

[Fourth Reprint]

SENATE, No. 4847

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED NOVEMBER 6, 2025

Sponsored by:

Senator NICHOLAS P. SCUTARI

District 22 (Somerset and Union)

Assemblyman REGINALD W. ATKINS

District 20 (Union)

SYNOPSIS

Makes various changes to membership on Cannabis Regulatory Commission and to legalized medical and personal use cannabis marketplace.

CURRENT VERSION OF TEXT

As amended by the General Assembly on January 12, 2026.



(Sponsorship Updated As Of: 1/12/2026)

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

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

9
10 1. Section 31 of P.L.2019, c.153 (C.24:6I-24) is amended to
11 read as follows:

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

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

32 (2) oversee the development, regulation, and enforcement of
33 activities associated with the personal use of cannabis pursuant to
34 P.L.2021, c.16 (C.24:6I-31 et al.).

35 b. (1) The commission shall consist of five members, one of
36 whom shall be designated by **[[the Governor as the chair]]** a majority
37 of the total authorized members as the chair, and one of whom shall
38 be designated the vice-chair in accordance with the appointment
39 process set forth in paragraph (7) of this subsection. The chair shall
40 not have direct supervisory powers over the remaining members of
41 the commission.

42 (2) The members of the commission shall be directly appointed
43 as follows:

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

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SJU committee amendments adopted December 1, 2025.

²Senate SBA committee amendments adopted December 8, 2025.

³Senate floor amendments adopted December 22, 2025.

⁴Assembly floor amendments adopted January 12, 2026.

1 (b) One member shall be appointed by the Speaker of the
2 General Assembly;

3 (c) Three members **【**, including the chair,**】** shall be appointed
4 by the Governor.

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

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

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

39 (6) (a) The chair and other members of the commission shall
40 devote full time to their respective duties of office and shall not
41 pursue or engage in any other business, occupation, or gainful
42 employment. Each member shall receive an annual salary ³**【**to be
43 fixed and established by the Governor**】³**, which for the chair shall
44 ³**【**not exceed**】 be³ 【\$141,000,】 \$165,000** and for the other members
45 shall ³**【**not exceed**】 be³ ¹【\$¹ 【125,000】 \$160,000.**

46 (b) Notwithstanding subparagraph (a) of this paragraph, a
47 member may hold local elected office, provided that, in the

1 judgment of the State Ethics Commission and Local Finance Board
2 of the Department of Community Affairs, such office or
3 employment will not interfere with the member's responsibilities to
4 the commission, and will not create a conflict of interest, or
5 reasonable risk of the public perception of a conflict of interest, on
6 the part of the member.

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

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

29 (8) A majority of the total authorized membership of the
30 commission shall be required to establish a quorum, and a majority
31 of the total authorized membership of the commission shall be
32 required to exercise its powers at any meeting thereof. However,
33 only if all five commissioners have been duly appointed in
34 accordance with the appointment process set forth in paragraph (2)
35 of this subsection, and five appointed commissioners are present at
36 a meeting, may a majority of the total authorized membership act to
37 assume the powers, duties, and responsibilities with regard to the
38 regulation and oversight of activities authorized pursuant to
39 P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health;
40 and similarly, only if all five appointed commissioners are present
41 at a meeting, may a majority of the total authorized membership act
42 to adopt the commission's initial rules and regulations concerning
43 personal use cannabis pursuant to subparagraph (a) of paragraph (1)
44 of subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34), by
45 which the licensing of cannabis establishments, distributors, and
46 delivery services, and the lawfully permitted licensing activities of
47 those establishments, distributors, and delivery services may begin.

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

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

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

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

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

34 (ii) If, as a result of transferring powers, duties, and
35 responsibilities with regard to the regulation and oversight of
36 activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
37 from the Department of Health to the commission pursuant to
38 subsection a. of this section, the commission needs to employ an
39 individual to fill a position, employees of the department who
40 performed the duties of the position to be filled shall be given a
41 one-time right of first refusal offer of employment with the
42 commission, and such employees may be removed by the
43 commission for cause or if deemed unqualified to hold the position,
44 notwithstanding any other provision of law to the contrary. A
45 department employee who becomes employed by the commission
46 shall retain as an employee of the commission the seniority, and all
47 rights related to seniority, that the employee had with the
48 department as of the last day of employment with the department;

1 provided, however, that such seniority and seniority rights shall be
2 retained only by an employee who was transferred from
3 employment with the department to employment with the
4 commission, and shall not be retained by an employee who was
5 removed from employment with the department due to layoff
6 procedures or who resigned from a position with the department
7 prior to being hired by the commission.

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

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

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

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

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

- 41 (1) the commission's organization;
- 42 (2) the commission's regulation and enforcement activities;
- 43 (3) the overall effectiveness of the commission as a full time
44 entity; and
- 45 (4) whether the regulation and oversight of medical cannabis or
46 personal use cannabis could be more effectively and efficiently
47 managed through a reorganization of the commission, consolidation
48 of the commission within the Department of Health or another

1 Executive Branch department, conversion to a part-time
2 commission, or the transfer of some or all of the commission's
3 operations elsewhere within the Executive Branch.

4 The commission shall submit the findings of the independent
5 study, along with the commission's recommendations for
6 appropriate executive, administrative, or legislative action, to the
7 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
8 19.1), to the Legislature.

9 (cf: P.L.2025, c.86, s.2)

10

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

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

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

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

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

29 (1) No commission member or employee shall be permitted to
30 enter and engage in any activities, nor have any interest, directly or
31 indirectly, in any medical cannabis cultivator, medical cannabis
32 manufacturer, medical cannabis dispensary, or clinical registrant
33 issued a permit by the commission in accordance with P.L.2009, c.307
34 (C.24:6I-1 et al.) or any entity that employs any certified medical
35 cannabis handler to perform transfers or deliveries of medical
36 cannabis, or any cannabis cultivator, cannabis manufacturer, cannabis
37 wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery
38 service issued a license by the commission in accordance with
39 P.L.2021, c.16 (C.24:6I-31 et al.) or any entity that employs or uses a
40 certified personal use cannabis handler to perform work for or on
41 behalf of a licensed cannabis establishment, distributor, or delivery
42 service, except in the course of the member's or employee's duties;
43 provided that nothing in this paragraph shall be construed to prohibit a
44 member or employee who is a registered qualifying patient, or who is
45 serving as a designated caregiver or institutional caregiver for a
46 registered qualifying patient, from being dispensed medical cannabis
47 consistent with the requirements of P.L.2009, c.307 (C.24:6I-1 et al.);
48 and further provided that nothing in this paragraph shall be construed

1 to prohibit a member or employee from being sold cannabis items by a
2 cannabis retailer as a consumer as authorized by P.L.2021, c.16
3 (C.24:6I-31 et al.).

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

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

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

41 (5) No spouse, domestic partner, or partner in a civil union couple,
42 or child, parent, or sibling of a commission member shall be employed
43 in any capacity by any holder of, or applicant for, a medical cannabis
44 cultivator, medical cannabis manufacturer, medical cannabis
45 dispensary, or clinical registrant permit or any entity that employs any
46 certified medical cannabis handler to perform transfers or deliveries of
47 medical cannabis, or a cannabis cultivator, cannabis manufacturer,
48 cannabis wholesaler, cannabis distributor, cannabis retailer, or

1 cannabis delivery service license or any entity that employs or uses a
2 certified personal use cannabis handler to perform work for or on
3 behalf of a licensed cannabis establishment, distributor, or delivery
4 service, nor by any holding, intermediary, or subsidiary company
5 thereof.

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

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

39 e. **[Each]** Except as otherwise provided in subparagraph (b) of
40 paragraph (6) of subsection b. of section 21 of P.L.2019, c.153
41 (C.24:6I-24), each commission member and employee shall devote the
42 member's or employee's entire time and attention to the member's or
43 employee's duties, as applicable, and shall not pursue any other
44 business or occupation or other gainful employment; provided,
45 however, that secretarial and clerical personnel may engage in such
46 other gainful employment as shall not interfere with their duties to the
47 commission, unless otherwise directed; and provided further, however,

1 that other employees of the commission may engage in such other
2 gainful employment as shall not interfere or be in conflict with their
3 duties to the commission upon approval by the commission.

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

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

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

13 (b) directly or indirectly coerce, attempt to coerce, command, or
14 advise any person to pay, lend, or contribute anything of value to a
15 party, committee, organization, agency, or person for political
16 purposes; or

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

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

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

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

41
42 ¹3. Section 31 of P.L.2021, c.16 (C.24:6I-45) is amended to
43 read as follows:

44 31. Municipal Regulations or Ordinances.

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

1 (1) governing the number of cannabis establishments,
2 distributors, or delivery services, as well as the location, manner,
3 and times of operation of establishments and distributors, but the
4 time of operation of delivery services shall be subject only to
5 regulation by the commission; and

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

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

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

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

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

43 d. (1) Notwithstanding any provision of law to the contrary, in
44 the case of a medical cannabis dispensary issued a permit pursuant
45 to the "Jake Honig Compassionate Use Medical Cannabis Act,"
46 P.L.2009, c.307 (C.24:6I-1 et al), which is applying for approval or
47 renewal of a Class 5 Cannabis Retailer license pursuant to
48 P.L.2021, c.16 (C.24:6I-31 et al.), and which is proposed to be co-

1 located on the premises of an existing medical cannabis dispensary
2 in a municipality that permits the sale of medical cannabis, but not
3 the retail sale of adult-use cannabis items, the Commission shall not
4 require municipal review, consent, or approval as a condition of
5 issuing a Class 5 Cannabis Retailer license for such location. Any
6 prior municipal approval authorizing the medical cannabis
7 dispensary to lawfully operate on the premises shall be deemed to
8 authorize the operation of a Class 5 Cannabis Retailer license at
9 such location

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

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

20 (cf: P.L.2021, c.16, s.31)]¹

21
22 ¹[4.] ^{3.}¹ Section 4 of P.L.1981, c.142 (C.52:13D-17.2) is
23 amended to read as follows:

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

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

42 (b) ¹[with respect to casino activity: any State officer or
43 employee subject to financial disclosure by law or executive order
44 and any other State officer or employee with responsibility for
45 matters affecting casino activity; any special State officer or
46 employee with responsibility for matters affecting casino activity;
47 any member of the Legislature; any full-time professional employee

1 of the Legislature; members of the Casino Reinvestment
2 Development Authority】 Deleted by amendment
3 P.L. , c. (pending before the Legislature as this bill)¹; or
4 (c) with respect to activity related to medical cannabis
5 authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) and
6 activity related to personal use cannabis authorized pursuant to
7 P.L.2021, c.16 (C.24:6I-31 et al.): ¹【any State officer or employee
8 subject to financial disclosure by law or executive order and】 the
9 Governor, the President of the Senate; the Speaker of the General
10 Assembly; any full-time member of the Judiciary; any full-time
11 professional employee of the Office of the Governor; the head of a
12 principal department; the assistant or deputy heads of a principal
13 department, including all assistant and deputy commissioners; the
14 head of any division of a principal department;¹ any other State
15 officer or employee with responsibility for matters affecting
16 medical cannabis activity or personal use cannabis activity; ¹and¹
17 any special State officer or employee with responsibility for matters
18 affecting medical cannabis activity or personal use cannabis activity
19 ¹【; members of the Cannabis Regulatory Commission】¹; or
20 (2) (a) any member of the governing body, or the municipal
21 judge or the municipal attorney of a municipality wherein a casino
22 is located; any member of or attorney for the planning board or
23 zoning board of adjustment of a municipality wherein a casino is
24 located, or any professional planner, or consultant regularly
25 employed or retained by such planning board or zoning board of
26 adjustment; or
27 (b) any member of the governing body or the municipal judge of
28 a municipality, any member of the planning board or zoning board
29 of adjustment, or any professional planner, or consultant regularly
30 employed or retained by such planning board or zoning board of
31 adjustment, of a municipality wherein a medical cannabis
32 cultivator, medical cannabis manufacturer, medical cannabis
33 dispensary, or clinical registrant issued a permit pursuant to
34 P.L.2009, c.307 (C.24:6I-1 et al.), or wherein a cannabis cultivator,
35 cannabis manufacturer, cannabis wholesaler, cannabis distributor,
36 cannabis retailer, or cannabis delivery service issued a license
37 pursuant to P.L.2021, c.16 (C.24:6I-31 et al.), is located.
38 b. (1) No State officer or employee, nor any person, nor any
39 member of the immediate family of any State officer or employee,
40 or person, nor any partnership, firm, or corporation with which any
41 such State officer or employee or person is associated or in which
42 he has an interest, nor any partner, officer, director, or employee
43 while he is associated with such partnership, firm, or corporation,
44 shall hold, directly or indirectly, an interest in, or hold employment
45 with, or represent, appear for, or negotiate on behalf of, any holder
46 of, or applicant for, a casino license, or any holding or intermediary
47 company with respect thereto, in connection with any cause,

1 application, or matter, except as provided in section 3 of P.L.2009,
2 c.26 (C.52:13D-17.3), and except that (a) a State officer or
3 employee other than a State officer or employee included in the
4 definition of person, and (b) a member of the immediate family of a
5 State officer or employee, or of a person, may hold employment
6 with the holder of, or applicant for, a casino license if, in the
7 judgment of the State Ethics Commission, the Joint Legislative
8 Committee on Ethical Standards, or the Supreme Court, as
9 appropriate, such employment will not interfere with the
10 responsibilities of the State officer or employee, or person, and will
11 not create a conflict of interest, or reasonable risk of the public
12 perception of a conflict of interest, on the part of the State officer or
13 employee, or person.

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

28 (2) No State officer or employee, nor any person, nor any
29 member of the immediate family of any State officer or employee,
30 or person, nor any partnership, firm, or corporation with which any
31 such State officer or employee or person is associated or in which
32 he has an interest, nor any partner, officer, director, or employee
33 while he is associated with such partnership, firm, or corporation,
34 shall hold, directly or indirectly, an interest in, or hold employment
35 with, or represent, appear for, or negotiate on behalf of, or derive
36 any remuneration, payment, benefit, or any other thing of value for
37 any services, including but not limited to consulting or similar
38 services, from any holder of, or applicant for, a license, permit, or
39 other approval to conduct Internet gaming, or any holding or
40 intermediary company with respect thereto, or any Internet gaming
41 affiliate of any holder of, or applicant for, a casino license, or any
42 holding or intermediary company with respect thereto, or any
43 business, association, enterprise, or other entity that is organized, in
44 whole or in part, for the purpose of promoting, advocating for, or
45 advancing the interests of the Internet gaming industry generally or
46 any Internet gaming-related business or businesses in connection
47 with any cause, application, or matter, except as provided in section
48 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State

1 officer or employee other than a State officer or employee included
2 in the definition of person, and (b) a member of the immediate
3 family of a State officer or employee, or of a person, may hold
4 employment with the holder of, or applicant for, a license, permit,
5 or other approval to conduct Internet gaming, or any holding or
6 intermediary company with respect thereto, or any Internet gaming
7 affiliate of any holder of, or applicant for, a casino license, or any
8 holding or intermediary company with respect thereto if, in the
9 judgment of the State Ethics Commission, the Joint Legislative
10 Committee on Ethical Standards, or the Supreme Court, as
11 appropriate, such employment will not interfere with the
12 responsibilities of the State officer or employee, or person, and will
13 not create a conflict of interest, or reasonable risk of the public
14 perception of a conflict of interest, on the part of the State officer or
15 employee, or person.

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

39 (a) a State officer or employee other than a State officer or
40 employee included in the definition of person **[, and]** may hold
41 employment with the holder of, or applicant for, a medical cannabis
42 cultivator, medical cannabis manufacturer, medical cannabis
43 dispensary, or clinical registrant permit or any entity that employs
44 any certified medical cannabis handler to perform transfers or
45 deliveries of medical cannabis, or a cannabis cultivator, cannabis
46 manufacturer, cannabis wholesaler, cannabis distributor, cannabis
47 retailer, or cannabis delivery service license or any entity that
48 employs or uses a certified personal use cannabis handler to

1 perform work for or on behalf of a licensed cannabis establishment,
2 distributor, or delivery service, if, in the judgment of the State
3 Ethics Commission, the Joint Legislative Committee on Ethical
4 Standards, or the Supreme Court, as appropriate, such employment
5 will not interfere with the responsibilities of the State officer or
6 employee, or person, and will not create a conflict of interest, or
7 reasonable risk of the public perception of a conflict of interest, on
8 the part of the State officer or employee ³[, or person]³;

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

27 (c) A member of the immediate family of any State officer or
28 employee ³, or of a person,³ may hold, directly or indirectly, an
29 interest in, ³or represent, appear for, or negotiate on behalf of any
30 holder of or applicant for³ a medical cannabis cultivator, medical
31 cannabis manufacturer, medical cannabis dispensary, or clinical
32 registrant permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et
33 al.) or any entity that employs any certified medical cannabis
34 handler to perform transfers or deliveries of medical cannabis, or
35 any holding or intermediary company with respect thereto, or a
36 cannabis cultivator, cannabis manufacturer, cannabis wholesaler,
37 cannabis distributor, cannabis retailer, or cannabis delivery service
38 license issued pursuant to P.L.2021, c.16 (C.24:6I-31 et al.), or any
39 entity that employs or uses a certified personal use cannabis handler
40 to perform work for or on behalf of a licensed cannabis
41 establishment, distributor, or delivery service, or any holding or
42 intermediary company with respect thereto, only if, in the judgment
43 of the State Ethics Commission, the Joint Legislative Committee on
44 Ethical Standards, or the Supreme Court, as appropriate, such
45 employment or interest will not interfere with the responsibilities of
46 the State officer or employee, or person, and will not create a
47 conflict of interest, or reasonable risk of the public perception of a

1 conflict of interest, on the part of the State officer or employee, or
2 person.

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

1 a certified personal use cannabis handler to perform work for or on
2 behalf of a licensed cannabis establishment, distributor, or delivery
3 service, or any holding or intermediary company with respect
4 thereto.¹³

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

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

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

40 Nothing herein contained shall alter or amend the post-
41 employment restrictions applicable to members and employees of
42 the Casino Control Commission and employees and agents of the
43 Division of Gaming Enforcement pursuant to paragraph (2) of
44 subsection e. of section 59 and section 60 of P.L.1977, c.110
45 (C.5:12-59 and C.5:12-60); and

46 (c) any partnership, firm, or corporation engaged in the practice
47 of law or in providing any other professional services with which
48 any person included in ¹【subparagraphs】 subparagraph¹ (a) ¹【and

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

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

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

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

28 (b) an employee who is terminated as a result of a reduction in
29 the workforce at the agency where employed, other than an
30 employee who held a policy-making management position at any
31 time during the five years prior to termination of employment, may,
32 at any time prior to the end of the two-year period, accept
33 employment with the holder of, or applicant for, a medical cannabis
34 cultivator, medical cannabis manufacturer, medical cannabis
35 dispensary, or clinical registrant permit or any entity that employs
36 any certified medical cannabis handler to perform transfers or
37 deliveries of medical cannabis, or a cannabis cultivator, cannabis
38 manufacturer, cannabis wholesaler, cannabis distributor, cannabis
39 retailer, or cannabis delivery service license or any entity that
40 employs or uses a certified personal use cannabis handler to
41 perform work for or on behalf of a licensed cannabis establishment,
42 distributor, or delivery service if, in the judgment of the State Ethics
43 Commission, the Joint Legislative Committee on Ethical Standards,
44 or the Supreme Court, as appropriate, such employment will not
45 create a conflict of interest, or reasonable risk of the public
46 perception of a conflict of interest, on the part of the employee. In
47 no case shall the restrictions of this subsection apply to a secretarial
48 or clerical employee. Nothing herein contained shall alter or amend

1 the post-service or post-employment restrictions applicable to
2 members and employees of the Cannabis Regulatory Commission
3 pursuant to paragraph (2) of subsection c. of section 34 and section
4 35 of P.L.2019, c.153 (C.24:6I-27 and C.24:6I-28); **and**

5 (c) any partnership, firm, or corporation engaged in the practice
6 of law or in providing any other professional services with which
7 any person included in ¹**subparagraphs (a) and** subparagraph¹ (c)
8 of paragraph (1) of subsection a. of this section, or a member of the
9 immediate family of that person, is associated, and any partner,
10 officer, director, or employee thereof, other than that person, or
11 immediate family member, may represent, appear for, or negotiate
12 on behalf of any holder of, or applicant for, a medical cannabis
13 cultivator, medical cannabis manufacturer, medical cannabis
14 dispensary, or clinical registrant permit or any entity that employs
15 any certified medical cannabis handler to perform transfers or
16 deliveries of medical cannabis, or a cannabis cultivator, cannabis
17 manufacturer, cannabis wholesaler, cannabis distributor, cannabis
18 retailer, or cannabis delivery service license or any entity that
19 employs or uses a certified personal use cannabis handler to
20 perform work for or on behalf of a licensed cannabis establishment,
21 distributor, or delivery service in connection with any cause,
22 application, or matter or any holding company or intermediary
23 company with respect to such holder of, or applicant for, a medical
24 cannabis cultivator, medical cannabis manufacturer, medical
25 cannabis dispensary, or clinical registrant permit or any entity that
26 employs any certified medical cannabis handler to perform transfers
27 or deliveries of medical cannabis, or a cannabis cultivator, cannabis
28 manufacturer, cannabis wholesaler, cannabis distributor, cannabis
29 retailer, or cannabis delivery service license or any entity that
30 employs or uses a certified personal use cannabis handler to
31 perform work for or on behalf of a licensed cannabis establishment,
32 distributor, or delivery service in connection with any phase of
33 development, permitting, licensing, or any other matter whatsoever
34 related to medical cannabis activity or personal use cannabis
35 activity, and that person or immediate family member shall not be
36 barred from association with such partnership, firm, or corporation,
37 if for a period of ³**one year** two years³ next subsequent to the
38 termination of the person's office or employment, the person or
39 immediate family member is screened from personal participation
40 in any such representation, appearance or negotiation. The
41 exception provided in this subparagraph shall not apply to a former
42 Governor, Lieutenant Governor, Attorney General, the President of
43 the Senate, the Speaker of the General Assembly, to a person
44 included in subparagraph (b) of paragraph (2) of subsection a. of
45 this section, or to the members of their immediate families; ¹**and**¹
46 and³

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

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

1 a certified personal use cannabis handler to perform work for or on
2 behalf of a licensed cannabis establishment, distributor, or delivery
3 service in connection with any phase of development, permitting,
4 licensure, or any other matter whatsoever related to medical
5 cannabis activity or personal use cannabis activity'¹³.

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

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

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

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

44 g. (1) No person shall influence, or attempt to influence, by use
45 of his official authority, the decision of the Casino Control
46 Commission or the investigation of the Division of Gaming
47 Enforcement in any application for casino licensure or in any
48 proceeding to enforce the provisions of this act or the regulations of

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

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

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

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

37
38 ¹**[5.] 4.**¹ (New section) a. The Division of State Police, in
39 consultation with local law enforcement agencies and the Cannabis
40 Regulatory Commission, shall develop and implement an
41 enforcement program to identify, investigate, and initiate
42 enforcement action against any person or entity engaged in the
43 unlicensed manufacture, distribution, or sale of ¹purported¹
44 cannabis or cannabis items ¹, which activities violate N.J.S.2C:35-5
45 as the unlawful manufacturing, distribution, or dispensing of
46 marijuana¹.

47 b. Upon the discovery of any violation by an unlicensed
48 business, the New Jersey State Police or the local law enforcement

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

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

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

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

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

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

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

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

(1) (a) Requires an employer to amend or repeal, or affect, restrict or preempt the rights and obligations of employers to maintain a drug- and alcohol-free workplace or require an employer to permit or accommodate the use, consumption, being under the influence, possession, transfer, display, transportation, sale, or

1 growth of cannabis or cannabis items in the workplace, or to affect
2 the ability of employers to have policies prohibiting use of cannabis
3 items or intoxication by employees during work hours;

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

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

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

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

44 (5) Is intended to permit any person to possess, consume, use,
45 display, transfer, distribute, sell, transport, or grow or manufacture
46 cannabis or cannabis items in a school, hospital, detention facility,
47 adult correctional facility, or youth correctional facility;

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

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

¹6. 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 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

1 operated by a licensed cannabis retailer or permit holder for
2 dispensing medical cannabis, for which both a State and local
3 endorsement has been obtained, that is either: (1) an indoor,
4 structurally enclosed area of the cannabis retailer or permit holder
5 that is separate from the area in which retail sales of cannabis items
6 or the dispensing of medical cannabis occurs; or (2) an exterior
7 structure on the same premises as the cannabis retailer or permit
8 holder, either separate from or connected to the cannabis retailer or
9 permit holder, at which cannabis items or medical cannabis either
10 obtained from the retailer or permit holder, or brought by a person
11 to the consumption area, may be consumed.

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

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

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

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

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

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

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

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

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

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

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

37 "Cannabis resin" means the resin extracted from any part of the
38 plant *Cannabis sativa* L., including cannabis extract and resin
39 extracted using non-chemical processes, processed and used in
40 accordance with P.L.2021, c.16 (C.24:6I-31 et al.). "Cannabis
41 resin" does not include: any form of medical cannabis dispensed to
42 registered qualifying patients pursuant to the "Jake Honig
43 Compassionate Use Medical Cannabis Act," P.L.2009, c.307
44 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);
45 hashish as defined in N.J.S.2C:35-2 and applied to any offense set
46 forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey
47 Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or as defined in
48 section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense

1 of the "New Jersey Controlled Dangerous Substances Act,"
2 P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product
3 cultivated, handled, processed, transported, or sold pursuant to the
4 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

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

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

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

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

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

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

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

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

13 "Department" means the Department of Health.

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

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

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

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

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

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

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

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

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

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

17 (b) with a population of not less than 60,000 or more than
18 80,000 according to the most recently compiled federal decennial
19 census; has a crime index total of 650 or higher based upon the
20 indexes listed in the 2019 annual Uniform Crime Report; and for
21 calendar year 2019 has a local average annual unemployment rate
22 of 3.0 percent or higher using the same estimated annual
23 unemployment rates.

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

34 "License" means a license issued under P.L.2021, c.16 (C.24:6I-
35 31 et al.), including a license that is designated as either a Class 1
36 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer
37 license, a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis
38 Distributor license, a Class 5 Cannabis Retailer license, or a Class 6
39 Cannabis Delivery license. The term includes a conditional license
40 for a designated class, except when the context of the provisions of
41 P.L.2021, c.16 (C.24:6I-31 et al.) otherwise intend to only apply to
42 a license and not a conditional license.

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

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

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

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

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

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

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

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

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

47 "Premises" or "licensed premises" includes the following areas
48 of a location licensed under P.L.2021, c.16 (C.24:6I-31 et al.): all

1 public and private enclosed areas at the location that are used in the
2 business operated at the location, including offices, kitchens, rest
3 rooms, and storerooms; all areas outside a building that the
4 Cannabis Regulatory Commission has specifically licensed for the
5 production, manufacturing, wholesaling, distributing, retail sale, or
6 delivery of cannabis items; and, for a location that the commission
7 has specifically licensed for the production of cannabis outside a
8 building, the entire lot or parcel that the licensee owns, leases, or
9 has a right to occupy.

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

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

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

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

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

45 "THC" means delta-9-tetrahydrocannabinol and its precursor,
46 tetrahydrocannabinolic acid, the main psychoactive chemicals
47 contained in the cannabis plant.

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

10 "Usable cannabis" means the dried leaves and flowers of the
11 female plant *Cannabis sativa* L., and does not include the seedlings,
12 seeds, stems, stalks, or roots of the plant.¹

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

14
15 ¹7. Section 19 of P.L.2021, c.16 (C.24:6I-36) is amended to read
16 as follows:

17 19. Application For License or Conditional License.

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

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

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

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

46 (c) verify the information contained in the application and
47 review the qualifications for the applicable license class, set forth in
48 section 20, 22, 23, 24, 25, or 26 of P.L.2021, c.16 (C.24:6I-37,

1 C.24:6I-39, C.24:6I-40, C.24:6I-41, C.24:6I-42, or C.24:6I-43), and
2 regulations concerning qualifications for licensure promulgated by
3 the commission for which the applicant seeks licensure, and not
4 more than 90 days after the receipt of an application, make a
5 determination as to whether the application is approved or denied,
6 or that the commission requires more time to adequately review the
7 application.

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

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

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

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

41 (a) begin accepting and processing applications from applicants
42 within 30 days after the commission's initial rules and regulations
43 have been adopted pursuant to subparagraph (a) of paragraph (1) of
44 subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34), and
45 ensure that at least 35 percent of the total licenses issued for each
46 class of cannabis establishment, and for cannabis distributors and
47 delivery services, are conditional licenses, which 35 percent figure
48 shall also include any conditional license issued to an applicant

1 which is subsequently replaced by the commission with an annual
2 license due to that applicant's compliance for the annual license
3 pursuant to subsubparagraph (i) of subparagraph (d) of this
4 paragraph;

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

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

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

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

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

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

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

46 (vi) a certification that each person with a financial interest who
47 also has decision making authority for the proposed cannabis
48 establishment, distributor, or delivery service does not have any

1 financial interest in an application for an annual license under
2 review before the commission or a cannabis establishment,
3 distributor, or delivery service that is currently operating with an
4 annual license;

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

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

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

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

18 (xi) any other requirements established by the commission
19 pursuant to regulation; and

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

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

36 (i) If the application is approved, upon collection of the
37 conditional license fee, the commission shall issue a conditional
38 license to the applicant, which is non-transferable for its duration,
39 no later than 30 days after giving notice of approval of the
40 application, unless the commission finds the applicant is not in
41 compliance with regulations for conditional licenses enacted
42 pursuant to the provisions of paragraph (1) of subsection d. of
43 section 6 of P.L.2021, c.16 (C.24:6I-34) or the commission is
44 notified by the relevant municipality that the applicant is not in
45 compliance with ordinances and regulations made pursuant to the
46 provisions of section 31 of P.L.2021, c.16 (C.24:6I-45) and in effect
47 at the time of application, provided, if a municipality has enacted a
48 numerical limit on the number of marijuana cannabis

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

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

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

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

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

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

47 (a) An initial application for licensure shall be evaluated
48 according to criteria to be developed by the commission. There

1 shall be included bonus points for applicants who are residents of
2 New Jersey.

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

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

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

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

- 36 - manufacture and creation of cannabis products using
37 appropriate extraction methods, including intended use and sourcing
38 of extraction equipment and associated solvents or intended
39 methods and equipment for non-solvent extraction;
- 40 - quality control and quality assurance;
- 41 - recall plans;
- 42 - packaging and labeling;
- 43 - inventory control and tracking software or systems for the
44 manufacturing, warehousing, transportation, or delivery of cannabis
45 and cannabis items;
- 46 - analytical chemistry and testing of cannabis items;
- 47 - water management practices;
- 48 - odor mitigation practices;

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

- 1 - cybersecurity procedures;
- 2 - workplace safety plans and the applicant's familiarity with
- 3 federal Occupational Safety and Health Administration regulations;
- 4 - the applicant's history of workers' compensation claims and
- 5 safety assessments;
- 6 - procedures for reporting adverse events; and
- 7 - a sanitation practices plan.
- 8 (iii) A summary of the applicant's business experience, including
- 9 the following, if applicable:
- 10 - the applicant's experience operating businesses in highly-
- 11 regulated industries;
- 12 - the applicant's experience in operating cannabis establishments
- 13 or alternative treatment centers and related cannabis production,
- 14 manufacturing, warehousing, or retail entities, or experience in
- 15 operating cannabis distributors or delivery services, under the laws
- 16 of New Jersey or any other state or jurisdiction within the United
- 17 States; and
- 18 - the applicant's plan to comply with and mitigate the effects of
- 19 26 U.S.C. s.280E on cannabis businesses, and for evidence that the
- 20 applicant is not in arrears with respect to any tax obligation to the
- 21 State.
- 22 In evaluating the experience described under this
- 23 subsubparagraph, the commission shall afford the greatest weight to
- 24 the experience of the applicant itself, controlling owners, and
- 25 entities with common ownership or control with the applicant;
- 26 followed by the experience of those with a 15 percent or greater
- 27 ownership interest in the applicant's organization; followed by
- 28 significantly involved persons in the applicant's organization;
- 29 followed by other officers, directors, and current and prospective
- 30 employees of the applicant who have a bona fide relationship with
- 31 the applicant's organization as of the date of the application.
- 32 (iv) A description of the proposed location for the applicant's
- 33 site, including the following, if applicable:
- 34 - the proposed location, the surrounding area, and the suitability
- 35 or advantages of the proposed location, along with a floor plan and
- 36 optional renderings or architectural or engineering plans;
- 37 - the submission of zoning approvals for the proposed location,
- 38 which shall consist of a letter or affidavit from appropriate officials
- 39 of the municipality that the location will conform to local zoning
- 40 requirements allowing for activities related to the operations of the
- 41 proposed cannabis cultivator, cannabis manufacturer, cannabis
- 42 wholesaler, cannabis distributor, cannabis retailer, or cannabis
- 43 delivery service as will be conducted at the proposed facility; and
- 44 - the submission of proof of local support for the suitability of
- 45 the location, which may be demonstrated by a resolution adopted by
- 46 the municipality's governing body indicating that the intended
- 47 location is appropriately located or otherwise suitable for activities
- 48 related to the operations of the proposed cannabis cultivator,

1 cannabis manufacturer, cannabis wholesaler, cannabis distributor,
2 cannabis retailer, or cannabis delivery service.

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

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

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

27 - a community impact plan summarizing how the applicant
28 intends to have a positive impact on the community in which the
29 proposed cannabis establishment, distributor, or delivery service is
30 to be located, which shall include an economic impact plan and a
31 description of outreach activities;

32 - a written description of the applicant's record of social
33 responsibility, philanthropy, and ties to the proposed host
34 community;

35 - a written description of any research the applicant has
36 conducted on the adverse effects of the use of cannabis items,
37 substance use disorder, and the applicant's participation in or
38 support of cannabis-related research and educational activities; and

39 - a written plan describing any research and development
40 regarding the adverse effects of cannabis, and any cannabis-related
41 educational and outreach activities, which the applicant intends to
42 conduct if issued a license by the commission.

43 In evaluating the information submitted pursuant to this
44 subsubparagraph, the commission shall afford the greatest weight to
45 responses pertaining to the applicant itself, controlling owners, and
46 entities with common ownership or control with the applicant;
47 followed by those with a 15 percent or greater ownership interest in
48 the applicant's organization; followed by significantly involved

1 persons in the applicant's organization; followed by other officers,
2 directors, and current and prospective employees of the applicant
3 who have a bona fide relationship with the applicant's organization
4 as of the date of the application.

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

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

13 - an executive summary of the applicant's business plan;

14 - a demonstration of the applicant's financial ability to implement
15 its business plan, which may include, but shall not be limited to,
16 bank statements, business and individual financial statements, net
17 worth statements, and debt and equity financing statements; and

18 - a description of the applicant's plan to comply with guidance
19 pertaining to cannabis issued by the Financial Crimes Enforcement
20 Network under 31 U.S.C. s.5311 et seq., the federal "Bank Secrecy
21 Act," which may be demonstrated by submitting letters regarding
22 the applicant's banking history from banks or credit unions that
23 certify they are aware of the business activities of the applicant, or
24 entities with common ownership or control with the applicant, in
25 any state where the applicant has operated a business related to
26 personal use or medical cannabis. For the purposes of this
27 subsubparagraph, the commission shall consider only bank
28 references involving accounts in the name of the applicant or of an
29 entity with common ownership or control with the applicant. An
30 applicant who does not submit the information about a plan of
31 compliance with the federal "Bank Secrecy Act" shall not be
32 disqualified from consideration.

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

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

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

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

1 (b) Applicants that are party to a collective bargaining
2 agreement with a bona fide labor organization that currently
3 represents, or is actively seeking to represent cannabis workers in
4 New Jersey.

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

8 (d) Applicants that submit a signed project labor agreement with
9 a bona fide building trades labor organization, which is a form of
10 pre-hire collective bargaining agreement covering terms and
11 conditions of a specific project, including labor issues and worker
12 grievances associated with that project, for the construction or
13 retrofit of the facilities associated with the licensed entity.

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

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

20 (3) In reviewing an initial license application, unless the
21 information is otherwise solicited by the commission in a specific
22 application question, the commission's evaluation of the application
23 shall be limited to the experience and qualifications of the
24 applicant's organization, including controlling owners, any entities
25 with common ownership or control with the applicant, those with a
26 15 percent or greater ownership interest in the applicant's
27 organization, significantly involved persons in the applicant's
28 organization, the other officers, directors, and current or prospective
29 employees of the applicant who have a bona fide relationship with
30 the applicant's organization as of the date of the application, and
31 consultants and independent contractors who have a bona fide
32 relationship with the applicant as of the date of the application.
33 Responses pertaining to applicants who are exempt from the
34 criminal history record background check requirements of
35 P.L.2021, c.16 (C.24:6I-31 et al.) shall not be considered. Each
36 applicant shall certify as to the status of the individuals and entities
37 included in the application.

38 (4) The commission shall give special consideration to any
39 applicant that has entered into an agreement with an institution of
40 higher education to create an integrated curriculum involving the
41 cultivation, manufacturing, wholesaling, distributing, retail sales, or
42 delivery of personal use cannabis or cannabis items, provided that
43 the curriculum is approved by both the commission and the Office
44 of the Secretary of Higher Education and the applicant agrees to
45 maintain the integrated curriculum in perpetuity. An integrated
46 curriculum license shall be subject to revocation if the license
47 holder fails to maintain or continue the integrated curriculum. In the
48 event that, because of circumstances outside a license holder's

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

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

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

39 e. (1) The commission shall also prioritize applications on the
40 basis of impact zones, for which past criminal marijuana enterprises
41 contributed to higher concentrations of law enforcement activity,
42 unemployment, and poverty, or any combination thereof, within
43 parts of or throughout these zones, regardless of whether there is
44 any competition among applications for a particular class of license.
45 An "impact zone" means any municipality that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

40 (2) A microbusiness shall meet the following requirements:

41 (a) 100 percent of the ownership interest in the microbusiness
42 shall be held by current New Jersey residents who have resided in
43 the State for at least the past two consecutive years;

44 (b) at least 51 percent of the owners, directors, officers, or
45 employees of the microbusiness shall be residents of the
46 municipality in which the microbusiness is located, or to be located,
47 or a municipality bordering the municipality in which the
48 microbusiness is located, or to be located;

- 1 (c) concerning business operations, and capacity and quantity
2 restrictions:
- 3 (i) employ no more than 10 employees;
- 4 (ii) operate a cannabis establishment occupying an area of no
5 more than 2,500 square feet, and in the case of a cannabis
6 cultivator, grow cannabis on an area no more than 2,500 square feet
7 measured on a horizontal plane and grow above that plane not
8 higher than 24 feet; provided, that a cannabis cultivator's grow
9 space may, if approved by the commission, be part of a larger
10 premises that is owned or operated by a cannabis cultivator that is
11 not a licensed microbusiness, allowing for the sharing of a physical
12 premises and certain business operations, but only the
13 microbusiness cannabis cultivator shall grow cannabis on and above
14 the cultivator's grow space;
- 15 (iii) possess no more than 1,000 cannabis plants each month,
16 except that a cannabis distributor's possession of cannabis plants for
17 transportation shall not be subject to this limit;
- 18 (iv) in the case of a cannabis manufacturer, acquire no more than
19 1,000 pounds of usable cannabis each month;
- 20 (v) in the case of a cannabis wholesaler, acquire for resale no
21 more than 1,000 pounds of usable cannabis, or the equivalent
22 amount in any form of manufactured cannabis product or cannabis
23 resin, or any combination thereof, each month; and
- 24 (vi) in the case of a cannabis retailer, acquire for retail sale no
25 more than 1,000 pounds of usable cannabis, or the equivalent
26 amount in any form of manufactured cannabis product or cannabis
27 resin, or any combination thereof, each month;
- 28 (d) no owner, director, officer, or other person with a financial
29 interest who also has decision making authority for the
30 microbusiness shall hold any financial interest in any other licensed
31 cannabis establishment, distributor, or delivery service, whether or
32 not a microbusiness;
- 33 (e) no owner, director, officer, or other person with a financial
34 interest who also has decision making authority for a licensed
35 cannabis establishment, distributor, or delivery service, whether or
36 not a microbusiness, shall hold any financial interest in a
37 microbusiness;
- 38 (f) the microbusiness shall not sell or transfer the license issued
39 to it; and
- 40 (g) the microbusiness shall comply with such other requirements
41 as may be established by the commission by regulation.
- 42 (3) A license designated and issued to a microbusiness shall be
43 valid for one year and may be renewed annually, or alternatively
44 replaced, while still valid, with an annual license allowing the
45 microbusiness to convert and continue its operations as a licensed
46 person or entity that is not a microbusiness subject to the provisions
47 of this subsection, based upon a process and criteria established by
48 the commission in regulation for the conversion.

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

14 (b) Any new annual license issued pursuant to this paragraph
15 allowing a microbusiness to convert and continue its operations as a
16 licensed person or entity that is not a microbusiness subject to the
17 provisions of this subsection shall be counted towards the
18 percentages of licenses that are designated for and only issued to
19 microbusinesses as set forth in paragraph (1) of this subsection,
20 notwithstanding the microbusiness' converted operations.

21 g. In addition to any other information required to be submitted
22 to the commission pursuant to this section, the commission shall
23 require all license applicants to submit a copy of any services
24 agreement entered into by the applicant with a third-party entity,
25 which agreement shall be subject to review as provided in
26 subsection h. of this section.

27 h. The commission shall have the authority to review any
28 services agreement submitted pursuant to subsection g. of this
29 section and any agreement to provide significant financial or
30 technical assistance or the significant use of intellectual property to
31 an applicant, to determine whether the terms of the agreement,
32 including interest rates, returns, and fees, are commercially
33 reasonable and consistent with the fair market value for the terms
34 generally applicable to agreements of a comparable nature. In the
35 event the commission determines the terms of an agreement are not
36 commercially reasonable or consistent with the fair market value
37 generally applicable to the services to be provided under the
38 agreement, the commission shall have the authority to withhold
39 approval of the license application until the parties renegotiate a
40 new agreement that, as determined by the commission, is
41 commercially reasonable and consistent with the fair market value
42 for the terms generally applicable to agreements of a comparable
43 nature. The parties to the agreement may request that the
44 commission provide guidance as to what terms it would find to be
45 commercially reasonable and consistent with the fair market value
46 generally applicable to agreements of a comparable nature. Nothing
47 in this subsection shall be construed to require the commission to
48 award a license to an applicant if the commission determines the

1 applicant does not otherwise meet the requirements for issuance of
2 the license.¹

3 (cf: P.L.2023, c.177, s.55)
4

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

7 33. Marketplace Regulation.

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

33 (b) Throughout the 24-month period set forth in subparagraph
34 (a) of this paragraph, the commission, except as authorized by
35 paragraph (2) of subsection b. of this section, shall not allow,
36 providing there exist qualified applicants, more than 37 cannabis
37 cultivators to be simultaneously licensed and engaging in cannabis
38 production, which number shall include any alternative treatment
39 centers deemed to be licensed as cannabis cultivators who are
40 issued licenses by the commission pursuant to paragraph (3) of this
41 subsection; provided that cannabis cultivator licenses issued to
42 microbusinesses pursuant to subsection f. of section 19 of P.L.2021,
43 c.16 (C.24:6I-36) shall not count towards this limit.

44 (2) For a period of 24 months after the effective date of
45 P.L.2021, c.16 (C.24:6I-31 et al.), it shall be unlawful for any
46 owner, part owner, stockholder, officer, or director of any
47 corporation, or any other person engaged in any retailing of any
48 cannabis items to engage in the growing of, testing of,

1 manufacturing of, wholesaling of, or transporting in bulk any
2 cannabis items, or to own either whole or in part, or to be a
3 shareholder, officer or director of a corporation or association,
4 directly or indirectly, interested in any cannabis cultivator,
5 cannabis manufacturer, cannabis wholesaler, cannabis distributor,
6 cannabis delivery service, or cannabis testing facility.

7 (3) (a) (i) Except with respect to the cap on the number of
8 cannabis cultivator licenses set forth in subparagraph (b) of
9 paragraph (1) of this subsection, the provisions of paragraphs (1)
10 and (2) of this subsection shall not apply to any alternative
11 treatment center that was issued a permit prior to the effective date
12 of P.L.2019, c.153 (C.24:6I-5.1 et al.), or to any alternative
13 treatment center that was issued a permit subsequent to that
14 effective date pursuant to an application submitted prior to that
15 effective date,

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

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

39 and which alternative treatment center is also deemed, pursuant
40 to subparagraph (ii) of subparagraph (c) of paragraph (2) of
41 section 7 of P.L.2009, c.307 (C.24:6I-7), to either concurrently hold
42 a Class 1 Cannabis Cultivator license, a Class 2 Cannabis
43 Manufacturer license, a Class 5 Cannabis Retailer license, plus an
44 additional Class 5 Cannabis Retailer license for each satellite
45 dispensary authorized and established by an alternative treatment
46 center pursuant to subparagraph (d) of paragraph (2) of subsection
47 a. of section 7 of P.L.2009, c.307 (C.24:6I-7), and a Class 6
48 Cannabis Delivery license, or alternatively to hold a Class 3

1 Cannabis Wholesaler license, and may also be deemed to hold a
2 Class 4 Cannabis Distributor license.

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

33 (iii) An alternative treatment center with approval from a
34 municipality pursuant to subsubparagraph (ii) of this subparagraph
35 shall not engage in activities related to the growing, manufacturing,
36 wholesaling, transporting or delivering of cannabis or cannabis
37 items until it has certified to the commission that that it has
38 sufficient quantities of medical cannabis and medical cannabis
39 products available to meet the reasonably anticipated needs of
40 registered qualifying patients, and the commission has accepted the
41 alternative treatment center's certification, which acceptance is
42 conditioned on the commission's review of the alternative treatment
43 center as set forth in subsubparagraph (iv) of this subparagraph.
44 Upon acceptance of the certification, the commission shall issue the
45 initial license to the alternative treatment center for a cannabis
46 establishment of the appropriate class or for a cannabis distributor
47 or delivery service.

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

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

37 In determining whether to accept, pursuant to this subparagraph,
38 an alternative treatment center's certification that it has sufficient
39 quantities of medical cannabis or medical cannabis products
40 available to meet the reasonably anticipated needs of registered
41 qualifying patients, the commission shall assess patient enrollment,
42 inventory, sales of medical cannabis and medical cannabis products,
43 and any other factors determined by the commission through
44 regulation.

45 As a condition of licensure following acceptance of a
46 certification, an alternative treatment center shall meet the
47 anticipated treatment needs of registered qualifying patients before
48 meeting the retail requests of cannabis consumers, and the

1 alternative treatment center shall not make operational changes that
2 reduce access to medical cannabis for registered qualifying patients
3 in order to operate a cannabis establishment or delivery service. If
4 an alternative treatment center is found by the commission to not
5 have sufficient quantities of medical cannabis or medical cannabis
6 products available to meet the reasonably anticipated needs of
7 qualified patients, the commission may issue fines, limit retail or
8 other sales, temporarily suspend the alternative treatment center's
9 cannabis establishment, distributor, or delivery service license, or
10 issue any other penalties determined by the commission through
11 regulation.

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

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

41 (1) (a) a Class 1 Cannabis Cultivator license or its owners
42 through a separate company, a Class 2 Cannabis Manufacturer
43 license or its owners through a separate company, a Class 5
44 Cannabis Retailer license or its owners through a separate company,
45 and a Class 6 Cannabis Delivery license or its owners through a
46 separate company concurrently, provided that no license holder
47 shall be authorized to concurrently hold more than one license of
48 each class, except in accordance with subsection c. of this section

1 and for an alternative treatment center that was deemed, during the
2 24-month period, to have an additional Class 5 Cannabis Retailer
3 license for each satellite dispensary that was authorized and
4 established by the alternative treatment center pursuant to
5 subparagraph (d) of paragraph (2) of subsection a. of section 7 of
6 P.L.2009, c.307 (C.24:6I-7). These additional retailer licenses only
7 permit the retail operation of each satellite dispensary, and shall not
8 be replaced by any other class of cannabis establishment distributor,
9 or delivery service license; or

10 (b) a Class 3 Cannabis Wholesaler license and a Class 4
11 Cannabis Distributor license. In no case may a holder of a Class 3
12 Cannabis Wholesaler license concurrently hold a license of any
13 other class of cannabis establishment, or concurrently hold a license
14 as a cannabis delivery service.

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

25 (3) A license holder may submit an application for a license of
26 any type that the license holder does not currently hold prior to the
27 expiration of the 24-month period set forth in subparagraph (a) of
28 paragraph (1) of subsection a. of this section, or thereafter, does not
29 currently hold pursuant to paragraph (1) of this subsection, provided
30 that no license shall be awarded to the license holder during the 24-
31 month period, or thereafter, if issuance of the license would violate
32 the restrictions set forth in subsection a. of this section concerning
33 the classes of licenses that may be concurrently held during that 24-
34 month period, or the restrictions set forth in paragraph (1) of this
35 subsection.

36 c. Notwithstanding the provisions of this section, an investor,
37 investor group, or fund that provides significant financial or
38 technical assistance or the significant use of intellectual property, or
39 a combination thereof, to an applicant for a Class 5 cannabis retailer
40 license, which applicant has been certified as a minority business
41 pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.), a women's
42 business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.), or is
43 a disabled-veterans' business, as defined in section 2 of P.L.2015,
44 c.116 (C.52:32-31.2), may own up to a 35 percent interest in up to
45 seven entities that have been issued a Class 5 cannabis retailer
46 license, provided that each such retailer is a certified minority or
47 women's business or a disabled-veterans' business, and the terms of
48 the agreement to provide significant financial or technical

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

35 An applicant for a Class 5 cannabis retailer license that receives
36 significant financial or technical assistance or the significant use of
37 intellectual property under this subsection shall pay back to the
38 investor, investor group, or fund the full value of the financial or
39 technical assistance or intellectual property provided under the
40 agreement, plus any applicable interest and fees, in a period not less
41 than five years after the date of the agreement if the full value of the
42 assistance or property is less than \$100,000, in a period not less
43 than seven years after the date of the agreement if the full value of
44 the assistance or property is between \$100,001 and \$250,000, in a
45 period not less than 10 years after the date of agreement if the full
46 value of the assistance or property is between \$250,001 and
47 \$500,000, and, subject to any terms and conditions imposed by a
48 lender, in a period not less than 10 years after the date of the

1 agreement if the full value of the assistance or property is greater
2 than \$500,000. An investor, investor group, or fund that has
3 acquired an ownership interest in one or more entities that have
4 been issued a Class 5 cannabis retailer license as authorized under
5 this subsection may maintain the ownership interest after the date
6 the full value of the financial or technical assistance or use of
7 intellectual property provided under the agreement, plus interest
8 and fees, has been repaid by the applicant that received the
9 assistance or use of intellectual property.

10 In no case may the controlling interest in the entity that holds a
11 Class 5 cannabis retailer license in which an investor, investor
12 group, or fund owns an interest as authorized pursuant to this
13 subsection revert to the investor, investor group, or fund in the
14 event of a default or failure by the certified minority or women's
15 business or disabled-veterans' business, as applicable ²], and [any
16 such controlling interest may only be transferred to a certified
17 minority or women's business or a disabled-veterans' business] the
18 entity shall remain a certified minority or women's business or a
19 disabled-veterans' business, as applicable under the law]².

20 An entity issued a Class 1 cannabis cultivator license, Class 2
21 cannabis manufacturer license, or Class 5 cannabis retailer license,
22 or an alternative treatment center, or an individual associated with
23 the ownership or management of such entity, may invest or
24 participate in an investor group or a fund that meets the
25 requirements of this subsection with respect to a Class 5 cannabis
26 retailer license or an alternative treatment center permit.

27 d. ³[Notwithstanding any law to the contrary, an immediate
28 family member, other than a spouse, of a holder of a cannabis
29 license issued pursuant to P.L.2021, c.16 (C.24:6I-31 et al.) may
30 submit an application for any type of license, provided that such
31 person complies with all other applicable rules and regulations
32 related to the application process enforced by the commission.¹]
33 With respect to the implementation of the prohibition against a
34 license holder concurrently holding more than one license of each
35 class under subparagraph (a) of paragraph (1) of subsection b. of
36 this section, no restriction shall impute to any individual based upon
37 such individual's familial relationship with the license holder or
38 owner of license holder unless the individual is a member of the
39 immediate family of the license holder or owner of the license
40 holder. As used in this subsection, "immediate family" means the
41 spouse, domestic partner, or civil union partner, and any dependent
42 child or stepchild, recognized by blood or by law, of the license
43 holder or owner of the license holder, or of the spouse, domestic
44 partner, or civil union partner residing in the same household as the
45 license holder or owner of license holder.³

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

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

3 6. Commission Activities Associated with the Personal Use of
4 Cannabis.

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

12 b. The duties, functions and powers of the commission shall
13 include the following:

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

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

23 (3) To investigate and aid in the prosecution of every violation of
24 the statutory laws of this State relating to cannabis and cannabis items
25 and to cooperate in the prosecution of offenders before any State court
26 of competent jurisdiction;

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

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

35 (a) Issuing subpoenas;

36 (b) Compelling attendance of witnesses;

37 (c) Administering oaths;

38 (d) Certifying official acts;

39 (e) Taking depositions as provided by law;

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

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

46 (6) To adopt rules regulating and prohibiting the advertising of
47 cannabis items in a manner that is appealing to minors; that promotes

1 excessive use; that promotes illegal activity; or that otherwise presents
2 a significant risk to public health and safety; **[and]**

3 (7) To regulate the use of cannabis and cannabis items for
4 scientific, pharmaceutical, manufacturing, mechanical, industrial, and
5 other purposes; and

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

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

27 d. (1) (a) Within 180 days after the effective date of this section,
28 which takes effect immediately upon enactment of P.L.2021, c.16
29 (C.24:6I-31 et al.), or within 45 days of all five members of the
30 commission being duly appointed in accordance with the appointment
31 process set forth in paragraph (2) of subsection b. of section 31 of
32 P.L.2019, c.153 (C.24:6I-24), whichever date is later, and
33 notwithstanding the provisions of the "Administrative Procedure Act,"
34 P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, the commission,
35 after consultation with the Attorney General, State Treasurer,
36 Commissioner of Health, and Commissioner of Banking and
37 Insurance, shall, immediately upon filing proper notice with the Office
38 of Administrative Law, adopt rules and regulations prepared by the
39 commission necessary or proper to enable it to carry out the
40 commission's duties, functions, and powers with respect to overseeing
41 the development, regulation, and enforcement of activities associated
42 with the personal use of cannabis pursuant to P.L.2021, c.16 (C.24:6I-
43 31 et al.).

44 (b) The initial rules and regulations adopted pursuant to
45 subparagraph (a) of this paragraph shall be in effect for a period not to
46 exceed one year after the date of filing with the Office of
47 Administrative Law. These rules and regulations shall thereafter be
48 adopted, amended, or readopted, and any subsequent rules and

1 regulations adopted, amended, or readopted, by the commission in
2 accordance with the requirements of the "Administrative Procedure
3 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), after consultation with
4 other department heads, as the commission deems appropriate.

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

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

26
27 ²10. Section 27 of P.L.2021, c.16 (C.24:6I-44) is amended to read
28 as follows:

29 27. Personal Use Cannabis Handlers; Transportation and Delivery
30 of Cannabis and Cannabis Items.

31 a. (1) An individual who performs work for or on behalf of a
32 person who holds a license classified pursuant to section 20, 22, 23,
33 24, 25, or 26 of P.L.2021, c.16 (C.24:6I-37, C.24:6I-39, C.24:6I-40,
34 C.24:6I-41, C.24:6I-42, or C.24:6I-43) shall have a valid certification
35 issued by the commission under this section if the individual
36 participates in:

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

39 (b) the recording of the possession, securing, or selling of cannabis
40 or cannabis items at the premises for which the license has been
41 issued; or

42 (c) the transportation of cannabis or cannabis items between
43 licensed cannabis establishments or testing facilities, or delivery of
44 cannabis items to consumers.

45 (2) An individual who has a valid certification as a personal use
46 cannabis handler issued under this section may also simultaneously
47 have a valid certification as a medical cannabis handler issued under
48 section 27 of P.L.2019, c.153 (C.24:6I-20) to perform work for or on

1 behalf of entities issued medical cannabis permits or licenses as
2 described in subsection a. of that section.

3 b. A person who holds a license classified pursuant to section 20,
4 22, 23, 24, 25, or 26 of P.L.2021, c.16 (C.24:6I-37, C.24:6I-39,
5 C.24:6I-40, C.24:6I-41, C.24:6I-42, or C.24:6I-43) shall verify that an
6 individual has a valid certification issued under this section before
7 allowing the individual to perform any work described in this section
8 for which the license has been issued pursuant to those sections.

9 c. The commission shall issue certifications to qualified
10 applicants to perform work described in this section. The commission
11 shall adopt rules and regulations establishing: the qualifications for
12 performing work described in this section; the terms of a certification
13 issued under this section; procedures for applying for and renewing a
14 certification issued under this section; and reasonable application,
15 issuance, and renewal fees for a certification issued under this section.

16 d. (1) (a) The commission may require an individual applying for a
17 certification under this section to successfully complete a course, made
18 available by or through the commission, in which the individual
19 receives training on: checking identification; detecting intoxication;
20 handling cannabis and cannabis items; statutory and regulatory
21 provisions relating to cannabis; and any matter deemed necessary by
22 the commission to protect the public health and safety. The
23 commission or other provider may charge a reasonable fee for the
24 course.

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

29 (2) As part of a final order suspending a certification issued under
30 this section, the commission may require a holder of a certification to
31 successfully complete the course as a condition of lifting the
32 suspension, and as part of a final order revoking a certification issued
33 under this section the commission shall require an individual to
34 successfully complete the course prior to applying for a new
35 certification.

36 e. (1) **Each** Except as provided in paragraph (5) of this
37 subsection, each individual applying for a certification under this
38 section shall undergo a criminal history record background check. The
39 commission is authorized to exchange fingerprint data with and
40 receive criminal history record background information from the
41 Division of State Police and the Federal Bureau of Investigation
42 consistent with the provisions of applicable State and federal laws,
43 rules, and regulations. The Division of State Police shall forward
44 criminal history record background information to the commission in a
45 timely manner when requested pursuant to the provisions of this
46 subsection.

47 (2) Each individual shall submit to being fingerprinted in
48 accordance with applicable State and federal laws, rules, and

1 regulations. No check of criminal history record background
2 information shall be performed pursuant to this subsection unless the
3 individual has furnished written consent to that check. Any individual
4 who refuses to consent to, or cooperate in, the securing of a check of
5 criminal history record background information shall not be
6 considered for a certification. Each individual shall bear the cost for
7 the criminal history record background check, including all costs of
8 administering and processing the check.

9 (3) Upon receipt and review of the criminal history record
10 background information from the Division of State Police and the
11 Federal Bureau of Investigation, the commission shall provide written
12 notification to the individual of the qualification or disqualification for
13 a certification. If the individual is disqualified because of a
14 disqualifying conviction as set forth in subsection f. of this section, the
15 conviction that constitutes the basis for the disqualification shall be
16 identified in the written notice.

17 (4) The Division of State Police shall promptly notify the
18 commission in the event that an individual who was the subject of a
19 criminal history record background check conducted pursuant to this
20 subsection is convicted of a crime in this State after the date the
21 background check was performed. Upon receipt of that notification,
22 the commission shall make a determination regarding the continued
23 eligibility to hold a certification.

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

28 f. (1) (a) With respect to determining whether any conviction of an
29 individual contained in the criminal history record background check
30 should disqualify an applicant for a certification, the commission shall
31 not take into consideration any conviction for a crime or offense that
32 occurred prior to the effective date of P.L.2021, c.16 (C.24:6I-31 et
33 al.) involving a controlled dangerous substance or controlled substance
34 analog as set forth in paragraph (11) or (12) of subsection b., or
35 subparagraph (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5,
36 or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any
37 similar indictable offense under federal law, this State's law, or any
38 other state's law, or for any conviction under federal law for conduct
39 involving cannabis or a cannabis item that is authorized by P.L.2021,
40 c.16 (C.24:6I-31 et al.). Additionally, the commission shall not take
41 into consideration any other prior conviction, unless that conviction is
42 for an indictable offense under federal law, other than a conviction for
43 conduct involving cannabis or a cannabis item that is authorized by
44 P.L.2021, c.16 (C.24:6I-31 et al.), or under this State's law, or any
45 other state's law that is substantially related to the qualifications,
46 functions, or duties for which certification is required, and not more
47 than five years have passed since the date of that conviction,
48 satisfactory completion of probation or parole, or release from

1 incarceration, whichever is later. In determining which indictable
2 offenses are substantially related to the qualifications, functions, or
3 duties for which certification is required, the commission shall at least
4 consider any conviction involving fraud, deceit, or embezzlement, and
5 any conviction for N.J.S.2C:35-6, employing a minor in a drug
6 distribution scheme, or similar indictable offense in this or another
7 jurisdiction involving the use of a minor to dispense or distribute a
8 controlled dangerous substance or controlled substance analog;

9 (b) The commission may approve an applicant for a certification
10 after conducting a thorough review of any previous conviction of a
11 person that substantially related to the qualifications, functions, or
12 duties for which certification is required that is contained in the
13 criminal history record background information, and this review shall
14 include examining the nature of the indictable offense, the
15 circumstances at the time of committing the offense, and evidence of
16 rehabilitation since conviction. If the commission determines that the
17 reviewed conviction should not disqualify the applicant, the applicant
18 may be approved so long as the applicant is otherwise qualified to be
19 issued the certification.

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

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

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

35 j. In addition to the requirements for regulations set forth in
36 paragraph (1) of subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-
37 34) the commission shall promulgate regulations to allow for a
38 cannabis retailer's customer orders of cannabis items and related
39 supplies to be delivered off-premises by a certified cannabis handler
40 performing work for or on behalf of a cannabis retailer, as well as a
41 certified cannabis handler employed by a cannabis delivery service
42 providing courier services for consumer purchases of cannabis items
43 and related supplies fulfilled by the cannabis retailer, and which
44 regulations shall include, but not be limited to, the following
45 requirements:

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

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

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

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

13 (5) All deliveries of cannabis items shall be made in person. A
14 delivery of cannabis items shall not be made through the use of an
15 unmanned vehicle.

16 (6) Each certified cannabis handler shall carry a cannabis
17 employee, cannabis delivery service, or contract vendor identification
18 card. The cannabis handler shall present the identification card upon
19 request to State and local law enforcement, and State and local
20 regulatory authorities and agencies.

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

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

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

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

36 (11) A delivery vehicle shall contain a Global Positioning System
37 (GPS) device for identifying the geographic location of the delivery
38 vehicle. The device shall be either permanently or temporarily affixed
39 to the delivery vehicle while the delivery vehicle is in operation, and
40 the device shall remain active and in the possession of the certified
41 cannabis handler at all times during delivery. At all times, the cannabis
42 retailer or cannabis delivery service shall be able to identify the
43 geographic location of all delivery vehicles that are making deliveries
44 for the cannabis retailer, or for the cannabis delivery service making
45 deliveries of costumer purchase orders fulfilled by the cannabis
46 retailer, as the case may be, and shall provide that information to the
47 commission upon request.

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

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

10 (14) Each cannabis retailer and cannabis delivery service shall
11 ensure that vehicles used to deliver cannabis items bear no markings
12 that would either identify or indicate that the vehicle is used to deliver
13 cannabis items.

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

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

28 (17) The process of delivery begins when the certified cannabis
29 handler leaves the cannabis retailer's licensed premises with the
30 customer's purchase order of a cannabis item for delivery. The process
31 of delivering ends when the cannabis handler returns to the cannabis
32 retailer's licensed premises, or delivery service's or contract vendor's
33 premises, after delivering the cannabis item to the consumer.

34 (18) Each cannabis retailer and cannabis delivery service shall
35 maintain a record of each cannabis item delivery in a delivery log,
36 which may be written or electronic. For each delivery, the log shall
37 record:

- 38 (a) The date and time that the delivery began and ended;
- 39 (b) The name of the certified cannabis handler;
- 40 (c) The cannabis item delivered;
- 41 (d) The batch or lot number of the cannabis item; and
- 42 (e) The signature of the consumer who accepted delivery.

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

47 k. Any cannabis or cannabis item may be transported or
48 delivered, consistent with the requirements set forth in this section and

1 regulations promulgated by the commission, to any location in the
2 State. As set forth in section 33 of P.L.2021, c.16 (C.24:6I-46), in no
3 case may a municipality restrict the transportation or deliveries of
4 cannabis items to consumers within that municipality by adoption of a
5 municipal ordinance or any other measure, and any restriction to the
6 contrary shall be deemed void and unenforceable.

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

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

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

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

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

42 (1) Shall apply for a license in the manner described in section
43 18 of P.L.2021, c.16 (C.24:6I-35);

44 (2) Shall have at least one significantly involved person who has
45 resided in this State for at least two years as of the date of the
46 application, and provide proof that this person and any other person
47 with a financial interest who also has decision making authority for
48 the cannabis retailer listed on an application submitted under

1 section 18 of P.L.2021, c.16 (C.24:6I-35) is 21 years of age or
2 older;

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

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

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

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

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

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

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

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

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

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

44 b. The commission shall adopt rules that:

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

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

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

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

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

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

14 d. (1) The commission shall issue or deny issuance of a Class 5
15 Cannabis Retailer license or conditional license in accordance with
16 the procedures set forth in section 18 of P.L.2021, c.16 (C.24:6I-
17 35).

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

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

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

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

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

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

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

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

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

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

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

11

12 ¹[6.] ²[9.¹] ³[11.²] ^{12.}³ This act shall take effect ³[on May
13 1, 2026] the 90th day next following the date of enactment³.