

SENATE, No. 4726

STATE OF NEW JERSEY
222nd LEGISLATURE

INTRODUCED OCTOBER 5, 2026

Sponsored by:
Senator VIN GOPAL
District 11 (Monmouth)

SYNOPSIS

Allows Cannabis Regulatory Commission to award competitive grants from Social Equity Excise Fee proceeds.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the cannabis Social Equity Excise Fee, and
2 amending P.L.2021, c.16.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

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

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

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

31 b. Except for any monies derived from the Social Equity
32 Excise Fee, which shall be appropriated annually in accordance
33 with subsection ~~[d.]~~ e. of this section, and the monies placed into
34 the “Underage Deterrence and Prevention Account” within the fund
35 for the commission to fund programs and services in accordance
36 with subsection e. of this section, monies in the fund shall be
37 appropriated annually as follows:

38 (1) at least 70 percent of all tax revenues on retail sales of
39 cannabis items shall be appropriated for investments, including
40 through grants, loans, reimbursements of expenses, and other
41 financial assistance, in municipalities defined as an “impact zone”
42 pursuant to section 3 of P.L.2021, c.16 (C.24:6I-33), as well as
43 provide direct financial assistance to qualifying persons residing
44 therein as recommended by the commission; and

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

Matter underlined thus is new matter.

1 (2) the remainder of the monies in the fund shall be appropriated
2 by the Legislature to include the following:

3 (a) to oversee the development, regulation, and enforcement of
4 activities associated with the personal use of cannabis pursuant to
5 P.L.2021, c.16 (C.24:6I-31 et al.), and assist with assuming
6 responsibility from the Department of Health for the further
7 development and expansion, regulation, and enforcement of
8 activities associated with the medical use of cannabis pursuant to
9 the “Jake Honig Compassionate Use Medical Cannabis Act,”
10 P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-
11 12.22 et al.);

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

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

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

44 c. After the appropriation of those monies in the fund in
45 accordance with subsections b. and e. of this section, any remaining
46 monies shall be deposited in the State’s General Fund.

47 d. **[(1)** (a) Not less than 60 days prior to the first day of each
48 State fiscal year, the commission shall make recommendations to

1 the Governor and Legislature for social equity appropriations based
2 upon the amount of any revenues collected during the current fiscal
3 year for the Social Equity Excise Fee pursuant to section 39 of
4 P.L.2021, c.16 (C.54:47F-1), or, if the commission has not imposed
5 or adjusted the Social Equity Excise Fee in the current fiscal year
6 pursuant to that section, then appropriations from the General Fund
7 in an amount equal to the revenues that would have been collected
8 had the commission imposed or adjusted the Social Equity Excise
9 Fee. The recommendations to the Governor and the Legislature
10 shall consist of social equity appropriations that invest, through
11 grants, loans, reimbursements of expenses, and other financial
12 assistance, in private for-profit and non-profit organizations, and
13 public entities, including any municipality defined as an “impact
14 zone” pursuant to section 3 of P.L.2021, c.16 (C.24:6I-33) as well
15 as provide direct financial assistance to qualifying persons as
16 determined by the commission, in order to create, expand, or
17 promote educational and economic opportunities and activities, and
18 the health and well-being of both communities and individuals.

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

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

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

34 (b) economic development, including the encouragement and
35 support of community activities so as to stimulate economic activity
36 or increase or preserve residential amenities, and business
37 marketing, and job skills and readiness training, specific
38 employment training, and apprenticeships;

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

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

46 (3) The commission may also, subject to the annual
47 appropriations act, recommend that it retain a portion of the Social
48 Equity Excise Fee to administer startup grants, low-interest loans,

1 application fee assistance, and job training programs through the
2 commission's Office of Minority, Disabled Veterans and Women
3 Cannabis Business Development established by section 32 of
4 P.L.2019, c.153 (24:6I-25).

5 (4) After receiving the recommendations, as set forth in
6 paragraphs (1) through (3) of this subsection and prior to the first
7 day of each fiscal year, the Legislature shall provide to the
8 commission a statement which lists the investments to be made by
9 appropriations, including the investment recipients, investment
10 amounts, and how the investment is intended to support and
11 advance social equity as described in this subsection.](Deleted by
12 amendment, P.L. , c.) (pending before the Legislature as this
13 bill)

14 e. The monies deposited in the "Underage Deterrence and
15 Prevention Account" within the fund, and the revenues collected for
16 the Social Equity Excise Fee pursuant to section 39 of P.L.2021,
17 c.16 (C.54:47F-1), shall be appropriated annually to the
18 commission, and shall be used by the commission, based on the
19 acceptance of applications submitted on a form and through an
20 approval or denial process promulgated by the commission, to
21 【fund】 provide grants, low-interest loans, application fee
22 assistance, reimbursements of expenses, and other financial
23 assistance to qualified individuals, private for-profit and non-profit
24 organizations, and county and municipal programs and services that
25 provide:

26 (1) 【offer】 social services, educational, recreational, and
27 employment opportunities and local economic development
28 designed to encourage, improve, and support youthful community
29 activities to divert and prevent persons under 18 years of age from
30 activities associated with the consumption of cannabis items,
31 marijuana, or hashish;

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

37 (3) economic development, including the encouragement and
38 support of community activities so as to stimulate economic activity
39 or increase or preserve residential amenities, and business
40 marketing, and job skills and readiness training, specific
41 employment training, and apprenticeships;

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

1 Under current law, the CRC may impose the SEEF on
2 cultivators, which is calculated based on the retail market price of
3 cannabis in this State, and which may be adjusted annually. SEEF
4 revenues are collected by the Division of Taxation in the
5 Department of the Treasury and deposited into the “Cannabis
6 Regulatory, Enforcement Assistance, and Marketplace
7 Modernization Fund.” SEEF monies are dedicated to annual
8 appropriations by the Legislature for investing in social equity
9 programs in order to create, expand, or promote educational and
10 economic opportunities and activities, and the health and well-being
11 of both communities and individuals.

12 Under current law, the CRC holds public hearings annually in
13 order to make recommendations to the Governor and the Legislature
14 concerning the appropriation of SEEF funds in the annual State
15 budget. These recommendations can include grants, loans,
16 reimbursements of expenses, and other financial assistance to
17 private and public entities, as well as qualifying individuals, to fund
18 such investments as educational, literacy, and GED programs;
19 economic development, job skills, and apprenticeship programs;
20 social support services including food assistance, mental health and
21 substance abuse treatment, and reentry services; and legal aid
22 services. Following receipt of the CRC’s recommendations, the
23 Legislature provides the CRC with a list of the SEEF investments
24 funded in the State budget.

25 For 2026, the SEEF rate is \$2.50 per ounce. According to the
26 CRC’s 2026 SEEF report, the CRC has estimated that the SEEF
27 will generate \$12.4 million in Fiscal Year 2026, and \$14.1 million
28 in Fiscal Year 2027. According to the 2026 report, as of March
29 2026, \$11.924 million in SEEF funds have been disbursed by the
30 Legislature in Fiscal Year 2026 appropriations, with \$3.667 million
31 remaining unallocated. In Fiscal Year 2026, the \$11.924 million
32 appropriation from SEEF funds appears to have been allocated
33 through the annual appropriations act, P.L.2025, c.74, entirely to
34 the Department of Corrections to support Purchase of Community
35 Services grants as determined by the Commissioner of Corrections.
36 It should be noted that, according to the CRC’s 2025 SEEF report,
37 the Legislature did not make any SEEF appropriations in Fiscal
38 Years 2023, 2024, and 2025. Thus, according to the 2025 report, at
39 the beginning of 2025, there was \$5.129 million in SEEF funds
40 accumulated from prior years.

41 Under the bill, the CRC will become directly responsible for
42 disbursing SEEF funds, through a public competitive application
43 process. The bill provides for the CRC to receive annual
44 appropriations of SEEF funds from the State budget. The CRC will
45 be required to award SEEF grants, loans, and other financial
46 assistance to the same types of social equity investments set forth
47 under current law. The CRC will also be required to provide an
48 annual report to the Governor and the Legislature with a list of

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- 1 funding recipients, type of funding (grants, loans, or other
- 2 assistance), and amounts awarded, together with a statement for
- 3 each recipient describing how the funding is intended to support
- 4 and advance social equity.