ASSEMBLY, No. 5051

STATE OF NEW JERSEY

222nd LEGISLATURE

INTRODUCED MAY 7, 2026

Sponsored by:
Assemblyman ROBERT J. KARABINCHAK
District 18 (Middlesex)
Assemblywoman ANNETTE QUIJANO
District 20 (Union)

SYNOPSIS

Revises certain restrictions concerning hemp, intoxicating hemp beverages, and medical cannabis.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 5/14/2026)

AN ACT concerning hemp and medical cannabis regulation, and amending various parts of statutory law.

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

1. Section 8 of P.L.2025, c.215 (C.2C:35-10f) is amended to read as follows:

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

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

(2) any intermediate hemp-derived product containing:

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

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

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

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

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

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

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

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

(d) greater than 0.4 milligrams combined total per container of total tetrahydrocannabinol, including tetrahydrocannabinolic acid, with any other cannabinoids that have similar effects or are marketed to have similar effects on humans or animals as

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 <u>thus</u> is new matter.

tetrahydrocannabinol, as determined by the United States Secretary of Health and Human Services; or

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

Notwithstanding the above, until [May 31,] November 13, 2026, a hemp producer or its agent as authorized by the Department of Agriculture to cultivate, handle, or process hemp or hemp-derived cannabinoid products, pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.), which are subject to the department's statutory or regulatory authority, established under that act, may possess or transport an intermediate hemp-derived cannabinoid product with a THC concentration exceeding 0.3 percent, provided that: (1) such material is undergoing processing and at this stage of processing is not intended to be used or consumed by a human or animal; (2) the material is handled and transported in accordance with any applicable regulations promulgated by the Cannabis Regulatory Commission that establish standards for safety and security; and (3) any final hemp-derived cannabinoid product processed therefrom and distributed or sold does not exceed the allowable THC levels for hemp established by P.L.2025, c.215.

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

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

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

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

distribution of more than one substance or product in violation of this section.

(3) The sale, offer for sale, or distribution of any substance or product in violation of this section shall be subject to the enforcement provisions and remedies set forth in section 9 of P.L.2025, c.215 (C.2C:35-10i).

The imposition of any fine or other remedy under P.L.2025, c.215 (C.2C:35-10f et al.) shall not preclude prosecution for a violation of the criminal laws of this State.

(cf: P.L.2026, c.7, s.1)

2. Section 12 of P.L.2025, c.215 (C.2C:35-10g) is amended to read as follows:

12. a. (1) Except as provided in section 11 of P.L.2025, c.215 (C.24:6I-48.5), on or after April 13, 2026, any person or entity that sells, offers for sale, or distributes an intoxicating hemp beverage shall be subject to the penalties established pursuant to section 8 of P.L.2025, c.215 (C.2C:35-10f).

(2) On or after November 13, 2026, the sale, offer for sale, or distribution of an intoxicating hemp beverage by any person or entity shall be subject to the penalties established in section 8 of P.L.2025, c.215 (C.2C:35-10f).

b. (1) On or after May 31, 2026, an intoxicating hemp beverage sold, offered for sale, or distributed in accordance with section 11 of P.L.2025, c.215 (C.24:6I-48.5) **[**may not contain more than 5 milligrams of total tetrahydrocannabinol per serving or not more than 10 milligrams of total tetrahydrocannabinol per container**]** shall only be in the following container forms:

(a) a can containing not more than five milligrams of total tetrahydrocannabinol per serving or not more than 10 milligrams of total tetrahydrocannabinol per can; or

(b) a resealable bottle of 750 milliliters in volume containing 40 servings of five milligrams of total tetrahydrocannabinol per serving or not more than 200 milligrams of total tetrahydrocannabinol per bottle.

(2) A certificate of analysis prepared by a laboratory that meets the requirements of paragraph (3) of this subsection shall accompany the sale or distribution of any intoxicating hemp beverage sold or distributed on or after May 31, 2026 and shall certify **[**that the product contains no more than 5 milligrams of total tetrahydrocannabinol per serving or no more than 10 milligrams of total tetrahydrocannabinol per container**]** the amounts of total tetrahydrocannabinol per serving and total tetrahydrocannabinol per container. For the purposes of this paragraph, a cannabinoid concentration that is within 90 to 110 percent of the specified milligrams per serving and per container claimed for that product shall be deemed to be compliant.

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

c. The sale of an intoxicating hemp beverage without a certificate of analysis or [in excess of the milligram limitations established in paragraph (2) of] not in conformity with paragraph (1) of subsection b. of this section shall be liable for a civil penalty of not less than $100 for each container. The penalty prescribed by this section shall be collected and enforced by summary proceedings under the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

(cf: P.L.2026, c.7, s.2)

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

31. Municipal Regulations or Ordinances.

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

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

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

b. A municipality may prohibit the operation of any one or more classes of cannabis establishment, or cannabis distributors or cannabis delivery services, but not the delivery of cannabis items and related supplies by a delivery service, within the jurisdiction of the municipality through the enactment of an ordinance, and this prohibiting ordinance shall apply throughout the municipality, even if that municipality or parts thereof fall within any district, area, or other geographical jurisdiction for which land use planning, site planning, zoning requirements or other development authority is exercised by an independent State authority, commission, instrumentality, or agency pursuant to the enabling legislation that governs its duties, functions, and powers, even if this development authority is expressly stated or interpreted to be exclusive thereunder; the local prohibiting ordinance applies, notwithstanding the provisions of any independent State authority law to the contrary. Only an ordinance to prohibit one or more classes of cannabis establishment, or cannabis distributors or cannabis

delivery services enacted pursuant to the specific authority to do so by this section shall be valid and enforceable; any ordinance enacted by a municipality prior to the effective date of this section addressing the issue of prohibiting one or more types of cannabis-related activities within the jurisdiction of the municipality is null and void, and that entity may only prohibit the operation of one or more classes of cannabis establishment, or cannabis distributors or cannabis delivery services by enactment of a new ordinance based upon the specific authority to do so by this section. The failure of a municipality to enact an ordinance prohibiting the operation of one or more classes of cannabis establishment, or cannabis distributors or cannabis delivery services within 180 days after the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), shall result in any class of cannabis establishment, or a cannabis distributor or cannabis delivery service that is not prohibited from operating within the municipality as being permitted to operate therein as follows: the growing, cultivating, manufacturing, and selling and reselling of cannabis and cannabis items, and operations to transport in bulk cannabis items by a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, or as a cannabis distributor or cannabis delivery service shall be permitted uses in all industrial zones of the municipality; and the selling of cannabis items to consumers from a retail store by a cannabis retailer shall be a conditional use in all commercial zones or retail zones, subject to meeting the conditions set forth in any applicable zoning ordinance or receiving a variance from one or more of those conditions in accordance with the "Municipal Land Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.). At the end of a five-year period following the initial failure of a municipality to enact an ordinance prohibiting the operation of one or more classes of cannabis establishment, or cannabis distributors or cannabis delivery services, and every five-year period thereafter following a failure to enact a prohibiting ordinance, the municipality shall again be permitted to prohibit the future operation of any one or more classes of cannabis establishment, or cannabis distributors or cannabis delivery services through the enactment of an ordinance during a new 180-day period, but this ordinance shall be prospective only and not apply to any cannabis establishment, distributor or delivery service operating in the municipality prior to the enactment of the ordinance.

c. (1) When the commission receives an application for initial licensing or renewal of an existing license for any cannabis establishment, distributor, or delivery service pursuant to section 19 of P.L.2021, c.16 (C.24:6I-36), or endorsement for a cannabis consumption area pursuant to section 28 of P.L.2019, c.153 (C.24:6I-21), the commission shall provide, within 14 days, a copy of the application to the municipality in which the establishment, distributor, delivery service, or consumption area is to be located, unless the municipality has prohibited the operation of the

particular class of business for which licensure is sought pursuant to subsection b. of this section, or in the case of an application seeking a consumption area endorsement, prohibited the operation of cannabis retailers. The municipality shall determine whether the application complies with its local restrictions on the number of cannabis establishments, distributors, or delivery services, or their location, manner, or times of operation, and the municipality shall inform the commission whether the application complies with its local restrictions.

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

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

(2) Notwithstanding any municipal restrictions on the number of cannabis dispensaries or locations, a municipality shall not prohibit the retail sale of cannabis items by any medical cannabis dispensary issued a permit pursuant to the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al) that has been open and lawfully operating in such municipality before July 1, 2023 without any violation, or notice thereof, for a period of not less than three years prior to the enactment of P.L. , c. (C.) (pending before the Legislature as this bill).

(cf: P.L.2021, c.16, s.31)

4. Section 11 of P.L.2025, c.215 (C.24:6I-48.5) is amended to read as follows:

11. a. (1) Notwithstanding the provisions of section 8 of P.L.2025, c.215 (C.2C:35-10f), the holder of any valid and unrevoked plenary wholesale license or plenary retail distribution license, as such terms are defined in R.S.33:1-11 and R.S.33:1-12,

or the holder of a valid and unrevoked plenary retail consumption license that meets the requirements of R.S.33:1-12 and section 1 of P.L.1948, c.98 (C.33:1-12.23), may sell intoxicating hemp beverages until November 13, 2026, after which date, the holder shall be subject to the penalties and prohibitions established in section 8 of P.L.2025, c.215 (C.2C:35-10f).

(2) Notwithstanding the provisions of section 8 of P.L.2025, c.215 (C.2C:35-10f), a person or entity that is licensed by the Cannabis Regulatory Commission in accordance with P.L.2021, c.16 (C.24:6I-31 et al.) may sell intoxicating hemp beverages until November 13, 2026, after which date, the person or entity shall be subject to the penalties and prohibitions established in section 8 of P.L.2025, c.215 (C.2C:35-10f).

b. (1) (a) ⟦Any intoxicating hemp beverage distributed, sold, or offered for sale in this State pursuant to paragraph (1) of subsection a. of this section shall be stored or displayed in a place that is not accessible to customers without the assistance of an employee of the establishment.⟧ Deleted by amendment, P.L. , c. (pending before the Legislature as this bill)

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

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

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

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

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

(2) Intoxicating hemp beverages sold, distributed, or offered for sale pursuant to subsection a. of this section shall conform to the requirements of subsection b. of section 12 of P.L.2025, c.215 (C.2C:35-10g).

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

entity licensed pursuant to the provisions of Title 33 of the Revised Statutes;

(2) Nothing contained in P.L.2025, c.215 (C.2C:35-10f et al.) shall be construed to preclude the Division of Alcoholic Beverage Control from exercising the authority to enforce the rules and regulations governing activities taken by licensees on licensed premises or from taking disciplinary action against a licensee under Title 33 of the Revised Statutes based upon a determination by the division that the licensee committed a violation of P.L.2025, c.215 (C.2C:35-10f et al.).

(cf: P.L.2025, c.215, s.11)

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

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

Plenary retail consumption license. 1. The holder of this license shall be entitled, subject to rules and regulations, to sell any alcoholic beverages for consumption on the licensed premises by the glass or other open receptacle, and also to sell any alcoholic beverages in original containers for consumption off the licensed premises, but this license shall not be issued to permit the sale of alcoholic beverages in or upon any premises in which a grocery, delicatessen, drug store, or other mercantile business is carried on, except as hereinafter provided. <u>Subject to section 1 of P.L.1948, c.98 (C.33:1-12.23), the holder of this license shall be entitled to sell intoxicating hemp beverages until the expiration date set forth in section 11 of P.L.2025, c.215 (C.24:6I-48.5), for consumption off the licensed premises, but only in original containers.</u> The holder of this license shall be permitted to conduct consumer wine, beer, and spirits tasting events and samplings for a fee or on a complimentary basis pursuant to conditions established by rules and regulations of the Division of Alcoholic Beverage Control, provided, however, that the holder of this license complies with the terms and conditions set forth in section 3 of P.L.2009, c.216 (C.33:1-12d). Subject to such rules and regulations established from time to time by the director, the holder of this license shall be permitted to sell alcoholic beverages in or upon the premises in which any of the following is carried on: the keeping of a hotel or restaurant including the sale of mercantile items incidental thereto as an accommodation to patrons; the sale, at an entertainment facility as defined in R.S.33:1-1, having a seating capacity for no less than 4,000 patrons, of mercantile items traditionally associated with the type of event or program held at the site; the sale of distillers', brewers', and vintners' packaged merchandise prepacked as a unit with other suitable objects as gift items to be sold only as a unit; the sale of novelty wearing apparel identified with the name of the establishment licensed under the provisions of this section; the sale of cigars, cigarettes, packaged crackers, chips, nuts, and similar

snacks and ice at retail as an accommodation to patrons or the retail sale of nonalcoholic beverages as accessory beverages to alcoholic beverages; or, in commercial bowling establishments, the retail sale or rental of bowling accessories and the retail sale from vending machines of candy, ice cream, and nonalcoholic beverages. The fee for this license shall be fixed by the governing board or body of the municipality in which the licensed premises are situated, by ordinance, at not less than $250 and not more than $2,500. No ordinance shall be enacted which shall raise or lower the fee to be charged for this license by more than 20 percent from that charged in the preceding license year or $500.00, whichever is the lesser. The governing board or body of each municipality may, by ordinance, enact that no plenary retail consumption license shall be granted within its respective municipality.

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

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

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

The governing body of the municipality in which the licensed premises is situated may place reasonable conditions upon a one-day permit for the purpose of maintaining public safety on the licensed premises and immediately surrounding area. The costs associated with the reasonable conditions placed on the one-day permit shall be assumed by the holder of this license.

(3) This license shall not be issued to permit the sale of alcoholic beverages in or upon any premises in which a grocery, delicatessen, drug store, or other mercantile business is carried on, except as hereinafter provided. Subject to such rules and

regulations established from time to time by the director, the holder of this license shall be permitted to sell alcoholic beverages in or upon the premises in which any of the following is carried on: the keeping of a hotel or restaurant including the sale of mercantile items incidental thereto as an accommodation to patrons; the sale of distillers', brewers', and vintners' packaged merchandise prepacked as a unit with other suitable objects as gift items to be sold only as a unit; the sale of novelty wearing apparel identified with the name of the establishment licensed under the provisions of this section; the sale of cigars, cigarettes, packaged crackers, chips, nuts, and similar snacks and ice at retail as an accommodation to patrons; or the retail sale of nonalcoholic beverages as accessory beverages to alcoholic beverages. The fee for this license shall be fixed by the governing board or body of the municipality in which the licensed premises are situated, by ordinance, at 75 percent of the fee fixed by said board or body for plenary retail consumption licenses. The governing board or body of each municipality may, by ordinance, enact that no seasonal retail consumption license shall be granted within its respective municipality.

(4) A person who held this license prior to the effective date of P.L.2025, c.295 and wishes to exchange the license for a plenary retail consumption license may surrender the license to the issuing authority prior to the last day of the 24th month following the effective date of P.L.2025, c.295 and the issuing authority shall convert the license to a plenary retail consumption license. Thereafter, the licensee may sell any alcoholic beverages during 12 months of each year in accordance with the provisions of this section. The governing board or body of the municipality in which the licensed premises is situated shall affirmatively approve the holder of this license converting it to a plenary retail consumption license in accordance with this subsection, and exercising the same privileges as the holder of a plenary retail consumption license. A person who converts this license shall be entitled to sell alcoholic beverages on the same days and during the same hours as other plenary retail consumption license holders within the same municipality.

The fee to convert this license shall be equal to 43 percent of the average sales price of plenary retail consumption licenses in the municipality in which the licensed premises is located during the two years immediately preceding the effective date of P.L.2025, c.295. If less than three plenary retail consumption licenses have been sold in the municipality or municipalities during the two years immediately preceding the effective date of P.L.2025, c.295, the fee shall be equal to 43 percent of the average sales price of the last three plenary retail consumption licenses sold prior to the effective date of P.L.2025, c.295, except as otherwise provided in paragraph (b) of this subsection. If the licensed premises is located within the boundaries of two or more municipalities, the highest average sale price of the two or more municipalities shall be used to calculate the fee. The calculation

to determine the fee shall not include de minimis or related party transfer sales and shall be subject to the following requirements:

(a) if the sales price of a plenary retail consumption license required to be used in this section to determine the average sales price is not known or cannot be determined because the license was sold co-mingled with other assets as part of a bulk sale for a total sales price that did not identify the component prices of the individual assets included in the sale, the fee shall be $350,000;

(b) if less than three plenary retail consumption licenses have been sold in the municipality or municipalities during the five years immediately preceding the effective date of P.L.2025, c.295, the fee shall be $350,000; or

(c) if a municipality has less than five plenary retail consumption licenses, the fee shall be $350,000.

The fee for converting this license shall be paid to the municipality in which the licensed premises is located. If the licensed premises is located within the boundaries of two or more municipalities, the fee shall be divided and paid in equal proportions to the municipalities. A person who exchanges this license also shall pay the annual fee established by the issuing authority for holding a plenary retail consumption license.

Plenary retail distribution license. 3. a. The holder of this license shall be entitled, subject to rules and regulations, to sell any alcoholic beverages, or intoxicating hemp beverages until the expiration **[**of**]** date set forth in section 11 of P.L.2025, c.215 (C.24:6I-48.5), for consumption off the licensed premises, but only in original containers except that licensees shall be permitted to conduct consumer wine, beer, and spirits tasting events and samplings on a complimentary basis pursuant to conditions established by rules and regulations of the Division of Alcoholic Beverage Control, provided, however, that the holder of this license complies with the terms and conditions set forth in section 3 of P.L.2009, c.216 (C.33:1-12d).

The governing board or body of each municipality may, by ordinance, enact that this license shall not be issued to permit the sale of alcoholic beverages in or upon any premises in which any other mercantile business is carried on, except that any such ordinance, heretofore or hereafter adopted, shall not prohibit the retail sale of distillers', brewers', and vintners' packaged merchandise prepacked as a unit with other suitable objects as gift items to be sold only as a unit; the sale of novelty wearing apparel identified with the name of the establishment licensed under the provisions of this act; cigars, cigarettes, packaged crackers, chips, nuts, and similar snacks, ice, and nonalcoholic beverages as accessory beverages to alcoholic beverages. The fee for this license shall be fixed by the governing board or body of the municipality in which the licensed premises are situated, by ordinance, at not less than $125 and not more than $2,500. No ordinance shall be enacted

which shall raise or lower the fee to be charged for this license by more than 20 percent from that charged in the preceding license year or $500.00, whichever is the lesser. The governing board or body of each municipality may, by ordinance, enact that no plenary retail distribution license shall be granted within its respective municipality.

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

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

excluded in determining the maximum number of retail licenses permitted under P.L.1962, c.152 (C.33:1-12.31 et seq.).

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

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

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

Notwithstanding any other provision of Title 33 of the Revised Statutes and subject to conditions established by the director, the holder of this license may share direction and control of the premises to be licensed and share proceeds and profits from the sale of alcoholic beverages with the owner, operator, concessionaire, or lessee of the facility. The holder of this license shall be permitted to conduct consumer wine, beer, and spirits tasting events and samplings for a fee or on a complimentary basis provided, however, the license holder complies with the provisions of section 3 of P.L.2009, c.216 (C.33:1-12d) and rules and regulations promulgated thereto. Notwithstanding any law, rule or regulation to the contrary, the holder of this license shall be entitled to establish up to five all-inclusive areas within the licensed sporting facility, provided the total capacity of the all-inclusive area or areas within the sporting facility for each game or event does not exceed more than 500 persons or five percent of the total capacity of the sporting facility, whichever is greater.

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

persons but not more than 22,499 persons; and $10,000 for venues with a capacity of 22,500 persons or more.

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

For the purposes of this subsection:

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

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

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

(cf: P.L.2025, c.295, s.1)

6. Section 1 of P.L.1948, c.98 (C.33:1-12.23) is amended to read as follows:

The holder of a plenary retail consumption license or a seasonal retail consumption license, after the effective date of this act, may sell and display for sale alcoholic beverages in original containers for consumption off the licensed premises only in the public barroom of the licensed premises, such barroom being a room containing a public bar, counter or similar piece of equipment designed for and used to facilitate the sale and dispensing of

alcoholic beverages by the glass or other open receptacle for consumption on the licensed premises; provided, however, that where, prior to the effective date of this act, alcoholic beverages in original containers for off-premises consumption were sold and displayed for sale by the holder of such license, either to the exclusion of sale for consumption on the licensed premises or upon a portion of the licensed premises other than the public barroom, such sale and display shall be permitted as heretofore and notwithstanding renewal or transfer of the license either from person to person or place to place, subject to rules and regulations to be promulgated by the commissioner. The holder of a plenary retail consumption license may, until the expiration date set forth in section 11 of P.L.2025, c.215 (C.24:6I-48.5), sell and display for sale intoxicating hemp beverages in original containers for consumption off the licensed premises only in the public barroom of the licensed premises, provided that the public barroom is not located in or upon a premises that also operates a hotel, restaurant, entertainment facility, or commercial bowling establishment.

(cf: P.L.1948, c.98, s.1)

7. This act shall take effect immediately.

STATEMENT

This bill revises certain restrictions concerning hemp, intoxicating hemp beverages, and medical cannabis.

Hemp and Intoxicating Hemp Beverages

Under current law, hemp producers may possess or transport material in excess of the 0.3 percent statutory THC limit, until May 31, 2026, if the material is an intermediate hemp-derived extract that is in the process of being manufactured into a final product that meets the legal THC limits. Additionally, effective May 31, 2026, intoxicating hemp beverages will be limited to five milligrams of total THC per serving, or 10 milligrams of total THC per container, may only be sold by certain licensees of the Division of Alcoholic Beverage Control (ABC) or the Cannabis Regulatory Commission (CRC), and will require a certificate of analysis. Effective May 31, 2026, sales by ABC licensees will be subject to certain product display and customer age verification restrictions. Effective November 13, 2026, in conformity with federal law, intoxicating hemp beverages may no longer be sold by ABC licensees, and the sale of such products by CRC licensees will be treated in the same manner as adult use cannabis.

Under the bill, the May 31, 2026 deadlines applicable to hemp producers and the milligram limits on intoxicating hemp beverages are extended to November 13, 2026.

The bill repeals the requirement that ABC licensees store or display intoxicating hemp beverages in a place not accessible to customers without employee assistance.

The bill requires ABC licensees to segregate the placement of intoxicating hemp beverages separate from other intoxicating liquors and inform customers of the appropriate serving size of the beverage.

Additionally, the bill changes the size limits of intoxicating hemp beverages, effective November 13, 2026, to two container forms:

(a) a can containing not more than five milligrams of total THC per serving or not more than 10 milligrams of total THC per can; or

(b) a resealable bottle of 750 milliliters in volume containing 40 servings of 5 milligrams of total THC per serving or not more than 200 milligrams of total THC per bottle.

Concerning certificates of analysis for intoxicating hemp beverages, the bill allows for a 10 percent margin of error in cannabinoid concentration in the required laboratory testing results.

The bill expands the ability of ABC licensed bars that sell packaged alcoholic beverages for off premises consumption to also sell intoxicating hemp beverages, provided that the bar is not part of or located within a hotel, restaurant, entertainment facility, or bowling alley.

The November 13, 2026 deadline ending sales by ABC licensees remains in place.

<u>Medical cannabis</u>

The bill allows a medical cannabis dispensary that is applying for a Class 5 adult use cannabis retailer license to be co-located with the medical dispensary to not require additional municipal review, if it is located in a municipality that already allows medical cannabis dispensaries to operate. Thus, an existing medical cannabis dispensary would not need separate municipal approval for the Class 5 adult use retailer portion of its business premises.