work for
32 or on behalf of the licensed cannabis retailer, which includes a
33 certified cannabis handler employed or otherwise working on behalf
34 of a cannabis delivery service making off-premises deliveries of
35 consumer purchases fulfilled by that cannabis retailer.

36 "Department" means the Department of Health.

37 "Director" means the Director of the Office of Minority,
38 Disabled Veterans, and Women Cannabis Business Development in
39 the Cannabis Regulatory Commission.

40 "Executive director" means the executive director of the
41 Cannabis Regulatory Commission.

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

45 "Immature cannabis plant" means a cannabis plant that is not
46 flowering.

47 "Impact zone" means any municipality, based on past criminal
48 marijuana enterprises contributing to higher concentrations of law

1 enforcement activity, unemployment, and poverty, or any
2 combination thereof, within parts of or throughout the municipality,
3 that:

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

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

18 (3) is a municipality located in a county of the third class, based
19 upon the county's population according to the most recently
20 compiled federal decennial census as of the effective date of
21 P.L.2021, c.16 (C.24:6I-31 et al.), that meets all of the criteria set
22 forth in paragraph (2) other than having a crime index total of 825
23 or higher; or

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

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

40 (b) with a population of not less than 60,000 or more than
41 80,000 according to the most recently compiled federal decennial
42 census; has a crime index total of 650 or higher based upon the
43 indexes listed in the 2019 annual Uniform Crime Report; and for
44 calendar year 2019 has a local average annual unemployment rate
45 of 3.0 percent or higher using the same estimated annual
46 unemployment rates.

47 “Intoxicating hemp product” means any product cultivated,
48 derived, or manufactured from hemp regulated pursuant to the

1 “Agricultural Improvement Act of 2018,” Pub.L.115-334 or the
2 “New Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.)
3 that is sold in this State that has a concentration of total THC
4 greater than 0.5 milligrams per serving or 2.5 milligrams per
5 package. “Intoxicating hemp product” shall not include a
6 cannabinoid product that is not derived from naturally occurring
7 biologically active chemical constituents and shall not include hemp
8 products as defined in section 3 of P.L.2019, c.238 (C.4:28-8).

9 "License" means a license issued under P.L.2021, c.16 (C.24:6I-
10 31 et al.), including a license that is designated as either a Class 1
11 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer
12 license, a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis
13 Distributor license, a Class 5 Cannabis Retailer license, or a Class 6
14 Cannabis Delivery license. The term includes a conditional license
15 for a designated class, except when the context of the provisions of
16 P.L.2021, c.16 (C.24:6I-31 et al.) otherwise intend to only apply to
17 a license and not a conditional license.

18 "Licensee" means a person or entity that holds a license issued
19 under P.L.2021, c.16 (C.24:6I-31 et al.), including a license that is
20 designated as either a Class 1 Cannabis Cultivator license, a Class 2
21 Cannabis Manufacturer license, a Class 3 Cannabis Wholesaler
22 license, a Class 4 Cannabis Distributor license, a Class 5 Cannabis
23 Retailer license, or a Class 6 Cannabis Delivery license, and
24 includes a person or entity that holds a conditional license for a
25 designated class, except when the context of the provisions of
26 P.L.2021, c.16 (C.24:6I-31 et al.) otherwise intend to only apply to
27 a person or entity that holds a license and not a conditional license.

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

31 "Manufacture" means the drying, processing, compounding, or
32 conversion of usable cannabis into cannabis products or cannabis
33 resins. "Manufacture" does not include packaging or labeling.

34 "Mature cannabis plant" means a cannabis plant that is not an
35 immature cannabis plant.

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

43 "Microbusiness" means a person or entity licensed under
44 P.L.2021, c.16 (C.24:6I-31 et al.) as a cannabis cultivator, cannabis
45 manufacturer, cannabis wholesaler, cannabis distributor, cannabis
46 retailer, or cannabis delivery service that may only, with respect to
47 its business operations, and capacity and quantity of product: (1)
48 employ no more than 10 employees; (2) operate a cannabis

1 establishment occupying an area of no more than 2,500 square feet,
2 and in the case of a cannabis cultivator, grow cannabis on an area
3 no more than 2,500 square feet measured on a horizontal plane and
4 grow above that plane not higher than 24 feet; (3) possess no more
5 than 1,000 cannabis plants each month, except that a cannabis
6 distributor's possession of cannabis plants for transportation shall
7 not be subject to this limit; (4) acquire each month, in the case of a
8 cannabis manufacturer, no more than 1,000 pounds of usable
9 cannabis; (5) acquire for resale each month, in the case of a
10 cannabis wholesaler, no more than 1,000 pounds of usable cannabis,
11 or the equivalent amount in any form of manufactured cannabis
12 product or cannabis resin, or any combination thereof; and (6)
13 acquire for retail sale each month, in the case of a cannabis retailer,
14 no more than 1,000 pounds of usable cannabis, or the equivalent
15 amount in any form of manufactured cannabis product or cannabis
16 resin, or any combination thereof.

17 "Noncommercial" means not dependent or conditioned upon the
18 provision or receipt of financial consideration.

19 "Premises" or "licensed premises" includes the following areas
20 of a location licensed under P.L.2021, c.16 (C.24:6I-31 et al.): all
21 public and private enclosed areas at the location that are used in the
22 business operated at the location, including offices, kitchens, rest
23 rooms, and storerooms; all areas outside a building that the
24 Cannabis Regulatory Commission has specifically licensed for the
25 production, manufacturing, wholesaling, distributing, retail sale, or
26 delivery of cannabis items; and, for a location that the commission
27 has specifically licensed for the production of cannabis outside a
28 building, the entire lot or parcel that the licensee owns, leases, or
29 has a right to occupy.

30 "Produce" means the planting, cultivation, growing or harvesting
31 of cannabis. "Produce" does not include the drying of cannabis by a
32 cannabis manufacturer, if the cannabis manufacturer is not
33 otherwise manufacturing cannabis.

34 "Public place" means any place to which the public has access
35 that is not privately owned; or any place to which the public has
36 access where alcohol consumption is not allowed, including, but not
37 limited to, a public street, road, thoroughfare, sidewalk, bridge,
38 alley, plaza, park, playground, swimming pool, shopping area,
39 public transportation facility, vehicle used for public transportation,
40 parking lot, public library, or any other public building, structure, or
41 area.

42 "Radio" means a system for transmitting sound without visual
43 images, and includes broadcast, cable, on-demand, satellite, or
44 Internet programming. "Radio" includes any audio programming
45 downloaded or streamed via the Internet.

46 "Significantly involved person" means a person or entity who
47 holds at least a five percent investment interest in a proposed or
48 licensed cannabis cultivator, cannabis manufacturer, cannabis

1 wholesaler, cannabis distributor, cannabis retailer, or cannabis
2 delivery service, or who is a decision making member of a group
3 that holds at least a 20 percent investment interest in a proposed or
4 licensed cannabis cultivator, cannabis manufacturer, cannabis
5 wholesaler, cannabis distributor, cannabis retailer, or cannabis
6 delivery service, in which no member of that group holds more than
7 a five percent interest in the total group investment interest, and the
8 person or entity makes controlling decisions regarding the proposed
9 or licensed cannabis cultivator, cannabis manufacturer, cannabis
10 wholesaler, cannabis distributor, cannabis retailer, or cannabis
11 delivery service operations.

12 "Television" means a system for transmitting visual images and
13 sound that are reproduced on screens, and includes broadcast, cable,
14 on-demand, satellite, or Internet programming. "Television"
15 includes any video programming downloaded or streamed via the
16 Internet.

17 "THC" means delta-9-tetrahydrocannabinol and its precursor,
18 tetrahydrocannabinolic acid, the main psychoactive chemicals
19 contained in the cannabis plant.

20 "Total THC" means the total concentration of all
21 tetrahydrocannabinols in a cannabis item, including delta-8, delta-9,
22 delta-10, tetrahydrocannabinolic acid and any other chemically
23 similar compound, substance, derivative, or isomer of
24 tetrahydrocannabinol, regardless of how derived or manufactured,
25 and any other cannabinoid, other than cannabidiol, identified by the
26 Cannabis Regulatory Commission, in consultation with the
27 Department of Agriculture and the Attorney General, as causing
28 intoxication.

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

32 (cf: P.L.2021, c.16, s.3)

33

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

36 a. Tests. The director shall place a substance in Schedule I if he
37 finds that the substance: (1) has high potential for abuse; and (2)
38 has no accepted medical use in treatment in the United States; or
39 lacks accepted safety for use in treatment under medical
40 supervision.

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

46 c. Any of the following opiates, including their isomers, esters,
47 and ethers, unless specifically excepted, whenever the existence of

1 such isomers, esters, ethers and salts is possible within the specific
2 chemical designation:

- 3 (1) Acetylmethadol
- 4 (2) Allylprodine
- 5 (3) Alphacetylmethadol
- 6 (4) Alphameprodine
- 7 (5) Alphamethadol
- 8 (6) Benzethidine
- 9 (7) Betacetylmethadol
- 10 (8) Betameprodine
- 11 (9) Betamethadol
- 12 (10) Betaprodine
- 13 (11) Clonitazene
- 14 (12) Dextromoramide
- 15 (13) Dextrophan
- 16 (14) Diampromide
- 17 (15) Diethylthiambutene
- 18 (16) Dimenoxadol
- 19 (17) Dimepheptanol
- 20 (18) Dimethylthiambutene
- 21 (19) Dioxaphetyl butyrate
- 22 (20) Dipipanone
- 23 (21) Ethylmethylthiambutene
- 24 (22) Etonitazene
- 25 (23) Etoxeridine
- 26 (24) Furethidine
- 27 (25) Hydroxypethidine
- 28 (26) Ketobemidone
- 29 (27) Levomoramide
- 30 (28) Levophenacylmorphane
- 31 (29) Morpheridine
- 32 (30) Noracetylmethadol
- 33 (31) Norlevorphanol
- 34 (32) Normethadone
- 35 (33) Norpipanone
- 36 (34) Phenadoxone
- 37 (35) Phenampromide
- 38 (36) Phenomorphan
- 39 (37) Phenoperidine
- 40 (38) Piritramide
- 41 (39) Proheptazine
- 42 (40) Properidine
- 43 (41) Racemoramide
- 44 (42) Trimeperidine.

45 d. Any of the following narcotic substances, their salts, isomers
46 and salts of isomers, unless specifically excepted, whenever the
47 existence of such salts, isomers and salts of isomers is possible
48 within the specific chemical designation:

- 1 (1) Acetorphine
- 2 (2) Acetylcodeine
- 3 (3) Acetyldihydrocodeine
- 4 (4) Benzylmorphine
- 5 (5) Codeine methylbromide
- 6 (6) Codeine-N-Oxide
- 7 (7) Cyprenorphine
- 8 (8) Desomorphine
- 9 (9) Dihydromorphine
- 10 (10) Etorphine
- 11 (11) Heroin
- 12 (12) Hydromorphanol
- 13 (13) Methyldesorphine
- 14 (14) Methylhydromorphine
- 15 (15) Morphine methylbromide
- 16 (16) Morphine methylsulfonate
- 17 (17) Morphine-N-Oxide
- 18 (18) Myorphine
- 19 (19) Nicocodeine
- 20 (20) Nicomorphine
- 21 (21) Normorphine
- 22 (22) Phoclodine
- 23 (23) Thebacon.

24 e. Any material, compound, mixture or preparation which
25 contains any quantity of the following hallucinogenic substances,
26 their salts, isomers and salts of isomers, unless specifically
27 excepted, whenever the existence of such salts, isomers, and salts of
28 isomers is possible within the specific chemical designation:

- 29 (1) 3,4-methylenedioxy amphetamine
- 30 (2) 5-methoxy-3,4-methylenedioxy amphetamine
- 31 (3) 3,4,5-trimethoxy amphetamine
- 32 (4) Bufotenine
- 33 (5) Diethyltryptamine
- 34 (6) Dimethyltryptamine
- 35 (7) 4-methyl-2,5-dimethoxylamphetamine
- 36 (8) Ibogaine
- 37 (9) Lysergic acid diethylamide

38 (10) **【Marihuana】** Marijuana; except that on and after the
39 effective date of the "New Jersey Cannabis Regulatory,
40 Enforcement Assistance, and Marketplace Modernization Act,"
41 P.L.2021, c.16 (C.24:6I-31 et al.), **【marihuana】** marijuana shall no
42 longer be included in Schedule I, and shall not be designated or
43 rescheduled and included in any other schedule by the director
44 pursuant to the director's designation and rescheduling authority set
45 forth in section 3 of P.L.1970, c.226 (C.24:21-3).

- 46 (11) Mescaline
- 47 (12) Peyote
- 48 (13) N-ethyl-3-piperidyl benzilate

1 (14) N-methyl-3-piperidyl benzilate

2 (15) Psilocybin

3 (16) Psilocyn

4 (17) Tetrahydrocannabinols, including those produced by way of
5 manufacture, except when found in hemp or a hemp product
6 cultivated, handled, processed, transported, or sold pursuant to the
7 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.),
8 or cannabis or a cannabis item, as those terms are defined in section
9 3 of P.L.2021, c.16 (C.24:6I-33), that is grown, cultivated,
10 produced, **[or]** manufactured, or sold in accordance with the "New
11 Jersey Cannabis Regulatory, Enforcement Assistance, and
12 Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.).
13 (cf: P.L.2021, c.16, s.44)

14

15 4. (New section) a. A person shall not sell or distribute any
16 intoxicating hemp product unless:

17 (1) the person is licensed by the Cannabis Regulatory
18 Commission in accordance with P.L.2021, c.16 (C.24:6I-31 et al.);
19 and

20 (2) the product complies with the provisions of P.L.2021, c.16
21 (C.24:6I-31 et al.) and any applicable commission regulations
22 applicable to cannabis items.

23 b. (1) It shall be unlawful to sell or distribute a hemp product
24 or cannabis item that is not derived from naturally occurring
25 biologically active chemical constituents.

26 (2) Except as otherwise provided by law, it shall be unlawful to
27 sell or distribute a product intended for human consumption that
28 contains tetrahydrocannabinol in any detectable amount to a person
29 under 21 years of age.

30 c. In addition to any other penalty provided by law, any person
31 licensed by the commission who violates subsection a. or b. of this
32 section shall be subject to any civil penalties or fines adopted by the
33 commission in accordance with P.L.2021, c.16 (C.24:6I-31 et al.).

34 d. (1) Notwithstanding any provision of the "Administrative
35 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the
36 contrary, and in accordance with the authority established pursuant
37 to section 18 of P.L.2021, c.16 (C.24:6I-35), the commission, in
38 consultation with the Department of Agriculture and the Attorney
39 General, and within 180 days of the effective date of P.L. , c.
40 (C.) (pending before the Legislature as this bill), is authorized
41 to adopt immediately upon filing with the Office of Administrative
42 Law rules and regulations necessary to implement this act.

43 (2) Following any rules or regulations established by the
44 commission in accordance with subparagraph (1) of this subsection,
45 the commission shall, in consultation the Department of Agriculture
46 and the Attorney General, and in accordance with the
47 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
48 seq.), adopt rules and regulations as necessary to implement the

1 provisions of P.L. , c. (C.) (pending before the Legislature
2 as this bill).

3 e. (1) Nothing in P.L. , c. (C.) (pending before the
4 Legislature as this bill) shall be construed or interpreted to limit the
5 enforceability or applicability of the “Agriculture Improvement Act
6 of 2018,” Pub.L.115-334 or the “New Jersey Hemp Farming Act,”
7 P.L.2019, c.238 (C.4:28-6 et al.).

8 (2) The imposition of any fine or other remedy under this act
9 shall not preclude prosecution for a violation of the criminal laws of
10 this State.

11

12 5. (New section) a. A person who sells, offers for sale, or
13 distributes any intoxicating hemp product or a hemp product or
14 cannabis item that is not derived from naturally occurring
15 biologically active chemical constituents, in violation of section 4
16 of P.L. , c. (C.) (pending before the Legislature as this
17 bill), shall be liable to a civil penalty of not less than \$100 for the
18 first violation, not less than \$1,000 for the second violation, and not
19 less than \$10,000 for the third and each subsequent violation. The
20 penalty prescribed by this section shall be collected and enforced by
21 summary proceedings under the "Penalty Enforcement Law of
22 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

23 b. An official authorized by statute or ordinance to enforce this
24 act or the State or local health codes or consumer protection laws or
25 a law enforcement officer having enforcement authority in that
26 municipality may issue a summons for a violation of the provisions
27 of section 4 of P.L. , c. (C.) (pending before the
28 Legislature as this bill), and may serve and execute all process with
29 respect to the enforcement of this section consistent with the Rules
30 of Court.

31 c. A penalty recovered under the provisions of this section shall
32 be recovered by and in the name of the State by the local health or
33 consumer protection agency or other authorized government entity,
34 including but not limited to the Division of Consumer Affairs in the
35 Department of Law and Public Safety and the Cannabis Regulatory
36 Commission established pursuant to section 31 of P.L.2019, c.153
37 (C.24:6I-24). With respect to an enforcement action brought by a
38 municipal official, half of any monetary penalty shall be paid into
39 the treasury of the municipality in which the violation occurred for
40 the general uses of the municipality, and half shall be deposited in
41 the special nonlapsing fund known as the “Cannabis Regulatory,
42 Enforcement Assistance, and Marketplace Modernization Fund,”
43 established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-50).
44 With respect to an enforcement action brought by any other
45 government entity, any monetary penalty collected pursuant to
46 P.L. , c. (C.) (pending before the Legislature as this bill)
47 shall be deposited in the special nonlapsing fund known as the
48 “Cannabis Regulatory, Enforcement Assistance, and Marketplace

1 Modernization Fund,” established pursuant to section 41 of
2 P.L.2021, c.16 (C.24:6I-50).

3 d. A law enforcement officer, local health official, or other
4 government official from an agency authorized to enforce this
5 section may confiscate any intoxicating hemp product, hemp
6 product, or cannabis item that is sold, offered for sale, or distributed
7 in violation of section 4 of P.L. . . . , c. (C.) (pending before
8 the Legislature as this bill).

9 e. In addition to the civil penalty authorized under subsection a.
10 of this section, a business found to have committed more than two
11 violations of section 4 of P.L. , c. (C.) (pending before the
12 Legislature as this bill) or found to have committed a third or
13 subsequent violation at any individual location within one year shall
14 be deemed a public nuisance. Notwithstanding any other provision
15 of law, a municipality shall have the power to impose restrictions
16 on the operation, including closure, of any business determined to
17 constitute a public nuisance pursuant to this subsection.

18

19 6. (New section) The Cannabis Regulatory Commission, in
20 consultation with the Division of Consumer Affairs in the
21 Department of Law and Public Safety and the Business Action
22 Center in the Department of State, shall develop and implement a
23 public education program to educate businesses across the State on
24 the provisions of P.L. , c. (C.) (pending before the
25 Legislature as this bill).

26

27 7. Paragraph (2) of subsection b. of section 4 and section 6 of
28 this act shall take effect immediately. The remainder of this act
29 shall take effect 180 days after enactment, except that the Cannabis
30 Regulatory Commission may take any anticipatory administrative
31 action in advance as shall be necessary for the implementation of
32 this act.

33

34

35 STATEMENT

36

37 This bill regulates the production and sale of intoxicating hemp
38 products.

39

40 AGENCY RESPONSIBILITIES

41 Under current law, three entities within the State maintain
42 jurisdiction over the cannabis plant. The Cannabis Regulatory
43 Commission (commission) regulates adult-use and medical
44 cannabis, the Department of Agriculture (department) regulates
45 hemp, and the Attorney General (AG) enforces criminal penalties
46 against illegal marijuana and tetrahydrocannabinol (THC).

47 The bill synchronizes the definitions of hemp, hemp products,
48 and THC in order to regulate the sale of intoxicating hemp

1 products. By means of updating the definitions of hemp, hemp
2 products, and THC, and adding a definition of intoxicating hemp
3 products, the bill clarifies the role of each agency. The commission
4 would be responsible for regulating the sale of all legally produced
5 intoxicating cannabis items, whether hemp or cannabis; the
6 department would continue to regulate the cultivation and
7 processing of hemp as an agricultural commodity; and the AG
8 would maintain the jurisdiction over illegally produced marijuana
9 and THC, including any businesses or individuals who fail to sell
10 cannabis items through a licensed retailer.

11

12 LICENSING AND COMPLIANCE

13 Pursuant to N.J.S.A.24:6I-35, and through the amended
14 definition of cannabis item to include intoxicating hemp product,
15 the commission is required to promulgate regulations related to the
16 sale and purchase of cannabis items. Further, pursuant to
17 N.J.S.A.24:6I-42, an entity is required to be licensed as a Class 5
18 Cannabis Retailer in order to operate a business in which cannabis
19 items are retailed. Thus, in order to sell an intoxicating hemp
20 product, the business is required to be a Class 5 licensee and is
21 subject to product testing, labeling requirements, and limitations on
22 the sale of products to persons of a certain age as established by the
23 commission.

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

35

36 LEGAL FRAMEWORK AMENDMENTS

37 Further, the bill amends the “New Jersey Hemp Farming Act,”
38 P.L.2019, c.238 (C.4:28-6 et seq.), to set limits on the amount of
39 THC that can be sold in hemp or hemp products. This limit is set at
40 a total THC concentration of not more than 0.3 percent on a dry
41 weight basis and additionally, for a hemp product, not more than
42 0.5 milligrams of total THC per serving, and 2.5 milligrams of total
43 THC per package. “Total THC” is defined as the total
44 concentration of all tetrahydrocannabinols in a cannabis item,
45 including delta-8, delta-9, delta-10, tetrahydrocannabinolic acid and
46 any other chemically similar compound, substance, derivative, or
47 isomer of tetrahydrocannabinol, regardless of how derived or
48 manufactured, and any other cannabinoid, other than cannabidiol,

1 identified by the commission, in consultation with the Department
2 of Agriculture and the Attorney General, as causing intoxication.
3 This definitional change clarifies the department's role in the
4 regulation of hemp, and limits it to hemp or hemp products that
5 meet the limitations established in the bill.

6 The bill also clarifies the definition of THC in the Schedule I
7 controlled dangerous substance statute, N.J.S.A.24:21-5, to ensure
8 THC produced by way of manufacture, and which is not produced
9 or sold in accordance with the "New Jersey Hemp Farming Act,"
10 P.L.2019, c.238 (C.4:28-6 et seq.), or the Cannabis Regulatory,
11 Enforcement Assistance, and Marketplace Modernization Act,"
12 (CREAMMA) P.L.2021, c.16 (C.24:6I-31 et al.) is included on the
13 Schedule I list. N.J.S.A.24:21-2 defines "manufacture" to mean the
14 production, preparation, propagation, compounding, conversion, or
15 processing of a controlled dangerous substance, either directly or by
16 extraction from substances of natural origin, or independently by
17 means of chemical synthesis, or by a combination of extraction and
18 chemical synthesis, and includes any packaging or repackaging of
19 the substance or labeling or relabeling of its container, except that
20 this term does not include the preparation or compounding of a
21 controlled dangerous substance by an individual for the individual's
22 own use or the preparation, compounding, packaging, or labeling of
23 a controlled dangerous substance: (1) by a practitioner as an
24 incident to the practitioner's administering or dispensing of a
25 controlled dangerous substance in the course of the practitioner's
26 professional practice, or (2) by a practitioner, or under the
27 practitioner's supervision, for the purpose of, or as an incident to,
28 research, teaching, or chemical analysis and not for sale.

29

30 UNLICENSED SALE AND PENALTIES

31 Under the bill, a person is prohibited from selling or distributing
32 a hemp product unless the person is licensed by the commission and
33 the product complies with CREAMMA and any commission
34 regulations. Further, it is unlawful to sell or distribute a hemp
35 product or cannabis item that is not derived from naturally
36 occurring biologically active chemical constituents.

37 Under the bill, it is unlawful, except as otherwise provided by
38 law, to sell or distribute a product that contains THC to any person
39 under the age of 21.

40 The bill establishes the penalties for an owner or operator of a
41 business who sells an intoxicating hemp product in violation of the
42 bill. The penalties are as follows:

- 43 (1) for a first offense, a fine of not less than \$100;
- 44 (2) for a second offense, a fine of not less than \$1,000; and
- 45 (3) for a third offense, a fine of not less than \$10,000.

46 Each product sold in violation of this bill constitutes an
47 additional separate and distinct offense.

1 ENFORCEMENT AND EDUCATION

2 The bill also permits an official authorized by statute or
3 ordinance, or State or local health codes or consumer protection
4 laws, or a law enforcement office having enforcement authority in
5 that municipality to issue the summons for any alleged violation of
6 the bill.

7 Finally, the bill requires the commission, in consultation with the
8 Division of Consumer Affairs, and the Business Action Center in
9 the Department of State, to develop and implement a public
10 education program for businesses across the State on the bill.