

CHAPTER 325
CORRECTED COPY

AN ACT concerning Cannabis Regulatory Commission members, reforming the legalized medical and personal use cannabis marketplace, and amending various parts of the statutory law and supplementing chapter 35 of Title 2C of the New Jersey Statutes.

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

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

C.24:6I-24 Cannabis Regulatory Commission.

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

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

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

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

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

- (a) One member shall be appointed by the Senate President;
- (b) One member shall be appointed by the Speaker of the General Assembly; and
- (c) Three members shall be appointed by the Governor.

(3) (Deleted by amendment P.L.2025, c.325)

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

(5) The chair and the other members shall serve for terms of five years, provided that, for the two other members initially appointed by the Governor without any needed recommendation, one shall be appointed for a term of four years and one shall be appointed

for a term of three years. The chair and the other members shall serve in their respective capacities throughout their entire term and until their successors shall have been duly appointed and qualified. Any vacancy in the commission occurring for any reason other than the expiration of a term shall be filled by the appropriate appointing authority for the remainder of the unexpired term only.

(6) (a) The chair and other members of the commission shall devote full time to their respective duties of office and shall not pursue or engage in any other business, occupation, or gainful employment. Each member shall receive an annual salary, which for the chair shall be \$165,000 and for the other members shall be \$160,000.

(b) Notwithstanding subparagraph (a) of this paragraph, a member may hold local elected office, provided that, in the judgment of the State Ethics Commission and Local Finance Board of the Department of Community Affairs, such office or employment will not interfere with the member's responsibilities to the commission 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 member.

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

(7) The members of the commission shall elect, by a majority of the total authorized membership of the commission, one of the members who is appointed by the Senate President or Speaker of the General Assembly as set forth in paragraph (2) of this subsection to serve as vice-chair during that member's term. A new vice-chair shall be elected upon the expiration of the current vice-chair's term even if that member remains on the commission until that member's successor is duly appointed and qualified. The vice-chair shall be empowered to carry out all of the responsibilities of the chair during the chair's absence, disqualification, or inability to serve.

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

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

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

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

(a) The initial executive director shall be appointed by the Governor, and thereafter every subsequent executive director shall be appointed by the Governor with the advice and consent of the Senate. The executive director shall serve at the pleasure of the appointing Governor during the Governor's term of office and until a successor has been duly appointed and qualified. Any vacancy in the office occurring for any reason other than the expiration of a term, including a vacancy occurring during the term of the initial executive director, shall be filled for the unexpired term only in the same manner as the appointment of any subsequent executive director as set forth herein. The executive director shall receive an annual salary to be fixed and established by the Governor, which shall not exceed \$175,000.

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

(ii) If, as a result of transferring powers, duties, and responsibilities with regard to the regulation and oversight of activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health to the commission pursuant to subsection a. of this section, the commission needs to employ an individual to fill a position, employees of the department who performed the duties of the position to be filled shall be given a one-time right of first refusal offer of employment with the commission and such employees may be removed by the commission for cause or if deemed unqualified to hold the position, notwithstanding any other provision of law to the contrary. A department employee who becomes employed by the commission shall retain as an employee of the commission the seniority, and all rights related to seniority, that the employee had with the department as of the last day of employment with the department, provided, however, that such seniority and seniority rights shall be retained only by an employee who was transferred from employment with the department to employment with the commission and shall not be retained by an employee who was removed from employment with the department due to layoff procedures or who resigned from a position with the department prior to being hired by the commission.

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

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

d. With respect to the activities of the commission, neither the President of the Senate or the Speaker of the General Assembly shall be permitted to appear or practice or act in any capacity whatsoever before the commission regarding any matter whatsoever, nor shall any member of the immediate family of the Governor, President of the Senate, or Speaker of the General Assembly be permitted to so practice or appear in any capacity whatsoever before the commission regarding any matter whatsoever. As used in this subsection, "immediate family" means the spouse, domestic partner, or civil union partner, and any dependent child or stepchild,

recognized by blood or by law, of the Governor, President of the Senate, or Speaker of the General Assembly, or of the spouse, domestic partner, or civil union partner residing in the same household as the Governor, President of the Senate, or Speaker of the General Assembly.

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

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

- (1) the commission's organization;
- (2) the commission's regulation and enforcement activities;
- (3) the overall effectiveness of the commission as a full-time entity; and

(4) whether the regulation and oversight of medical cannabis or personal use cannabis could be more effectively and efficiently managed through a reorganization of the commission, consolidation of the commission within the Department of Health or another Executive Branch department, conversion to a part-time commission, or the transfer of some or all of the commission's operations elsewhere within the Executive Branch.

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

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

C.24:6I-27 Applicability of C.52:13D-12 et seq.; Code of Ethics.

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

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

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

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

(1) No commission member or employee shall be permitted to enter and engage in any activities, nor have any interest, directly or indirectly, in any medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant issued a permit by the commission in accordance with 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 cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service issued a license by the commission in accordance with 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, except in the course of the member's or employee's duties, provided that nothing in this paragraph shall be construed to prohibit a member or employee who is a registered qualifying patient, or who is serving as a designated

caregiver or institutional caregiver for a registered qualifying patient, from being dispensed medical cannabis consistent with the requirements of P.L.2009, c.307 (C.24:6I-1 et al.) and further provided that nothing in this paragraph shall be construed to prohibit a member or employee from being sold cannabis items by a cannabis retailer as a consumer as authorized by P.L.2021, c.16 (C.24:6I-31 et al.).

(2) No commission member or employee shall solicit or accept employment from any 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 a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, for a period of two years after termination of service with the commission, except as otherwise provided in section 35 of P.L.2019, c.153 (C.24:6I-28).

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

(4) No commission member or employee shall act in the member's or employee's official capacity in a matter concerning any 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 a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, who is the employer of a spouse, domestic partner, or partner in a civil union couple, or child, parent, or sibling of the commission member or employee when the fact of the employment of the spouse, domestic partner, or partner in a civil union couple, or child, parent, or sibling might reasonably be expected to impair the objectivity and independence of judgment of the commission member or employee.

(5) No spouse, domestic partner, or partner in a civil union couple, or child, parent, or sibling of a commission member shall be employed in any capacity by any 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 a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, nor by any holding, intermediary, or subsidiary company thereof.

(6) Except for any matter for which a member is recused, a commission member, including the chair, the executive director of the commission, and any other employee of the commission holding a supervisory or policy-making management position, may meet and discuss with any person any issues involving any pending or proposed application or any matter whatsoever which may reasonably be expected to come before the commission, or any member thereof, for determination, at the business premises of the commission or any other location designated by the commission. All meetings or discussions subject to this paragraph shall be noted in a

log maintained for this purpose and available for inspection pursuant to the provisions of P.L.1963, c.73 (C.47:1A-1 et seq.). Any meeting subject to the provisions of this paragraph attended by more than two members shall be subject to the "Senator Byron M. Baer Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.).

d. No commission member or employee shall have any interest, direct or indirect, in any 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 a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, during the member's term of office or employee's term of employment.

e. Except as otherwise provided in subparagraph (b) of paragraph (6) of subsection b. of section 21 of P.L.2019, c.153 (C.24:6I-24), each commission member and employee shall devote the member's or employee's entire time and attention to the member's or employee's duties, as applicable, and shall not pursue any other business or occupation or other gainful employment, provided, however, that secretarial and clerical personnel may engage in such other gainful employment as shall not interfere with their duties to the commission, unless otherwise directed and provided further, however, that other employees of the commission may engage in such other gainful employment as shall not interfere or be in conflict with their duties to the commission upon approval by the commission.

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

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

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

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

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

(3) A member of the commission and the executive director or any other employee of the commission holding a supervisory or policy-making management position, following written notice by a member or the executive director to the chair, may attend an event not upon the commission premises, including a political event, in the member's, director's, or employee's official capacity. Upon receipt of notification by a member, the chair shall forward such notification to the executive director.

g. For the purpose of applying the provisions of the "New Jersey Conflicts of Interest Law," any consultant or other person under contract for services to the commission shall be deemed to be a special State employee, except that the restrictions of section 4 of P.L.1981, c.142 (C.52:13D-17.2) shall not apply to such person. Such person and any corporation, firm,

or partnership in which the person has an interest or by which the person is employed shall not represent any person or party other than the commission.

3. Section 4 of P.L.1981, c.142 (C.52:13D-17.2) is amended to read as follows:

C.52:13D-17.2 Definitions; violations; penalties.

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

(1) (a) with respect to casino activity: the Governor; the President of the Senate; the Speaker of the General Assembly; any full-time member of the Judiciary; any full-time professional employee of the Office of the Governor; the head of a principal department; the assistant or deputy heads of a principal department, including all assistant and deputy commissioners; the head of any division of a principal department; any State officer or employee subject to financial disclosure by law or executive order and any other State officer or employee with responsibility for matters affecting casino activity; any special State officer or employee with responsibility for matters affecting casino activity; any member of the Legislature; any full-time professional employee of the Legislature; and members of the Casino Reinvestment Development Authority;

(b) (Deleted by amendment P.L.P.L.2025, c.325); or

(c) with respect to activity related to medical cannabis authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) and activity related to personal use cannabis authorized pursuant to P.L.2021, c.16 (C.24:6I-31 et al.): the Governor, the President of the Senate; the Speaker of the General Assembly; any full-time member of the Judiciary; any full-time professional employee of the Office of the Governor; the head of a principal department; the assistant or deputy heads of a principal department, including all assistant and deputy commissioners; the head of any division of a principal department; any other State officer or employee with responsibility for matters affecting medical cannabis activity or personal use cannabis activity; and any special State officer or employee with responsibility for matters affecting medical cannabis activity or personal use cannabis activity; or

(2) (a) any member of the governing body, or the municipal judge or the municipal attorney of a municipality wherein a casino is located; any member of or attorney for the planning board or zoning board of adjustment of a municipality wherein a casino is located; or any professional planner or consultant regularly employed or retained by such planning board or zoning board of adjustment; or

(b) any member of the governing body or the municipal judge of a municipality, any member of the planning board or zoning board of adjustment, or any professional planner or consultant regularly employed or retained by such planning board or zoning board of adjustment, of a municipality wherein a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant issued a permit pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), or wherein a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service issued a license pursuant to P.L.2021, c.16 (C.24:6I-31 et al.), is located.

b. (1) No State officer or employee, nor any person, nor any member of the immediate family of any State officer or employee, or person, nor any partnership, firm, or corporation with which any such State officer or employee or person is associated or in which he has an interest, nor any partner, officer, director, or employee while he is associated with such partnership, firm, or corporation, shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, in

connection with any cause, application, or matter, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State officer or employee other than a State officer or employee included in the definition of person; and (b) a member of the immediate family of a State officer or employee, or of a person, may hold employment with the holder of, or applicant for, a casino license if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment 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 State officer or employee, or person.

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

(2) No State officer or employee, nor any person, nor any member of the immediate family of any State officer or employee, or person, nor any partnership, firm, or corporation with which any such State officer or employee or person is associated or in which he has an interest, nor any partner, officer, director, or employee while he is associated with such partnership, firm, or corporation, shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, or derive any remuneration, payment, benefit, or any other thing of value for any services, including, but not limited to, consulting or similar services, from any holder of, or applicant for, a license, permit, or other approval to conduct Internet gaming, or any holding or intermediary company with respect thereto, or any Internet gaming affiliate of any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, or any business, association, enterprise, or other entity that is organized, in whole or in part, for the purpose of promoting, advocating for, or advancing the interests of the Internet gaming industry generally or any Internet gaming-related business or businesses in connection with any cause, application, or matter, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State officer or employee other than a State officer or employee included in the definition of person; and (b) a member of the immediate family of a State officer or employee, or of a person, may hold employment with the holder of, or applicant for, a license, permit, or other approval to conduct Internet gaming, or any holding or intermediary company with respect thereto, or any Internet gaming affiliate of any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment 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 State officer or employee, or person.

(3) No State officer or employee, nor any person, nor any member of the immediate family of any State officer or employee, or person, nor any partnership, firm, or corporation with which any such State officer or employee or person is associated or in which he has an interest, nor any partner, officer, director, or employee while he is associated with such partnership,

firm, or corporation, shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, 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 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, in connection with any cause, application, or matter, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that:

(a) a State officer or employee other than a State officer or employee included in the definition of person may hold employment with the 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 a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment 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 State officer or employee ;

(b) a member of the immediate family of a State officer or employee, or of a person, may hold employment with the 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 a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment 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 State officer or employee, or person; and

(c) A member of the immediate family of any State officer or employee, or of a person, may hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of 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 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 State officer or employee, or person.

A special State officer or employee without responsibility for matters affecting medical cannabis activity or personal use cannabis activity, including those serving in the Departments of Education, Health, and Human Services and the Office of the Secretary of Higher Education, may hold, directly or indirectly, an interest in any 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 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 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. A special State officer or employee without responsibility for matters affecting medical cannabis activity or personal use cannabis activity may hold employment directly with, or may represent, appear for, or negotiate on behalf of, any 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 any holding or intermediary company thereof, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license 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, and if so employed may hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, that employer, except as otherwise prohibited by law.

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

(a) a member of the immediate family of a person may hold employment with the holder of, or applicant for, a casino license if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the 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 person;

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

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

(c) any partnership, firm, or corporation engaged in the practice of law or in providing any other professional services with which any person included in subparagraph (a) of paragraph (1) of subsection a. of this section, or a member of the immediate family of that person, is associated, and any partner, officer, director, or employee thereof, other than that person, or immediate family member, may represent, appear for, or negotiate on behalf of any holder of, or applicant for, a casino license in connection with any cause, application, or matter or any holding company or intermediary company with respect to such holder of, or applicant for, a casino license in connection with any phase of casino development, permitting, licensure, or any other matter whatsoever related to casino activity, and that person or immediate family member shall not be barred from association with such partnership, firm, or corporation if, for a period of two years next subsequent to the termination of the person's office or employment, the person or immediate family member (i) is screened from personal participation in any such representation, appearance, or negotiation; and (ii) is associated with the partnership, firm, or corporation in a position which does not entail any equity interest in the partnership, firm, or corporation. The exception provided in this subparagraph shall not apply to a former Governor, Lieutenant Governor, Attorney General, member of the Legislature, person included in subparagraph (a) of paragraph (2) of subsection a. of this section, or to the members of their immediate families.

(2) No person or any member of the person's immediate family, nor any partnership, firm, or corporation with which such person is associated or in which the person has an interest, nor any partner, officer, director, or employee while the person is associated with such partnership, firm, or corporation, shall, within two years next subsequent to the termination of the office or employment of such person, hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, 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 in connection with any cause, application, or matter, 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 a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service in connection with any phase of development, permitting, licensure, or any other matter whatsoever related to medical cannabis activity or personal use cannabis activity, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that:

(a) a member of the immediate family of a person may hold employment with the 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 if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the 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 person;

(b) an employee who is terminated as a result of a reduction in the workforce at the agency where employed, other than an employee who held a policy-making management position at any time during the five years prior to termination of employment, may, at any time prior to the end of the two-year period, accept employment with the 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 a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the employee. In no case shall the restrictions of this subsection apply to a secretarial or clerical employee. Nothing herein contained shall alter or amend the post-service or post-employment restrictions applicable to members and employees of the Cannabis Regulatory Commission pursuant to paragraph (2) of subsection c. of section 34 and section 35 of P.L.2019, c.153 (C.24:6I-27 and C.24:6I-28);

(c) any partnership, firm, or corporation engaged in the practice of law or in providing any other professional services with which any person included in subparagraph (c) of paragraph (1) of subsection a. of this section, or a member of the immediate family of that person, is associated, and any partner, officer, director, or employee thereof, other than that person, or immediate family member, may represent, appear for, or negotiate on behalf of any 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 a certified personal use

cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service in connection with any cause, application, or matter or any holding company 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 a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service in connection with any phase of development, permitting, licensing, or any other matter whatsoever related to medical cannabis activity or personal use cannabis activity, and that person or immediate family member shall not be barred from association with such partnership, firm, or corporation if, for a period of two years next subsequent to the termination of the person's office or employment, the person or immediate family member is screened from personal participation in any such representation, appearance, or negotiation. The exception provided in this subparagraph shall not apply to a former Governor, Lieutenant Governor, Attorney General, the President of the Senate, or the Speaker of the General Assembly, to a person included in subparagraph (b) of paragraph (2) of subsection a. of this section, or to the members of their immediate families; and

(d) A member of the immediate family of any person may hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of 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 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 person .

d. This section shall not apply to the spouse of a State officer or employee, which State officer or employee is without responsibility for matters affecting casino, medical cannabis, or personal use cannabis activity, who becomes the spouse subsequent to the State officer's or employee's appointment or employment as a State officer or employee and who is not individually or directly employed by a holder of, or applicant for, a casino license, medical cannabis permit, personal use cannabis license, 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 thereof.

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

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

(2) No person shall solicit or accept, directly or indirectly, any complimentary service or discount from 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 which the person knows or has reason to know is other than a service or discount that is offered to members of the general public in like circumstance.

g. (1) No person shall influence, or attempt to influence, by use of his official authority, the decision of the Casino Control Commission or the investigation of the Division of Gaming Enforcement in any application for casino licensure or in any proceeding to enforce the provisions of this act or the regulations of the commission. Any such attempt shall be promptly reported to the Attorney General, provided, however, that nothing in this section shall be deemed to proscribe a request for information by any person concerning the status of any application for licensure or any proceeding to enforce the provisions of this act or the regulations of the commission.

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

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

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

C.2C:35-10b1 Enforcement program, unlicensed manufacture, distribution, sale of purported cannabis, cannabis items.

4. a. The Division of State Police, in consultation with local law enforcement agencies and the Cannabis Regulatory Commission, shall develop and implement an enforcement program to identify, investigate, and initiate enforcement action against any person or entity engaged in the unlicensed manufacture, distribution, or sale of purported cannabis or cannabis items, which activities violate N.J.S.2C:35-5 as the unlawful manufacturing, distribution, or dispensing of marijuana.

b. Upon the discovery of any violation by an unlicensed business, the New Jersey State Police or the local law enforcement agency, in conjunction with the Office of the Attorney General in the Department of Law and Public Safety, may take such necessary steps to close any business which violates the provisions of N.J.S.2C:35-5, seize any marijuana manufactured, distributed, or dispensed in violation of N.J.S.2C:35-5 by an unlicensed business, and refer any violation of N.J.S.2C:35-5 to the Attorney General or the prosecutor of the county in which the business is located for criminal prosecution.

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

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

C.24:6I-52 Employers, driving, minors and control of property.

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

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

(b) Any person who demonstrates to the commission's satisfaction that the person has successfully completed a Drug Recognition Evaluator program provided by a Department of Labor and Workforce Development-approved school, or another program or course conducted by the Department of Labor and Workforce Development or 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 Evaluator certification, shall be issued 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, repeal, 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 growth of cannabis or cannabis items in the workplace or to affect the ability of employers to have policies prohibiting use of cannabis items or intoxication by employees during work hours;

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

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

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

(4) Shall, consistent with subsection c. of section 46 of P.L.2021, c.16 (C.2C:35-10a), prohibit a person or entity that owns or controls a property from prohibiting or otherwise regulating the consumption, use, display, transfer, distribution, sale, or transportation of cannabis items on or in that property, or portion thereof, including a hotel property that is a casino hotel facility as defined in section 19 of P.L.1977, c.110 (C.5:12-19), a casino as defined in section 6 of P.L.1977, c.110 (C.5:12-6), or casino simulcasting facility authorized pursuant to the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.), provided that a person or entity that owns or controls multifamily housing that is a multiple dwelling as defined in section 3 of P.L.1967, c.76 (C.55:13A-3), the structure or specific units of the structure of a

cooperative as defined in section 3 of P.L.1987, c.381 (C.46:8D-3), a unit of a condominium as defined in section 3 of P.L.1969, c.257 (C.46:8B-3), or a site in a mobile home park as defined in section 3 of P.L.1983, c.386 (C.40:55D-102), which site is leased to the owner of a manufactured home, as defined in that section, that is installed thereon, may only prohibit or otherwise regulate the smoking, vaping, or aerosolizing, but not other consumption, of cannabis items and further provided that municipalities may not prohibit delivery, possession, or consumption of cannabis items by a person 21 years of age or older as permitted by section 46 of P.L.2021, c.16 (C.2C:35-10a);

(5) Is intended to permit any person to possess, consume, use, display, transfer, distribute, sell, transport, or grow or manufacture cannabis or cannabis items in a school, hospital, detention facility, 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.

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

C.24:6I-33 Definitions relative to the regulation and use of cannabis.

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-derived cannabinoid product cultivated, handled, processed, transported, or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

"Cannabis consumption area" means, as further described in section 28 of P.L.2019, c.153 (C.24:6I-21), a designated location operated by a licensed cannabis retailer or permit holder for dispensing medical cannabis, for which both a State and local endorsement has been

obtained, that is either: (1) an indoor, structurally enclosed area of the cannabis retailer or permit holder that is separate from the area in which retail sales of cannabis items or the dispensing of medical cannabis occurs; or (2) an exterior structure on the same premises as the cannabis retailer or permit holder, either separate from or connected to the cannabis retailer or permit holder, at which cannabis items or medical cannabis either obtained from the retailer or permit holder, or brought by a person to the consumption area, may be consumed.

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

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

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

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

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

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

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

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

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

"Cannabis paraphernalia" means any equipment, products, or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, composting, manufacturing, compounding, converting, producing, processing,

preparing, testing, analyzing, packaging, repackaging, storing, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing a cannabis item into the human body. "Cannabis paraphernalia" does not include drug paraphernalia as defined in N.J.S.2C:36-1 and which is used or intended for use to commit a violation of chapter 35 or 36 of Title 2C of the New Jersey Statutes.

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

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

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

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

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

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

"Conditional license" means a temporary license designated as either a Class 1 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer license, a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis Distributor license, a Class 5 Cannabis Retailer license, or a Class 6 Cannabis Delivery license that allows the holder to lawfully act as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service as the case may be, which is issued pursuant to an abbreviated application process, after which the conditional license holder shall have a limited period of

time in which to become fully licensed by satisfying all of the remaining conditions for licensure which were not required for the issuance of the conditional license.

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

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

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

"Department" means the Department of Health.

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

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

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

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

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

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

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

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

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

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

percent of all municipalities, based upon average annual unemployment rates estimated for the relevant calendar year by the Office of Research and Information in the Department of Labor and Workforce Development; or

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

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

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

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

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

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

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

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

"Microbusiness" means a person or entity licensed under P.L.2021, c.16 (C.24:6I-31 et al.) as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service that may only, with respect to its business operations, and capacity and quantity of product: (1) employ no more than 10 employees; (2) operate a cannabis establishment occupying an area of no more than 2,500 square feet, and in the case of a cannabis cultivator, grow cannabis on an area no more than 2,500 square feet measured on a horizontal plane and grow above that plane not higher than 24 feet; (3) possess no more than 1,000 cannabis plants each month, except that a cannabis distributor's possession of cannabis plants for

transportation shall not be subject to this limit; (4) acquire each month, in the case of a cannabis manufacturer, no more than 1,000 pounds of usable cannabis; (5) acquire for resale each month, in the case of a cannabis wholesaler, no more than 1,000 pounds of usable cannabis, or the equivalent amount in any form of manufactured cannabis product or cannabis resin, or any combination thereof; and (6) acquire for retail sale each month, in the case of a cannabis retailer, no more than 1,000 pounds of usable cannabis, or the equivalent amount in any form of manufactured cannabis product or cannabis resin, or any combination thereof.

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

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

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

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

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

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

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

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

"THC" means the psychoactive chemicals contained in the cannabis plant, including, but not limited to, delta-8, delta-9, delta-10, tetrahydrocannabinolic acid, and any other chemically similar compound, substance, derivative, or isomer of tetrahydrocannabinol regardless of how derived or manufactured, and any other cannabinoid, other than cannabidiol, identified by the

Cannabis Regulatory Commission, in consultation with the Department of Agriculture and the Attorney General, as causing intoxication.

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

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

C.24:6I-36 Application for license or conditional license.

19. Application For License or Conditional License.

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

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

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

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

(c) verify the information contained in the application and review the qualifications for the applicable license class, set forth in section 20, 22, 23, 24, 25, or 26 of P.L.2021, c.16 (C.24:6I-37, C.24:6I-39, C.24:6I-40, C.24:6I-41, C.24:6I-42, or C.24:6I-43), and regulations concerning qualifications for licensure promulgated by the commission for which the applicant seeks licensure, and not more than 90 days after the receipt of an application, make a determination as to whether the application is approved or denied, or that the commission requires more time to adequately review the application.

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

(i) If the application is approved, upon collection of the license fee, the commission shall issue an annual license to the applicant no later than 30 days after giving notice of approval of the application unless the commission finds the applicant is not in compliance with regulations for annual licenses enacted pursuant to the provisions of paragraph (1) of subsection d. of

section 6 of P.L.2021, c.16 (C.24:6I-34) or the commission is notified by the relevant municipality that the applicant is not in compliance with ordinances and regulations made pursuant to the provisions of section 31 of P.L.2021, c.16 (C.24:6I-45) and in effect at the time of application, provided, if a municipality has enacted a numerical limit on the number of cannabis establishments, distributors, or delivery services and a greater number of applicants seek licenses, the commission shall solicit and consider input from the municipality as to the municipality's preference or preferences for licensure.

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

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

(a) begin accepting and processing applications from applicants within 30 days after the commission's initial rules and regulations have been adopted pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34), and ensure that at least 35 percent of the total licenses issued for each class of cannabis establishment, and for cannabis distributors and delivery services, are conditional licenses, which 35 percent figure shall also include any conditional license issued to an applicant which is subsequently replaced by the commission with an annual license due to that applicant's compliance for the annual license pursuant to subsubparagraph (i) of subparagraph (d) of this paragraph;

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

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

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

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

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

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

(v) proof that each person with a financial interest who also has decision making authority for the proposed cannabis establishment, distributor, or delivery service has, for the

immediately preceding taxable year, an adjusted gross income of no more than \$200,000 or no more than \$400,000 if filing jointly with another;

(vi) a certification that each person with a financial interest who also has decision making authority for the proposed cannabis establishment, distributor, or delivery service does not have any financial interest in an application for an annual license under review before the commission or a cannabis establishment, distributor, or delivery service that is currently operating with an annual license;

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

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

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

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

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

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

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

(i) If the application is approved, upon collection of the conditional license fee, the commission shall issue a conditional license to the applicant, which is non-transferable for its duration, no later than 30 days after giving notice of approval of the application, unless the commission finds the applicant is not in compliance with regulations for conditional licenses enacted pursuant to the provisions of paragraph (1) of subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34) or the commission is notified by the relevant municipality that the applicant is not in compliance with ordinances and regulations made pursuant to the provisions of section 31 of P.L.2021, c.16 (C.24:6I-45) and in effect at the time of application, provided, if a municipality has enacted a numerical limit on the number of marijuana cannabis establishments, distributors, or delivery services and a greater number of applicants seek licenses, the commission shall solicit and consider input from the municipality as to the municipality's preference or preferences for licensure. For each license issued, the commission shall also provide the approved licensee with documentation setting forth the remaining conditions to be satisfied under section 20, 22, 23, 24, 25, or 26 of P.L.2021, c. 16 (C.24:6I-37, C.24:6I-39, C.24:6I-40, C.24:6I-41, C.24:6I-42, or C.24:6I-43), or relevant regulations, based upon the applicable class of cannabis establishment for which the conditional license was issued, or based upon the conditional license issued for a cannabis distributor or delivery service, and which were not already required for the issuance of that license, to be completed within 120 days of issuance of the conditional license, which period may be extended upon

request to the commission for an additional period of up to 45 days at the discretion of the commission. If the commission subsequently determines during that 120-day period, or during any additional period granted, that the conditional licensee is in compliance with all applicable conditions and is implementing the plans, procedures, protocols, actions, or other measures set forth in its application, the commission shall replace the conditional license by issuing an annual license, which will expire one year from its date of issuance; if the conditional licensee is not in compliance with all applicable conditions or not implementing the plans, procedures, protocols, actions, or other measures set forth in its application, the conditional license shall automatically expire at the end of the 120-day period or at the end of any additional period granted by the commission;

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

c. The commission shall require all applicants for cannabis licenses, other than applicants for a conditional license for any class of cannabis establishment, or for a cannabis distributor or delivery service, or for either a conditional or annual license for an establishment, distributor, or delivery service that is a microbusiness pursuant to subsection f. of this section, to submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement with such bona fide labor organization. The maintenance of a labor peace agreement with a bona fide labor organization by a licensed cannabis establishment, distributor, or delivery service, other than an establishment that is a microbusiness, shall be an ongoing material condition of the establishment's, distributor's, or delivery service's license. The submission of an attestation and maintenance of a labor peace agreement with a bona fide labor organization by an applicant issued a conditional license for a cannabis establishment, distributor, or delivery service, other than an establishment that is a microbusiness, shall be a requirement for final approval for an annual license. Failure to enter, or to make a good faith effort to enter, into a collective bargaining agreement within 200 days of the opening of a licensed cannabis establishment, distributor, or delivery service, other than an establishment that is a microbusiness, shall result in the suspension or revocation of the establishment's, distributor's, or delivery service's license.

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

d. (1) Each license application shall be scored and reviewed based upon a point scale with the commission determining the amount of points, the point categories, and the system of point

distribution by regulation. The commission shall assign points and rank applicants according to the point system. The commission may, pursuant to a process set forth in regulation and consistent with this subsection, adjust the point system or utilize a separate point system and rankings with respect to the review of an application for which a conditional license is sought, or for which a microbusiness license is sought. If two or more eligible applicants have the same number of points, those applicants shall be grouped together and, if there are more eligible applicants in this group than the remaining number of licenses available, the commission shall utilize a public lottery to determine which applicants receive a license or conditional license, as the case may be.

(a) An initial application for licensure shall be evaluated according to criteria to be developed by the commission. There shall be included bonus points for applicants who are residents of New Jersey.

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

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

- cultivation of cannabis;
- conventional horticulture or agriculture, familiarity with good agricultural practices, and any relevant certifications or degrees;
- quality control and quality assurance;
- recall plans;
- packaging and labeling;
- inventory control and tracking software or systems for the production of personal use cannabis;
- analytical chemistry and testing of cannabis;
- water management practices;
- odor mitigation practices;
- onsite and offsite recordkeeping;
- strain variety and plant genetics;
- pest control and disease management practices, including plans for the use of pesticides, nutrients, and additives;
- waste disposal plans; and
- compliance with applicable laws and regulations.

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

- manufacture and creation of cannabis products using appropriate extraction methods, including intended use and sourcing of extraction equipment and associated solvents or intended methods and equipment for non-solvent extraction;
- quality control and quality assurance;
- recall plans;
- packaging and labeling;
- inventory control and tracking software or systems for the manufacturing, warehousing, transportation, or delivery of cannabis and cannabis items;

- analytical chemistry and testing of cannabis items;
- water management practices;
- odor mitigation practices;
- onsite and offsite recordkeeping;
- a list of product formulations or products proposed to be manufactured with estimated cannabinoid profiles, if known, including varieties with high cannabidiol content;
- intended use and sourcing of all non-cannabis ingredients used in the manufacture and creation of cannabis products, including methods to verify or ensure the safety and integrity of those ingredients and their potential to be or contain allergens;
- waste disposal plans; and
- compliance with applicable laws and regulations.

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

- sales of cannabis items to consumers;
- cannabis product evaluation procedures;
- recall plans;
- packaging and labeling;
- inventory control and point-of-sale software or systems for the sale of cannabis items;
- the routes of administration, strains, varieties, and cannabinoid profiles of cannabis and cannabis items;
- odor mitigation practices;
- onsite and offsite recordkeeping;
- waste disposal plans; and
- compliance with applicable laws and regulations.

(c) The criteria to be developed by the commission pursuant to subparagraph (a) of this paragraph shall include, in addition to the criteria set forth in subparagraphs (b) and (d) of this paragraph and any other criteria developed by the commission, an analysis of the following factors, if applicable:

- (i) The applicant's environmental impact plan.
- (ii) A summary of the applicant's safety and security plans and procedures, which shall include descriptions of the following:
 - plans for the use of security personnel, including contractors;
 - the experience or qualifications of security personnel and proposed contractors;
 - security and surveillance features, including descriptions of any alarm systems, video surveillance systems, and access and visitor management systems, along with drawings identifying the proposed locations for surveillance cameras and other security features;
 - plans for the storage of cannabis and cannabis items, including any safes, vaults, and climate control systems that will be utilized for this purpose;
 - a diversion prevention plan;
 - an emergency management plan;
 - procedures for screening, monitoring, and performing criminal history record background checks of employees;
 - cybersecurity procedures;
 - workplace safety plans and the applicant's familiarity with federal Occupational Safety and Health Administration regulations;
 - the applicant's history of workers' compensation claims and safety assessments;
 - procedures for reporting adverse events; and

- a sanitation practices plan.

(iii) A summary of the applicant's business experience, including the following, if applicable:

- the applicant's experience operating businesses in highly regulated industries;
- the applicant's experience in operating cannabis establishments or alternative treatment centers and related cannabis production, manufacturing, warehousing, or retail entities, or experience in operating cannabis distributors or delivery services, under the laws of New Jersey or any other state or jurisdiction within the United States; and
- the applicant's plan to comply with and mitigate the effects of 26 U.S.C. s.280E on cannabis businesses, and for evidence that the applicant is not in arrears with respect to any tax obligation to the State.

In evaluating the experience described under this subsubparagraph, the commission shall afford the greatest weight to the experience of the applicant itself, controlling owners, and entities with common ownership or control with the applicant; followed by the experience of those with a 15 percent or greater ownership interest in the applicant's organization; followed by significantly involved persons in the applicant's organization; followed by other officers, directors, and current and prospective employees of the applicant who have a bona fide relationship with the applicant's organization as of the date of the application.

(iv) A description of the proposed location for the applicant's site, including the following, if applicable:

- the proposed location, the surrounding area, and the suitability or advantages of the proposed location, along with a floor plan and optional renderings or architectural or engineering plans;
- the submission of zoning approvals for the proposed location, which shall consist of a letter or affidavit from appropriate officials of the municipality that the location will conform to local zoning requirements allowing for activities related to the operations of the proposed cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service as will be conducted at the proposed facility; and
- the submission of proof of local support for the suitability of the location, which may be demonstrated by a resolution adopted by the municipality's governing body indicating that the intended location is appropriately located or otherwise suitable for activities related to the operations of the proposed cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service.

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

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

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

- a community impact plan summarizing how the applicant intends to have a positive impact on the community in which the proposed cannabis establishment, distributor, or delivery service is to be located, which shall include an economic impact plan and a description of outreach activities;
- a written description of the applicant's record of social responsibility, philanthropy, and ties to the proposed host community;
- a written description of any research the applicant has conducted on the adverse effects of the use of cannabis items, substance use disorder, and the applicant's participation in or support of cannabis-related research and educational activities; and
- a written plan describing any research and development regarding the adverse effects of cannabis, and any cannabis-related educational and outreach activities, which the applicant intends to conduct if issued a license by the commission.

In evaluating the information submitted pursuant to this subsubparagraph, the commission shall afford the greatest weight to responses pertaining to the applicant itself, controlling owners, and entities with common ownership or control with the applicant; followed by those with a 15 percent or greater ownership interest in the applicant's organization; followed by significantly involved persons in the applicant's organization; followed by other officers, directors, and current and prospective employees of the applicant who have a bona fide relationship with the applicant's organization as of the date of the application.

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

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

- an executive summary of the applicant's business plan;
- a demonstration of the applicant's financial ability to implement its business plan, which may include, but shall not be limited to, bank statements, business and individual financial statements, net worth statements, and debt and equity financing statements; and
- a description of the applicant's plan to comply with guidance pertaining to cannabis issued by the Financial Crimes Enforcement Network under 31 U.S.C. s.5311 et seq., the federal "Bank Secrecy Act," which may be demonstrated by submitting letters regarding the applicant's banking history from banks or credit unions that certify they are aware of the business activities of the applicant, or entities with common ownership or control with the applicant, in any state where the applicant has operated a business related to personal use or medical cannabis. For the purposes of this subsubparagraph, the commission shall consider only bank references involving accounts in the name of the applicant or of an entity with common ownership or control with the applicant. An applicant who does not submit the information about a plan of compliance with the federal "Bank Secrecy Act" shall not be disqualified from consideration.

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

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

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

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

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

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

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

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

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

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

(4) The commission shall give special consideration to any applicant that has entered into an agreement with an institution of higher education to create an integrated curriculum involving the cultivation, manufacturing, wholesaling, distributing, retail sales, or delivery of personal use cannabis or cannabis items, provided that the curriculum is approved by both the commission and the Office of the Secretary of Higher Education and the applicant agrees to maintain the integrated curriculum in perpetuity. An integrated curriculum license shall be subject to revocation if the license holder fails to maintain or continue the integrated curriculum. In the event that, because of circumstances outside a license holder's control, the license holder will no longer be able to continue an integrated curriculum, the license holder shall notify the commission and shall make reasonable efforts to establish a new integrated curriculum with an institution of higher education, subject to approval by the commission and the Office of the Secretary of Higher Education. If the license holder is unable to establish a new integrated curriculum within six months after the date the current integrated curriculum arrangement ends, the commission shall revoke the entity's license, unless the commission finds there are extraordinary circumstances that justify allowing the license holder to retain the

license without an integrated curriculum and the commission finds that allowing the license holder to retain the license would be consistent with the purposes of P.L.2021, c.16 (C.24:6I-31 et al.). The commission may revise the application and license fees or other conditions for a license pursuant to this paragraph as may be necessary to encourage applications for licensure which involves an integrated curriculum.

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

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

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

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

(b) based upon data for calendar year 2019:

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

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

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

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

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

(i) with a population of less than 60,000 according to the most recently compiled federal decennial census, that for calendar year 2019 ranks in the top 40 percent of municipalities in the State for marijuana- or hashish-related arrests for violation of paragraph (4) of subsection a. of N.J.S.2C:35-10; has a crime index total of 1,000 or higher based upon the indexes listed in the 2019 annual Uniform Crime Report by the Division of State Police; but for calendar

year 2019 does not have a local average annual unemployment rate that ranks in the top 15 percent of all municipalities, based upon average annual unemployment rates estimated for the relevant calendar year by the Office of Research and Information in the Department of Labor and Workforce Development; or

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

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

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

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

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

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

(2) A microbusiness shall meet the following requirements:

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

(b) at least 51 percent of the owners, directors, officers, or employees of the microbusiness shall be residents of the municipality in which the microbusiness is located, or to be located,

or a municipality bordering the municipality in which the microbusiness is located, or to be located;

(c) concerning business operations and capacity and quantity restrictions:

(i) employ no more than 10 employees;

(ii) operate a cannabis establishment occupying an area of no more than 2,500 square feet, and in the case of a cannabis cultivator, grow cannabis on an area no more than 2,500 square feet measured on a horizontal plane and grow above that plane not higher than 24 feet, provided that a cannabis cultivator's grow space may, if approved by the commission, be part of a larger premises that is owned or operated by a cannabis cultivator that is not a licensed microbusiness, allowing for the sharing of a physical premises and certain business operations, but only the microbusiness cannabis cultivator shall grow cannabis on and above the cultivator's grow space;

(iii) possess no more than 1,000 cannabis plants each month, except that a cannabis distributor's possession of cannabis plants for transportation shall not be subject to this limit;

(iv) in the case of a cannabis manufacturer, acquire no more than 1,000 pounds of usable cannabis each month;

(v) in the case of a cannabis wholesaler, acquire for resale no more than 1,000 pounds of usable cannabis, or the equivalent amount in any form of manufactured cannabis product or cannabis resin, or any combination thereof, each month; and

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

(d) no owner, director, officer, or other person with a financial interest who also has decision making authority for the microbusiness shall hold any financial interest in any other licensed cannabis establishment, distributor, or delivery service, whether or not a microbusiness;

(e) no owner, director, officer, or other person with a financial interest who also has decision making authority for a licensed cannabis establishment, distributor, or delivery service, whether or not a microbusiness, shall hold any financial interest in a microbusiness;

(f) the microbusiness shall not sell or transfer the license issued to it; and

(g) the microbusiness shall comply with such other requirements as may be established by the commission by regulation.

(3) A license designated and issued to a microbusiness shall be valid for one year and may be renewed annually, or alternatively replaced, while still valid, with an annual license allowing the microbusiness to convert and continue its operations as a licensed person or entity that is not a microbusiness subject to the provisions of this subsection, based upon a process and criteria established by the commission in regulation for the conversion.

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

(b) Any new annual license issued pursuant to this paragraph allowing a microbusiness to convert and continue its operations as a licensed person or entity that is not a microbusiness subject to the provisions of this subsection shall be counted towards the percentages of licenses

that are designated for and only issued to microbusinesses as set forth in paragraph (1) of this subsection, notwithstanding the microbusiness' converted operations.

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

h. The commission shall have the authority to review any services agreement submitted pursuant to subsection g. of this section and any agreement to provide significant financial or technical assistance or the significant use of intellectual property to an applicant to determine whether the terms of the agreement, including interest rates, returns, and fees, are commercially reasonable and consistent with the fair market value for the terms generally applicable to agreements of a comparable nature. In the event the commission determines the terms of an agreement are not commercially reasonable or consistent with the fair market value generally applicable to the services to be provided under the agreement, the commission shall have the authority to withhold approval of the license application until the parties renegotiate a new agreement that, as determined by the commission, is commercially reasonable and consistent with the fair market value for the terms generally applicable to agreements of a comparable nature. The parties to the agreement may request that the commission provide guidance as to what terms it would find to be commercially reasonable and consistent with the fair market value generally applicable to agreements of a comparable nature. Nothing in this subsection shall be construed to require the commission to award a license to an applicant if the commission determines the applicant does not otherwise meet the requirements for issuance of the license.

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

C.24:6I-46 Marketplace regulation.

33. Marketplace Regulation.

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

(b) Throughout the 24-month period set forth in subparagraph (a) of this paragraph, the commission, except as authorized by paragraph (2) of subsection b. of this section, shall not allow, providing there exist qualified applicants, more than 37 cannabis cultivators to be

simultaneously licensed and engaging in cannabis production, which number shall include any alternative treatment centers deemed to be licensed as cannabis cultivators who are issued licenses by the commission pursuant to paragraph (3) of this subsection, provided that cannabis cultivator licenses issued to microbusinesses pursuant to subsection f. of section 19 of P.L.2021, c.16 (C.24:6I-36) shall not count towards this limit.

(2) For a period of 24 months after the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), it shall be unlawful for any owner, part owner, stockholder, officer, or director of any corporation, or any other person engaged in any retailing of any cannabis items, to engage in the growing of, testing of, manufacturing of, wholesaling of, or transporting in bulk any cannabis items, or to own either whole or in part, or to be a shareholder, officer, or director of a corporation or association, directly or indirectly, interested in any cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis delivery service, or cannabis testing facility.

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

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

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

and which alternative treatment center is also deemed, pursuant to subparagraph (ii) of subparagraph (c) of paragraph (2) of section 7 of P.L.2009, c.307 (C.24:6I-7), to either concurrently hold a Class 1 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer license, a Class 5 Cannabis Retailer license, plus an additional Class 5 Cannabis Retailer license for each satellite dispensary authorized and established by an alternative treatment center pursuant to subparagraph (d) of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7), and a Class 6 Cannabis Delivery license, or alternatively to hold a Class 3 Cannabis Wholesaler license, and may also be deemed to hold a Class 4 Cannabis Distributor license.

(ii) For each alternative treatment center deemed to have licenses pursuant to subparagraph (i) of this subparagraph, the commission shall not require the submission of an application for licensure, as the application requirement is deemed satisfied by the alternative treatment center's previously approved permit application that was submitted to the

Department of Health or to the commission pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), but the alternative treatment center shall not begin to operate as any class of cannabis establishment, distributor, or delivery service until the alternative treatment center has submitted a written approval for a proposed cannabis establishment, distributor, or delivery service from the municipality in which the proposed establishment, distributor, or delivery service is to be located, which approval is based on a determination that the proposed establishment, distributor, or delivery service complies with the municipality's restrictions on the number of establishments, distributors, or delivery services, as well as the location, manner, and times of operation of establishments or distributors enacted pursuant to section 31 of P.L.2021, c.16 (C.24:6I-45). The commission shall thereafter only issue the initial license to the alternative treatment center for a cannabis establishment of the appropriate class, or for a cannabis distributor or delivery service, once the commission certifies that it has sufficient quantities of medical cannabis and medical cannabis products available to meet the reasonably anticipated needs of registered qualifying patients in accordance with subsubparagraph (iii) of this subparagraph. The commission shall begin accepting municipal approvals from alternative treatment centers beginning on the date of adoption of the commission's initial rules and regulations pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34).

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

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

(iv) An alternative treatment center issued a license for a cannabis establishment or delivery service shall be authorized to use the same premises for all activities authorized under P.L.2021, c.16 (C.24:6I-31 et al.) and the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), without being required to establish or maintain any physical barriers or separations between operations related to the medical use of cannabis and

operations related to personal use of cannabis items, provided that the alternative treatment center shall be required to certify that it has sufficient quantities of medical cannabis and, if applicable, medical cannabis products available to meet the reasonably anticipated needs of registered qualifying patients, as set forth in subsubparagraph (ii) or (iii) of this subparagraph, and only if accepted by the commission, which is a condition for licensure as a cannabis establishment of the appropriate class or as a cannabis delivery service.

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

As a condition of licensure following acceptance of a certification, an alternative treatment center shall meet the anticipated treatment needs of registered qualifying patients before meeting the retail requests of cannabis consumers and the alternative treatment center shall not make operational changes that reduce access to medical cannabis for registered qualifying patients in order to operate a cannabis establishment or delivery service. If an alternative treatment center is found by the commission to not have sufficient quantities of medical cannabis or medical cannabis products available to meet the reasonably anticipated needs of qualified patients, the commission may issue fines, limit retail or other sales, temporarily suspend the alternative treatment center's cannabis establishment, distributor, or delivery service license, or issue any other penalties determined by the commission through regulation.

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

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

(1) (a) a Class 1 Cannabis Cultivator license or its owners through a separate company, a Class 2 Cannabis Manufacturer license or its owners through a separate company, a Class 5 Cannabis Retailer license or its owners through a separate company, and a Class 6 Cannabis Delivery license or its owners through a separate company concurrently, provided that no license holder shall be authorized to concurrently hold more than one license of each class, except in accordance with subsection c. of this section and for an alternative treatment center that was deemed, during the 24-month period, to have an additional Class 5 Cannabis Retailer

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

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

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

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

c. Notwithstanding the provisions of this section, an investor, investor group, or fund that provides significant financial or technical assistance or the significant use of intellectual property, or a combination thereof, to an applicant for a Class 5 cannabis retailer license, which applicant has been certified as a minority business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.), a women's business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.), or is a disabled veterans' business, as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), may own up to a 35 percent interest in up to seven entities that have been issued a Class 5 cannabis retailer license, provided that each such retailer is a certified minority or women's business or a disabled veterans' business, and the terms of the agreement to provide significant financial or technical assistance or the significant use of intellectual property, or a combination thereof, whether provided in the form of equity, a loan, or otherwise, including interest rates, returns, and fees, are commercially reasonable based on the terms generally provided to comparable businesses. The terms of the agreement for the provision of significant financial or technical assistance or the significant use of intellectual property, or a combination thereof, may include performance, quality, and other requirements as a condition of providing the financial or technical assistance or use of intellectual property. An applicant for a Class 5 cannabis retailer license that has or will receive significant financial or technical assistance or the significant use of intellectual property under this subsection shall include with the license application materials submitted to the commission a copy of the agreement to provide significant financial or technical assistance or significant use of intellectual property, or a combination thereof, which agreement shall be subject to review by the commission as provided in subsection f. of section 11 of P.L.2019, c.153 (C.24:6I-7.1). In accordance with this subsection, an applicant may be owned entirely by an investor, investor group, or fund, provided that the applicant otherwise complies with the provisions of this section. An investor, investor group, or fund may be part or all of the

individuals that qualify the entity as a minority business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.), a women's business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.), or is a disabled veterans' business, as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2) . Upon any changes to the ownership interest of a certified minority business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.), a women's business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.), or is a disabled veterans' business, as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), such business shall recertify with the commission the eligibility as a minority business, women's business, or disabled veterans' business.

An applicant for a Class 5 cannabis retailer license that receives significant financial or technical assistance or the significant use of intellectual property under this subsection shall pay back to the investor, investor group, or fund the full value of the financial or technical assistance or intellectual property provided under the agreement, plus any applicable interest and fees, in a period not less than five years after the date of the agreement if the full value of the assistance or property is less than \$100,000, in a period not less than seven years after the date of the agreement if the full value of the assistance or property is between \$100,001 and \$250,000, in a period not less than 10 years after the date of agreement if the full value of the assistance or property is between \$250,001 and \$500,000, and, subject to any terms and conditions imposed by a lender, in a period not less than 10 years after the date of the agreement if the full value of the assistance or property is greater than \$500,000. An investor, investor group, or fund that has acquired an ownership interest in one or more entities that have been issued a Class 5 cannabis retailer license as authorized under this subsection may maintain the ownership interest after the date the full value of the financial or technical assistance or use of intellectual property provided under the agreement, plus interest and fees, has been repaid by the applicant that received the assistance or use of intellectual property.

In no case may the controlling interest in the entity that holds a Class 5 cannabis retailer license in which an investor, investor group, or fund owns an interest as authorized pursuant to this subsection revert to the investor, investor group, or fund in the event of a default or failure by the certified minority or women's business or disabled veterans' business, as applicable.

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

d. With respect to the implementation of the prohibition against a license holder concurrently holding more than one license of each class under subparagraph (a) of paragraph (1) of subsection b. of this section, no restriction shall impute to any individual based upon such individual's familial relationship with the license holder or owner of license holder unless the individual is a member of the immediate family of the license holder or owner of the license holder. As used in this subsection, "immediate family" means the spouse, domestic partner, or civil union partner and any dependent child or stepchild, recognized by blood or by law, of the license holder or owner of the license holder or of the spouse, domestic partner, or civil union partner residing in the same household as the license holder or owner of license holder.

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

C.24:6I-34 Commission activities associated with the personal use of cannabis.

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

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

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

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

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

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

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

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

(a) Issuing subpoenas;

(b) Compelling attendance of witnesses;

(c) Administering oaths;

(d) Certifying official acts;

(e) Taking depositions as provided by law;

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

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

(6) To adopt rules regulating and prohibiting the advertising of cannabis items in a manner that is appealing to minors, that promotes excessive use, that promotes illegal activity, or that otherwise presents a significant risk to public health and safety;

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

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

c. The powers of the commission further include the power to purchase, seize, possess, and dispose of cannabis and cannabis items. The commission may purchase, possess, seize, or dispose of cannabis and cannabis items as is necessary to ensure compliance with and enforcement of the provisions of P.L.2021, c.16 (C.24:6I-31 et al.), and any rule adopted pursuant thereto. Any State officer, board, commission, corporation, institution, department, or other State body, and any local officer, board, commission, institution, department, or other local government body, that is permitted by the statutory laws of this State to perform a duty, function, or power with respect to cannabis or a cannabis item, may purchase, possess, seize,

or dispose of the cannabis or cannabis item as the State officer, board, commission, corporation, institution, department or other State body, or the local officer, board, commission, institution, department, or other local government body, considers necessary to ensure compliance with and enforce the applicable statutory law or any rule adopted under the applicable statutory law.

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

(b) The initial rules and regulations adopted pursuant to subparagraph (a) of this paragraph shall be in effect for a period not to exceed one year after the date of filing with the Office of Administrative Law. These rules and regulations shall thereafter be adopted, amended, or readopted, and any subsequent rules and regulations adopted, amended, or readopted, by the commission in accordance with the requirements of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), after consultation with other department heads, as the commission deems appropriate.

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

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

C.24:6I-44 Personal use cannabis handlers, transportation and delivery of cannabis and cannabis items.

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

a. (1) An individual who performs work for or on behalf of a person who holds a license classified pursuant to section 20, 22, 23, 24, 25, or 26 of P.L.2021, c.16 (C.24:6I-37, C.24:6I-

39, C.24:6I-40, C.24:6I-41, C.24:6I-42, or C.24:6I-43) shall have a valid certification issued by the commission under this section if the individual participates in:

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

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

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

(2) An individual who has a valid certification as a personal use cannabis handler issued under this section may also simultaneously have a valid certification as a medical cannabis handler issued under section 27 of P.L.2019, c.153 (C.24:6I-20) to perform work for or on behalf of entities issued medical cannabis permits or licenses as described in subsection a. of that section.

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

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

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

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

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

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

(2) Each individual shall submit to being fingerprinted in accordance with applicable State and federal laws, rules, and regulations. No check of criminal history record background

information shall be performed pursuant to this subsection unless the individual has furnished written consent to that check. Any individual who refuses to consent to, or cooperate in, the securing of a check of criminal history record background information shall not be considered for a certification. Each individual shall bear the cost for the criminal history record background check, including all costs of administering and processing the check.

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

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

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

f. (1) (a) With respect to determining whether any conviction of an individual contained in the criminal history record background check should disqualify an applicant for a certification, the commission shall not take into consideration any conviction for a crime or offense that occurred prior to the effective date of P.L.2021, c.16 (C.24:6I-31 et al.) involving a controlled dangerous substance or controlled substance analog as set forth in paragraph (11) or (12) of subsection b., or subparagraph (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar indictable offense under federal law, this State's law, or any other state's law, or for any conviction under federal law for conduct involving cannabis or a cannabis item that is authorized by P.L.2021, c.16 (C.24:6I-31 et al.). Additionally, the commission shall not take into consideration any other prior conviction, unless that conviction is for an indictable offense under federal law, other than a conviction for conduct involving cannabis or a cannabis item that is authorized by P.L.2021, c.16 (C.24:6I-31 et al.), or under this State's law, or any other state's law that is substantially related to the qualifications, functions, or duties for which certification is required, and not more than five years have passed since the date of that conviction, satisfactory completion of probation or parole, or release from incarceration, whichever is later. In determining which indictable offenses are substantially related to the qualifications, functions, or duties for which certification is required, the commission shall at least consider any conviction involving fraud, deceit, or embezzlement, and any conviction for N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or similar indictable offense in this or another jurisdiction involving the use of a minor to dispense or distribute a controlled dangerous substance or controlled substance analog;

(b) The commission may approve an applicant for a certification after conducting a thorough review of any previous conviction of a person that substantially related to the qualifications, functions, or duties for which certification is required that is contained in the criminal history record background information, and this review shall include examining the nature of the indictable offense, the circumstances at the time of committing the offense, and evidence of rehabilitation since conviction. If the commission determines that the reviewed

conviction should not disqualify the applicant, the applicant may be approved so long as the applicant is otherwise qualified to be issued the certification.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

C.24:6I-42 Class 5 cannabis retailer license.

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

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

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

(2) Shall have at least one significantly involved person who has resided in this State for at least two years as of the date of the application and provide proof that this person and any other person with a financial interest who also has decision making authority for the cannabis retailer listed on an application submitted under section 18 of P.L.2021, c.16 (C.24:6I-35) is 21 years of age or older;

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

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

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

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

(c) (i) With respect to determining whether any conviction of a person contained in the criminal history record background check should disqualify an applicant for a Class 5 Cannabis Retailer license, the commission shall not take into consideration any conviction for a crime or offense that occurred prior to the effective date of P.L.2021, c.16 (C.24:6I-31 et al.) involving a controlled dangerous substance or controlled substance analog as set forth in paragraph (11) or (12) of subsection b., or subparagraph (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar indictable offense under federal law, this State's law, or any other state's law, or for any conviction under federal law for conduct involving cannabis or a cannabis item that is authorized by P.L.2021, c.16 (C.24:6I-31 et al.). Additionally, the commission shall not take into consideration any other prior conviction, unless that conviction is for an indictable offense under federal law, other than a conviction for conduct involving cannabis or a cannabis item that is authorized by P.L.2021, c.16 (C.24:6I-31 et al.), or under this State's law, or any other state's law that is substantially related to the qualifications, functions, or duties for which the license is required, and not more than five years have passed since the date of that conviction, satisfactory completion of probation or parole, or release from incarceration, whichever is later. In determining which indictable offenses are substantially related to the qualifications, functions, or duties for which the license is required, the commission shall at least consider any conviction involving fraud, deceit, or embezzlement, and any conviction for N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or similar indictable offense in this or another jurisdiction involving the use of a minor to dispense or distribute a controlled dangerous substance or controlled substance analog;

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

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

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

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

b. The commission shall adopt rules that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12. This act shall take effect the 90th day next following the date of enactment.

Approved January 20, 2026.