

SENATE, No. 4509

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED MAY 22, 2025

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

Senator NICHOLAS P. SCUTARI

District 22 (Somerset and Union)

SYNOPSIS

Provides additional licensing eligibility for activities involving intoxicating hemp products.

CURRENT VERSION OF TEXT

As introduced.



S4509 RUIZ, SCUTARI

2

1 AN ACT concerning intoxicating hemp products, and amending
2 various sections of statutory law, and supplementing P.L.2024,
3 c.73.

4

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

7

8 1. N.J.S.2C:35-2 is amended to read as follows:

9 2C:35-2. As used in this chapter:

10 "Administer" means the direct application of a controlled
11 dangerous substance or controlled substance analog, whether by
12 injection, inhalation, ingestion, or any other means, to the body of a
13 patient or research subject by: (1) a practitioner, or, in the
14 practitioner's presence, by the practitioner's lawfully authorized
15 agent, or (2) the patient or research subject at the lawful direction
16 and in the presence of the practitioner.

17 "Agent" means an authorized person who acts on behalf of or at
18 the direction of a manufacturer, distributor, or dispenser but does
19 not include a common or contract carrier, public warehouseman, or
20 employee thereof.

21 "Controlled dangerous substance" means a drug, substance, or
22 immediate precursor in Schedules I through V, marijuana and
23 hashish as defined in this section, any substance the distribution of
24 which is specifically prohibited in N.J.S.2C:35-3, in section 3 of
25 P.L.1997, c.194 (C.2C:35-5.2), in section 5 of P.L.1997, c.194
26 (C.2C:35-5.3), in section 2 of P.L.2011, c.120 (C.2C:35-5.3a), or in
27 section 2 of P.L.2013, c.35 (C.2C:35-5.3b), and any drug or
28 substance which, when ingested, is metabolized or otherwise
29 becomes a controlled dangerous substance in the human body.
30 When any statute refers to controlled dangerous substances, or to a
31 specific controlled dangerous substance, it shall also be deemed to
32 refer to any drug or substance which, when ingested, is metabolized
33 or otherwise becomes a controlled dangerous substance or the
34 specific controlled dangerous substance, and to any substance that
35 is an immediate precursor of a controlled dangerous substance or
36 the specific controlled dangerous substance. The term shall not
37 include distilled spirits, wine, malt beverages, as those terms are
38 defined or used in R.S.33:1-1 et seq., tobacco and tobacco products,
39 or cannabis and cannabis as defined in section 3 of P.L.2021, c.16
40 (C.24:6I-33). The term, wherever it appears in any law or
41 administrative regulation of this State, shall include controlled
42 substance analogs.

43 "Controlled substance analog" means a substance that has a
44 chemical structure substantially similar to that of a controlled
45 dangerous substance and that was specifically designed to produce

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 an effect substantially similar to that of a controlled dangerous
2 substance. The term shall not include a substance manufactured or
3 distributed in conformance with the provisions of an approved new
4 drug application or an exemption for investigational use within the
5 meaning of section 505 of the "Federal Food, Drug and Cosmetic
6 Act," 52 Stat. 1052 (21 U.S.C. s.355).

7 "Counterfeit substance" means a controlled dangerous substance
8 or controlled substance analog which, or the container or labeling of
9 which, without authorization, bears the trademark, trade name, or
10 other identifying mark, imprint, number, or device, or any likeness
11 thereof, of a manufacturer, distributor, or dispenser other than the
12 person or persons who in fact manufactured, distributed, or
13 dispensed the substance and which thereby falsely purports or is
14 represented to be the product of, or to have been distributed by,
15 such other manufacturer, distributor, or dispenser.

16 "Deliver" or "delivery" means the actual, constructive, or
17 attempted transfer from one person to another of a controlled
18 dangerous substance or controlled substance analog, whether or not
19 there is an agency relationship.

20 "Dispense" means to deliver a controlled dangerous substance or
21 controlled substance analog to an ultimate user or research subject
22 by or pursuant to the lawful order of a practitioner, including the
23 prescribing, administering, packaging, labeling, or compounding
24 necessary to prepare the substance for that delivery. "Dispenser"
25 means a practitioner who dispenses.

26 "Distribute" means to deliver other than by administering or
27 dispensing a controlled dangerous substance or controlled substance
28 analog. "Distributor" means a person who distributes.

29 "Drugs" means (1) substances recognized in the official United
30 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the
31 United States, or official National Formulary, or any supplement to
32 any of them; and (2) substances intended for use in the diagnosis,
33 cure, mitigation, treatment, or prevention of disease in man or other
34 animals; and (3) substances, other than food, intended to affect the
35 structure or any function of the body of man or other animals; and
36 (4) substances intended for use as a component of any substance
37 specified in (1), (2), and (3) of this definition; but does not include
38 devices or their components, parts, or accessories. The term "drug"
39 also does not include: hemp and hemp products cultivated, handled,
40 processed, transported, or sold pursuant to the "New Jersey Hemp
41 Farming Act," P.L.2019, c.238 (C.4:28-6 et al.); cannabis as defined
42 in section 3 of P.L.2021, c.16 (C.24:6I-31 et al.) which is cultivated
43 and produced for use in a cannabis item, as defined in that section,
44 in accordance with the "New Jersey Cannabis Regulatory,
45 Enforcement Assistance, and Marketplace Modernization Act,"
46 P.L.2021, c.16 (C.24:6I-31 et al.); **and** cannabis resin as defined
47 in that section 3 (C.24:6I-33) which is extracted for use in a
48 cannabis item, as defined in that section, in accordance with that

1 act, and an intoxicating hemp product as that term is defined in
2 section 3 of P.L.2021, c.16 (C.24:6I-33), that is produced,
3 manufactured, or sold in accordance with P.L.2024, c.73 (C.24:6I-
4 48.1) and P.L. , c. (C.) (pending before the Legislature as
5 this bill).

6 "Hashish" means the resin extracted from any part of the plant
7 Cannabis sativa L. and any compound, manufacture, salt,
8 derivative, mixture, or preparation of such resin. "Hashish" shall
9 not mean: hemp and hemp products 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.); or cannabis resin as defined
12 in section 3 of P.L.2021, c.16 (C.24:6I-33) which is extracted for
13 use in a cannabis item, as defined in that section, in accordance with
14 the "New Jersey Cannabis Regulatory, Enforcement Assistance, and
15 Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.);
16 or an intoxicating hemp product as that term is defined in section 3
17 of P.L.2021, c.16 (C.24:6I-33), that is produced, manufactured, or
18 sold in accordance with P.L.2024, c.73 (C.24:6I-48.1) and P.L. ,
19 c. (C.) (pending before the Legislature as this bill).

20 "Immediate precursor" means a substance which the Division of
21 Consumer Affairs in the Department of Law and Public Safety has
22 found to be and by regulation designates as being the principal
23 compound commonly used or produced primarily for use, and
24 which is an immediate chemical intermediary used or likely to be
25 used in the manufacture of a controlled dangerous substance or
26 controlled substance analog, the control of which is necessary to
27 prevent, curtail, or limit such manufacture.

28 "Manufacture" means the production, preparation, propagation,
29 compounding, conversion, or processing of a controlled dangerous
30 substance or controlled substance analog, either directly or by
31 extraction from substances of natural origin, or independently by
32 means of chemical synthesis, or by a combination of extraction and
33 chemical synthesis, and includes any packaging or repackaging of
34 the substance or labeling or relabeling of its container, except that
35 this term does not include the preparation or compounding of a
36 controlled dangerous substance or controlled substance analog by
37 an individual for the individual's own use or the preparation,
38 compounding, packaging, or labeling of a controlled dangerous
39 substance: (1) by a practitioner as an incident to the practitioner
40 administering or dispensing a controlled dangerous substance or
41 controlled substance analog in the course of the practitioner's
42 professional practice, or (2) by a practitioner, or under the
43 practitioner's supervision, for the purpose of, or as an incident to,
44 research, teaching, or chemical analysis and not for sale.

45 "Marijuana" means all parts of the plant Cannabis sativa L.,
46 whether growing or not; the seeds thereof, and every compound,
47 manufacture, salt, derivative, mixture, or preparation of the plant or
48 its seeds, except those containing resin extracted from the plant.

1 "Marijuana" shall not mean: hemp and hemp products cultivated,
2 handled, processed, transported, or sold pursuant to the "New Jersey
3 Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.); **[or]**
4 cannabis as defined in section 3 of P.L.2021, c.16 (C.24:6I-33)
5 which is cultivated and produced for use in a cannabis item, as
6 defined in that section, in accordance with the "New Jersey
7 Cannabis Regulatory, Enforcement Assistance, and Marketplace
8 Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.); or an
9 intoxicating hemp product as that term is defined in section 3 of
10 P.L.2021, c.16 (C.24:6I-33), that is produced, manufactured, or sold
11 in accordance with P.L.2024, c.73 (C.24:6I-48.1) and P.L. _____, c.
12 (C. _____) (pending before the Legislature as this bill).

13 "Narcotic drug" means any of the following, whether produced
14 directly or indirectly by extraction from substances of vegetable
15 origin, or independently by means of chemical synthesis, or by a
16 combination of extraction and chemical synthesis:

17 (1) Opium, coca leaves, and opiates;

18 (2) A compound, manufacture, salt, derivative, or preparation of
19 opium, coca leaves, or opiates;

20 (3) A substance, and any compound, manufacture, salt,
21 derivative, or preparation thereof, which is chemically identical
22 with any of the substances referred to in (1) and (3) of this
23 definition, except that the words "narcotic drug" as used in this act
24 shall not include decocainized coca leaves or extracts of coca
25 leaves, which extracts do not contain cocaine or **[ecogine]**
26 ecgonine.

27 "Opiate" means any dangerous substance having substance use
28 disorder-forming or substance use disorder-sustaining liability
29 similar to morphine or being capable of conversion into a drug
30 having such substance use disorder-forming or substance use
31 disorder-sustaining liability. "Opiate" does not include, unless
32 specifically designated as controlled pursuant to the provisions of
33 section 3 of P.L.1970, c.226 (C.24:21-3), the dextrorotatory isomer
34 of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan
35 "Opiate" includes its racemic and levorotatory forms.

36 "Opium poppy" means the plant of the species *Papaver*
37 *somniferum* L., except the seeds thereof.

38 "Person" means any corporation, association, partnership, trust,
39 other institution or entity, or one or more individuals.

40 "Person with a substance use disorder" means a person who as a
41 result of using a controlled dangerous substance or controlled
42 substance analog or alcohol has been in a state of psychic or
43 physical dependence, or both, arising from the use of that controlled
44 dangerous substance or controlled substance analog or alcohol on a
45 continuous or repetitive basis. Substance use disorder is
46 characterized by behavioral and other responses, including, but not
47 limited to, a strong compulsion to take the substance on a recurring

1 basis in order to experience its psychic effects, or to avoid the
2 discomfort of its absence.

3 "Plant" means an organism having leaves and a readily
4 observable root formation, including, but not limited to, a cutting
5 having roots, a rootball or root hairs.

6 "Poppy straw" means all parts, except the seeds, of the opium
7 poppy, after mowing.

8 "Practitioner" means a physician, dentist, veterinarian, scientific
9 investigator, laboratory, pharmacy, hospital, or other person
10 licensed, registered, or otherwise permitted to distribute, dispense,
11 conduct research with respect to, or administer a controlled
12 dangerous substance or controlled substance analog in the course of
13 professional practice or research in this State. As used in this
14 definition:

15 (1) "Physician" means a physician authorized by law to practice
16 medicine in this or any other state and any other person authorized
17 by law to treat sick and injured human beings in this or any other
18 state.

19 (2) "Veterinarian" means a veterinarian authorized by law to
20 practice veterinary medicine in this State.

21 (3) "Dentist" means a dentist authorized by law to practice
22 dentistry in this State.

23 (4) "Hospital" means any federal institution, or any institution
24 for the care and treatment of the sick and injured, operated or
25 approved by the appropriate State department as proper to be
26 entrusted with the custody and professional use of controlled
27 dangerous substances or controlled substance analogs.

28 (5) "Laboratory" means a laboratory to be entrusted with the
29 custody of narcotic drugs and the use of controlled dangerous
30 substances or controlled substance analogs for scientific,
31 experimental, and medical purposes and for purposes of instruction
32 approved by the Department of Health.

33 "Prescription legend drug" means any drug which under federal
34 or State law requires dispensing by prescription or order of a
35 licensed physician, veterinarian, or dentist and is required to bear
36 the statement "Rx only" or similar wording indicating that such
37 drug may be sold or dispensed only upon the prescription of a
38 licensed medical practitioner and is not a controlled dangerous
39 substance or stramonium preparation.

40 "Production" includes the manufacture, planting, cultivation,
41 growing, or harvesting of a controlled dangerous substance or
42 controlled substance analog.

43 "Residential treatment facility" means any facility licensed and
44 approved by the Department of Human Services and which is
45 approved by any county probation department for the inpatient
46 treatment and rehabilitation of persons with a substance use
47 disorder.

1 "Schedules I, II, III, IV, and V" are the schedules set forth in
2 sections 5 through 8 of P.L.1970, c.226 (C.24:21-5 through 24:21-
3 8) and in section 4 of P.L.1971, c.3 (C.24:21-8.1) and as modified
4 by any regulations issued by the Director of the Division of
5 Consumer Affairs in the Department of Law and Public Safety
6 pursuant to the director's authority as provided in section 3 of
7 P.L.1970, c.226 (C.24:21-3).

8 "State" means the State of New Jersey.

9 "Stramonium preparation" means a substance prepared from any
10 part of the stramonium plant in the form of a powder, pipe mixture,
11 cigarette, or any other form with or without other ingredients.

12 "Stramonium plant" means the plant *Datura Stramonium* Linne,
13 including *Datura Tatula* Linne.

14 "Ultimate user" means a person who lawfully possesses a
15 controlled dangerous substance or controlled substance analog for
16 the person's own use or for the use of a member of the person's
17 household or for administration to an animal owned by the person
18 or by a member of the person's household.

19 (cf: P.L.2023, c.177, s.6)

20

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

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

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

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

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

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

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

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

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

45 "Hemp" means the plant *Cannabis sativa* L. and any part of that
46 plant, including the seeds of the plant and all derivatives, extracts,
47 cannabinoids, isomers, acids, salts, and salts of isomers, whether
48 growing or not, with a total **[tetrahydrocannabinol]** THC

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

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

8 "Hemp product" means a finished product with a non-
9 intoxicating total **【tetrahydrocannabinol】** THC concentration **【of**
10 **not more than 0.3 percent, and not more than 0.5 milligrams of total**
11 **THC per serving and 2.5 milligrams of total THC per package,**
12 **that】** which is derived from or made by processing a hemp plant or
13 plant part and prepared in a form available for commercial sale.
14 The term includes cosmetics, personal care products, food intended
15 for human or animal consumption, cloth, cordage, fiber, fuel, paint,
16 paper, particleboard, plastics, and any product containing one or
17 more hemp-derived cannabinoids such as cannabidiol. Hemp
18 products shall not be considered controlled substances due to the
19 presence of hemp or hemp-derived cannabinoids. "Hemp product"
20 shall not mean: (1) a **【cannabinoid】** product that **【is not derived**
21 from naturally occurring biologically active chemical constituents
22 and shall not mean】 contains artificially or synthetically produced
23 cannabinoids of any kind; (2) a cannabinoid produced using
24 chemical synthesis, chemical modification, chemical conversion
25 process, isomerization, or any other synthesis methodology as may
26 be identified by the Cannabis Regulatory Commission; or (3) an
27 intoxicating hemp product as defined in section 3 of P.L.2021, c.16
28 (C.24:6I-33).

29 "Non-intoxicating total THC concentration" means: (1) a total
30 THC concentration of not more than 0.3 percent, and not more than
31 0.5 milligrams of total THC concentration per serving and 2.5
32 milligrams of total THC concentration per package; or (2) a total
33 THC concentration of not more than 10 milligrams per package if
34 the product contains at least a 20:1 ratio of cannabidiol to THC with
35 a total THC concentration of not more than 0.5 milligrams of total
36 THC concentration per serving, or, for a tincture, a total THC
37 concentration of not more than 25 milligrams per package if the
38 product contains at least a 20:1 ratio of cannabidiol to THC.

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

40 "Secretary" means the Secretary of the New Jersey Department
41 of Agriculture.

42 "Transport" means the movement or shipment of hemp by a
43 hemp producer, a person or entity authorized to produce hemp
44 pursuant to 7 U.S.C. s.1639o et seq. and any state law or rule or
45 regulation adopted pursuant thereto, or a hemp producer's or
46 authorized entity's third-party carrier or agent. "Transport" shall
47 not mean the movement or shipment of hemp products.

1 "THC" means tetrahydrocannabinol, including delta-8, delta-9,
2 delta-10, tetrahydrocannabinolic acid, and any other chemically
3 similar compound, substance, derivative, or isomer of
4 tetrahydrocannabinol, regardless of how derived or manufactured.

5 "Tincture" means a solution of extract derived directly from
6 hemp or a hemp product, which is dissolved in alcohol, glycerin, or
7 vegetable oils.

8 "Total THC concentration" means the total concentration of all
9 tetrahydrocannabinols in cannabis, hemp, [or] a hemp product, or
10 an intoxicating hemp product, including delta-8, delta-9, delta-10,
11 tetrahydrocannabinolic acid and any other chemically similar
12 compound, substance, derivative, or isomer of
13 tetrahydrocannabinol, regardless of how derived or manufactured],
14 and any other cannabinoid, other than cannabidiol, identified by the
15 Cannabis Regulatory Commission, in consultation with the
16 Department of Agriculture and the Attorney General, as causing
17 intoxication].

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

19
20 3. Section 3 of P.L.2021, c.16 (C.24:6I-33) is amended to read
21 as follows:

22 3. Definitions.

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

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

34 "Cannabis" means all parts of the plant *Cannabis sativa* L.,
35 whether growing or not, the seeds thereof, and every compound,
36 manufacture, salt, derivative, mixture, or preparation of the plant or
37 its seeds, except those containing resin extracted from the plant,
38 which are cultivated and, when applicable, manufactured in
39 accordance with P.L.2021, c.16 (C.24:6I-31 et al.) for use in
40 cannabis products as set forth in this act, but shall not include the
41 weight of any other ingredient combined with cannabis to prepare
42 topical or oral administrations, food, drink, or other product.
43 "Cannabis" does not include: 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 marijuana as defined in N.J.S.2C:35-2 and applied to any offense
48 set 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 **[marihuana]**
2 marijuana as defined in section 2 of P.L.1970, c.226 (C.24:21-2)
3 and applied to any offense set forth in the "New Jersey Controlled
4 Dangerous Substances Act," P.L.1970, c.226 (C.24:21-1 et al.); or
5 hemp or a hemp product cultivated, handled, processed, transported,
6 or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019,
7 c.238 (C.4:28-6 et al.), or an intoxicating hemp product.

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

21 "Cannabis cultivator" means any licensed person or entity that
22 grows, cultivates, or produces cannabis in this State, and sells, and
23 may transport, this cannabis to other cannabis cultivators, or usable
24 cannabis to cannabis manufacturers, cannabis wholesalers, or
25 cannabis retailers, but not to consumers. This person or entity shall
26 hold a Class 1 Cannabis Cultivator license.

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

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

46 "Cannabis establishment" means a cannabis cultivator, a
47 cannabis manufacturer, a cannabis wholesaler, or a cannabis
48 retailer.

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

8 "Cannabis flower" means the flower of the plant *Cannabis sativa*
9 L. within the plant family Cannabaceae.

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

20 "Cannabis leaf" means the leaf of the plant *Cannabis sativa* L.
21 within the plant family Cannabaceae.

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

29 "Cannabis paraphernalia" means any equipment, products, or
30 materials of any kind which are used, intended for use, or designed
31 for use in planting, propagating, cultivating, growing, harvesting,
32 composting, manufacturing, compounding, converting, producing,
33 processing, preparing, testing, analyzing, packaging, repackaging,
34 storing, vaporizing, or containing cannabis, or for ingesting,
35 inhaling, or otherwise introducing a cannabis item into the human
36 body. "Cannabis paraphernalia" does not include drug
37 paraphernalia as defined in N.J.S.2C:36-1 and which is used or
38 intended for use to commit a violation of chapter 35 or 36 of Title
39 2C of the New Jersey Statutes.

40 "Cannabis product" means a product containing usable cannabis,
41 cannabis extract, or any other cannabis resin and other ingredients
42 intended for human consumption or use, including a product
43 intended to be applied to the skin or hair, edible cannabis products,
44 ointments, and tinctures. "Cannabis product" does not include: (1)
45 usable cannabis by itself; or (2) cannabis extract by itself; or (3) any
46 other cannabis resin by itself.

47 "Cannabis resin" means the resin extracted from any part of the
48 plant *Cannabis sativa* L., including cannabis extract and resin

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

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

27 "Cannabis testing facility" means an independent, third-party
28 entity meeting accreditation requirements established by the
29 Cannabis Regulatory Commission that is licensed to analyze and
30 certify cannabis items and medical cannabis for compliance with
31 applicable health, safety, and potency standards.

32 "Cannabis wholesaler" means any licensed person or entity that
33 purchases or otherwise obtains, stores, sells or otherwise transfers,
34 and may transport, cannabis items for the purpose of resale or other
35 transfer to either another cannabis wholesaler or to a cannabis
36 retailer, but not to consumers. This person or entity shall hold a
37 Class 3 Cannabis Wholesaler license.

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

40 "Conditional license" means a temporary license designated as
41 either a Class 1 Cannabis Cultivator license, a Class 2 Cannabis
42 Manufacturer license, a Class 3 Cannabis Wholesaler license, a
43 Class 4 Cannabis Distributor license, a Class 5 Cannabis Retailer
44 license, or a Class 6 Cannabis Delivery license that allows the
45 holder to lawfully act as a cannabis cultivator, cannabis
46 manufacturer, cannabis wholesaler, cannabis distributor, cannabis
47 retailer, or cannabis delivery service as the case may be, which is
48 issued pursuant to an abbreviated application process, after which

1 the conditional license holder shall have a limited period of time in
2 which to become fully licensed by satisfying all of the remaining
3 conditions for licensure which were not required for the issuance of
4 the conditional license.

5 "Consumer" means a person 21 years of age or older who
6 purchases, directly or through a cannabis delivery service, acquires,
7 owns, holds, or uses cannabis items or intoxicating hemp products
8 for personal use by a person 21 years of age or older, but not for
9 resale to others.

10 "Consumption" means the act of ingesting, inhaling, or otherwise
11 introducing cannabis items or intoxicating hemp products into the
12 human body.

13 "Delivery" means the transportation of cannabis items or
14 intoxicating hemp products and related supplies to a consumer.

15 "Delivery" also includes the use by a licensed **[cannabis]** retailer of
16 any third party technology platform to receive, process, and fulfill
17 orders by consumers, which third party shall not be required to be a
18 licensed cannabis establishment, distributor, or delivery service,
19 provided that any physical acts in connection with fulfilling the
20 order and delivery shall be accomplished by a certified cannabis or
21 intoxicating hemp product handler performing work for or on behalf
22 of the licensed **[cannabis]** retailer, which includes a certified
23 cannabis or intoxicating hemp product handler employed or
24 otherwise working on behalf of a cannabis delivery service making
25 off-premises deliveries of consumer purchases fulfilled by that
26 **[cannabis]** retailer.

27 "Department" means the Department of Health.

28 "Director" means the Director of the Office of Minority,
29 Disabled Veterans, and Women Cannabis Business Development in
30 the Cannabis Regulatory Commission.

31 "Executive director" means the executive director of the
32 Cannabis Regulatory Commission.

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

36 "Immature cannabis plant" means a cannabis plant that is not
37 flowering.

38 "Impact zone" means any municipality, based on past criminal
39 marijuana enterprises contributing to higher concentrations of law
40 enforcement activity, unemployment, and poverty, or any
41 combination thereof, within parts of or throughout the municipality,
42 that:

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

46 (2) based upon data for calendar year 2019, ranks in the top 40
47 percent of municipalities in the State for marijuana- or hashish-
48 related arrests for violation of paragraph (4) of subsection a. of

1 N.J.S.2C:35-10; has a crime index total of 825 or higher based upon
2 the indexes listed in the annual Uniform Crime Report by the
3 Division of State Police; and has a local average annual
4 unemployment rate that ranks in the top 15 percent of all
5 municipalities, based upon average annual unemployment rates
6 estimated for the relevant calendar year by the Office of Research
7 and Information in the Department of Labor and Workforce
8 Development;

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

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

19 (a) with a population of less than 60,000 according to the most
20 recently compiled federal decennial census, that for calendar year
21 2019 ranks in the top 40 percent of municipalities in the State for
22 marijuana- or hashish-related arrests for violation of paragraph (4)
23 of subsection a. of N.J.S.2C:35-10; has a crime index total of 1,000
24 or higher based upon the indexes listed in the 2019 annual Uniform
25 Crime Report by the Division of State Police; but for calendar year
26 2019 does not have a local average annual unemployment rate that
27 ranks in the top 15 percent of all municipalities, based upon average
28 annual unemployment rates estimated for the relevant calendar year
29 by the Office of Research and Information in the Department of
30 Labor and Workforce Development; or

31 (b) with a population of not less than 60,000 or more than
32 80,000 according to the most recently compiled federal decennial
33 census; has a crime index total of 650 or higher based upon the
34 indexes listed in the 2019 annual Uniform Crime Report; and for
35 calendar year 2019 has a local average annual unemployment rate
36 of 3.0 percent or higher using the same estimated annual
37 unemployment rates.

38 "Intoxicating hemp beverage" means a beverage that is an
39 intoxicating hemp product.

40 "Intoxicating hemp product" means any product cultivated,
41 derived, or manufactured **[in this State]** from hemp regulated
42 pursuant to the "Agricultural Improvement Act of 2018,"
43 Pub.L.115-334 or any product cultivated, derived, or manufactured
44 in this State from hemp regulated pursuant to the "New Jersey
45 Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.) that is sold in
46 this State **[that]** and **[a]** an intoxicating total THC
47 concentration **[of total THC greater than 0.5 milligrams per serving**
48 or 2.5 milligrams per package]. "Intoxicating hemp product" shall

1 not include: (1) a **[cannabinoid]** product that **[is not derived from**
2 naturally occurring biologically active chemical constituents and
3 shall not include hemp products] contains artificially or
4 synthetically produced cannabinoids of any kind; (2) a cannabinoid
5 produced using chemical synthesis, chemical modification,
6 chemical conversion process, isomerization, or any other synthesis
7 methodology as may be identified by the commission; or (3) a hemp
8 product as defined in section 3 of P.L.2019, c.238 (C.4:28-8).

9 “Intoxicating hemp product establishment” means an
10 establishment at which a licensee conducts activities related to the
11 manufacture or sale of intoxicating hemp products.

12 “Intoxicating total THC concentration” means: (1) a total THC
13 concentration of more than 0.3 percent, or more than 0.5 milligrams
14 of total THC per serving and 2.5 milligrams of total THC per
15 package; and (2) a total THC concentration of more than 10
16 milligrams per package if the product contains at least a 20:1 ratio
17 of cannabidiol to THC with a total THC concentration of more than
18 0.5 milligrams of THC per serving or more than 10 milligrams total
19 THC per package or, for a tincture, a total THC concentration of
20 more than 25 milligrams per package if the product contains at least
21 a 20:1 ratio of cannabidiol to THC. “Intoxicating total THC
22 concentration” also means any total THC concentration identified
23 by the Cannabis Regulatory Commission, in consultation with the
24 Department of Agriculture and the Attorney General, as causing
25 intoxication.

26 "License" means a license issued under P.L.2021, c.16 (C.24:6I-
27 31 et al.), including a license that is designated as either a Class 1
28 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer
29 license, a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis
30 Distributor license, a Class 5 Cannabis Retailer license, or a Class 6
31 Cannabis Delivery license. The term includes a conditional license
32 for a designated class, except when the context of the provisions of
33 P.L.2021, c.16 (C.24:6I-31 et al.) otherwise intend to only apply to
34 a license and not a conditional license. Where the context indicates,
35 “license” shall also mean a license issued by the commission
36 pursuant to P.L.2024, c.73 (C.24:6I-48.1 et al.) or P.L. _____, c.
37 (C. _____) (pending before the Legislature as this bill) to conduct
38 activities related to the manufacture, distribution, or sale of
39 intoxicating hemp products, or a license approving the holder of any
40 valid and unrevoked plenary wholesale license or plenary retail
41 distribution license, as those terms are defined pursuant to R.S.33:1-
42 11 and R.S.33:1-12, to sell intoxicating hemp beverages in
43 accordance with section 5 of P.L.2024, c.73 (C.24:6I-48.2).

44 "Licensee" means a person or entity that holds a license issued
45 under P.L.2021, c.16 (C.24:6I-31 et al.), including a license that is
46 designated as either a Class 1 Cannabis Cultivator license, a Class 2
47 Cannabis Manufacturer license, a Class 3 Cannabis Wholesaler
48 license, a Class 4 Cannabis Distributor license, a Class 5 Cannabis

1 Retailer license, or a Class 6 Cannabis Delivery license, and
2 includes a person or entity that holds a conditional license for a
3 designated class, except when the context of the provisions of
4 P.L.2021, c.16 (C.24:6I-31 et al.) otherwise intend to only apply to
5 a person or entity that holds a license and not a conditional license.
6 Where the context indicates, "licensee" shall also mean a person or
7 entity that holds a license issued by the commission pursuant
8 P.L.2024, c.73 (C.24:6I-48.1 et al.) or P.L. , c. (C.)
9 (pending before the Legislature as this bill) to conduct activities
10 related to the manufacture, distribution, or sale of intoxicating hemp
11 products, or the holder of any valid and unrevoked plenary
12 wholesale license or plenary retail distribution license, as those
13 terms are defined pursuant to R.S.33:1-11 and R.S.33:1-12, who has
14 been approved by the commission to sell intoxicating hemp
15 beverages in accordance with section 5 of P.L.2024, c.73 (C.24:6I-
16 48.2).

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

20 "Manufacture" means the drying, processing, compounding, or
21 conversion of usable cannabis into cannabis products or cannabis
22 resins or hemp into intoxicating hemp products. "Manufacture" does
23 not include packaging or labeling.

24 "Mature cannabis plant" means a cannabis plant that is not an
25 immature cannabis plant.

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

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

1 or the equivalent amount in any form of manufactured cannabis
2 product or cannabis resin, or any combination thereof; and (6)
3 acquire for retail sale each month, in the case of a cannabis retailer,
4 no more than 1,000 pounds of usable cannabis, or the equivalent
5 amount in any form of manufactured cannabis product or cannabis
6 resin, or any combination thereof.

7 "Noncommercial" means not dependent or conditioned upon the
8 provision or receipt of financial consideration.

9 "Non-intoxicating total THC concentration" means: (1) a total
10 THC concentration of not more than 0.3 percent, and not more than
11 0.5 milligrams of total THC concentration per serving and 2.5
12 milligrams of total THC concentration per package; or (2) a total
13 THC concentration of not more than 10 milligrams per package if
14 the product contains at least a 20:1 ratio of cannabidiol to THC with
15 a total THC concentration of not more than 0.5 milligrams of total
16 THC concentration per serving, or, for a tincture, a total THC
17 concentration of not more than 25 milligrams per package if the
18 product contains at least a 20:1 ratio of cannabidiol to THC.

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 or intoxicating hemp products; and, for a
27 location that the commission has specifically licensed for the
28 production of cannabis or intoxicating hemp products outside a
29 building, the entire lot or parcel that the licensee owns, leases, or
30 has a right to occupy.

31 "Produce" means the planting, cultivation, growing or harvesting
32 of cannabis or hemp for intoxicating hemp products. "Produce"
33 does not include the drying of cannabis by a cannabis manufacturer,
34 if the cannabis manufacturer is not otherwise manufacturing
35 cannabis.

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

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

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

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

20 "THC" means **【delta-9-tetrahydrocannabinol and its precursor,】**
21 tetrahydrocannabinol, including delta-8, delta-9, delta-10,
22 tetrahydrocannabinolic acid, 【the main psychoactive chemicals
23 contained in the cannabis plant】 and any other chemically similar
24 compound, substance, derivative, or isomer of
25 tetrahydrocannabinol, regardless of how derived or manufactured.

26 “Tincture” means a solution of extract derived directly from
27 hemp or a hemp product, which is dissolved in alcohol, glycerin, or
28 vegetable oils.

29 "Total THC concentration" means the total concentration of all
30 tetrahydrocannabinols in cannabis, hemp, 【or】 a hemp product, or
31 an intoxicating hemp product, including delta-8, delta-9, delta-10,
32 tetrahydrocannabinolic acid and any other chemically similar
33 compound, substance, derivative, or isomer of
34 tetrahydrocannabinol, regardless of how derived or manufactured**【,**
35 and any other cannabinoid, other than cannabidiol, identified by the
36 Cannabis Regulatory Commission, in consultation with the
37 Department of Agriculture and the Attorney General, as causing
38 intoxication**】.**

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

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

43

44 4. Section 4 of P.L.2024, c.73 (C.24:6I-48.1) is amended to
45 read as follows:

46 4. a. A person or entity shall not sell or distribute any
47 intoxicating hemp product unless:

1 (1) the person or entity is licensed by the Cannabis Regulatory
2 Commission in accordance with **【P.L.2021, c.16 (C.24:6I-31 et**
3 **al.)】** P.L.2024, c.73 (C.24:6I-48.1 et al.) and P.L. , c. (C.)
4 (pending before the Legislature as this bill), and any applicable
5 regulations promulgated by the Cannabis Regulatory Commission;
6 or

7 (2) (a) the person or entity is a holder of any valid and unrevoked
8 plenary wholesale license or plenary retail distribution license, as
9 those terms are defined in R.S.33:1-11 and R.S.33:1-12, and is
10 approved by the commission to sell intoxicating hemp beverages in
11 accordance with section 5 of P.L.2024, c.73 (C.24:6I-48.2) and any
12 applicable regulations promulgated by the Cannabis Regulatory
13 Commission;

14 (b) Notwithstanding subparagraph (a) of this paragraph, the
15 holder of any valid and unrevoked plenary wholesale license or
16 plenary retail distribution license may continue to sell or distribute
17 intoxicating hemp beverages until such time that the Cannabis
18 Regulatory Commission adopts rules and regulations in accordance
19 with subsection d. of this section. Within 120 days following the
20 adoption of rules and regulations by the commission in accordance
21 with paragraph (1) of subsection d. of this section, the holder of any
22 valid and unrevoked plenary wholesale license or plenary retail
23 distribution license shall stop the sale or distribution of any
24 intoxicating hemp beverages and may continue the sale or
25 distribution of any intoxicating hemp beverages only upon approval
26 by the commission in accordance with section 5 of P.L.2024, c.73
27 (C.24:6I-48.2) and any applicable regulations promulgated by the
28 Cannabis Regulatory Commission; and

29 (3) the product complies with the provisions of **【P.L.2021, c.16**
30 **(C.24:6I-31 et al.)】** P.L.2024, c.73 (C.24:6I-48.1 et al.), P.L. , c.
31 (C.) (pending before the Legislature as this bill), and any rules
32 or regulations adopted pursuant thereto.

33 b. (1) It shall be unlawful to sell or distribute a **【hemp product or**
34 **cannabis item that is not derived from naturally occurring**
35 **biologically active chemical constituents】** product that either
36 contains or is an artificially or synthetically produced cannabinoid
37 of any kind, or contains a cannabinoid produced using chemical
38 synthesis, chemical modification, chemical conversion process,
39 isomerization, or any other synthesis methodology as may be
40 identified by the commission.

41 (2) Except as otherwise provided by law, it shall be unlawful to
42 sell or distribute a product intended for human consumption that
43 contains **【tetrahydrocannabinol】** THC in any detectable amount to a
44 person under 21 years of age.

45 (3) With the exception of licensed deliveries, it shall be
46 unlawful to sell or distribute a product or a sample of a product
47 anywhere outside of a licensed facility.

1 (4) Except as otherwise provided in P.L.2024, c.73 (C.24:6I-
2 48.1 et seq.) or P.L. , c. (C.) (pending before the
3 Legislature as this bill), no person or entity shall knowingly sell an
4 intoxicating hemp product that is not accompanied by a certificate
5 of analysis issued within the previous six-month period by a
6 laboratory in compliance with testing standards as established by
7 the commission.

8 (5) No person or entity shall dispense, distribute, sell, or offer
9 for sale an intoxicating hemp product, including an intoxicating
10 hemp beverage, from a vending machine.

11 (6) No person or entity shall distribute any intoxicating hemp
12 products, including intoxicating hemp beverages, without
13 remuneration if done for promotional business purposes.

14 c. In addition to any other penalty provided by law, any person
15 or entity licensed by the commission, or any person approved by the
16 commission to sell intoxicating hemp beverages pursuant to section
17 5 of P.L.2024, c.73 (C.24:6I-48.2), who violates subsection a. or b.
18 of this section shall be subject to any civil penalties or fines adopted
19 by the commission in accordance with P.L.2021, c.16 (C.24:6I-31 et
20 al.).

21 d. (1) Notwithstanding any provision of the "Administrative
22 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), or subsection
23 d. of section 5 of P.L.2024, c.73 (C.24:6I-48.2) to the contrary, and
24 in accordance with the authority established pursuant to section 18
25 of P.L.2021, c.16 (C.24:6I-35), P.L.2024, c.73 (C.24:6I-48.1), and
26 P.L. , c. (C.) (pending before the Legislature as this bill),
27 the commission, in consultation with the Department of Agriculture
28 and the Attorney General, and within 180 days of the effective date
29 of **【P.L.2024, c.73 (C.24:6I-48.1 et al.)】** P.L. , c. (C.)
30 (pending before the Legislature as this bill), is authorized to adopt
31 immediately upon filing with the Office of Administrative Law
32 rules and regulations necessary to implement **【this act】** P.L.2024,
33 c.73 (C.24:6I-48.1 et al) and P.L. , c. (C.) (pending before
34 the Legislature as this bill).

35 (2) Following any rules or regulations established by the
36 commission in accordance with subparagraph (1) of this subsection,
37 the commission shall, in consultation the Department of Agriculture
38 and the Attorney General, and in accordance with the
39 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
40 seq.), adopt rules and regulations as necessary to implement the
41 provisions of P.L.2024, c.73 (C.24:6I-48.1 et al.) and P.L. , c.
42 (C.) (pending before the Legislature as this bill).

43 (3) The commission is authorized to promulgate:

44 (a) such rules and regulations governing the establishment of any
45 license type related to manufacture, distribution, and sale of
46 intoxicating hemp products; and

47 (b) any requirements for licensure for manufacture, distribution,
48 and sale of intoxicating hemp products that the commission deems

1 necessary and appropriate to maximize the effectiveness and safety
2 of intoxicating hemp products.

3 (4) The commission is authorized to promulgate rules and
4 regulations pursuant to this subsection that shall provide for a
5 streamlined application and approval process for persons or entities
6 that hold an active and valid license issued by the commission
7 pursuant to P.L.2021, c.16 (C.24:6I-31 et al.) or a valid and
8 unrevoked plenary wholesale license or plenary retail distribution
9 license, as those terms are defined in R.S.33:1-11 and R.S.33:1-12.

10 (5) The rules and regulations promulgated by the commission
11 pursuant to this subsection may permit out-of-state persons or
12 entities to obtain a license in accordance with P.L.2024, c.73
13 (C.24:6I-48.1 et al.) and P.L. , c. (C.) (pending before the
14 Legislature as this bill) if the out-of-state person or entity complies
15 with the rules or regulations adopted pursuant to P.L. , c.
16 (C.) (pending before the Legislature as this bill), or meets
17 product and safety standards that the commission deems
18 substantially similar to the standards adopted by the commission.

19 e. (1) Nothing in P.L.2024, c.73 (C.24:6I-48.1 et al.) or P.L. ,
20 c. (C.) (pending before the Legislature as this bill) shall be
21 construed or interpreted to limit the enforceability or applicability
22 of the "Agriculture Improvement Act of 2018," Pub.L.115-334 or
23 the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et
24 al.).

25 (2) The requirements of this section and section 5 of P.L.2024,
26 c.73 (C.24:6I-48.2) shall apply to any online retail sale of an
27 intoxicating hemp product sold in this State.

28 (3) The imposition of any fine or other remedy under this act
29 shall not preclude prosecution for a violation of the criminal laws of
30 this State.

31 (cf: P.L.2024, c.73, s.4)

32

33 5. Section 5 of P.L.2024, c.73 (C.24:6I-48.2) is amended to
34 read as follows:

35 5. a. (1) Notwithstanding P.L.2021, c.16 (C.24:6I-31 et al.), or
36 any rule or regulation adopted pursuant thereto, the holder of any
37 valid and unrevoked plenary wholesale license or plenary retail
38 distribution license, as those terms are defined in R.S.33:1-11 and
39 R.S.33:1-12, may sell or distribute intoxicating hemp beverages in
40 accordance with this section and section 4 of P.L.2024, c.73
41 (C.24:6I-48.1) and the rules and regulations adopted by the
42 Cannabis Regulatory Commission pursuant to subsection d. of this
43 section.

44 (2) Any intoxicating hemp beverage, distributed, sold, or
45 offered for sale pursuant to paragraph (1) of this section shall not be
46 distributed or sold to any person under the age of 21, and shall be
47 stored or displayed in a place that is not accessible to customers
48 without the assistance of an employee of the establishment.

1 b. (1) Upon the effective date of P.L.2024, c.73 (C.24:6I-48.1
2 et al.) the holder of any valid and unrevoked plenary wholesale
3 license or plenary retail distribution license shall not sell any
4 intoxicating hemp beverages.

5 (2) Upon the adoption of rules and regulations by the
6 commission pursuant to subsection d. of this section, any holder of
7 a valid and unrevoked plenary wholesale license or plenary retail
8 distribution license may submit an application to the commission, in
9 a form and manner as determined by the commission, for approval
10 to sell intoxicating hemp beverages. The commission may approve
11 a valid holder of a plenary wholesale license or plenary retail
12 distribution license to sell intoxicating hemp beverages in
13 accordance with P.L.2024, c.73 (C.24:6I-48.1 et al.) and the rules
14 and regulations adopted by the commission.

15 c. **【Any sale of an intoxicating hemp beverage by a holder of**
16 **any valid and unrevoked plenary wholesale license or plenary retail**
17 **distribution license shall be subject to:**

18 (1) the sales tax imposed on cannabis in accordance with the
19 "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.); and

20 (2) the same local cannabis transfer and user tax imposed on
21 cannabis by a municipality pursuant to section 40 of P.L.2021, c.16
22 (C.40:48I-1).

23 All taxes, fees, penalties, and revenues collected pursuant to this
24 section shall be deposited in accordance with section 41 of
25 P.L.2021, c.16 (C.24:6I-50). (Deleted by amendment, P.L.____, c.
26 (pending before the Legislature as this bill)

27 d. (1) **【Notwithstanding】** In addition to the rules and regulations
28 adopted pursuant to subsection d. of section 4 of P.L.2024, c.73
29 (C.24:6I-48.1), no later than 12 months after the effective date of
30 this section, the commission, in consultation with the Division of
31 Alcoholic Beverage Control shall adopt, immediately upon filing
32 with the Office of Administrative Law, rules and regulations
33 necessary to implement this section. The rules and regulations
34 adopted pursuant to this section shall be effective for a period not to
35 exceed 18 months following the date of filing and may thereafter be
36 amended, adopted, or readopted by the commission in accordance
37 with the requirements of P.L.1968, c.410 (C.52:14B-1 et seq.).

38 (2) The rules and regulations adopted pursuant to this section
39 shall include, but not be limited to, provisions concerning:

40 (a) packaging;

41 (b) labeling;

42 (c) product testing and safety standards;

43 (d) **【tetrahydrocannabinol amounts】** a total THC concentration
44 permitted in intoxicating hemp beverages;

45 (e) the number of intoxicating hemp beverages that may be sold
46 to a customer at any given time; and

47 (f) a fee to be charged by the commission to cover the reasonable
48 costs of administering this section.

1 **【**For the purposes of this section, "intoxicating hemp beverage"
2 means a beverage that is an intoxicating hemp product as that term
3 is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).**】**

4 e. Any employee of a store that holds a plenary retail
5 distribution license and is approved to sell intoxicating hemp
6 beverages shall participate in the education program developed and
7 implemented in accordance with section 11 of P.L.2024, c.73
8 (C.24:6I-48.4).

9 (cf: P.L.2024, c.73, s.5)

10
11 6. Section 8 of P.L.2024, c.73 (C.24:6I-48.3) is amended to
12 read as follows:

13 8. a. A person or entity who sells, offers for sale, or distributes
14 any intoxicating hemp product or a **【hemp】** product **【**or cannabis
15 item**】** that **【**is not derived from naturally occurring biologically
16 active chemical constituents**】** either contains artificially or
17 synthetically produced cannabinoids of any kind, or is or contains a
18 cannabinoid produced using chemical synthesis, chemical
19 modification, chemical conversion process, isomerization, or any
20 other synthesis methodology as may be identified by the
21 commission, in violation of section 4 of P.L.2024, c.73 (C.24:6I-
22 48.1), shall be liable to a civil penalty of not less than \$100 for the
23 first violation, not less than \$1,000 for the second violation, and not
24 less than \$10,000 for the third and each subsequent violation. The
25 penalty prescribed by this section shall be collected and enforced by
26 summary proceedings under the "Penalty Enforcement Law of
27 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

28 b. An official authorized by statute or ordinance to enforce this
29 act, the State or local health codes, or consumer protection laws, or
30 a law enforcement officer having enforcement authority in that
31 municipality may issue a summons for a violation of the provisions
32 of section 4 of P.L.2024, c.73 (C.24:6I-48.1), and may serve and
33 execute all process with respect to the enforcement of this section
34 consistent with the Rules of Court.

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

1 pursuant to section 41 of P.L.2021, c.16 (C.24:6I-50). With respect
2 to an enforcement action brought by any other government entity,
3 any monetary penalty collected pursuant to P.L.2024, c.73 (C.24:6I-
4 48.1 et al.) shall be deposited in the special nonlapsing fund known
5 as the "Cannabis Regulatory, Enforcement Assistance, and
6 Marketplace Modernization Fund," established pursuant to section
7 41 of P.L.2021, c.16 (C.24:6I-50).

8 d. A law enforcement officer, local health official, or other
9 government official from an agency authorized to enforce this
10 section may confiscate any intoxicating hemp product¹, hemp
11 product, or cannabis item² that is sold, offered for sale, or
12 distributed in violation of section 4 of P.L.2024, c.73 (C.24:6I-
13 48.1).

14 e. In addition to the civil penalty authorized under subsection
15 a. of this section, a business found to have committed more than
16 two violations of section 4 of P.L.2024, c.73 (C.24:6I-48.1) or
17 found to have committed a third or subsequent violation at any
18 individual location within one year shall be deemed a public
19 nuisance. Notwithstanding any other provision of law, a
20 municipality shall have the power to impose restrictions on the
21 operation, including closure, of any business determined to
22 constitute a public nuisance pursuant to this subsection.

23 f. The provisions of P.L.2024, c.73 (C.24:6I-48.1 et al.) shall
24 not be construed to impose liability on news media that accept or
25 publish, or both, advertising for products or services that fall within
26 the scope of P.L.2024, c.73 (C.24:6I-48.1 et al.).
27 (cf: P.L.2024, c.73, s.8)

28
29 7. Section 41 of P.L.2021, c.16 (C.24:6I-50) is amended to read
30 as follows:

31 41. Cannabis Regulatory, Enforcement Assistance, and
32 Marketplace Modernization Fund.

33 a. All fees and penalties collected by the commission, all tax
34 revenues on retail sales of cannabis items, all tax revenues collected
35 pursuant to the provisions of the "Jake Honig Compassionate Use
36 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), except
37 for amounts credited to the Property Tax Reform Account in the
38 Property Tax Relief Fund pursuant to paragraph 7 of Section I of
39 Article VIII of the New Jersey Constitution, all revenues, if any,
40 collected for the Social Equity Excise Fee pursuant to section 39 of
41 P.L.2021, c.16 (C.54:47F-1), all tax revenues on the retail sale of
42 intoxicating hemp products, except for amounts credited to the
43 Property Tax Reform Account in the Property Tax Relief Fund
44 pursuant to paragraph 7 of Section I of Article VIII of the New
45 Jersey Constitution and except as otherwise provided in section 16
46 of P.L. _____, c. _____ (C. _____) (pending before the Legislature as this
47 bill), and all tax revenues on the retail sale of intoxicating hemp
48 beverages by any plenary retail distribution license holder, as well

1 as any fees associated with the approval provided to any plenary
2 wholesale license holder to sell intoxicating hemp beverages, as
3 defined pursuant to section 5 of P.L.2024, c.73 (C.24:6I-48.2), shall
4 be deposited in a special nonlapsing fund which shall be known as
5 the "Cannabis Regulatory, Enforcement Assistance, and
6 Marketplace Modernization Fund," with 15 percent of the monies
7 deposited being placed into an account within the fund to be known
8 as the "Underage Deterrence and Prevention Account."

9 b. Monies in the fund, other than any monies derived from the
10 Social Equity Excise Fee to be appropriated annually in accordance
11 with subsection d. of this section and the monies placed into the
12 "Underage Deterrence and Prevention Account" within the fund for
13 the commission to fund programs and services in accordance with
14 subsection e. of this section, shall be appropriated annually as
15 follows:

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

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

34 (b) to reimburse the expenses incurred by any county or
35 municipality for the training costs associated with the attendance
36 and participation of a police officer from its law enforcement unit,
37 as those terms are defined in section 2 of P.L.1961, c.56 (C.52:17B-
38 67), in a program provided by an approved school, also defined in
39 that section, which trains and certifies the police officer, including a
40 police officer with a working dog as that term is defined in section
41 1 of P.L.2006, c.88 (C.10:5-29.7), as a Drug Recognition Expert for
42 detecting, identifying, and apprehending drug-impaired motor
43 vehicle operators, and pay for the same training costs incurred by
44 the Division of State Police in the Department of Law and Public
45 Safety for the training of a State police officer or trooper, including
46 an officer or trooper with a working dog, as a Drug Recognition
47 Expert, as well as its costs in furnishing additional program
48 instructors to provide Drug Recognition Expert training to police

1 officers, troopers, and working dogs. A municipality or county
2 seeking reimbursement shall apply to the commission, itemizing the
3 costs, with appropriate proofs, for which reimbursement is
4 requested and provide a copy of the certificate issued to the police
5 officer to indicate the successful completion of the program by the
6 police officer, and that officer's working dog, if applicable; and

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

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

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

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

39 (b) Not less than 30 days prior to submitting its
40 recommendations to the Governor and Legislature pursuant to
41 subparagraph (a) of this paragraph, the commission shall hold at
42 least three regional public hearings throughout the State, with at
43 least one hearing in the northern, central, and southern regions of
44 the State, to solicit the public input on the social equity investments
45 to be made as described in this section.

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

1 (a) educational support, including literacy programs, extended
2 learning time programs that endeavor to close the achievement gap
3 and provide services for enrolled students after the traditional
4 school day, GED application and preparedness assistance, tutoring
5 programs, vocational programming, and financial literacy;

6 (b) economic development, including the encouragement and
7 support of community activities so as to stimulate economic activity
8 or increase or preserve residential amenities, and business
9 marketing, and job skills and readiness training, specific
10 employment training, and apprenticeships;

11 (c) social support services, including food assistance, mental
12 health services, substance use disorders treatment and recovery,
13 youth recreation and mentoring services, life skills support services,
14 and reentry and other rehabilitative services for adults and juveniles
15 being released from incarceration; and

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

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

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

33 e. The monies deposited in the "Underage Deterrence and
34 Prevention Account" within the fund shall be used by the
35 commission, based on the acceptance of applications submitted on a
36 form and through an approval or denial process promulgated by the
37 commission, to fund private for-profit and non-profit organizations,
38 and county and municipal programs and services that offer social
39 services, educational, recreational, and employment opportunities,
40 and local economic development designed to encourage, improve,
41 and support youthful community activities to divert and prevent
42 persons under 18 years of age from activities associated with the
43 consumption of cannabis items, intoxicating hemp products, or
44 marijuana or hashish.

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

46

47 8. Section 2 of P.L.1970, c.226 (C.24:21-2) is amended to read
48 as follows:

1 2. As used in P.L.1970, c.226 (C.24:21-1 et seq.):

2 "Administer" means the direct application of a controlled
3 dangerous substance, whether by injection, inhalation, ingestion, or
4 any other means, to the body of a patient or research subject by: (1)
5 a practitioner or, in the practitioner's presence, by the practitioner's
6 lawfully authorized agent, or (2) the patient or research subject at
7 the lawful direction and in the presence of the practitioner.

8 "Agent" means an authorized person who acts on behalf of or at
9 the direction of a manufacturer, distributor, or dispenser but does
10 not include a common or contract carrier, public warehouseman, or
11 employee thereof.

12 "Commissioner" means the Commissioner of Health.

13 "Controlled dangerous substance" means a drug, substance, or
14 immediate precursor in Schedules I through V of article 2 of
15 P.L.1970, c.226 (C.24:21-1 et seq.), marijuana, and hashish as
16 defined in this section. The term shall not include distilled spirits,
17 wine, malt beverages, as those terms are defined or used in
18 R.S.33:1-1 et seq., tobacco and tobacco products, and cannabis and
19 cannabis items as those terms are defined in section 3 of P.L.2021,
20 c.16 (C.24:6I-33).

21 "Counterfeit substance" means a controlled dangerous substance
22 which, or the container or labeling of which, without authorization,
23 bears the trademark, trade name, or other identifying mark, imprint,
24 number or device, or any likeness thereof, of a manufacturer,
25 distributor, or dispenser other than the person or persons who in fact
26 manufactured, distributed, or dispensed such substance and which
27 thereby falsely purports or is represented to be the product of, or to
28 have been distributed by, such other manufacturer, distributor, or
29 dispenser.

30 "Deliver" or "delivery" means the actual, constructive, or
31 attempted transfer from one person to another of a controlled
32 dangerous substance, whether or not there is an agency relationship.

33 "Director" means the Director of the Division of Consumer
34 Affairs in the Department of Law and Public Safety.

35 "Dispense" means to deliver a controlled dangerous substance to
36 an ultimate user or research subject by or pursuant to the lawful
37 order of a practitioner, including the prescribing, administering,
38 packaging, labeling, or compounding necessary to prepare the
39 substance for that delivery.

40 "Dispenser" means a practitioner who dispenses.

41 "Distribute" means to deliver other than by administering or
42 dispensing a controlled dangerous substance.

43 "Distributor" means a person who distributes.

44 "Division" means the Division of Consumer Affairs in the
45 Department of Law and Public Safety.

46 "Drug Enforcement Administration" means the Drug
47 Enforcement Administration in the United States Department of
48 Justice.

1 "Drugs" means (1) substances recognized in the official United
2 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the
3 United States, or official National Formulary, or any supplement to
4 any of them; and (2) substances intended for use in the diagnosis,
5 cure, mitigation, treatment, or prevention of disease in man or other
6 animals; and (3) substances, other than food, intended to affect the
7 structure or any function of the body of man or other animals; and
8 (4) substances intended for use as a component of any article
9 specified in (1), (2), and (3) of this definition; but does not include
10 devices or their components, parts or accessories. "Drugs" shall not
11 mean: hemp and hemp products cultivated, handled, processed,
12 transported, or sold pursuant to the "New Jersey Hemp Farming
13 Act," P.L.2019, c.238 (C.4:28-6 et al.); cannabis as defined in
14 section 3 of P.L.2021, c.16 (C.24:6I-33) which is cultivated and
15 produced for use in a cannabis item, as defined in that section, in
16 accordance with the "New Jersey Cannabis Regulatory,
17 Enforcement Assistance, and Marketplace Modernization Act,"
18 P.L.2021, c.16 (C.24:6I-31 et al.); **and** cannabis resin as defined
19 in that section 3 (C.24:6I-33) which is extracted for use in a
20 cannabis item, as defined in that section, in accordance with that
21 act, and intoxicating hemp products as that term is defined in
22 section 3 of P.L.2021, c.16 (C.24:6I-33), that are produced,
23 manufactured, or sold in accordance with P.L.2024, c.73 (C.24:6I-
24 48.1 et al.) and P.L. , c. (C.) (pending before the
25 Legislature as this bill).

26 "Hashish" means the resin extracted from any part of the plant
27 Cannabis sativa L. and any compound, manufacture, salt,
28 derivative, mixture, or preparation of such resin. "Hashish" shall
29 not mean: hemp and hemp products cultivated, handled, processed,
30 transported, or sold pursuant to the "New Jersey Hemp Farming
31 Act," P.L.2019, c.238 (C.4:28-6 et al.); **and** cannabis resin as
32 defined in section 3 of P.L.2021, c.16 (C.24:6I-33) which is
33 extracted for use in a cannabis item, as defined in that section, in
34 accordance with the "New Jersey Cannabis Regulatory,
35 Enforcement Assistance, and Marketplace Modernization Act,"
36 P.L.2021, c.16 (C.24:6I-31 et al.); and intoxicating hemp products
37 as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33),
38 that are produced, manufactured, or sold in accordance with
39 P.L.2024, c.73 (C.24:6I-48.1 et al.) and P.L. , c. (C.)
40 (pending before the Legislature as this bill).

41 **["Marihuana"]** "Marijuana" means all parts of the plant
42 Cannabis sativa L., whether growing or not; the seeds thereof; and
43 every compound, manufacture, salt, derivative, mixture, or
44 preparation of the plant or its seeds, except those containing resin
45 extracted from the plant. **["Marihuana"]** "Marijuana" shall not
46 mean: hemp and hemp products cultivated, handled, processed,
47 transported, or sold pursuant to the "New Jersey Hemp Farming
48 Act," P.L.2019, c.238 (C.4:28-6 et al.); **and** cannabis as defined

1 in section 3 of P.L.2021, c.16 (C.24:6I-33) which is cultivated and
2 produced for use in a cannabis item, as defined in that section, in
3 accordance with the "New Jersey Cannabis Regulatory,
4 Enforcement Assistance, and Marketplace Modernization Act,"
5 P.L.2021, c.16 (C.24:6I-31 et al.); and intoxicating hemp products
6 as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33),
7 that are produced, manufactured, or sold in accordance with
8 P.L.2024, c.73 (C.24:6I-48.1 et al) and P.L. , c. (C.)
9 (pending before the Legislature as this bill).

10 "Manufacture" means the production, preparation, propagation,
11 compounding, conversion, or processing of a controlled dangerous
12 substance, either directly or by extraction from substances of
13 natural origin, or independently by means of chemical synthesis, or
14 by a combination of extraction and chemical synthesis, and includes
15 any packaging or repackaging of the substance or labeling or
16 relabeling of its container, except that this term does not include the
17 preparation or compounding of a controlled dangerous substance by
18 an individual for the individual's own use or the preparation,
19 compounding, packaging, or labeling of a controlled dangerous
20 substance: (1) by a practitioner as an incident to the practitioner's
21 administering or dispensing of a controlled dangerous substance in
22 the course of the practitioner's professional practice, or (2) by a
23 practitioner, or under the practitioner's supervision, for the purpose
24 of, or as an incident to, research, teaching, or chemical analysis and
25 not for sale.

26 "Narcotic drug" means any of the following, whether produced
27 directly or indirectly by extraction from substances of vegetable
28 origin, or independently by means of chemical synthesis, or by a
29 combination of extraction and chemical synthesis:

- 30 (1) Opium, coca leaves, and opiates;
31 (2) A compound, manufacture, salt, derivative, or preparation of
32 opium, coca leaves, or opiates;
33 (3) A substance, and any compound, manufacture, salt,
34 derivative, or preparation thereof, which is chemically identical
35 with any of the substances referred to in (1) and (2) of this
36 definition, except that the words "narcotic drug" as used in
37 P.L.1970, c.226 (C.24:21-1 et seq.) shall not include decocainized
38 coca leaves or extracts of coca leaves, which extracts do not contain
39 cocaine or ecgonine.

40 "Official written order" means an order written on a form
41 provided for that purpose by the Attorney General of the United
42 States or his delegate, under any laws of the United States making
43 provisions therefor, if such order forms are authorized and required
44 by the federal law, and if no such form is provided, then on an
45 official form provided for that purpose by the division. If authorized
46 by the Attorney General of the United States or the division, the
47 term shall also include an order transmitted by electronic means.

1 "Opiate" means any dangerous substance having an addiction-
2 forming or addiction-sustaining liability similar to morphine or
3 being capable of conversion into a drug having such addiction-
4 forming or addiction-sustaining liability. It does not include, unless
5 specifically designated as controlled under section 3 of P.L.1970,
6 c.226 (C.24:21-1 et seq.), the dextrorotatory isomer of 3-methoxy-
7 n-methylmorphinan and its salts (dextromethorphan). It does
8 include its racemic and levorotatory forms.

9 "Opium poppy" means the plant of the species *Papaver*
10 *somniferum* L., except the seeds thereof.

11 "Person" means any corporation, association, partnership, trust,
12 other institution or entity, or one or more individuals.

13 "Pharmacist" means a registered pharmacist of this State.

14 "Pharmacy owner" means the owner of a store or other place of
15 business where controlled dangerous substances are compounded or
16 dispensed by a registered pharmacist; but nothing in this chapter
17 contained shall be construed as conferring on a person who is not
18 registered or licensed as a pharmacist any authority, right, or
19 privilege that is not granted to the person by the pharmacy laws of
20 this State.

21 "Poppy straw" means all parts, except the seeds, of the opium
22 poppy, after mowing.

23 "Practitioner" means a physician, dentist, veterinarian, scientific
24 investigator, laboratory, pharmacy, hospital, or other person
25 licensed, registered, or otherwise permitted to distribute, dispense,
26 conduct research with respect to, or administer a controlled
27 dangerous substance in the course of professional practice or
28 research in this State. As referred to in this definition: (1)

29 "Physician" means a physician authorized by law to practice
30 medicine in this or any other state.

31 (2) "Veterinarian" means a veterinarian authorized by law to
32 practice veterinary medicine in this State.

33 (3) "Dentist" means a dentist authorized by law to practice
34 dentistry in this State.

35 (4) "Hospital" means any federal institution, or any institution
36 for the care and treatment of the sick and injured, operated or
37 approved by the appropriate State department as proper to be
38 entrusted with the custody and professional use of controlled
39 dangerous substances.

40 (5) "Laboratory" means a laboratory to be entrusted with the
41 custody of narcotic drugs and the use of controlled dangerous
42 substances for scientific, experimental, and medical purposes and
43 for purposes of instruction approved by the Department of Health.

44 "Production" includes the manufacture, planting, cultivation,
45 growing, or harvesting of a controlled dangerous substance.

46 "Immediate precursor" means a substance which the division has
47 found to be and by regulation designates as being the principal
48 compound commonly used or produced primarily for use, and

1 which is an immediate chemical intermediary used or likely to be
2 used in the manufacture of a controlled dangerous substance, the
3 control of which is necessary to prevent, curtail, or limit such
4 manufacture.

5 "Substance use disorder involving drugs" means taking or using
6 a drug or controlled dangerous substance, as defined in this chapter,
7 in association with a state of psychic or physical dependence, or
8 both, arising from the use of that drug or controlled dangerous
9 substance on a continuous basis. A substance use disorder is
10 characterized by behavioral and other responses, including, but not
11 limited to, a strong compulsion to take the substance on a recurring
12 basis in order to experience its psychic effects, or to avoid the
13 discomfort of its absence.

14 "Ultimate user" means a person who lawfully possesses a
15 controlled dangerous substance for the person's own use or for the
16 use of a member of the person's household or for administration to
17 an animal owned by the person or by a member of the person's
18 household.

19 (cf: P.L.2021, c.16, s.43)

20

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

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

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

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

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

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

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

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

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

1 sold in accordance with P.L.2024, c.73 (C.24:6I-48.1) and P.L. .
2 c. (C.) (pending before the Legislature as this bill).
3 (cf: P.L.2024, c.73, s.3)

4
5 10. Section 40 of P.L.2021, c.16 (C.40:48I-1) is amended to read
6 as follows:

7 40. Optional Local Cannabis and Intoxicating Hemp Product
8 Transfer Tax and User Tax.

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

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

46 b. (1) A transfer tax or user tax imposed pursuant to this section
47 shall be in addition to any other tax imposed by law. Any

1 transaction for which the transfer tax or user tax is imposed, or
2 could be imposed, pursuant to this section, other than those which
3 generate receipts from the retail sales by cannabis retailers,
4 intoxicating hemp product licensees, or a holder of a plenary
5 wholesale license or plenary retail distribution license, shall be
6 exempt from the tax imposed under the "Sales and Use Tax Act,"
7 P.L.1966, c.30 (C.54:32B-1 et seq.). The transfer tax or user tax
8 shall be collected or paid, and remitted to the municipality by the
9 **【cannabis】 licensed** establishment or the holder of the plenary
10 wholesale license or plenary retail distributor license from the
11 **【cannabis】 licensed** establishment, plenary wholesale license
12 holder, or plenary retail distributor purchasing or receiving the
13 cannabis **【or】** , cannabis item, or intoxicating hemp product, or
14 from the consumer at the point of sale, on behalf of the municipality
15 by the cannabis retailer, plenary wholesale license holder,
16 intoxicating hemp product licensee, or plenary retail distributor
17 selling the cannabis, cannabis item, or intoxicating hemp product to
18 that consumer. The transfer tax or user tax shall be stated, charged,
19 and shown separately on any sales slip, invoice, receipt, or other
20 statement or memorandum of the price paid or payable, or
21 equivalent value of the transfer, for the cannabis **【or】**, cannabis
22 item, or intoxicating hemp product.

23 (2) Every **【cannabis】 licensed** establishment, plenary wholesale
24 license holder, or plenary retail distributor required to collect a
25 transfer tax or user tax imposed by ordinance pursuant to this
26 section shall be personally liable for the transfer tax or user tax
27 imposed, collected, or required to be collected under this section.
28 Any **【cannabis】 licensed** establishment, plenary wholesale license
29 holder, or plenary retail distributor shall have the same right with
30 respect to collecting the transfer tax or user tax from another
31 **【cannabis】 licensed** establishment, plenary retail distributor,
32 plenary whole license holder, or the consumer as if the transfer tax
33 or user tax was a part of the sale and payable at the same time, or
34 with respect to non-payment of the transfer tax or user tax by the
35 **【cannabis】 licensed** establishment, plenary retail distributor,
36 plenary whole license holder, or consumer, as if the transfer tax or
37 user tax was a part of the purchase price of the cannabis **【or】** ,
38 cannabis item, or intoxicating hemp product, or equivalent value of
39 the transfer of the cannabis **【or】** , cannabis item, or intoxicating
40 hemp product, and payable at the same time, provided, however,
41 that the chief fiscal officer of the municipality which imposes the
42 transfer tax or user tax shall be joined as a party in any action or
43 proceeding brought to collect the transfer tax or user tax.

44 (3) No **【cannabis】 licensed** establishment, plenary wholesale
45 license holder, or plenary retail distributor required to collect a
46 transfer tax or user tax imposed by ordinance pursuant to this
47 section shall advertise or hold out to any person or to the public in

1 general, in any manner, directly or indirectly, that the transfer tax or
2 user tax will not be separately charged and stated to another
3 **【cannabis】 licensed** establishment, plenary retail distributor,
4 plenary whole license holder, or the consumer, or that the transfer
5 tax or user tax will be refunded to the **【cannabis】 licensed**
6 establishment, plenary retail distributor, plenary whole license
7 holder, or the consumer.

8 c. (1) All revenues collected from a transfer tax or user tax
9 imposed by ordinance pursuant to this section shall be remitted to
10 the chief financial officer of the municipality in a manner
11 prescribed by the municipality. The chief financial officer shall
12 collect and administer any transfer tax or user tax imposed by
13 ordinance pursuant to this section. The municipality shall enforce
14 the payment of delinquent taxes or transfer fees imposed by
15 ordinance pursuant to this section in the same manner as provided
16 for municipal real property taxes.

17 (2) (a) In the event that the transfer tax or user tax imposed by
18 ordinance pursuant to this section is not paid as and when due by a
19 **【cannabis】 licensed** establishment, plenary wholesale license
20 holder, or plenary retail distributor, the unpaid balance, and any
21 interest accruing thereon, shall be a lien on the parcel of real
22 property comprising the **【cannabis】 licensed** establishment's,
23 plenary wholesale license holder's, or plenary retail distributor's
24 premises in the same manner as all other unpaid municipal taxes,
25 fees, or other charges. The lien shall be superior and paramount to
26 the interest in the parcel of any owner, lessee, tenant, mortgagee, or
27 other person, except the lien of municipal taxes, and shall be on a
28 parity with and deemed equal to the municipal lien on the parcel for
29 unpaid property taxes due and owing in the same year.

30 (b) A municipality shall file in the office of its tax collector a
31 statement showing the amount and due date of the unpaid balance
32 and identifying the lot and block number of the parcel of real
33 property that comprises the delinquent **【cannabis】 licensed**
34 establishment's, plenary wholesale license holder's, or plenary retail
35 distributor's premises. The lien shall be enforced as a municipal
36 lien in the same manner as all other municipal liens are enforced.

37 d. As used in this section:

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

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

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

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

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

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

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

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

7 "Licensed establishment" means the holder of a license issued by
8 the Cannabis Regulatory Commission pursuant to P.L.2021, c.16
9 (C.24:6I-31 et al.), P.L.2024, c.73 (C.24:6I-48.1 et al.), or P.L. , c.
10 (C.) (pending before the Legislature as this bill).

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

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

14

15 11. (New section) Nothing in P.L.2024, c.73 (C.24:6I-48.1 et
16 al.) or P.L. , c. (C.) (pending before the Legislature as this
17 bill) shall be construed to prohibit the transportation or shipment of
18 hemp or hemp products in this State as authorized pursuant to
19 subtitle G of the Agricultural Marketing Act of 1946, in accordance
20 with 7 U.S.C. s.1639o et seq.

21

22 12. (New section) Criminal history background checks on
23 applicants for intoxicating hemp product licensure or approval.

24 a. The commission shall be authorized to require any person
25 who applies for licensure or approval by the commission pursuant
26 to P.L.2024, c.73 (C.24:6I-48.1) and P.L. , c. (C.)
27 (pending before the Legislature as this bill) to conduct activities
28 related to the manufacture, distribution, or sale of intoxicating hemp
29 products and who is involved in the intoxicating hemp product
30 licensee's operation, including any owner, director, officer, or
31 employee, to undergo a criminal history background check.

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

40 c. (1) Each person required by the commission to undergo a
41 criminal history record background check shall submit to being
42 fingerprinted in accordance with applicable State and federal laws,
43 rules, and regulations.

44 (2) (a) No check of criminal history record background
45 information shall be performed pursuant to this section unless a
46 person has furnished his written consent to such check.

47 (b) Any person who refuses to consent to, or cooperate in, the
48 securing of a check of criminal history record background

1 information shall not be considered for licensure to conduct
2 activities related to the manufacture, distribution, or sale of
3 intoxicating hemp products.

4 (c) Each person shall bear the cost for the criminal history
5 record background check, including all costs of administering and
6 processing the check.

7 d. (1) (a) With respect to determining whether any conviction
8 of a person contained in the criminal history record background
9 check should disqualify an applicant for licensure or approval to
10 conduct activities related to the manufacture, distribution, or sale of
11 intoxicating hemp products, the commission shall not take into
12 consideration any conviction for a crime or offense that occurred
13 prior to the effective date of P.L.2021, c.16 (C.24:6I-31 et al.)
14 involving a controlled dangerous substance or controlled substance
15 analog as set forth in paragraph (11) or (12) of subsection b., or
16 subparagraph (b) of paragraph (10) of subsection b. of N.J.S.2C:35-
17 5, or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any
18 similar indictable offense under federal law, this State's law, or any
19 other state's law, or for any conviction under federal law for
20 conduct involving cannabis or a cannabis item that is authorized by
21 P.L.2021, c.16 (C.24:6I-31 et al.).

22 (b) Additionally, the commission shall not take into
23 consideration any other prior conviction, unless that conviction is
24 for an indictable offense under federal law, other than a conviction
25 for conduct involving cannabis or a cannabis item that is authorized
26 by P.L.2021, c.16 (C.24:6I-31 et al.), or under this State's law, or
27 any other state's law, that is substantially related to the
28 qualifications, functions, or duties for which the license is required,
29 and not more than five years have passed since the date of that
30 conviction, satisfactory completion of probation or parole, or
31 release from incarceration, whichever is later.

32 (c) In determining which indictable offenses are substantially
33 related to the qualifications, functions, or duties for which the
34 license or approval is required, the commission shall at least
35 consider any conviction involving fraud, deceit, or embezzlement,
36 and any conviction for N.J.S.2C:35-6, employing a minor in a drug
37 distribution scheme, or similar indictable offense in this or another
38 jurisdiction involving the use of a minor to dispense or distribute a
39 controlled dangerous substance or controlled substance analog.

40 (2) The commission may approve an applicant for licensure or
41 approval to conduct activities related to the manufacture,
42 distribution, or sale of intoxicating hemp products after conducting
43 a thorough review of any previous conviction of a person that
44 substantially related to the qualifications, functions, or duties for
45 which the license or approval is required that is contained in the
46 criminal history record background information, and this review
47 shall include examining the nature of the indictable offense, the
48 circumstances at the time of committing the offense, and evidence

1 of rehabilitation since conviction. If the commission determines that
2 the reviewed conviction should not disqualify the applicant, the
3 applicant may be licensed or approved so long as the applicant is
4 otherwise qualified to be issued the license.

5 e. (1) Upon receipt and review of the criminal history record
6 background information from the Division of State Police and the
7 Federal Bureau of Investigation, the commission shall provide
8 written notification to the applicant of the qualification or
9 disqualification for licensure or approval to conduct activities
10 related to the manufacture, distribution, or sale of intoxicating hemp
11 products.

12 (2) If the applicant is disqualified because the commission
13 determined that a person has a disqualifying conviction pursuant to
14 the provisions of this section, the conviction that constitutes the
15 basis for the disqualification shall be identified in the written
16 notice.

17 f. The Division of State Police shall promptly notify the
18 commission in the event that an individual who was the subject of a
19 criminal history record background check conducted pursuant to
20 this section is convicted of a crime or offense in this State after the
21 date the background check was performed. Upon receipt of that
22 notification, the commission shall make a determination regarding
23 the continued eligibility for the applicant, or following application,
24 for the licensee or approved person or entity, to hold a license or
25 approval to conduct activities related to the manufacture,
26 distribution, or sale of intoxicating hemp products.

27
28 13. (New section) a. The receipts from the retail sale of
29 intoxicating hemp products, including intoxicating hemp beverages,
30 as defined in section 3 of P.L.2021, c.16 (C.24:6I-33), shall be
31 subject to the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1
32 et seq.).

33 b. During the fiscal year next following the effective date of
34 P.L. , c. (C.) (pending before the Legislature as this bill),
35 and each year thereafter, an amount equivalent to all revenues
36 derived from the collection of the tax imposed on intoxicating hemp
37 products pursuant to this section shall be deposited, as follows:

38 (1) 50 percent of the amount equivalent to the sum of all revenue
39 generated from such tax shall be deposited into the “Cannabis
40 Regulatory, Enforcement Assistance, and Marketplace
41 Modernization Fund,” established pursuant to Section 41 of
42 P.L.2021, c.16 (C.24:6I-50); and

43 (2) 50 percent of the amount equivalent to the sum of all revenue
44 generated from such tax shall be deposited into a special nonlapsing
45 account in the State General Fund.

46
47 14. (New section) Nothing in P.L. , c. (C.) (pending
48 before the Legislature as this bill)

1 a. shall require an employer to amend or repeal, or affect,
2 restrict, or preempt, the rights and obligations of employers to
3 maintain a drug- and alcohol-free workplace or require an employer
4 to permit or accommodate the use, consumption, being under the
5 influence, possession, transfer, display, transportation, or sale of
6 intoxicating hemp products, including intoxicating hemp beverages
7 in the workplace, or to affect the ability of the employers to have
8 policies prohibiting the use of intoxicating hemp products or
9 intoxication by employees during work hours;

10 b. is intended to allow driving under the influence of
11 intoxicating hemp products or driving while impaired by
12 intoxicating hemp products or to supersede laws related to driving
13 under the influence of intoxicating hemp products or driving while
14 impaired by intoxicating hemp products; or

15 c. is intended to permit the transfer of intoxicating hemp
16 products, with or without remuneration, to a person under 21 years
17 of age or to allow a person under 21 years of age to purchase,
18 possess, use, transport, or consume intoxicating hemp products;
19 provided, however, a person who is under 21 years of age, but at
20 least 18 years of age, and an employee of an intoxicating hemp
21 product manufacturer or distributor, or delivery service acting in the
22 person's employment capacity may possess or transport intoxicating
23 hemp products.

24

25 15. (New section) An intoxicating hemp beverage manufacturer
26 that produces less than 50,000 barrels of 31 fluid gallons capacity
27 per year may distribute its product through a person or entity
28 licensed by the Cannabis Regulatory Commission in accordance
29 with P.L.2024, c.73 (C.24:6I-48.1 et al.) and P.L. , c. (C.)
30 (pending before the Legislature as this bill) or approved by the
31 commission to distribute or sell intoxicating hemp beverages in
32 accordance with section 5 of P.L.2024, c.73 (C.24:6I-48.2), and
33 shall not be required to distribute its product through the holder of a
34 wholesale license.

35

36 16. (New section) a. (1) The sale or transfer of any intoxicating
37 hemp product, other than an intoxicating hemp beverage, from a
38 manufacturer of any intoxicating hemp product to a licensed retailer
39 or upon any delivery of any intoxicating hemp product, other than
40 an intoxicating hemp beverage, made within or into this State shall
41 be subject to an excise fee in the amount of \$30 per ounce of
42 intoxicating hemp product sold or transferred, and any fractional
43 portion of an ounce sold or transferred. Any intoxicating hemp
44 product delivered into this State as an ingestible, edible, or oil,
45 whether in solid, liquid, or concentrate form, shall be subject to this
46 fee based on the intoxicating total THC concentration of such
47 ingestible, edible, oil, or beverage based on its equivalency to one

1 ounce of intoxicating hemp product as determined by the
2 commission.

3 (2) The revenue generated from the fees imposed in accordance
4 with this subsection shall be set aside for social equity programs
5 including, but not limited to, legal services, apprenticeships,
6 financial assistance, and workforce development, and shall be
7 maintained in the same manner as the Social Equity Excise Fee
8 established pursuant to section 39 of P.L.2021, c.16 (C:54:47F-1).

9 (3) The importation into this State of an intoxicating hemp
10 product which is not intended for sale or delivery herein and which
11 passes through this State in continuous transportation and is
12 delivered to a point outside of this State shall be exempt from the
13 tax imposed by this subsection.

14 b. (1) There is hereby levied and imposed an excise tax in the
15 amount of \$5.50 per gallon upon the sale of any intoxicating hemp
16 beverage made within this State or upon any delivery of
17 intoxicating hemp beverages made within or into this State.

18 (2) The revenue generated from the fees imposed in accordance
19 with this subsection shall be set aside for social equity programs
20 including, but not limited to, legal services, apprenticeships,
21 financial assistance, and workforce development, and shall be
22 maintained in the same manner as the Social Equity Excise Fee
23 established pursuant to section 39 of P.L.2021, c.16 (C:54:47F-1).

24 (3) The importation into this State of an intoxicating hemp
25 beverage which is not intended for sale or delivery herein and
26 which passes through this State in continuous transportation and is
27 delivered to a point outside of this State shall be exempt from the
28 tax imposed by this subsection.

29

30 17. Section 12 of P.L.2024, c.73 is amended to read as follows:

31 12. This act shall take effect as follows:

32 a. Paragraph (2) of subsection b. of section 4 shall take effect
33 immediately;

34 b. Subsection a. of section 4 and paragraph (1) of subsection a.
35 of section 5 shall take effect 120 days after the Cannabis Regulatory
36 Commission adopts rules and regulations pursuant to P.L.2024, c.73
37 (C.24:6I-48.1 et al.) and P.L. , c. (C.) (pending before the
38 Legislature as this bill);

39 **[b.] c.** The remainder of this act shall take effect 30 days
40 after enactment, except that the Cannabis Regulatory Commission
41 may take any anticipatory administrative action in advance as shall
42 be necessary for the implementation of this act.

43

44 18. This act shall take effect as follows:

45 a. Sections 1 through 15 shall take effect immediately but shall
46 remain inoperative until 30 days after enactment, but the Cannabis
47 Regulatory Commission and the Division of Alcoholic Beverage
48 Control may take such anticipatory action as is necessary to

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

3 b. Section 16 shall take effect immediately and the excise fees
4 imposed pursuant to section 16 of this act shall apply to sales and
5 transfers made on or after October 1, 2025 of intoxicating hemp
6 products, including intoxicating hemp beverages; and

7 c. Section 17 shall take effect in accordance with the
8 provisions of that section.

9

10

11

STATEMENT

12

13 This bill makes various updates to P.L.2024, c.73 (Intoxicating
14 Hemp Act) related to intoxicating hemp products sold in New
15 Jersey.

16 Several provisions in this bill address issues raised in the
17 October 2024 holding by the U.S. District Court for the District of
18 New Jersey in Loki Brands, LLC et al. v. Matthew Platkin et al.,
19 which held that provisions of P.L.2024, c.73, which regulates the
20 production and sale of intoxicating hemp products, violate the
21 Dormant Commerce Clause of the United States Constitution and
22 are federally preempted. The court held that the enactment is thus
23 unenforceable due to the variable treatment of out-of-state hemp
24 producers and sellers versus in-State hemp producers and sellers.

25

26 Definitions

27 This bill amends various definitions in the “New Jersey Hemp
28 Farming Act,” P.L.2019, c.238 and the “Cannabis Regulatory,
29 Enforcement Assistance, and Marketplace Modernization Act,”
30 P.L.2021, c.16 (CREAMMA).

31 Specifically, the bill updates the New Jersey Hemp Farming Act
32 to add the definition of “non-intoxicating total THC concentration”
33 and “THC.” Further, the bill clarifies in the New Jersey Hemp
34 Farming Act, that “hemp product” does not mean: (1) a product that
35 contains artificially or synthetically produced cannabinoids of any
36 kind; (2) a cannabinoid produced using chemical synthesis,
37 chemical modification, chemical conversion process, isomerization,
38 or any other synthesis methodology as may be identified by the
39 Cannabis Regulatory Commission (commission); or (3) an
40 intoxicating hemp product.

41 This bill also makes changes to the definitions in CREAMMA.
42 Specifically, the bill clarifies that “intoxicating hemp product” is
43 separate and distinct from a “cannabis item.” Moreover, the bill
44 adds the definition of “intoxicating hemp product establishment”
45 and “intoxicating total THC concentration” to CREAMMA.

46 The bill clarifies that a “license” and “licensee” also include a
47 license issued by the commission or a license holder holding a valid
48 license pursuant to the Intoxicating Hemp Act.

1 The bill clarifies that under N.J.S.A.24:21-2, “drugs,” “hashish,”
2 and “marijuana” do not include intoxicating hemp products, as that
3 term is defined in the Intoxicating Hemp Act, that are produced,
4 manufactured, or sold in accordance with the Intoxicating Hemp
5 Act.

6 Relatedly, the bill amends N.J.S.A.2C:35-2, the definitions
7 section of the “Comprehensive Drug Reform Act of 1987,”
8 P.L.1987, c.106, to clarify that terms “drugs,” “hashish,” and
9 “marijuana” also do not include intoxicating hemp products, as that
10 term is defined in the Intoxicating Hemp Act, that are produced,
11 manufactured, or sold in accordance with the Intoxicating Hemp
12 Act.

13 The bill also amends N.J.S.A.40:48I-1 to apply to licensed
14 establishments, and removes reference to cannabis establishments.
15 The bill defines “licensed establishment” as the holder of a license
16 issued by the commission pursuant to CREAMMA or the
17 Intoxicating Hemp Act.

18

19 Licensing Intoxicating Hemp Product Establishments

20 In addition to the licensing rules under the Intoxicating Hemp
21 Act, this bill permits the commission to promulgate rules and
22 regulations that: (1) establish a new license type related to
23 intoxicating hemp products; (2) ensure that the intoxicating hemp
24 product market in New Jersey is safe and effective; (3) streamline
25 the application process for any person currently licensed under
26 CREAMMA; and (4) permit out-of-state hemp entities to apply for
27 licensure in this State, provided that standards for licensure in the
28 out-of-state applicant’s home state are substantially similar to those
29 of New Jersey.

30 The bill provides that any holder of a plenary wholesale or
31 plenary retail distribution license issued by the Division of
32 Alcoholic Beverage Control (ABC) that currently sells intoxicating
33 hemp beverages may continue to do so until the Cannabis
34 Regulatory Commission adopts rules and regulations related to such
35 products. The bill further provides that such ABC licensees must
36 be approved by the commission in accordance with the Intoxicating
37 Hemp Act and this bill within 120 days of the adoption of the rules
38 and regulations in order to continue to sell intoxicating hemp
39 beverages.

40

41 Prohibitions

42 The bill also prohibits a retailer of an intoxicating hemp product,
43 including an intoxicating hemp beverage, from dispensing or
44 offering for sale a product from a vending machine. Moreover, the
45 bill prohibits direct to consumer sales, including online sales, of
46 intoxicating hemp products. Sales of such products are required to
47 be conducted at the physical location of the licensed premises.

1 Further, the bill prohibits selling or distributing products or
2 samples of products in public spaces, such as sidewalks, public
3 streets, or parks.

4 The bill prohibits the knowing sale of an intoxicating hemp
5 product that is not accompanied by a certificate of analysis issued
6 within the previous six-month period by a laboratory in compliance
7 with testing standards as established by the commission.

8 Finally, the bill prohibits the holder of any valid and unrevoked
9 plenary wholesale license or plenary distribution license from
10 selling or distributing any product besides intoxicating hemp
11 beverages. Any employees of such licensees are also required to
12 participate in the education program developed and implemented by
13 the Cannabis Regulatory Commission.

14

15 Federal Law

16 The bill provides that nothing in this bill, nor the Intoxicating
17 Hemp Act, prohibit the transportation or shipment of hemp or hemp
18 products through the State which is authorized by subtitle G of the
19 Agricultural Marketing Act of 1945, in accordance with 7 U.S.C.
20 s.1639o et seq.

21

22 Taxes and Excise Fee

23 The bill subjects the sale of intoxicating hemp products to the
24 Sales and Use Tax in the State. The bill directs that tax revenue
25 will be split evenly:

26 (1) 50 percent of the all revenue generated from such tax is
27 deposited into the “Cannabis Regulatory, Enforcement Assistance,
28 and Marketplace Modernization Fund,” established under
29 N.J.S.A.24:6I-50; and

30 (2) 50 percent of the revenue generated from such tax is
31 deposited into a special nonlapsing account in the State General
32 Fund.

33 The bill, based upon the definitional changes to the New Jersey
34 Hemp Farming Act and CREAMMA, amends N.J.S.A.40:48I-1 to
35 clarify that a municipality may adopt an ordinance imposing a
36 transfer tax on the sale of cannabis, cannabis items, or intoxicating
37 hemp products.

38 The bill imposes a \$30 excise fee on the transfer of intoxicating
39 hemp products, not including intoxicating hemp beverages, from a
40 manufacturer to a retailer of such products.

41 The bill imposes an excise tax in the amount of \$5.50 per gallon
42 on the sale of intoxicating hemp beverages. Such tax is levied and
43 imposed on the sale of any intoxicating hemp beverage made within
44 this State or upon any delivery of intoxicating hemp beverages
45 made within or into this State.

46 The per-gallon tax and \$30 excise fee imposed on intoxicating
47 hemp products is intended to fund social equity programs.

1 Background Checks

2 The bill permits the commission to require any person who seeks
3 a license under the Intoxicating Hemp Act to undergo a background
4 check. This includes any person involved in the intoxicating hemp
5 product establishment's operations, including any owner, director,
6 officer, or employee.

7 Prior to conducting a criminal history background check, an
8 individual must consent to such check being conducted. If a person
9 refuses to consent to, or cooperate in, the securing of a background
10 check, the commission is prohibited from considering such person
11 for licensure to conduct activities related to the manufacture,
12 distribution, or sale of intoxicating hemp products.

13 The commission is prohibited from disqualifying an applicant for
14 licensure based on certain past convictions, including for those
15 cannabis-related or controlled dangerous substance offenses set
16 forth under CREAMMA. However, convictions for indictable
17 offenses involving fraud, deceit, or embezzlement, or the use of
18 minors in a drug scheme may be deemed to be disqualifying, if the
19 offense occurred within the last five years.

20 The commission is required to provide written notification to an
21 applicant if the licensure to conduct intoxicating hemp activities is
22 denied. If the denial is based on a prior conviction, the commission
23 is required to provide written notification to the applicant indicating
24 the conviction.

25 The bill requires the Division of State Police to notify the
26 commission if any person who was subject to a criminal history
27 background check commits an offense subsequent to the time that
28 the background check for application for licensure was completed.

29

30 Employer Rights

31 The bill clarifies that nothing in the bill:

32 (1) requires an employer to amend or repeal, or affect, restrict, or
33 preempt, the rights and obligations of employers to maintain a drug-
34 and alcohol-free workplace or require an employer to permit or
35 accommodate the use, consumption, being under the influence,
36 possession, transfer, display, transportation, or sale of intoxicating
37 hemp products, including intoxicating hemp beverages in the
38 workplace, or to affect the ability of the employers to have policies
39 prohibiting the use of intoxicating hemp products or intoxication by
40 employees during work hours.

41 (2) is intended to allow driving under the influence of
42 intoxicating hemp products, or driving while impaired by
43 intoxicating hemp products or to supersede laws related to driving
44 under the influence of intoxicating hemp products or driving while
45 impaired by intoxicating hemp products; or

46 (3) is intended to permit the transfer of intoxicating hemp
47 products, with or without remuneration, to a person under 21 years
48 of age or to allow a person under 21 years of age to purchase,

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1 possess, use, transport, or consume intoxicating hemp products;
2 provided, however, that a person who is under 21 years of age, but
3 at least 18 years of age, and an employee of intoxicating hemp
4 product manufacturer or distributor, or delivery service acting in the
5 person's employment capacity, may possess or transport
6 intoxicating hemp products.

7

8 Effective Date

9 This bill amends the Intoxicating Hemp Act effective date to
10 delay certain provisions of the Intoxicating Hemp Act to not take
11 effect until 120 days after the commission adopts rules and
12 regulations pursuant to the Intoxicating Hemp Act and this bill.