SENATE COMMITTEE SUBSTITUTE FOR

SENATE, No. 4509

STATE OF NEW JERSEY

222nd LEGISLATURE

ADOPTED DECEMBER 15, 2025

Sponsored by:
Senator M. TERESA RUIZ
District 29 (Essex and Hudson)
Senator NICHOLAS P. SCUTARI
District 22 (Somerset and Union)

SYNOPSIS

Creates regulatory scheme, in line with federal law, on sale of certain hemp-derived cannabinoid products; repeals law concerning intoxicating hemp.

CURRENT VERSION OF TEXT

Substitute as adopted by the Senate Budget and Appropriations Committee.

AN ACT concerning sale of certain cannabinoid products, amending various sections of statutory law, and repealing P.L.2024, c.73.

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

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

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

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

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

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

"Container" means the innermost wrapping, packaging, or vessel in direct contact with a final hemp-derived cannabinoid product in which the final hemp-derived cannabinoid product is enclosed for retail sale to consumers, such as a jar, bottle, bag, box, packet, can, carton, or cartridge. "Container" excludes bulk shipping containers or outer wrappings that are not essential for the final retail delivery or sale to an end consumer for personal or household use.

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

"Department" means the New Jersey Department of Agriculture.

"Federally defined THC level for hemp" means ⟦a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis for hemp or in a hemp product⟧ the allowed tetrahydrocannabinol concentration for hemp as established pursuant to 7 U.S.C. s.1639o.

"Final hemp-derived cannabinoid product" means a hemp-derived cannabinoid product which is in the final form or preparation marketed or intended to be used or consumed by a human or animal.

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

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.

"Hemp" means the [plant] Cannabis sativa L. plant and any part of that plant, including the seeds of the plant and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a total tetrahydrocannabinol concentration, including tetrahydrocannabinolic acid, of not more than 0.3 percent on a dry weight basis. "Hemp" includes industrial hemp as such is defined pursuant to this section. [Hemp and hemp-derived cannabinoids, including cannabidiol, shall be considered an agricultural commodity and not a controlled substance due to the presence of hemp or hemp-derived cannabinoids.] Hemp does not include any of the following:

(1) any viable seeds from a Cannabis sativa L. plant that exceeds a total tetrahydrocannabinol concentration, including tetrahydrocannabinolic acid, of 0.3 percent in the plant on a dry weight basis;

(2) any intermediate hemp-derived cannabinoid product containing:

(a) cannabinoids that are not capable of being naturally produced by a Cannabis sativa L. plant;

(b) cannabinoids that are capable of being naturally produced by a Cannabis sativa L. plant but were synthesized or manufactured outside the plant; or

(c) more than 0.3 percent combined total of total tetrahydrocannabinol, including tetrahydrocannabinolic acid, with any other cannabinoids that have similar effects or are marketed to have similar effects on humans or animals as a tetrahydrocannabinol, as determined by the United States Secretary of Health and Human Services;

(3) any intermediate hemp-derived cannabinoid products which are marketed or sold as a final product or directly to an end consumer for personal or household use; or

(4) any final hemp-derived cannabinoid products containing:

(a) cannabinoids that are not capable of being naturally produced by a Cannabis sativa L. plant;

(b) cannabinoids that are capable of being naturally produced by a Cannabis sativa L. plant, but were synthesized or manufactured outside the plant; or

(c) greater than 0.4 milligrams combined total per container of total tetrahydrocannabinol, including tetrahydrocannabinolic acid, with any other cannabinoids that have similar effects or are marketed to have similar effects on humans or animals as a tetrahydrocannabinol, as determined by the United States Secretary of Health and Human Services.

To the extent that the Cannabis sativa L. plant and any part of that plant, including the seeds of the plant and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, or any product or material is excluded from this definition of hemp,

the excluded substance, product, or material, shall be considered marijuana or cannabis, as determined by law.

"Hemp-derived cannabinoid product" means any intermediate or final product derived from hemp, other than industrial hemp, that contains cannabinoids in any form; and is intended for human or animal use through any means of application or administration, such as inhalation, ingestion, or topical application. "Hemp-derived cannabinoid product" does not include a drug that is the subject of an application approved under subsection c. or j. of section 505 of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. s.355.

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

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

"Industrial hemp" means hemp that is: grown for the use of the stalk of the plant, fiber produced from such a stalk, or any other non-cannabinoid derivative, mixture, preparation, or manufacture of such a stalk; grown for the use of the whole grain, oil, cake, nut, hull, or any other non-cannabinoid compound, derivative, mixture, preparation, or manufacture of the seeds of such plant; grown for purposes of producing microgreens or other edible hemp leaf products intended for human consumption that are derived from an immature hemp plant that is grown from seeds that do not exceed the federally defined THC level for hemp; a plant that does not enter the stream of commerce and is intended to support hemp research at an institution of higher education as defined in section 101 of the Higher Education Act of 1965, 20 U.S.C. s.1001, or an independent research institute; or grown for the use of a viable seed of the plant produced solely for the production or manufacture of any material described herein.

"Intermediate hemp-derived cannabinoid product" means a hemp-derived cannabinoid product which is not yet in the final form or preparation marketed or intended to be used or consumed by a human or animal; or is a powder, liquid, tablet, oil, or other product

form which is intended or marketed to be mixed, dissolved, formulated, or otherwise added to or prepared with or into any other substance prior to administration or consumption.

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

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

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

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

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

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

3. Definitions.

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

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

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

registered qualifying patients pursuant to the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); marijuana as defined in N.J.S.2C:35-2 and applied to any offense set forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or marihuana as defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense set forth in the "New Jersey Controlled Dangerous Substances Act," P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a **[**hemp**]** hemp-derived cannabinoid product cultivated, handled, processed, transported, or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

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

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

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

"Cannabis distributor" means any licensed person or entity that transports cannabis in bulk intrastate from one licensed cannabis cultivator to another licensed cannabis cultivator, or transports cannabis items in bulk intrastate from any one class of licensed cannabis establishment to another class of licensed cannabis establishment, and may engage in the temporary storage of cannabis or cannabis items as necessary to carry out transportation activities.

This person or entity shall hold a Class 4 Cannabis Distributor license.

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

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

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

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

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

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

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

"Cannabis product" means a product containing usable cannabis, cannabis extract, or any other cannabis resin and other ingredients intended for human consumption or use, including a product intended to be applied to the skin or hair, edible cannabis products,

ointments, and tinctures. "Cannabis product" does not include: (1) usable cannabis by itself; or (2) cannabis extract by itself; or (3) any other cannabis resin by itself.

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

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

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

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

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

"Conditional license" means a temporary license designated as either a Class 1 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer license, a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis Distributor license, a Class 5 Cannabis Retailer

license, or a Class 6 Cannabis Delivery license that allows the holder to lawfully act as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service as the case may be, which is issued pursuant to an abbreviated application process, after which the conditional license holder shall have a limited period of time in which to become fully licensed by satisfying all of the remaining conditions for licensure which were not required for the issuance of the conditional license.

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

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

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

"Department" means the Department of Health.

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

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

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

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

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

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

(2) based upon data for calendar year 2019, ranks in the top 40 percent of municipalities in the State for marijuana- or hashish-

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

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

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

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

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

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

"Intoxicating hemp beverage" means a beverage which is cultivated, derived, or manufactured prior to the effective date of section 781 of Pub.L.119-37 from hemp regulated pursuant to the "Agricultural Improvement Act of 2018," Pub.L.115-334 or the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.) that conforms to the allowed tetrahydrocannabinol concentration for hemp as established pursuant to the provisions of 7 U.S.C. s.1639o in effect prior to the effective date of section 781 of Pub.L.119-37.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"THC" means **[**delta-9-tetrahydrocannabinol and its precursor, tetrahydrocannabinolic acid,**]** the **[**main**]** psychoactive chemicals contained in the cannabis plant, including, but not limited to, delta-8, delta-9, delta-10, tetrahydrocannabinolic acid and any other chemically similar compound, substance, derivative, or isomer of tetrahydrocannabinol regardless of how derived or manufactured, and any other cannabinoid, other than cannabidiol, identified by the Cannabis Regulatory Commission, in consultation with the Department of Agriculture and the Attorney General, as causing intoxication.

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

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

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

3. Section 18 of P.L.2021, c.16 (C.24:6I-35) is amended to read as follows:

18. Regulation of Cannabis.

a. The commission shall adopt rules and regulations, pursuant to subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34), which shall be consistent with the intent of P.L.2021, c.16 (C.24:6I-31 et al.). The commission may create an expert task force to make

recommendations to the commission about the content of such regulations. Such regulations shall include:

(1) Procedures for the application, issuance, denial, renewal, suspension, and revocation of a license or conditional license to operate as a cannabis establishment, distributor, or delivery service. Such procedures shall include a periodic evaluation of whether the number of each class of cannabis establishment, or cannabis distributors or cannabis delivery services, is sufficient to meet the market demands of the State, a result of which is the commission's authority to accept new applications and issue additional licenses as it deems necessary to meet those demands, except as otherwise provided in section 33 of P.L.2021, c.16 (C.24:6I-46) regarding an initial period during which the number of Class 1 Cannabis Cultivator licenses is capped, which limit shall not apply to cannabis cultivator licenses issued to microbusinesses as set forth in that section;

(2) Application, licensure, and renewal of licensure fees;

(3) Incorporation of the licensing goals for applicants for licensure who are New Jersey residents established in P.L.2021, c.16 (C.24:6I-31 et al.). The commission shall make good faith efforts to meet these goals. Qualifications for licensure shall be directly and demonstrably related to the operation of a cannabis establishment, distributor, or delivery service, provided that the commission shall make licenses available to as diverse a group as reasonably practicable, however no license of any kind shall be issued to a person under the legal age to purchase cannabis items;

(4) (a) Incorporation of the licensing measures established by the Office of Minority, Disabled Veterans, and Women Cannabis Business Development pursuant to subparagraph (b) of paragraph (1) of subsection c. of section 32 of P.L.2019, c.153 (C.24:6I-25) to promote the licensing of persons from socially and economically disadvantaged communities, and minority businesses and women's businesses, as these terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled veterans' businesses as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2). The commission shall coordinate with the office with respect to the incorporation of these licensing measures;

(b) Procedures, to monitor the incorporated licensing measures established by the Office of Minority, Disabled Veterans, and Women Cannabis Business Development, which shall include a verification, as part of the application process for licensure or license renewal, of a minority, women's, or disabled veterans' business certification provided to that business by the office pursuant to paragraph (1) of subsection b. of section 32 of P.L.2019, c.153 (C.24:6I-25), or verification of an application for certification under review by the office pursuant to that paragraph, which review is occurring simultaneous to the application for licensure or license renewal;

(5) Security requirements for cannabis establishments and transportation of cannabis and cannabis items;

(6) Requirements to prevent the sale or diversion of cannabis items to persons under the legal age to purchase cannabis items, including, but not limited to, requirements that:

(a) All licensees and licensee representatives, before permitting entrance to a cannabis establishment and selling or serving cannabis items to any person, shall require such person to produce one of the following pieces of identification:

(i) The person's United States passport, or other country's passport or proper government-issued documentation for international travel if a citizen or other lawfully recognized resident of that country, who is lawfully permitted to possess and use that country's passport or government-issued documentation for purposes of identification in the United States;

(ii) The person's motor vehicle driver's license, whether issued by New Jersey or by any other state, territory, or possession of the United States, or the District of Columbia, provided the license displays a picture of the person;

(iii) A New Jersey identification card issued by the New Jersey Motor Vehicle Commission; or

(iv) Any other identification card issued by a state, territory, or possession of the United States, the District of Columbia, or the United States that bears a picture of the person, the name of the person, the person's date of birth, and a physical description of the person;

(b) No cannabis establishment, distributor, or delivery service shall employ persons under 18 years of age nor shall any cannabis retailer allow persons under the legal age to purchase cannabis items, other than a person employed by the retailer, to enter or remain on the premises of a cannabis retailer unless accompanied by a parent or legal guardian;

(c) Packaging and branding regulations to prevent the marketing of cannabis items and cannabis paraphernalia to people under the legal age to purchase cannabis items;

(d) No edible cannabis products shall be manufactured, marketed, or sold that are in the shape of, or a shape bearing the likeness or containing characteristics of, a realistic or fictional human, animal, or fruit, or part thereof, including artistic, caricature, or cartoon renderings;

(7) Labeling and packaging requirements for cannabis items sold or distributed by a cannabis establishment, including, but not limited to, the affixing of a tracking stamp to containers or packaging as set forth in section 29 of P.L.2019, c.153 (C.24:6I-22) and requirements that:

(a) Cannabis items and cannabis paraphernalia are not packaged, branded, or marketed using any statement, illustration, or image that:

(i) Includes false, deceptive, or misleading statements;

(ii) Promotes over-consumption;

(iii) Depicts a child or other person under legal age consuming cannabis items; or

(iv) Includes objects, such as toys, characters, or cartoon characters suggesting the presence of a person under the legal age to purchase cannabis items, or any other depiction designed in any manner to be especially appealing to persons under the legal age to purchase cannabis items;

(b) Ensure cannabis items are packaged in opaque, child-resistant special packaging, or if applicable to a particular cannabis item, child resistant special packaging for liquid nicotine containers, in accordance with the "Poison Prevention Packaging Act of 1970," 15 U.S.C. s.1471 et seq., and the associated regulations promulgated thereunder, except that these child-resistant packaging requirements shall not apply to any cannabis item obtained from a cannabis retailer or alternative treatment center for immediate, on-premises consumption at that retailer's or center's cannabis consumption area as permitted pursuant to section 28 of P.L.2019, c.153 (C.24:6I-21);

(c) Cannabis items warning labels adequately inform consumers about safe cannabis use and warn of the consequences of misuse or overuse;

(d) Labeling rules that mandate clear identification of health and safety information, including, but not limited to:

(i) Net weight;

(ii) Production date and expiration date;

(iii) For a cannabis product, cannabis extract, or other cannabis resin, an ingredient list that includes, but is not limited to, all ingredients used to manufacture the cannabis product, any other inactive or excipient ingredients besides cannabis, and a list of all potential allergens contained within the product;

(iv) Strain or type of cannabis, listed by scientific terms, if available, and generic or "slang" names;

(v) Whether the product requires refrigeration;

(vi) Growth method, whether dirt grown, hydroponic, or otherwise, and an indication whether the cannabis was grown using all-organic materials, and a complete list of any nonorganic pesticides, fungicides and herbicides used during the cultivation of the cannabis;

(vii) For a cannabis product, serving size, the total number of servings, and a statement regarding the percentage of THC contained in the cannabis product and in each serving. For example: "The serving size of active THC in this product is X mg. This product contains X servings of cannabis, and the total amount of active THC in this product is X mg.";

(viii) Warning labels that include the nationwide toll-free telephone number used to access poison control centers that is

maintained in accordance with 42 U.S.C. s.300d-71, as well as include, but are not limited to, one or more of the following statements, if applicable to a particular cannabis item:

-- "This product contains cannabis";

-- "This product is infused with cannabis";

-- "This product is intended for use by adults 21 years of age or older. Keep out of the reach of children";

-- "The intoxicating effects of this product may be delayed by two or more hours";

-- "There may be health risks associated with the consumption of this product, including for women who are pregnant, breastfeeding, or planning on becoming pregnant";

-- "Do not drive a motor vehicle or operate heavy machinery while using this product";

(e) Labeling rules that mandate the source of a cannabis item, including, but not limited to, the license number of the cannabis cultivator where the usable cannabis used for the cannabis item was grown, the license number of the cannabis manufacturer that manufactured the cannabis item, and the license number of the cannabis retailer that sold the cannabis item and the production batch and lot number of the cannabis item;

(8) Health and safety regulations and standards for the cultivation of cannabis, and the manufacture and sale of cannabis items, including, but not limited to, requirements that:

(a) Establish accreditation and licensure criteria for cannabis testing facilities, which shall include, as a condition for licensure, the maintenance of a labor peace agreement and entrance into, or good faith effort to enter into, a collective bargaining agreement in accordance with subsection c. of section 19 of P.L.2021, c.16 (C.24:6I-36). The commission shall also incorporate the licensing measures established by the Office of Minority, Disabled Veterans, and Women Cannabis Business Development, and the assessment of their effectiveness, pursuant to subparagraph (b) of paragraph (1) of subsection c. of section 32 of P.L.2019, c.153 (C.24:6I-25), and apply them to the licensing of cannabis testing facilities in order to promote the licensing of persons from socially and economically disadvantaged communities, and minority businesses and women's businesses, as these terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled veterans' businesses as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2). The license shall permit a cannabis testing facility to test cannabis items in accordance with the provisions set forth in P.L.2021, c.16 (C.24:6I-31 et al.), as well as test medical cannabis and medical cannabis products in accordance with the provisions of the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.);

(b) The commission issue licenses for a sufficient number of cannabis testing facilities, if those facilities:

(i) Meet the requirements for licensure, in order to ensure that the testing of representative samples of cannabis items in accordance with the procedures set forth in paragraph (13) of this subsection can be completed in not more than 14 days following their submission to any facility. Other factors that may be considered by the commission in determining whether a sufficient number of cannabis testing facilities are currently licensed include the current licensees' experience or expertise in testing highly regulated products, demonstrated testing efficiency and effectiveness, existing research partnerships or capability to form and maintain research partnerships focusing on cannabis or cannabis items, and any other factors established in regulation by the commission; and

(ii) Permit the commission to inspect any licensed cannabis testing facility to determine the condition and calibration of any equipment used for testing, and to ensure that a facility's testing procedures are performed in accordance with the commission's accreditation requirements for licensure;

(c) Every licensed cannabis cultivator and cannabis manufacturer shall permit representatives of cannabis testing facilities to make scheduled and unscheduled visits to their premises in order to obtain random samples of cannabis items, in a quantity established by the commission, to be transported to cannabis testing facilities for inspection and testing to certify compliance with health, safety, and potency standards adopted by the commission;

(d) Prescribe methods of producing cannabis, and manufacturing and packaging cannabis items; conditions of sanitation; safe handling requirements; approved pesticides and pesticide testing requirements, to the extent not inconsistent with approved pesticides and requirements otherwise established under federal and State law; and standards of ingredients, quality, and identity of cannabis items manufactured, packaged, or sold by cannabis establishments;

(e) Establish accreditation criteria for responsible cannabis server and seller training and certification programs for cannabis retailer employees;

(f) Provide that no licensed cannabis establishment, distributor, or delivery service, or employee of a cannabis establishment, distributor, or delivery service, shall consume, or allow to be consumed, any cannabis items on the establishment's, distributor's, or delivery service's premises, except as permitted in a cannabis consumption area or premises' private area for employees as set forth in section 28 of P.L.2019, c.153 (C.24:6I-21);

(g) (i) Set appropriate dosage, potency, and serving size limits for cannabis items, provided that a standardized serving of a cannabis product shall be no more than 10 milligrams of active

THC and no individual edible cannabis product for sale shall contain more than 100 milligrams of active THC;

(ii) Require that each single standardized serving of a cannabis product in a multiple-serving edible product is physically demarked in a way that enables a reasonable person to determine how much of the product constitutes a single serving of active THC, and that each standardized serving of the cannabis product shall be easily separable to allow an average person 21 years of age or older to physically separate, with minimal effort, individual servings of the product;

(iii) Require that, if it is impracticable to clearly demark every standardized serving of cannabis product or to make each standardized serving easily separable in an edible cannabis product, the product shall contain no more than 10 milligrams of active THC per unit of sale;

(h) Establish a universal symbol to indicate that a cannabis item contains cannabis, which shall be marked, stamped, or imprinted directly on an edible retail cannabis product, or on each single standardized serving in a multiple-serving edible cannabis product, unless the item is a loose bulk good such as granola or cereal, a powder, a liquid-infused item, or another form too impractical to be marked, stamped, or imprinted;

(i) Prohibit the use of a commercially manufactured or trademarked food product as an edible retail cannabis product, provided that a commercially manufactured or trademarked food product may be used as a component of an edible retail cannabis product or part of a product's recipe so long as the commercially manufactured or trademarked food product is used in a way that renders it unrecognizable in the final edible cannabis product and the product is not advertised as containing the commercially manufactured or trademarked food product;

(j) Establish screening, hiring, training, and supervising requirements for cannabis retailer employees and others who manufacture or handle cannabis items;

(k) Promote general sanitary requirements for the handling, storage, and disposal of cannabis items, and the maintenance of cannabis establishments, and cannabis distribution and cannabis delivery service premises;

(l) Provide for rigorous auditing, inspection, and monitoring of cannabis establishments, distributors, and delivery services for compliance with health and safety rules and regulations;

(m) Require the implementation of security requirements for cannabis retailers and premises where cannabis items are manufactured, and safety protocols for cannabis establishments, distributors, and delivery services, and their employees;

(n) Prescribe reasonable restrictions on the manner, methods, and means by which cannabis cultivators and cannabis distributors

shall transport cannabis within the State, and all licensees shall transport cannabis items within the State; and

(o) Establish procedures for identification, seizure, confiscation, destruction, or donation to law enforcement for training purposes of cannabis or cannabis items produced, manufactured, sold, or offered for sale within this State which do not conform in all respects to the standards prescribed by P.L.2021, c.16 (C.24:6I-31 et al.);

(9) ⟦Restrictions on⟧ Procedures governing the advertising and display of cannabis items and cannabis paraphernalia, including, but not limited to, requirements that:

(a) Restrict advertising of cannabis items and cannabis paraphernalia in ways that target or are designed to appeal to individuals under the legal age to purchase cannabis items, including, but not limited to depictions of a person under 21 years of age consuming cannabis items, or, includes objects, such as toys, characters, or cartoon characters suggesting the presence of a person under 21 years of age, or any other depiction designed in any manner to be especially appealing to a person under 21 years of age;

(b) ⟦Prohibit⟧ Permit advertising of any cannabis items or cannabis paraphernalia on television, or on radio ⟦between the hours of 6:00 a.m. and 10:00 p.m.⟧ under limited circumstances established by the commission;

(c) Prohibit engaging in advertising unless the advertiser has reliable evidence that at least ⟦71.6⟧ 50 percent of the audience for the advertisement is reasonably expected to be 21 years of age or older;

(d) Prohibit engaging in advertising or marketing directed towards location-based devices, including but not limited to cellular phones, unless the marketing is a mobile device application installed on the device by the owner of the device who is 21 years of age or older and includes a permanent and easy opt-out feature and warnings that the use of cannabis items is restricted to persons 21 years of age or older;

(e) Prohibit the sponsoring of a charitable, sports, musical, artistic, cultural, social, or other similar event or advertising at or in connection with such an event unless the sponsor or advertiser has reliable evidence that no more than 20 percent of the audience at the event is reasonably expected to be under the legal age to purchase cannabis items;

(f) Require all advertisements to contain the following warning: “This product contains cannabis. For use only by adults 21 years of age or older. Keep out of the reach of children.”; provided however, this subparagraph shall not apply to advertisements which are limited to alerting the public as to the name, contact information, and location of a licensed cannabis

business establishment licensed in accordance with P.L.2021,c.16 (C.24:6I-31 et seq.) to sell cannabis items; and

(g) Prohibit the advertising of cannabis items or cannabis paraphernalia in any form or through any medium whatsoever within 200 feet of any elementary or secondary school grounds. This subparagraph shall not apply to advertisements within the premises of a cannabis retailer.

For the purposes of this section, a noncommercial message shall not be considered an advertisement.

(10) A requirement that only cannabis items and cannabis paraphernalia are available for sale at a cannabis establishment;

(11) Procedures for the commission to conduct announced and unannounced visits to cannabis establishments, distributors, and delivery services, to make, or cause to be made, such investigations as it shall deem proper in the administration of P.L.2021, c.16 (C.24:6I-31 et al.) and any other laws which may hereafter be enacted concerning cannabis, or the production, manufacture, distribution, sale, or delivery thereof, including the inspection and search of any premises for which the license is sought or has been issued, of any building containing the same, of licensed buildings, examination of the books, records, accounts, documents and papers of the licensees or on the licensed premises;

(a) The commission shall be authorized and may at any time make an examination of the premises of any person or entity licensed under P.L.2021, c.16 (C.24:6I-31 et al.) for the purpose of determining compliance with P.L.2021, c.16 (C.24:6I-31 et al.) and the rules of the commission;

(b) The commission may require licensee compliance with P.L.2021, c.16 (C.24:6I-31 et al.), and may appoint auditors, investigators and other employees that the commission considers necessary to enforce its powers and perform its duties;

(c) During any inspection of a licensed premises, the commission may require proof that a person performing work at the premises is 18 years of age or older. If the person does not provide the commission with acceptable proof of age upon request, the commission may require the person to immediately cease any activity and leave the premises until the commission receives acceptable proof of age; and

(d) The commission shall not be required to obtain a search warrant to conduct an investigation or search of licensed premises;

(12) Record keeping requirements, including, but not limited to, the following:

(a) The obligation of every cannabis cultivator to keep a complete and accurate record of all sales of cannabis flowers, cannabis leaves, and immature cannabis plants, and a complete and accurate record of the number of cannabis flowers produced, the number of ounces of cannabis leaves produced, the number of immature cannabis plants produced, and the dates of production; the

obligation of every cannabis establishment to keep a complete and accurate record of all sales of cannabis items, and a complete and accurate record of the number of ounces of usable cannabis sold; the obligation of every cannabis distributor to keep a complete and accurate record of all cannabis and cannabis items transported in bulk, and the sending and receiving cannabis establishments involved in each transportation of the cannabis or cannabis items; and the obligation of every cannabis delivery service to keep a complete and accurate record of all cannabis item deliveries made to consumers based on orders fulfilled by of cannabis retailers;

(b) Such records shall be kept and maintained for four years, however there shall not be a requirement that the records be maintained on the premises of a licensee, and the records shall be in such form and contain such other information as the commission may require; and

(c) The commission may, at any time, with adequate notice, examine the books and records of any cannabis establishment, distributor, or delivery service, and may appoint auditors, investigators, and other employees that the commission considers necessary to enforce its powers and its duties;

(13) Procedures for inspecting samples of cannabis items, including:

(a) On a schedule determined by the commission, every licensed cannabis cultivator and manufacturer shall submit representative samples of cannabis items produced or manufactured by the licensee to an independent, third-party licensed testing facility meeting the accreditation requirements established by the commission, or random samples may be obtained by representatives of the facility making a scheduled or unscheduled visit to the licensee's premises, for inspection and testing to certify compliance with standards adopted by the commission. Any sample remaining after testing shall be destroyed by the facility or returned to the licensee, unless that sample does not meet the applicable standards adopted by the commission, in which case it may be retained for purposes of retesting upon request of a licensee in accordance with subparagraph (c) of this paragraph;

(b) Licensees shall submit the results of this cannabis item inspection and testing to the commission on a form developed by the commission; and

(c) If a sample inspected and tested under this section does not meet the applicable standards adopted by the commission, the sample may, upon notice to the commission, be retested at the request of a licensee in a manner prescribed by the commission, and in addition to a retest, or as an alternative thereto, the licensee may also be permitted an opportunity to remediate, upon notice to the commission, the batch or lot from which the failed sample was taken, which batch or lot shall be subject to a subsequent test of a new representative sample in a manner prescribed by the

commission. Any request for a retest of a sample, and any retest and reporting of results, as well as any batch or lot remediation process undertaken and subsequent testing of that batch or lot, shall be completed within a time period established by the commission. The commission shall also provide a process by which samples, batches, and lots that failed retesting or remediation, as applicable, shall be destroyed;

(14) Establishing the number of cannabis retailers, and permissible business arrangements with respect to other types of retailing businesses:

(a) (i) Assuming there are sufficient qualified applicants for licensure, the commission shall, subject to periodic evaluation as described in paragraph (1) of this subsection, issue a sufficient number of Class 5 Retailer licenses to meet the market demands of the State, giving regard to geographical and population distribution throughout the State; and

(ii) the provision of adequate access to licensed sources of cannabis items to discourage purchases from the illegal market; and

(b) A cannabis retailer’s premises shall not be located in or upon any premises in which operates a grocery store, delicatessen, indoor food market, or other store engaging in retail sales of food, or in or upon any premises in which operates a store that engages in licensed retail sales of alcoholic beverages, as defined by subsection b. of R.S.33:1-1; and

(15) Civil penalties for the failure to comply with regulations adopted pursuant to this section.

b. In order to ensure that individual privacy is protected, the commission shall not require a consumer to provide a cannabis retailer with personal information other than government-issued identification as set forth in subparagraph (a) of paragraph (6) of subsection a. of this section in order to determine the consumer's identity and age, and a cannabis retailer shall not collect and retain any personal information about consumers other than information typically acquired in a financial transaction conducted by the holder of a Class C retail license concerning alcoholic beverages as set forth in R.S.33:1-12.

c. Once regulations are adopted by the commission pursuant to subsection a. of this section, but prior to the commencement of the application process, the commission shall conduct a series of information sessions in every county in New Jersey to educate residents of New Jersey about the responsibilities, opportunities, requirements, obligations, and processes for application for a license to operate a cannabis establishment, distributor, or delivery service. The commission shall conduct an appropriate number of information sessions in each county considering the population of each county, but no fewer than one information session in each county. The commission shall publicize the day, time, location, and

agenda of each information session broadly through television, radio, Internet, print, and local agencies.

d. The commission shall:

(1) Examine available research, and may conduct or commission new research or convene an expert task force, to investigate the influence of cannabis and marijuana on the ability of a person to drive a vehicle, on methods for determining whether a person is under the influence of cannabis or marijuana, and on the concentration of active THC, as defined in section 3 of P.L.2021, c.16 (C.24:6I-33), in a person's blood, in each case taking into account all relevant factors; and

(2) Report the results of the research to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), the Legislature and make recommendations regarding both administrative and legislative action as the commission deems necessary.

(cf: P.L.2021, c.16, s.18)

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

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

a. To hold a Class 5 Cannabis Retailer license under this section, a cannabis retailer:

(1) Shall apply for a license in the manner described in section 18 of P.L.2021, c.161 (C.24:6I-35);

(2) Shall have at least one significantly involved person who has resided in this State for at least two years as of the date of the application, and provide proof that this person and any other person

with a financial interest who also has decision making authority for the cannabis retailer listed on an application submitted under section 18 of P.L.2021, c.16 (C.24:6I-35) is 21 years of age or older;

(3) Shall meet the requirements of any rule adopted by the commission under subsection b. of this section; and

(4) Shall provide for each of the following persons to undergo a criminal history record background check: any owner, other than an owner who holds less than a five percent investment interest in the cannabis retailer or who is a member of a group that holds less than a 20 percent investment interest in the cannabis retailer and no member of that group holds more than a five percent interest in the total group investment, and who lacks the authority to make controlling decisions regarding the cannabis retailer's operations; any director; any officer; and any employee.

(a) Pursuant to this provision, the commission is authorized to exchange fingerprint data with and receive criminal history record background information from the Division of State Police and the Federal Bureau of Investigation consistent with the provisions of applicable State and federal laws, rules, and regulations. The Division of State Police shall forward criminal history record background information to the commission in a timely manner when requested pursuant to the provisions of this section;

(b) Each person shall submit to being fingerprinted in accordance with applicable State and federal laws, rules, and regulations. No check of criminal history record background information shall be performed pursuant to this section unless a person has furnished his written consent to that check. A person who refuses to consent to, or cooperate in, the securing of a check of criminal history record background information shall not be considered for licensure as a retailer. Each person shall bear the cost for the criminal history record background check, including all costs of administering and processing the check;

(c) (i) With respect to determining whether any conviction of a person contained in the criminal history record background check should disqualify an applicant for a Class 5 Cannabis Retailer license, the commission shall not take into consideration any conviction for a crime or offense that occurred prior to the effective date of P.L.2021, c.16 (C.24:6I-31 et al.) involving a controlled dangerous substance or controlled substance analog as set forth in paragraph (11) or (12) of subsection b., or subparagraph (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar indictable offense under federal law, this State's law, or any other state's law, or for any conviction under federal law for conduct involving cannabis or a cannabis item that is authorized by P.L.2021, c.16 (C.24:6I-31 et al.). Additionally, the commission shall not take into consideration any other prior conviction, unless that conviction is

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

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

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

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

(e) The Division of State Police shall promptly notify the commission in the event that an individual who was the subject of a criminal history record background check conducted pursuant to this section is convicted of a crime or offense in this State after the date the background check was performed. Upon receipt of that notification, the commission shall make a determination regarding the continued eligibility for the applicant, or following application, for the licensee, to hold a Class 5 Cannabis Retailer license.

b. The commission shall adopt rules that:

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) The cannabis consumption area shall be either (a) an indoor, structurally enclosed area of the licensed cannabis retailer that is separate from the area in which retail sales of cannabis items occur or (b) an exterior structure on the same premises as the retailer, either separate from or connected to the retailer.

(4) A Class 5 Cannabis Retailer licensee that has been approved for a cannabis consumption area endorsement may transfer cannabis items purchased by a consumer in its retail establishment to that consumer in its cannabis consumption area. The Class 5 Cannabis Retailer licensee shall not transfer to the consumption area an

amount of cannabis items that exceed the limits established by the commission.

h. In addition to cannabis and cannabis items, the holder of a valid and unrevoked Class 5 Cannabis Retailer license shall be authorized to sell hemp-derived cannabinoid products intended for human consumption, provided that the products are so labeled in accordance with commission rules.

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

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

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

a. **[**All**]** Except for amounts credited to the Property Tax Reform Account in the Property Tax Relief Fund pursuant to paragraph 7 of Section I of Article VIII of the New Jersey Constitution, all fees and penalties collected by the commission, all tax revenues on retail sales of cannabis items, all tax revenues collected pursuant to the provisions of the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) **[**, except for amounts credited to the Property Tax Reform Account in the Property Tax Relief Fund pursuant to paragraph 7 of Section I of Article VIII of the New Jersey Constitution,**]** ; and all revenues, if any, collected for the Social Equity Excise Fee pursuant to section 39 of P.L.2021, c.16 (C.54:47F-1)**[**,**]** ; and all tax revenues on the retail sale of intoxicating hemp beverages by any plenary retail distribution license holder or Class 5 Cannabis Retailer licensee, as well as any fees associated with the approval provided to any plenary wholesale license holder to sell intoxicating hemp beverages, as defined pursuant to **[**section 5 of P.L.2024, c.73 (C.24:6I-48.2)**]** section 3 of P.L.2021, c.16 (C.24:6I-33), shall be deposited in a special nonlapsing fund, which shall be known as the "Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund," with 15 percent of the monies deposited being placed into an account within the fund to be known as the "Underage Deterrence and Prevention Account."

b. **[**Monies in the fund, other than**]** Except for any monies derived from the Social Equity Excise Fee **[**to**]** which shall be appropriated annually in accordance with subsection d. of this section and the monies placed into the "Underage Deterrence and Prevention Account" within the fund for the commission to fund programs and services in accordance with subsection e. of this section, monies in the fund shall be appropriated annually as follows:

(1) at least 70 percent of all tax revenues on retail sales of cannabis items shall be appropriated for investments, including

through grants, loans, reimbursements of expenses, and other financial assistance, in municipalities defined as an "impact zone" pursuant to section 3 of P.L.2021, c.16 (C.24:6I-33), as well as provide direct financial assistance to qualifying persons residing therein as recommended by the commission; and (2) the remainder of the monies in the fund shall be appropriated by the Legislature to include the following:

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

(b) to reimburse the expenses incurred by any county or municipality for the training costs associated with the attendance and participation of a **[**police**]** law enforcement officer from its law enforcement unit in a police training course by an approved school, as those terms are defined in section 2 of P.L.1961, c.56 (C.52:17B-67), **[**in a program provided by an approved school, also defined in that section,**]** which trains and certifies the **[**police**]** law enforcement officer, including a **[**police**]** law enforcement officer with a working dog, as that term is defined in section 1 of P.L.2006, c.88 (C.10:5-29.7), as a Drug Recognition Expert for detecting, identifying, and apprehending drug-impaired motor vehicle operators**[**,**]** ; and to pay for the same training costs incurred by the Division of State Police in the Department of Law and Public Safety for the training of a State police officer or trooper, including an officer or trooper with a working dog, as a Drug Recognition Expert, as well as **[**its**]** the Division of State Police costs in furnishing additional program instructors to provide Drug Recognition Expert training to police officers, troopers, and working dogs. A municipality or county seeking reimbursement shall apply to the commission, itemizing the costs, with appropriate proofs, for which reimbursement is requested and provide a copy of the certificate issued to the police officer to indicate the successful completion of the program by the police officer, and that officer's working dog, if applicable; and

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

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

c. **[**Any remaining available monies, after**]** After the appropriation of those monies in the fund in accordance with subsection b. of this section, any remaining monies shall be deposited in the State's General Fund.

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

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

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

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

(b) economic development, including the encouragement and support of community activities so as to stimulate economic activity

or increase or preserve residential amenities, and business marketing, and job skills and readiness training, specific employment training, and apprenticeships;

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

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

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

(4) **[**Prior**]** After receiving the recommendations, as set forth in paragraphs (1) through (3) of this subsection and prior to the first day of each fiscal year, the Legislature shall provide to the commission a statement which lists the investments to be made by appropriations, including the investment recipients **[**and**]** , investment **[**amount, to be made by appropriations as set forth in paragraph (1) of this subsection based upon recommendations presented to the Governor and Legislature pursuant to paragraphs (1) through (3) of this subsection**]** amounts, and how the investment is intended to support and advance social equity as described in this subsection.

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

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

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

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

Plenary wholesale license. 1. The holder of this license shall be entitled, subject to rules and regulations, to sell and distribute alcoholic beverages, or intoxicating hemp beverages **[**, in

accordance with section 5 of P.L.2024, c.73 (C.24:6I-48.2)**]** until the expiration of section 11 of P.L. , c. (pending before the Legislature as this bill), to retailers and wholesalers licensed in accordance with this chapter, and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse and salesroom; provided, however, that the delivery of such alcoholic beverages by the holder of this license to retailers licensed under this Title shall be from inventory in a warehouse located in New Jersey which is operated under a plenary wholesale license. The fee for this license shall be $8,750.

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

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

State beverage distributor’s license. 2c. (1) The holder of this license shall be entitled, subject to rules and regulations, to sell and distribute unchilled, brewed, malt alcoholic beverages in original containers only, in quantities of not less than 144 fluid ounces and chilled draught malt alcoholic beverages in kegs, barrels or other similar containers of at least one fluid gallon in capacity, to retailers licensed in accordance with this chapter, and to sell and distribute without this State to any person pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse and salesroom. The holder of this license may sell unchilled, brewed, malt alcoholic beverages in original containers only, in quantities of not less than 144 fluid ounces and chilled draught malt alcoholic beverages in kegs, barrels or other similar containers of at least 7.75 fluid gallons in capacity, at retail; provided, however, that such sales shall be made only for consumption off the licensed premises. This license shall not be issued to any person holding a plenary or limited brewery license, nor shall it be issued to any person directly or indirectly interested in any brewery within or without this State.

This license shall not be issued for premises in or upon which any retail business, except the sale of malt alcoholic beverages and nonalcoholic beverages, is carried on. The fee for this license shall be $1,031.

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

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

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

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

7. R.S.33:1-12 is amended to read as follows:

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

Plenary retail consumption license. 1. The holder of this license shall be entitled, subject to rules and regulations, to sell any alcoholic beverages for consumption on the licensed premises by the glass or other open receptacle, and also to sell any alcoholic beverages in original containers for consumption off the licensed premises; but this license shall not be issued to permit the sale of alcoholic beverages in or upon any premises in which a grocery, delicatessen, drug store or other mercantile business is carried on, except as hereinafter provided. The holder of this license shall be permitted to conduct consumer wine, beer and spirits tasting events and samplings for a fee or on a complimentary basis pursuant to conditions established by rules and regulations of the Division of Alcoholic Beverage Control, provided however, that the holder of this license complies with the terms and conditions set forth in section 3 of P.L.2009, c.216 (C.33:1-12d). Subject to such rules and regulations established from time to time by the director, the holder of this license shall be permitted to sell alcoholic beverages in or upon the premises in which any of the following is carried on: the keeping of a hotel or restaurant including the sale of mercantile items incidental thereto as an accommodation to patrons; the sale, at an entertainment facility as defined in R.S.33:1-1, having a seating capacity for no less than 4,000 patrons, of mercantile items

traditionally associated with the type of event or program held at the site; the sale of distillers', brewers' and vintners' packaged merchandise prepacked as a unit with other suitable objects as gift items to be sold only as a unit; the sale of novelty wearing apparel identified with the name of the establishment licensed under the provisions of this section; the sale of cigars, cigarettes, packaged crackers, chips, nuts and similar snacks and ice at retail as an accommodation to patrons, or the retail sale of nonalcoholic beverages as accessory beverages to alcoholic beverages; or, in commercial bowling establishments, the retail sale or rental of bowling accessories and the retail sale from vending machines of candy, ice cream and nonalcoholic beverages. The fee for this license shall be fixed by the governing board or body of the municipality in which the licensed premises are situated, by ordinance, at not less than $250 and not more than $2,500. No ordinance shall be enacted which shall raise or lower the fee to be charged for this license by more than 20% from that charged in the preceding license year or $500.00, whichever is the lesser. The governing board or body of each municipality may, by ordinance, enact that no plenary retail consumption license shall be granted within its respective municipality.

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

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

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

The governing body of the municipality in which the licensed premises is situated may place reasonable conditions upon a one-day permit for the purpose of maintaining public safety on the

licensed premises and immediately surrounding area. The costs associated with the reasonable conditions placed on the one-day permit shall be assumed by the holder of this license.

(3) This license shall not be issued to permit the sale of alcoholic beverages in or upon any premises in which a grocery, delicatessen, drug store or other mercantile business is carried on, except as hereinafter provided. Subject to such rules and regulations established from time to time by the director, the holder of this license shall be permitted to sell alcoholic beverages in or upon the premises in which any of the following is carried on: the keeping of a hotel or restaurant including the sale of mercantile items incidental thereto as an accommodation to patrons; the sale of distillers', brewers' and vintners' packaged merchandise prepacked as a unit with other suitable objects as gift items to be sold only as a unit; the sale of novelty wearing apparel identified with the name of the establishment licensed under the provisions of this section; the sale of cigars, cigarettes, packaged crackers, chips, nuts and similar snacks and ice at retail as an accommodation to patrons; or the retail sale of nonalcoholic beverages as accessory beverages to alcoholic beverages. The fee for this license shall be fixed by the governing board or body of the municipality in which the licensed premises are situated, by ordinance, at 75% of the fee fixed by said board or body for plenary retail consumption licenses. The governing board or body of each municipality may, by ordinance, enact that no seasonal retail consumption license shall be granted within its respective municipality.

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

The governing board or body of each municipality may, by ordinance, enact that this license shall not be issued to permit the sale of alcoholic beverages in or upon any premises in which any other mercantile business is carried on, except that any such ordinance, heretofore or hereafter adopted, shall not prohibit the retail sale of distillers', brewers' and vintners' packaged merchandise prepacked as a unit with other suitable objects as gift items to be sold only as a unit; the sale of novelty wearing apparel identified with the name of the establishment licensed under the provisions of this act; cigars, cigarettes, packaged crackers, chips,

nuts and similar snacks, ice, and nonalcoholic beverages as accessory beverages to alcoholic beverages. The fee for this license shall be fixed by the governing board or body of the municipality in which the licensed premises are situated, by ordinance, at not less than $125 and not more than $2,500. No ordinance shall be enacted which shall raise or lower the fee to be charged for this license by more than 20% from that charged in the preceding license year or $500.00, whichever is the lesser. The governing board or body of each municipality may, by ordinance, enact that no plenary retail distribution license shall be granted within its respective municipality.

Limited retail distribution license. 3. b. The holder of this license shall be entitled, subject to rules and regulations, to sell any unchilled, brewed, malt alcoholic beverages in quantities of not less than 72 fluid ounces for consumption off the licensed premises, but only in original containers; provided, however, that this license shall be issued only for premises operated and conducted by the licensee as a bona fide grocery store, meat market, meat and grocery store, delicatessen, or other type of bona fide food store at which groceries or other foodstuffs are sold at retail; and provided further that this license shall not be issued except for premises at which the sale of groceries or other foodstuffs is the primary and principal business and at which the sale of alcoholic beverages is merely incidental and subordinate thereto. The fee for this license shall be fixed by the governing body or board of the municipality in which the licensed premises are situated, by ordinance, at not less than $31 and not more than $63. The governing board or body of each municipality may, by ordinance, enact that no limited retail distribution license shall be granted within its respective municipality.

Plenary retail transit license. 4. The holder of this license shall be entitled, subject to rules and regulations, to sell any alcoholic beverages, for consumption only, on railroad trains, airplanes, limousines and boats, while in transit. The fee for this license for use by a railroad or air transport company shall be $375, for use by the owners of limousines shall be $31 per vehicle, and for use on a boat shall be $63 on a boat 65 feet or less in length, $125 on a boat more than 65 feet in length but not more than 110 feet in length, and $375 on a boat more than 110 feet in length; such boat lengths shall be determined in the manner prescribed by the Bureau of Customs of the United States Government or any federal agency successor thereto for boat measurement in connection with issuance of marine documents. A license issued under this provision to a railroad or air transport company shall cover all railroad cars and planes operated by any such company within the State of New Jersey. A license for a boat or limousine issued under this provision shall apply only to the particular boat or limousine for which issued, and shall permit the purchase of alcoholic beverages

for sale or service in a boat or limousine to be made from any Class A and B licensee or from any Class C licensee whose license privilege permits the sale of alcoholic beverages in original containers for off-premises consumption. An interest in a plenary retail transit license issued in accordance with this section shall be excluded in determining the maximum number of retail licenses permitted under P.L.1962, c.152 (C.33:1-12.31 et seq.).

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

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

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

Notwithstanding any other provision of Title 33 of the Revised Statutes and subject to conditions established by the director, the holder of this license may share direction and control of the premises to be licensed and share proceeds and profits from the sale of alcoholic beverages with the owner, operator, concessionaire, or lessee of the facility. The holder of this license shall be permitted to conduct consumer wine, beer, and spirits tasting events and samplings for a fee or on a complimentary basis provided, however, the license holder complies with the provisions of section 3 of P.L.2009, c.216 (C.33:1-12d) and rules and regulations promulgated thereto. Notwithstanding any law, rule or regulation to the contrary, the holder of this license shall be entitled to establish up to five all-inclusive areas within the licensed sporting facility, provided the total capacity of the all-inclusive area or areas within the sporting facility for each game or event does not exceed more

than 500 persons or five percent of the total capacity of the sporting facility, whichever is greater.

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

The director may, in accordance with regulations or a special ruling, issue special all-inclusive area event permits to the holder of this license authorizing the establishment of an all-inclusive area or areas in excess of these limitations for a national or international sporting event at a sporting facility with a seating capacity of 50,000 or more persons, provided the issuance of the special all-inclusive area event permits is consistent with the provisions of Title 33 of the Revised Statutes and any regulations promulgated thereunder. The director may impose special conditions on the special all-inclusive area event permits deemed necessary and proper to protect the health, safety, and welfare of the public. A special all-inclusive area event permit issued pursuant to this subsection shall be valid for the specified duration of the event and the fee shall be $2,000 per day for each all-inclusive area established, but the total fee shall not exceed $6,000 per day. Prior to the issuance of a special all-inclusive area event permit, the director may require the holder of this license to provide a bond or equivalent to the Division of Alcoholic Beverage Control in an amount to be determined by the director based on the size, scope, and conditions of the national or international sporting event and the compliance history of the sporting facility license holder.

For the purposes of this subsection:

"National or international sporting event" means a tournament-level professional event governed by a national or international sports federation or governing body, including but not limited to sporting events governed by the National Football League, International Olympic Committee, and the International Federation of Association Football.

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

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

(cf: P.L.2025, c.34, s.1)

8. (New section) a. On or after March 13, 2026, or unless otherwise authorized by law, it shall be unlawful to sell, offer for sale, or distribute any of the following:

(1) any viable seeds from a Cannabis sativa L. plant that exceeds a total tetrahydrocannabinol concentration, including tetrahydrocannabinolic acid, of 0.3 percent in the plant on a dry weight basis;

(2) any intermediate hemp-derived product containing:

(a) cannabinoids that are not capable of being naturally produced by a Cannabis sativa L. plant;

(b) cannabinoids that are capable of being naturally produced by a Cannabis sativa L. plant, but were synthesized or manufactured; or

(c) more than 0.3 percent combined total of total tetrahydrocannabinol, including tetrahydrocannabinolic acid, with any other cannabinoids that have similar effects or are marketed to have similar effects on humans or animals as tetrahydrocannabinol, as determined by the United States Secretary of Health and Human Services;

(3) any intermediate hemp-derived cannabinoid product that is marketed or sold as a final product or directly to an end consumer for personal or household use;

(4) any final hemp-derived cannabinoid products containing:

(a) cannabinoids that are not capable of being naturally produced by a Cannabis sativa L. plant;

(b) cannabinoids that are capable of being naturally produced by a Cannabis sativa L. plant, but were synthesized or manufactured outside the plant; or

(c) cannabinoids that are capable of being naturally produced by a Cannabis sativa L. plant, but were synthesized or manufactured outside the plant by any other prohibited synthesis methodology, as identified by the Cannabis Regulatory Commission;

(d) greater than 0.4 milligrams combined total per container of total tetrahydrocannabinol, including tetrahydrocannabinolic acid, with any other cannabinoids that have similar effects or are marketed to have similar effects on humans or animals as tetrahydrocannabinol, as determined by the United States Secretary of Health and Human Services; or

(5) any cannabinoid product marketed, labeled, or represented as hemp that exceeds the federally defined THC level for hemp.

b. It shall be unlawful to sell, offer for sale, or distribute any intoxicating hemp beverage or any hemp-derived cannabinoid product through online retail sale.

c. It shall be unlawful to dispense, distribute, sell, or offer for sale any intoxicating hemp beverage from a vending machine. In addition to the penalties established pursuant to this section and N.J.S.2C:35-5, a person who violates this subsection shall be liable to a civil penalty of not less than $100 for each container of any such beverage. The penalty prescribed by this section shall be collected and enforced by summary proceedings under the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

d. (1) The sale, offer for sale, or distribution of any substance or product in violation of this section shall be subject to the same criminal penalties established for marijuana pursuant to N.J.S.2C:35-5.

(2) In addition to the penalties established pursuant to N.J.S.2C:35-5, a person who sells, offers for sale, or distributes any substance or product in violation of subsection a. of this section shall be liable to a civil penalty of not less than $100 for the first violation, not less than $1,000 for the second violation, and not less than $10,000 for the third and each subsequent violation. Each day during which a violation continues shall constitute a separate and distinct offense. The penalty prescribed by this section shall be collected and enforced by summary proceedings under the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). Nothing in this section shall be construed to prohibit the imposition of multiple fines for a single violation as a penalty for the sale or distribution of more than one substance or product in violation of this section.

(3) The sale, offer for sale, or distribution of any substance or product in violation of this section shall be subject to the enforcement provisions and remedies set forth in section 9 of P.L. , c. (C.) (pending before the Legislature as this bill).

The imposition of any fine or other remedy under P.L. , c. (C.) (pending before the Legislature as this bill) shall not preclude prosecution for a violation of the criminal laws of this State.

9. (New section) a. The provisions of P.L. , c. (C.) (pending before the Legislature as this bill), may be enforced by State and local law enforcement agencies, State and local health and consumer protection agencies, the Division of Consumer Affairs in the Department of Law and Public Safety, and the Cannabis Regulatory Commission established pursuant to section 31 of P.L.2019, c.153 (C.24:6I-24).

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

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

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

e. In addition to the civil penalties authorized under subsection d. of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill), a business found to have committed more than two violations of P.L. , c. (C.) (pending before the Legislature as this bill) or found to have committed a third or subsequent violation at any individual location within one year shall be deemed a public nuisance. Notwithstanding any other provision of law, a municipality shall have the power to impose restrictions on the operation, including closure, of any business determined to constitute a public nuisance pursuant to this subsection.

f. The provisions of P.L. , c. (C.) (pending before the Legislature as this bill) shall not be construed to impose liability on news media that accept or publish, or both, advertising for products or services that fall within the scope of P.L. , c. (C.) (pending before the Legislature as this bill).

10. (New section) a. (1) It shall be unlawful to sell or distribute a product intended for human consumption that contains tetrahydrocannabinol in any detectable amount to a person under 21 years of age.

(2) A violation of this section shall be subject to the same penalties established in section 64 of P.L.2021, c.16 (C.2C:35-10d) for the sale of any cannabis items to a person under 21 years of age.

b. This section shall not apply to medical cannabis dispensed to registered qualifying patients who are under the age of 21 pursuant to the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.).

11. (New section) a. (1) Notwithstanding the provisions of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill), the holder of any valid and unrevoked plenary wholesale license or plenary retail distribution license, as such terms are defined in R.S.33:1-11 and R.S.33:1-12, may sell intoxicating hemp beverages until November 13, 2026; after which date, the holder shall be subject to the penalties and prohibitions established in section 8 of P.L. , c. (C.) (pending before the Legislature as this bill).

(2) Notwithstanding the provisions of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill), a person or entity that is licensed by the Cannabis Regulatory Commission in accordance with P.L.2021, c.16 (C.24:6I-31 et al.) may sell intoxicating hemp beverages until November 13, 2026, after which date, the person or entity shall be subject to the penalties and prohibitions established in section 8 of P.L. , c. (C.) (pending before the Legislature as this bill).

b. (1) (a) Any intoxicating hemp beverage distributed, sold, or offered for sale in this State pursuant to paragraph (1) of subsection a. of this section shall be stored or displayed in a place that is not accessible to customers without the assistance of an employee of the establishment.

(b) Notwithstanding subparagraph (a) of this paragraph, intoxicating hemp beverages sold, distributed, or offered for sale pursuant to subparagraph (1) of subsection a. of this section may be stored or displayed in a place accessible to customers and may be accessed without the assistance of an employee of the establishment only if:

(i) the establishment posts conspicuous notice at the place of storage or display indicating to customers that the products are intoxicating hemp beverage beverages and may only be purchased by a person 21 years of age or older;

(ii) the establishment actively monitors the place of storage or display;

(iii) an employee of the establishment confirms at the point of sale that the customer is 21 years of age or older and understands that they are purchasing an intoxicating hemp beverage; and

(iv) the establishment complies with any other requirements as may be established by rule by the Division of Alcoholic Beverage Control, in consultation with the Cannabis Regulatory Commission.

c. (1) The provisions of Title 33 of the Revised Statutes and the rules and regulations promulgated thereunder shall apply to the sale or distribution of intoxicating hemp beverages by any person or entity licensed pursuant to the provisions of Title 33 of the Revised Statutes;

(2) Nothing contained in P.L. , c. (C.) (pending before the Legislature as this bill) shall be construed to preclude the Division of Alcoholic Beverage Control from exercising the

authority to enforce the rules and regulations governing activities taken by licensees on licensed premises or from taking disciplinary action against a licensee under Title 33 of the Revised Statutes based upon a determination by the division that the licensee committed a violation of P.L. , c. (C.) (pending before the Legislature as this bill).

12. (New section) a. (1) Except as provided in section 11 of P.L. , c. (C.) (pending before the Legislature as this bill), on or after March 13, 2026, any person or entity that sells, offers for sale, or distributes an intoxicating hemp beverage shall be subject to the penalties established pursuant to section 8 of P.L. , c. (C.) (pending before the Legislature as this bill).

(2) On or after November 13, 2026, the sale, offer for sale, or distribution of an intoxicating hemp beverage by any person or entity shall be subject to the penalties established in section 8 of P.L. , c. (C.) (pending before the Legislature as this bill).

b. (1) On or after March 13, 2026, an intoxicating hemp beverage sold, offered for sale, or distributed in accordance with sections 11 of P.L. , c. (C.) (pending before the Legislature as this bill) may not contain more than 5 milligrams of total tetrahydrocannabinol per serving or not more than 10 milligrams of total tetrahydrocannabinol per container.

(2) A certificate of analysis prepared by a laboratory that meets the requirements of paragraph (3) of this subsection shall accompany the sale or distribution of any intoxicating hemp beverage sold or distributed on or after March 13, 2026 and shall certify that the product contains no more than 5 milligrams of total tetrahydrocannabinol per serving or no more than 10 milligrams of total tetrahydrocannabinol per container.

(3) The certificate of analysis required pursuant to paragraph (2) of this subsection shall be prepared by an independent testing laboratory that complies with the testing established by the commission, provided that such laboratory shall be registered with the Drug Enforcement Administration in the United States Department of Justice and ISO 17025 accredited for all analytes required by the commission.

c. The sale of an intoxicating hemp beverage without a certificate of analysis or in excess of the milligram limitations established in paragraph (2) of subsection b. of this section shall be liable for a civil penalty of not less than $100 for each container. The penalty prescribed by this section shall be collected and enforced by summary proceedings under the “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.).

13. (New section) a. On or after April 1, 2026, there is hereby levied and imposed an excise tax in the amount of $3.75 per gallon upon the wholesale sale of any intoxicating hemp beverages within

this State or upon any delivery of intoxicating hemp beverages made to a location within this State.

b. The revenue generated from the fees imposed in accordance with this section shall be paid to the State Treasurer for deposit in the General Fund.

14. (New section) Nothing in P.L. , c. (C.) (pending before the Legislature as this bill) shall be construed to prohibit the transportation or shipment of hemp or hemp-derived cannabinoid products in this State as authorized pursuant to subtitle G of the Agricultural Marketing Act of 1946, 7 U.S.C. s.1639o et seq.; or alter or otherwise affect the lawful activities of a hemp producer or its agent as authorized by the Department of Agriculture to cultivate, handle, or process hemp or hemp-derived cannabinoid products, pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.), which are subject to the department's statutory or regulatory authority, established under that act, and include, but are not limited to, the cultivation, handling, and processing by such producers and agents of hemp that conforms to pre- and post-harvest THC content limits established pursuant to 7 U.S.C. s.1639o.

15. (New section) As soon as practicable, the Attorney General, in consultation with the Cannabis Regulatory Commission and the Division of Alcoholic Beverage Control, shall develop and issue guidelines for law enforcement agencies related to the enforcement of the provisions of P.L. , c. (C.) (pending before the Legislature as this bill).

Such guidelines shall include, but not be limited to, procedures for coordination between municipal and State law enforcement agencies and regulatory agencies.

16. The following section is repealed:

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

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

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

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

17. This act shall take effect on January 13, 2026, except that:

a. section 11 shall expire upon the effective date of section 781 of Pub.L.119-37, November 13, 2026; and

b. section 13 shall take effect April 1, 2026. The Division of Taxation in the Department of the Treasury may take such anticipatory action as necessary to effectuate the provisions of P.L. , c. (C.) (pending before the Legislature as this bill).