

ASSEMBLY, No. 416

STATE OF NEW JERSEY 217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

Sponsored by:

Assemblyman TIM EUSTACE

District 38 (Bergen and Passaic)

Assemblyman REED GUSCIORA

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

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SYNOPSIS

Dedicates sales and use tax collections from sales of medical marijuana to the “Medical Marijuana for a Cure Fund” for medical research grants on certain debilitating medical conditions.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



A416 EUSTACE, GUSCIORA

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1 AN ACT dedicating “Sales and Use Tax Act” proceeds from sales of
2 medical marijuana for medical research grants on certain
3 debilitating medical conditions, amending section 13 of
4 P.L.2009, c.307 (C.24:6I-11).

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

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9 1. Section 13 of P.L.2009, c.307 (C.24:6I-11) is amended to
10 read as follows:

11 13. a. The commissioner may accept from any governmental
12 department or agency, public or private body or any other source
13 grants or contributions to be used in carrying out the purposes of
14 this act.

15 b. All fees collected pursuant to this act, including those from
16 qualifying patients and alternative treatment centers’ initial,
17 modification and renewal applications, shall be used to offset the
18 cost of the department’s administration of the provisions of this act.

19 c. (1) There is established in the General Fund a special fund to
20 be known as the “Medical Marijuana for a Cure Fund.”

21 (2) An amount equal to the annual revenue derived from the
22 application of the “Sales and Use Tax Act,” P.L.1966, c.30
23 (C.54:32B-1 et seq.), to the extent it may otherwise be authorized
24 pursuant to law to apply, upon the sale of useable marijuana
25 dispensed in accordance with the “New Jersey Compassionate Use
26 Medical Marijuana Act,” P.L.2009, c.307 (C.24:6I-1 et seq.),
27 subject to necessary adjustments made to effectuate the
28 constitutional dedication in subparagraph b. of paragraph 7 of
29 Section I of Article VIII of the New Jersey Constitution, shall be
30 annually credited from the General Fund to the “Medical Marijuana
31 for a Cure Fund.”

32 (3) (a) The Legislature shall annually appropriate all monies
33 credited to the “Medical Marijuana for a Cure Fund” established
34 pursuant to this subsection for a grant program to be administered
35 by the commissioner for the award of grants to public and private
36 entities pursuing cures and treatment for the debilitating medical
37 conditions to which the “New Jersey Compassionate Use Medical
38 Marijuana Act,” P.L.2009, c.307 (C.24:6I-1 et seq.) is directed.
39 The commissioner shall prioritize grant program awards based on
40 the following considerations: likelihood of success in establishing a
41 cure or treatment, or progress thereto, for a debilitating medical
42 condition; capacity to reduce the medical need for useable
43 marijuana dispensation in accordance with the “New Jersey
44 Compassionate Use Medical Marijuana Act,” P.L.2009, c.307

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

Matter underlined thus is new matter.

1 (C.24:6I-1 et seq.); and potential for synergistic effects in the
2 State’s medical research community.

3 (b) The commissioner is authorized to use amounts appropriated
4 from the “Medical Marijuana for a Cure Fund” for the grant
5 program authorized pursuant to this subsection for the costs
6 incurred in the administration of the grant program.

7 (cf: P.L.2009, c.307, s.13)

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9 2. This act shall take effect immediately and apply to State
10 fiscal years beginning on or after the date of enactment.

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STATEMENT

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15 This bill dedicates the sales and use tax collections from the sale
16 of medical marijuana to the “Medical Marijuana for a Cure Fund”
17 for medical research grants on certain debilitating medical
18 conditions. The purpose of this bill is to tie the sales and use tax
19 collections on medical marijuana to medical research that will
20 alleviate the hardships necessitating medical marijuana.

21 The executive branch has recently announced that it has
22 interpreted the “Sales and Use Tax Act” to apply to the dispensation
23 of medical marijuana. Generally, this means that there will be a
24 seven percent sales tax imposed on the sales price of medical
25 marijuana. This bill establishes a statutory dedication that calls for
26 those sales tax proceeds to be used for medical research aimed at
27 alleviating the afflictions that necessitate medical marijuana.

28 More specifically, the bill calls for the sales tax proceeds
29 collected on medical marijuana to be credited to the “Medical
30 Marijuana for a Cure Fund,” which is established by the bill. The
31 bill calls upon the Legislature to annually appropriate the fund
32 balance for a medical research grant program that is to be
33 administered by the Department of Health. The bill directs the
34 Commissioner of Health to weigh medical research grant
35 applications based on three factors: (i) likelihood of success in
36 pursuing a cure or treatment for a debilitating medical condition;
37 (ii) capacity to reduce the medical need for medical marijuana; and
38 (iii) potential for generating synergistic effects in the State’s
39 medical research community. The grant program is open to both
40 public and private recipients.

41 The bill is scheduled to take effect immediately and apply to
42 State fiscal years beginning on or after the date of enactment.