

ASSEMBLY, No. 3740

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MARCH 22, 2018

Sponsored by:

Assemblyman HERB CONAWAY, JR.

District 7 (Burlington)

Assemblywoman CAROL A. MURPHY

District 7 (Burlington)

SYNOPSIS

Authorizes medical marijuana for treatment of any diagnosed condition; revises requirements for physicians to authorize qualifying patients; and revises requirements for alternative treatment center operations and permitting.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning medical marijuana and revising and
2 supplementing P.L.2009, c.307.

3

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

6

7 1. Section 2 of P.L.2009, c.307 (C.24:6I-2) is amended to read
8 as follows:

9 2. The Legislature finds and declares that:

10 a. Modern medical research has discovered a beneficial use for
11 marijuana in treating or alleviating the pain or other symptoms
12 associated with certain **【debilitating】** qualifying medical
13 conditions, as found by the National Academy of Sciences' Institute
14 of Medicine in March 1999;

15 b. According to the U.S. Sentencing Commission and the
16 Federal Bureau of Investigation, 99 out of every 100 marijuana
17 arrests in the country are made under state law, rather than under
18 federal law. Consequently, changing state law will have the
19 practical effect of protecting from arrest the vast majority of
20 seriously ill people who have a medical need to use marijuana;

21 c. Although federal law currently prohibits the use of
22 marijuana, the laws of Alaska, California, Colorado, Hawaii, Maine,
23 Michigan, Montana, Nevada, New Mexico, Oregon, Rhode Island,
24 Vermont, and Washington permit the use of marijuana for medical
25 purposes, and in Arizona doctors are permitted to prescribe
26 marijuana. New Jersey joins this effort for the health and welfare
27 of its citizens;

28 d. States are not required to enforce federal law or prosecute
29 people for engaging in activities prohibited by federal law;
30 therefore, compliance with this act does not put the State of New
31 Jersey in violation of federal law; and

32 e. Compassion dictates that a distinction be made between
33 medical and non-medical uses of marijuana. Hence, the purpose of
34 this act is to protect from arrest, prosecution, property forfeiture,
35 and criminal and other penalties, those patients who use marijuana
36 to alleviate suffering from **【debilitating】** certain qualifying medical
37 conditions, as well as their physicians, primary caregivers, and
38 those who are authorized to produce marijuana for medical
39 purposes.

40 (cf: P.L.2009, c.307, s.2)

41

42 2. Section 3 of P.L.2009, c.307 (C.24:6I-3) is amended to read
43 as follows:

44 3. As used in **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.),
45 P.L.2015, c.158 (C.18A:40-12.22), and P.L. , c. (C.)
46 (pending before the Legislature as this bill):

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 “ATC identification card” means a document issued by the
2 department that identifies a person as an owner, director, board
3 member, principal officer, or employee of an ATC.

4 "Bona fide physician-patient relationship" means a relationship
5 in which the physician has ongoing responsibility for the
6 assessment, care, and treatment of a patient's **【debilitating】**
7 **qualifying** medical condition.

8 **【"Certification" means a statement signed by a physician with**
9 **whom a qualifying patient has a bona fide physician-patient**
10 **relationship, which attests to the physician's authorization for the**
11 **patient to apply for registration for the medical use of marijuana.】**

12 “Central region” means the counties of Hunterdon, Middlesex,
13 Mercer, Monmouth, Ocean, Somerset, and Union.

14 "Commissioner" means the Commissioner of Health.

15 “Common ownership or control” means:

16 (1) between two for-profit entities, the same individuals or
17 entities own and control more than 50 percent of both entities;

18 (2) between a nonprofit entity and a for-profit entity, a majority
19 of the directors, trustees, or members of the governing body of the
20 nonprofit entity directly or indirectly own and control more than 50
21 percent of the for-profit entity; and

22 (3) between two nonprofit entities, the same directors, trustees,
23 or governing body members comprise a majority of the voting
24 directors, trustees, or governing body members of both nonprofits.

25 “Cultivate” means possessing, planting, propagating, cultivating,
26 growing, harvesting, processing, labeling, manufacturing,
27 compounding, and storing medical marijuana consistent with
28 P.L.2009, c.307 (C.24:6I-1 et al.).

29 **【"Debilitating medical condition" means:**

30 (1) one of the following conditions, if resistant to conventional
31 medical therapy: seizure disorder, including epilepsy; intractable
32 skeletal muscular spasticity; post-traumatic stress disorder; or
33 glaucoma;

34 (2) one of the following conditions, if severe or chronic pain,
35 severe nausea or vomiting, cachexia, or wasting syndrome results
36 from the condition or treatment thereof: positive status for human
37 immunodeficiency virus; acquired immune deficiency syndrome; or
38 cancer;

39 (3) amyotrophic lateral sclerosis, multiple sclerosis, terminal
40 cancer, muscular dystrophy, or inflammatory bowel disease,
41 including Crohn's disease;

42 (4) terminal illness, if the physician has determined a prognosis
43 of less than 12 months of life; or

44 (5) any other medical condition or its treatment that is approved
45 by the department by regulation. **】**

46 "Department" means the Department of Health.

1 “Immediate family” means the spouse, child, sibling, or parent of
2 an individual, and shall include the siblings and parents of the
3 individual’s spouse and the spouse of the individual’s child.

4 “Interest holder” means a direct or indirect owner, part owner,
5 investor, lender, stockholder, officer, director, partner, or member
6 of any corporation, partnership, limited liability company, limited
7 liability partnership, employee cooperative, association, nonprofit
8 corporation, business entity, or any other person with a direct
9 ownership interest or indirect interest through intermediary business
10 entities or other structures in an alternative treatment center.

11 "Marijuana" has the meaning given in section 2 of the "New
12 Jersey Controlled Dangerous Substances Act," P.L.1970, c.226
13 (C.24:21-2).

14 "Medical marijuana alternative treatment center" or "alternative
15 treatment center" or “ATC” means an organization **[approved]**
16 issued a permit by the department to **[perform activities necessary**
17 **to provide registered qualifying patients with usable marijuana and**
18 **related paraphernalia in accordance with the provisions of this act]**
19 operate as a medical marijuana cultivator-processor or as a medical
20 marijuana dispensary. This term shall include the organization's
21 officers, directors, board members, and employees.

22 “Medical marijuana cultivator-processor” means an organization
23 holding a permit issued by the department that authorizes the
24 organization to: possess and cultivate marijuana; produce,
25 manufacture, or otherwise create marijuana-infused and marijuana-
26 derived products; and deliver, transfer, transport, distribute, supply,
27 and sell medical marijuana, marijuana-infused products, marijuana-
28 derived products, and related supplies to medical marijuana
29 dispensaries. A medical marijuana cultivator-processor permit shall
30 not authorize the permit holder to deliver, transfer, transport,
31 distribute, supply, sell, or dispense medical marijuana, marijuana-
32 infused products, marijuana-derived products, or related supplies to
33 qualifying patients or their primary caregivers.

34 “Medical marijuana dispensary” means an organization issued a
35 permit by the department that authorizes the organization to obtain
36 medical marijuana, marijuana-infused products, and marijuana
37 derived products from a medical marijuana cultivator-processor,
38 and to possess, display, deliver, transfer, transport, distribute,
39 supply, sell, and dispense medical marijuana, marijuana-infused
40 products, marijuana-derived products, and related supplies to
41 qualifying patients and their primary caregivers. A medical
42 marijuana dispensary permit shall not authorize the permit holder to
43 cultivate marijuana or to manufacture or process marijuana-infused
44 or marijuana-derived products.

45 "Medical use of marijuana" means the acquisition, possession,
46 transport, or use of marijuana or paraphernalia by a registered
47 qualifying patient as authorized by **[this act]** P.L.2009, c.307

1 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-12.22), and P.L. , c.
2 (C.) (pending before the Legislature as this bill).

3 "Minor" means a person who is under 18 years of age and who
4 has not been married or previously declared by a court or an
5 administrative agency to be emancipated.

6 "Northern region" means the counties of Bergen, Essex, Hudson,
7 Morris, Passaic, Sussex, and Warren.

8 "Paraphernalia" has the meaning given in N.J.S.2C:36-1.

9 "Physician" means a person licensed to practice medicine and
10 surgery pursuant to Title 45 of the Revised Statutes with whom the
11 patient has a bona fide physician-patient relationship and who is the
12 primary care physician, hospice physician, or physician responsible
13 for the ongoing treatment of a patient's **【debilitating】** qualifying
14 medical condition, provided, however, that the ongoing treatment
15 shall not be limited to the provision of authorization for a patient to
16 use medical marijuana or consultation solely for that purpose.

17 "Primary caregiver" or "caregiver" means a resident of the State
18 who:

19 a. is at least 18 years old;

20 b. has agreed to assist with a registered qualifying patient's
21 medical use of marijuana, is not currently serving as primary
22 caregiver for **【another】** more than one other qualifying patient, and
23 is not the qualifying patient's physician;

24 c. subject to the provisions of paragraph (2) of section 4 of
25 P.L.2009, c.307 (C.24:6I-4), has never been convicted of possession
26 or sale of a controlled dangerous substance, unless such conviction
27 occurred after the effective date of **【this act】** P.L.2009, c.307
28 (C.24:6I-1 et al.) and was for a violation of federal law related to
29 possession or sale of marijuana that is authorized under **【this act】**
30 P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-
31 12.22), or P.L. , c. (C.) (pending before the Legislature as
32 this bill);

33 d. has registered with the department pursuant to section 4 of
34 **【this act】** P.L.2009, c.307 (C.24:6I-4), and, if the individual is not
35 an immediate family member of the patient, has satisfied the
36 criminal history record background check requirement of section 4
37 of **【this act】** P.L.2009, c.307 (C.24:6I-4); and

38 e. has been designated as primary caregiver on the qualifying
39 patient's application or renewal for a registry identification card or
40 in other written notification to the department.

41 "Qualifying medical condition" means any medical condition
42 diagnosed by a physician, including the symptoms of the condition
43 and any symptoms resulting from any treatment for the condition,
44 which the physician determines may be treated using medical
45 marijuana.

46 "Qualifying patient" or "patient" means a resident of the State
47 who has been **【provided with a certification】** authorized for the

1 medical use of marijuana by a physician pursuant to a bona fide
2 physician-patient relationship.

3 “Region” means the northern region, the central region, or the
4 southern region, as defined in this section.

5 "Registry identification card" means a document issued by the
6 department that identifies a person as a registered qualifying patient
7 or primary caregiver.

8 “Southern region” means the counties of Atlantic, Burlington,
9 Camden, Cape May, Cumberland, Gloucester, and Salem.

10 "Usable marijuana" means the dried leaves and flowers of
11 marijuana, and any mixture or preparation thereof, and does not
12 include the seeds, stems, stalks, or roots of the plant.

13 (cf: P.L.2016, c.53, s.1)

14

15 3. Section 4 of P.L.2009, c.307 (C.24:6I-4) is amended to read
16 as follows:

17 4. a. The department shall establish a registry of qualifying
18 patients and their primary caregivers, and shall issue a registry
19 identification card, which shall be valid for two years, to a
20 qualifying patient and primary caregiver, if applicable, who submits
21 the following, in accordance with regulations adopted by the
22 department:

23 (1) a **【certification that meets the requirements of section 5 of**
24 **this act】** documentation of a physician’s authorization for the
25 medical use of marijuana;

26 (2) an application or renewal fee, which may be based on a
27 sliding scale as determined by the commissioner; except that no
28 application or renewal fee shall apply in the case of an immediate
29 family member of the patient who serves as primary caregiver to the
30 patient. In all other cases, the application and renewal fee shall not
31 exceed \$10 for patients who are indigent and \$50 for all other
32 cardholders;

33 (3) the name, address, and date of birth of the patient and
34 caregiver, as applicable; and

35 (4) the name, address, and telephone number of the patient's
36 physician.

37 b. Before issuing a registry identification card, the department
38 shall verify the information contained in the application or renewal
39 form submitted pursuant to this section. In the case of a primary
40 caregiver who is not an immediate family member of the patient,
41 the department shall provisionally approve an application pending
42 the results of a criminal history record background check, if the
43 caregiver otherwise meets the requirements of **【this act】** P.L.2009,
44 c.307 (C.24:6I-1 et al.). The department shall approve or deny an
45 application or renewal within 30 days of receipt of the completed
46 application or renewal, and shall issue a registry identification card
47 within five days of approving the application or renewal. The
48 department may deny an application or renewal only if the applicant

1 fails to provide the information required pursuant to this section, or
2 if the department determines that the information was incorrect or
3 falsified or does not meet the requirements of **[this act]** P.L.2009,
4 c.307 (C.24:6I-1 et al.). Denial of an application shall be a final
5 agency decision, subject to review by the Superior Court, Appellate
6 Division.

7 c. (1) The commissioner shall require each applicant seeking
8 to serve as a primary caregiver who is not an immediate family
9 member of the patient to undergo a criminal history record
10 background check. The commissioner is authorized to exchange
11 fingerprint data with and receive criminal history record
12 background information from the Division of State Police and the
13 Federal Bureau of Investigation consistent with the provisions of
14 applicable federal and State laws, rules, and regulations. The
15 Division of State Police shall forward criminal history record
16 background information to the commissioner in a timely manner
17 when requested pursuant to the provisions of this section.

18 An applicant seeking to serve as a primary caregiver who is not
19 an immediate family member of the patient shall submit to being
20 fingerprinted in accordance with applicable State and federal laws,
21 rules, and regulations. No check of criminal history record
22 background information shall be performed pursuant to this section
23 unless the applicant has furnished **[his]** the applicant's written
24 consent to that check. An applicant who is not an immediate family
25 member of the patient who refuses to consent to, or cooperate in,
26 the securing of a check of criminal history record background
27 information shall not be considered for inclusion in the registry as a
28 primary caregiver or issuance of an identification card. An
29 applicant shall bear the cost for the criminal history record
30 background check, including all costs of administering and
31 processing the check. No criminal history record background check
32 shall be required of an applicant to be a primary caregiver if the
33 applicant is an immediate family member of the patient.

34 (2) The commissioner shall not approve an applicant seeking to
35 serve as a primary caregiver who is not an immediate family
36 member of the patient if the criminal history record background
37 information of the applicant reveals a disqualifying conviction. For
38 the purposes of this section, a disqualifying conviction shall mean a
39 conviction of a crime involving any controlled dangerous substance
40 or controlled substance analog as set forth in chapter 35 of Title 2C
41 of the New Jersey Statutes except **[paragraph]** : subparagraph (b) of
42 paragraph (10) of subsection b. of N.J.S.2C:35-5, paragraphs (11)
43 or (12) of subsection b. of N.J.S.2C:35-5, or paragraphs (3) or (4) of
44 subsection a. of N.J.S.2C:35-10, or any similar law of the United
45 States or of any other state.

46 (3) Upon receipt of the criminal history record background
47 information from the Division of State Police and the Federal
48 Bureau of Investigation, the commissioner shall provide written

1 notification to the applicant of **[his]** the applicant's qualification or
2 disqualification for serving as a primary caregiver.

3 If the applicant is disqualified because of a disqualifying
4 conviction pursuant to the provisions of this section, the conviction
5 that constitutes the basis for the disqualification shall be identified
6 in the written notice.

7 (4) The Division of State Police shall promptly notify the
8 commissioner in the event that an individual who was the subject of
9 a criminal history record background check conducted pursuant to
10 this section is convicted of a crime or offense in this State after the
11 date the background check was performed. Upon receipt of that
12 notification, the commissioner shall make a determination regarding
13 the continued eligibility of the applicant to serve as a primary
14 caregiver.

15 (5) Notwithstanding the provisions of subsection b. of this
16 section to the contrary, no applicant shall be disqualified from
17 serving as a registered primary caregiver on the basis of any
18 conviction disclosed by a criminal history record background check
19 conducted pursuant to this section if the individual has affirmatively
20 demonstrated to the commissioner clear and convincing evidence of
21 rehabilitation. In determining whether clear and convincing
22 evidence of rehabilitation has been demonstrated, the following
23 factors shall be considered:

24 (a) the nature and responsibility of the position which the
25 convicted individual would hold, has held, or currently holds;

26 (b) the nature and seriousness of the crime or offense;

27 (c) the circumstances under which the crime or offense
28 occurred;

29 (d) the date of the crime or offense;

30 (e) the age of the individual when the crime or offense was
31 committed;

32 (f) whether the crime or offense was an isolated or repeated
33 incident;

34 (g) any social conditions which may have contributed to the
35 commission of the crime or offense; and

36 (h) any evidence of rehabilitation, including good conduct in
37 prison or in the community, counseling or psychiatric treatment
38 received, acquisition of additional academic or vocational
39 schooling, successful participation in correctional work-release
40 programs, or the recommendation of those who have had the
41 individual under their supervision.

42 d. A registry identification card shall contain the following
43 information:

44 (1) the name, address, and date of birth of the patient and
45 primary caregiver, if applicable;

46 (2) the expiration date of the registry identification card;

47 (3) photo identification of the cardholder; and

1 (4) such other information that the department may specify by
2 regulation.

3 e. (1) A patient who has been issued a registry identification
4 card shall notify the department of any change in the patient's name,
5 address, or physician or change in status of the patient's
6 **【debilitating】** qualifying medical condition, within 10 days of such
7 change, or the registry identification card shall be deemed null and
8 void.

9 (2) A primary caregiver who has been issued a registry
10 identification card shall notify the department of any change in the
11 caregiver's name or address within 10 days of such change, or the
12 registry identification card shall be deemed null and void.

13 f. The department shall maintain a confidential list of the
14 persons to whom it has issued registry identification cards.
15 Individual names and other identifying information on the list, and
16 information contained in any application form, or accompanying or
17 supporting document shall be confidential, and shall not be
18 considered a public record under P.L.1963, c.73 (C.47:1A-1 et seq.)
19 or P.L.2001, c.404 (C.47:1A-5 et al.), and shall not be disclosed
20 except to:

21 (1) authorized employees of the department and the Division of
22 Consumer Affairs in the Department of Law and Public Safety as
23 necessary to perform official duties of the department and the
24 division, as applicable; and

25 (2) authorized employees of State or local law enforcement
26 agencies, only as necessary to verify that a person who is engaged
27 in the suspected or alleged medical use of marijuana is lawfully in
28 possession of a registry identification card.

29 g. Applying for or receiving a registry card does not constitute
30 a waiver of the qualifying patient's patient-physician privilege.
31 (cf: P.L.2009, c.307, s.4)

32

33 4. (New section) a. A physician shall not be required to enroll
34 in any medical marijuana physician registry or undergo any
35 additional registration process as a condition of authorizing patients
36 for the medical use of marijuana.

37 b. When authorizing a qualifying patient who is a minor for the
38 medical use of marijuana, if the treating physician is not trained in
39 the care of pediatric patients, the treating physician shall, prior to
40 authorizing the patient for the medical use of marijuana, obtain
41 written confirmation from a physician trained in the care of
42 pediatric patients establishing, in the physician's professional
43 opinion, and following an examination of the minor patient or
44 review of the minor patient's medical record, that the minor patient
45 is likely to receive therapeutic or palliative benefits from the
46 medical use of marijuana to treat or alleviate symptoms associated
47 with the patient's qualifying medical condition. If the treating
48 physician is trained in the care of pediatric patients, no additional

1 written confirmation from any other physician shall be required as a
2 condition of authorizing the patient for the medical use of
3 marijuana.

4
5 5. (New section) a. Except as provided in subsection b. of this
6 section, no physician who has authorized a patient for the medical
7 use of marijuana pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
8 within the past 90 days, and no member of such physician's
9 immediate family, shall be an interest holder in, or receive any form
10 of direct or indirect compensation from, any alternative treatment
11 center.

12 b. Nothing in subsection a. of this section shall be construed to
13 prevent a physician from serving on the medical advisory board of
14 an alternative treatment center established pursuant to section 9 of
15 P.L. , c. (C.) (pending before the Legislature as this bill) and
16 receiving a reasonable stipend for such service, provided that:

17 (1) the stipend does not exceed the stipend paid to any other
18 member of the medical advisory board for serving on the board; and

19 (2) the amount of the stipend is not based on patient volumes at
20 the alternative treatment center or on the number of authorizations
21 for the medical use of marijuana the physician issues pursuant to
22 P.L.2009, c.307 (C.24:6I-1 et al.).

23 c. A physician, or an immediate family member of a physician,
24 who applies for an ATC identification card shall certify that the
25 physician has not authorized a patient for the medical use of
26 marijuana pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) within the
27 90 days immediately preceding the date of the application.

28 d. A person who violates subsection a. of this section shall be
29 guilty of a crime of the fourth degree.

30
31 6. Section 7 of P.L.2009, c.307 (C.24:6I-7) is amended to read
32 as follows:

33 7. a. The department shall accept applications from entities
34 for permits to operate as alternative treatment centers **],** and may
35 charge a reasonable fee for the issuance of a permit under this
36 section]. **[**The department shall seek to ensure the availability of a
37 sufficient number of] To ensure adequate access to alternative
38 treatment centers throughout the State, **[**pursuant to need, including
39 at least two] the department shall grant permits to three medical
40 marijuana cultivator-processors and at least nine medical marijuana
41 dispensaries in each [in] of the northern, central, and southern
42 regions of the State, for a total of nine medical marijuana cultivator-
43 processor permits and 27 medical marijuana dispensary permits;
44 this total number of permits shall include the six alternative
45 treatment center permits issued prior to the effective date of P.L. ,
46 c. (pending before the Legislature as this bill), which shall
47 constitute six of the medical marijuana cultivator-processor permits

1 and six of the medical marijuana dispensary permits, plus the three
2 medical marijuana cultivator-processor permits and the 21 medical
3 marijuana dispensary permits issued pursuant to section 6 of P.L. ,
4 c. (C.) (pending before the Legislature as this bill).
5 Thereafter, the department shall periodically evaluate whether the
6 number of medical marijuana cultivator-processors and medical
7 marijuana dispensaries is sufficient to meet the needs of qualifying
8 patients in the State, and, if it determines additional medical
9 marijuana cultivator-processors or medical marijuana dispensaries
10 are needed to meet the needs of qualifying patients, make a request
11 for applications and such additional medical marijuana cultivator-
12 processor permits and medical marijuana dispensary permits as it
13 deems necessary.

14 Commencing 18 months after the effective date of P.L. , c.
15 (C.) (pending before the Legislature as this bill), a medical
16 marijuana dispensary may submit an application to the department
17 for approval to open a satellite dispensary. Any such application
18 shall meet the requirements of subsection k. of section 7 of P.L. ,
19 c. (C.) (pending before the Legislature as this bill). The
20 department may reject an application for a satellite dispensary if the
21 department determines the proposed location would be contrary to
22 the interests of ensuring geographic dispersion of medical
23 marijuana dispensaries throughout the State or would not be suited
24 to meeting current patient treatment needs in the proposed region.
25 If a satellite dispensary application is rejected by the department,
26 the medical marijuana dispensary shall be authorized to submit a
27 new application for another location. A medical marijuana
28 dispensary shall have no more than one satellite dispensary.
29 Subject to department approval, a medical marijuana dispensary
30 may close its satellite dispensary or, pursuant to subsection j. of this
31 section, relocate the satellite dispensary to a new location within the
32 same county as the satellite dispensary is located.

33 An initial application for a medical marijuana cultivator-
34 processor permit or a medical marijuana dispensary permit shall
35 meet the application requirements set forth in section 8 of P.L. , c.
36 (C.) (pending before the Legislature as this bill).

37 An alternative treatment center holding a permit that was issued
38 prior to the effective date of P.L. , c. (pending before the
39 Legislature as this bill) shall be deemed to hold both a medical
40 marijuana cultivator-processor permit and a medical marijuana
41 dispensary permit, and shall be authorized to hold both permits
42 concurrently. [The first two centers issued a permit in each region
43 shall be nonprofit entities, and centers subsequently issued permits
44 may be nonprofit or for-profit entities]

45 No interest holder, or natural person with a direct or indirect
46 interest through intermediary business entities or other structures, in
47 any medical marijuana cultivator-processor, shall own, either in
48 whole or in part, or be directly or indirectly interested in, a medical

1 marijuana dispensary. The foregoing shall not apply to interest
2 holders of a medical marijuana alternative treatment center issued a
3 permit by the department prior to the effective date of
4 P.L. , c. (C.) (pending before the Legislature as this bill).

5 No interest holder, or natural person with a direct or indirect
6 interest through intermediary business entities or other structures, in
7 any medical marijuana dispensary, shall own, either in whole or in
8 part, or be directly or indirectly interested in, a medical marijuana
9 cultivator-processor. The foregoing shall not apply to interest
10 holders of a medical marijuana alternative treatment center issued a
11 permit by the department prior to the effective date of
12 P.L. , c. (C.) (pending before the Legislature as this bill).

13 No natural person or entity shall hold an interest in more than
14 one medical marijuana cultivator-processor or more than one
15 medical marijuana dispensary at any time, except that an interest
16 holder in a medical marijuana alternative treatment center that was
17 issued a permit by the department prior to the effective date of
18 P.L. , c. (C.) (pending before the Legislature as this bill)
19 may concurrently hold up to a 15 percent ownership interest in up
20 to one additional medical marijuana alternative treatment center that
21 was issued a permit by the department prior to the effective date of
22 P.L. , c. (C.) (pending before the Legislature as this bill), up
23 to one medical marijuana cultivator-processor, or up to one medical
24 marijuana dispensary; a medical marijuana cultivator-processor may
25 concurrently hold up to a 15 percent ownership interest in up to one
26 additional medical marijuana cultivator-processor or up to one
27 medical marijuana alternative treatment center that was issued a
28 permit by the department prior to the effective date of
29 P.L. , c. (C.) (pending before the Legislature as this bill);
30 and a medical marijuana dispensary may concurrently hold up to a
31 15 percent ownership interest in up to one additional medical
32 marijuana dispensary or up to one medical marijuana alternative
33 treatment center that was issued a permit by the department prior to
34 the effective date of P.L. , c. (C.) (pending before the
35 Legislature as this bill).

36 None of the ownership restrictions set forth in this subsection
37 shall be construed to be implicated solely by any person's
38 ownership of less than one percent of the total capitalization of a
39 publicly traded company, provided that the stockholder is not also
40 an employee, officer, or director of the publicly traded company.

41 **【An alternative treatment center】** A medical marijuana
42 cultivator-processor shall be authorized to acquire a reasonable
43 initial and ongoing inventory, as determined by the department, of
44 marijuana seeds or seedlings and paraphernalia, possess, cultivate,
45 plant, grow, harvest, process, 【display,】 and manufacture medical
46 marijuana and marijuana-infused and marijuana-derived products,
47 and deliver, transfer, transport, distribute, supply, sell, or dispense
48 medical marijuana, 【or】 marijuana-infused products, marijuana-

1 derived products, and related supplies to any medical marijuana
2 dispensary in the State. If approved by the department, a medical
3 marijuana cultivator-processor may operate, within the scope of its
4 permit, from more than one physical location. Medical marijuana
5 dispensaries may purchase or acquire medical marijuana,
6 marijuana-infused and marijuana-derived products, paraphernalia,
7 and related supplies from any medical marijuana cultivator-
8 processor in the State, and distribute, supply, sell, or dispense
9 marijuana, marijuana-infused products, marijuana-derived products,
10 and related supplies to qualifying patients or their primary
11 caregivers who are registered with the department pursuant to
12 section 4 of [this act] P.L.2009, c.307 (C.24:6I-4). [An alternative
13 treatment center] A medical marijuana cultivator-producer shall not
14 be limited in the number of strains of medical marijuana cultivated
15 [, and] or the number of products manufactured. A medical
16 marijuana cultivator-producer may package, and a medical
17 marijuana dispensary may directly dispense [marijuana] to
18 qualifying patients and their primary caregivers, medical marijuana
19 in dried form, oral lozenges, topical formulations, transdermal form,
20 sublingual form, tincture form, or edible form, or any other form as
21 authorized by the commissioner. Edible form shall include tablets,
22 capsules, drops or syrups, and any other form as authorized by the
23 commissioner. [Edible forms shall be available only to qualifying
24 patients who are minors.]

25 Applicants that choose to apply for authorization as **[nonprofit]**
26 alternative treatment centers with nonprofit status shall be subject to
27 all applicable State laws governing nonprofit entities, but need not
28 be recognized as a 501(c)(3) organization by the federal Internal
29 Revenue Service.

30 b. The department shall require that an applicant provide such
31 information as the department determines to be necessary pursuant
32 to regulations adopted pursuant to **[this act] P.L.2009, c.307**
33 (C.24:6I-1 et al.) and may, in its discretion, require any applicant to
34 submit a personal history disclosure and conduct financial due
35 diligence on any person or entity providing \$100,000 or more in
36 financial backing to an applicant.

37 c. A person who has been convicted of a crime involving any
38 controlled dangerous substance or controlled substance analog as
39 set forth in chapter 35 of Title 2C of the New Jersey Statutes except
40 **[paragraph] : subparagraph (b) of paragraph (10) of subsection b.**
41 of N.J.S.2C:35-5, paragraphs (11) or (12) of subsection b. of
42 N.J.S.2C:35-5, or paragraphs (3) or (4) of subsection a. of
43 N.J.S.2C:35-10, or any similar law of the United States or any other
44 state shall not be issued a permit to operate as an alternative
45 treatment center or be [a director, officer, or employee of an
46 alternative treatment center] issued an ATC identification card,
47 unless such conviction occurred after the effective date of [this act]

1 P.L.2009, c.307 (C.24:6I-1 et al.) and was for a violation of federal
2 law relating to possession or sale of marijuana for conduct that is
3 authorized under **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.),
4 P.L.2015, c.158 (C.18A:40-12.22), or P.L. , c. (C.) (pending
5 before the Legislature as this bill).

6 d. (1) The commissioner shall require each applicant seeking
7 a permit to operate as an alternative treatment center to undergo a
8 criminal history record background check. For purposes of this
9 section, the term "applicant" shall include any applicant for an ATC
10 identification card authorizing the individual to be an owner,
11 director, board member, principal officer, or employee of an
12 alternative treatment center. The commissioner is authorized to
13 exchange fingerprint data with and receive criminal history record
14 background information from the Division of State Police and the
15 Federal Bureau of Investigation consistent with the provisions of
16 applicable federal and State laws, rules, and regulations. The
17 Division of State Police shall forward criminal history record
18 background information to the commissioner in a timely manner
19 when requested pursuant to the provisions of this section.

20 An applicant shall submit to being fingerprinted in accordance
21 with applicable State and federal laws, rules, and regulations. No
22 check of criminal history record background information shall be
23 performed pursuant to this section unless the applicant has
24 furnished **【his】** written consent to that check. An applicant who
25 refuses to consent to, or cooperate in, the securing of a check of
26 criminal history record background information shall not be
27 considered for **【a permit to operate, or authorization to be employed**
28 **at, an alternative treatment center】** issuance of an ATC
29 identification card. An applicant shall bear the cost for the criminal
30 history record background check, including all costs of
31 administering and processing the check.

32 (2) The commissioner shall not approve an applicant for **【a**
33 **permit to operate, or authorization to be employed at, an alternative**
34 **treatment center】** issuance of an ATC identification card if the
35 criminal history record background information of the applicant
36 reveals a disqualifying conviction as set forth in subsection c. of
37 this section.

38 (3) Upon receipt of the criminal history record background
39 information from the Division of State Police and the Federal
40 Bureau of Investigation, the commissioner shall provide written
41 notification to the applicant of **【his】** the applicant's qualification
42 for or disqualification for **【a permit to operate or】** issuance of an
43 ATC identification card authorizing the individual to be 【a】 an
44 owner, director, board member, principal officer, or employee of an
45 alternative treatment center, as appropriate.

46 If the applicant is disqualified because of a disqualifying
47 conviction pursuant to the provisions of this section, the conviction

1 that constitutes the basis for the disqualification shall be identified
2 in the written notice.

3 (4) The Division of State Police shall promptly notify the
4 commissioner in the event that an individual who was the subject of
5 a criminal history record background check conducted pursuant to
6 this section is convicted of a crime or offense in this State after the
7 date the background check was performed. Upon receipt of that
8 notification, the commissioner shall make a determination regarding
9 the continued eligibility to operate or be **[a]** an owner, director,
10 board member, principal officer, or employee of an alternative
11 treatment center.

12 (5) Notwithstanding the provisions of subsection b. of this
13 section to the contrary, the commissioner may offer **[provisional**
14 **authority for]** an applicant to be an employee of an alternative
15 treatment center a provisional ATC identification card, which shall
16 be valid for a period not to exceed three months, if the applicant
17 submits to the commissioner a sworn statement attesting that the
18 **[person]** applicant has not been convicted of any disqualifying
19 conviction pursuant to this section.

20 (6) Notwithstanding the provisions of subsection b. of this
21 section to the contrary, no employee of an alternative treatment
22 center shall be disqualified from issuance of an ATC identification
23 card on the basis of any conviction disclosed by a criminal history
24 record background check conducted pursuant to this section if the
25 individual has affirmatively demonstrated to the commissioner clear
26 and convincing evidence of rehabilitation. In determining whether
27 clear and convincing evidence of rehabilitation has been
28 demonstrated, the following factors shall be considered:

29 (a) the nature and responsibility of the position which the
30 convicted individual would hold, has held, or currently holds;

31 (b) the nature and seriousness of the crime or offense;

32 (c) the circumstances under which the crime or offense
33 occurred;

34 (d) the date of the crime or offense;

35 (e) the age of the individual when the crime or offense was
36 committed;

37 (f) whether the crime or offense was an isolated or repeated
38 incident;

39 (g) any social conditions which may have contributed to the
40 commission of the crime or offense; and

41 (h) any evidence of rehabilitation, including good conduct in
42 prison or in the community, counseling or psychiatric treatment
43 received, acquisition of additional academic or vocational
44 schooling, successful participation in correctional work-release
45 programs, or the recommendation of those who have had the
46 individual under their supervision.

1 e. The department shall issue **【a permit to a person to operate**
2 **as】** an alternative treatment center permit to an applicant if the
3 department finds that issuing such a permit would be consistent
4 with the purposes of **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.)
5 and the requirements of this section are met and the department has
6 verified the information contained in the application. An initial
7 permit to operate an alternative treatment center issued pursuant to
8 this subsection shall be valid for three years, and thereafter shall be
9 renewable biennially. The department shall approve or deny an
10 application within 60 days after receipt of a completed application.
11 The denial of an application shall be considered a final agency
12 decision, subject to review by the Appellate Division of the
13 Superior Court. The department may suspend or revoke a permit to
14 operate as an alternative treatment center for cause, which shall be
15 subject to review by the Appellate Division of the Superior Court.

16 f. A person **【who has been】** or entity issued a medical
17 marijuana cultivator-processor permit pursuant to this section shall
18 display the permit at the premises of the **【alternative treatment**
19 **center】** medical marijuana cultivator-processor facility at all times
20 when marijuana is being produced, **【or】** , cultivated, processed, or
21 manufactured, and a person or entity issued a medical marijuana
22 dispensary permit pursuant to this section shall display the permit
23 on the premises of the medical marijuana dispensary at all times
24 when medical marijuana is being dispensed to a registered
25 qualifying patient or the patient's primary caregiver. An individual
26 who has been issued an ATC identification card shall have the card
27 on the cardholder's person at all times that the individual is on the
28 premises of an alternative treatment center.

29 g. An alternative treatment center shall report any change in
30 information to the department not later than 10 days after such
31 change, or the permit shall be deemed null and void.

32 h. **【An alternative treatment center】** A medical marijuana
33 cultivator-processor may charge a medical marijuana dispensary for
34 the reasonable costs associated with the production, cultivation,
35 processing, and manufacture of medical marijuana and marijuana-
36 infused and marijuana-derived products, and a medical marijuana
37 dispensary may charge a registered qualifying patient or primary
38 caregiver for the reasonable costs associated with the **【production**
39 **and】** distribution of medical marijuana **【for】** to the cardholder.

40 i. The commissioner shall adopt regulations to:

41 (1) require such written documentation of each delivery of
42 marijuana to, and pickup of marijuana for, a registered qualifying
43 patient, including the date and amount dispensed, to be maintained
44 in the records of the **【alternative treatment center】** medical
45 marijuana dispensary, as the commissioner determines necessary to
46 ensure effective documentation of the operations of each
47 **【alternative treatment center】** medical marijuana dispensary;

1 (2) monitor, oversee, and investigate all activities performed by
2 an alternative treatment center; and

3 (3) ensure adequate security of all facilities 24 hours per day,
4 including production and retail locations, and security of all
5 delivery methods to registered qualifying patients.

6 j. A medical marijuana cultivator-processor may apply to the
7 department for approval to relocate to another location within the
8 same region, and a medical marijuana dispensary may apply to the
9 department for approval to relocate the medical marijuana
10 dispensary or a satellite dispensary, if any, to another location
11 within the same county. The department may approve an
12 application for relocation if the department finds the relocation
13 would be consistent with the purposes of P.L.2009, c.307 (C.24:6I-
14 1 et al.). The denial of an application to relocate a medical
15 marijuana cultivator-processor, medical marijuana dispensary, or
16 satellite dispensary shall be considered a final agency decision,
17 subject to review by the Appellate Division of the Superior Court.

18 k. (1) A medical marijuana cultivator-processor or medical
19 marijuana dispensary may apply to the department for approval to
20 sell or transfer its permit to another entity. The department shall
21 not approve the sale or transfer of a medical marijuana cultivator
22 processor or medical marijuana dispensary permit until each
23 applicant at the entity applying to purchase or receive the transfer of
24 the permit undergoes a criminal history record background check
25 pursuant to subsection d. of this section, the department finds that
26 the sale or transfer of the permit would be consistent with the
27 purposes of P.L.2009, c.307 (C.24:6I-1 et al.), the requirements of
28 this section are met, and the department has verified the information
29 contained in the application. The department shall approve or deny
30 an application within 90 days after receipt of a completed
31 application. The denial of an application to sell or transfer a
32 medical marijuana cultivator processor or medical marijuana
33 dispensary permit shall be considered a final agency decision,
34 subject to review by the Appellate Division of the Superior Court.
35 The sale or transfer of a permit pursuant to this subsection shall not
36 constitute authorization to relocate the permitted facility unless the
37 entity purchasing or receiving transfer of the permit additionally
38 receives approval for the relocation from the department pursuant to
39 subsection j. of this section.

40 (2) If a nonprofit medical marijuana cultivator processor or
41 medical marijuana dispensary proposes to sell or transfer its permit
42 to a for-profit entity, its board of directors may proceed with the
43 sale or transfer upon receiving approval for the sale or transfer from
44 the department pursuant to paragraph (1) of this subsection, and,
45 except as provided in paragraph (3) of this subsection, after
46 obtaining an independent appraisal for the fair market value of the
47 permit. The sale or transfer of the permit shall be consistent with
48 the requirements of the "New Jersey Nonprofit Corporation Act,"

1 N.J.S.15A:1-1 et seq. The proceeds of the sale or transfer,
2 following satisfaction of the obligations of the medical marijuana
3 cultivator-processor or medical marijuana dispensary, shall be
4 retained or expended in a manner consistent with the requirements
5 of the “New Jersey Nonprofit Corporation Act,” N.J.S.15A:1-1 et
6 seq., or until the organization is lawfully wound down or dissolved.
7 If a nonprofit medical marijuana cultivator processor or medical
8 marijuana dispensary seeks to sell or transfer its permit to a for-
9 profit entity with which it shares common ownership or control, the
10 sale or transfer shall not proceed unless at least one disinterested
11 director or trustee approves the sale or transfer in accordance with
12 the requirements of the “New Jersey Nonprofit Corporation Act,”
13 N.J.S.15A:1-1 et seq.

14 (3) In the case of a nonprofit alternative treatment center that
15 was issued a permit prior to the effective date of P.L. , c. (C.)
16 (pending before the Legislature as this bill), in lieu of obtaining an
17 independent appraisal of the fair market value of the alternative
18 treatment center’s medical marijuana cultivator-processor or
19 medical marijuana dispensary permit as required under paragraph
20 (2) of this subsection, upon receiving approval for the sale from the
21 department pursuant to paragraph (1) of this subsection, a nonprofit
22 alternative treatment center that was issued a permit prior to the
23 effective date of P.L. , c. (C.) (pending before the
24 Legislature as this bill) may, on a single occasion and no later than
25 one year after the effective date of P.L. , c. (C.) (pending
26 before the Legislature as this bill), elect to pay the department a fee
27 of \$300,000 and sell or transfer its medical marijuana cultivator
28 processor permit or medical marijuana dispensary permit for a sum
29 that satisfies its outstanding obligations.

30 1. The maximum fees that may be charged in connection with
31 an alternative treatment center permit shall be as follows:

32 (1) for issuance of an initial three-year permit or biennial
33 renewal of an existing permit, \$40,000;

34 (2) for authorization to relocate a medical marijuana cultivator-
35 processor to a new location within the same region, or for
36 authorization to relocate a medical marijuana dispensary or satellite
37 dispensary to another location within the same county, \$20,000;

38 (3) for a permit to open a satellite dispensary, \$20,000;

39 (4) except as otherwise provided in paragraph (3) of subsection
40 k. of this section, to sell or transfer an alternative treatment center
41 permit, \$150,000;

42 (cf: P.L.2013, c.160, s.2)

43
44 7. (New section) The department shall begin accepting and
45 processing applications for three additional cultivator-processors
46 and 21 additional medical marijuana dispensaries no later than 90
47 days after the effective date of P.L. , c. (C.) (pending before
48 the Legislature as this bill).

1 The department shall make a determination as to a permit
2 application within 90 days after receiving the application, and shall
3 issue an initial permit to an approved applicant immediately upon
4 collection of the permit fee, unless the department finds the
5 applicant is not implementing the plans, procedures, protocols,
6 actions, or other measures set forth in the applicant's permit
7 application submitted pursuant to section 7 of P.L. , c. (C.)
8 (pending before the Legislature as this bill), or is otherwise not in
9 compliance with the requirements of P.L.2009, c.307 (C.24:6I-1 et
10 al.), in which case the department shall issue the permit to the next
11 highest scoring applicant in the same region that is in compliance
12 with the applicant's permit application and the requirements of
13 P.L.2009, c.307 (C.24:6I-1 et al.).
14

15 8. (New section) a. Each application for an initial three year
16 permit to operate a medical marijuana cultivator processor or
17 medical marijuana dispensary, and for biennial renewal of such
18 permit, shall be submitted to the department. A separate application
19 shall be required for each location at which an applicant seeks to
20 operate. Renewal applications shall be submitted to the department
21 no later than 90 days before the date the current permit will expire.

22 b. An initial medical marijuana cultivator-processor or medical
23 marijuana dispensary permit application shall be evaluated and
24 scored on a 100 point scale, consistent with the requirements of
25 subsections c. and d. of this section, plus any bonus points awarded
26 pursuant to subsection e. of this section.

27 c. In addition to any points awarded for an initial application
28 for a medical marijuana cultivator-processor permit or a medical
29 marijuana dispensary permit pursuant to subsection d. of this
30 section and any bonus points awarded pursuant to subsection e. of
31 this section, up to 21 points may be awarded for the summary of the
32 applicant's operating plan, excluding safety and security criteria:

33 (1) In the case of an applicant for a medical marijuana
34 cultivator-processor permit, the operating plan summary shall
35 include a written description, of up to 1,000 words per topic,
36 concerning the applicant's qualifications for, experience in, and
37 knowledge of each of the following topics:

38 (a) State-licensed cultivation of medical marijuana and
39 manufacture of marijuana products using appropriate extraction
40 methods;

41 (b) conventional horticulture or agriculture, familiarity with
42 good agricultural practices, and any relevant certifications or
43 degrees;

44 (c) pharmaceutical manufacturing, good manufacturing
45 practices, quality control, and quality assurance;

46 (d) recall plans;

47 (e) packaging and labeling;

- 1 (f) inventory control and tracking software or systems for the
- 2 production of medical marijuana;
- 3 (g) analytical chemistry and testing of marijuana and marijuana-
- 4 infused or marijuana-derived products and formulations;
- 5 (h) water management practices;
- 6 (i) odor mitigation practices;
- 7 (j) onsite and offsite recordkeeping;
- 8 (k) strain variety and plant genetics;
- 9 (l) pest control and disease management practices, including
- 10 plans for the use of pesticides, nutrients, and additives;
- 11 (m) waste disposal plans; and
- 12 (n) compliance with applicable laws and regulations.
- 13 (2) In the case of an applicant for a medical marijuana
- 14 dispensary permit, the operating plan summary shall include a
- 15 written description, of up 1,000 words per topic, concerning the
- 16 applicant's qualifications for, experience in, and knowledge of each
- 17 of the following topics:
- 18 (a) State-licensed dispensation of medical marijuana to
- 19 qualifying patients;
- 20 (b) healthcare, medicine, and treatment of patients with
- 21 debilitating medical conditions;
- 22 (c) marijuana product evaluation procedures;
- 23 (d) recall plans;
- 24 (e) packaging and labeling;
- 25 (f) inventory control and point-of-sale software or systems for
- 26 the sale of medical marijuana;
- 27 (g) patient counseling procedures;
- 28 (h) the routes of administration, strains, varieties, and
- 29 cannabinoid profiles of medical marijuana products;
- 30 (i) odor mitigation practices;
- 31 (j) onsite and offsite recordkeeping;
- 32 (k) the composition of the applicant's medical advisory board, if
- 33 any;
- 34 (l) compliance with State and federal patient privacy rules;
- 35 (m) waste disposal plans; and
- 36 (n) compliance with applicable laws and regulations.
- 37 d. In addition to any points awarded for an operating plan
- 38 summary submitted pursuant to subsection c. of this section and any
- 39 bonus points awarded pursuant to subsection e. of this section, up
- 40 79 points may be awarded for an initial application for a medical
- 41 marijuana cultivator-processor permit or a medical marijuana
- 42 dispensary permit, as follows:
- 43 (1) Up to four points may be awarded for the applicant's
- 44 environmental impact plan, which shall not exceed five pages.
- 45 (2) Up to 7.5 points may be awarded for the summary of the
- 46 applicant's safety and security plans and procedures, which shall
- 47 include descriptions of the following:
- 48 (a) plans for the use of security personnel;

- 1 (b) the experience or qualifications of existing security
2 personnel;
 - 3 (c) security and surveillance features, including descriptions of
4 any alarm systems, video surveillance systems, and access and
5 visitor management systems, along with drawings identifying the
6 proposed locations for surveillance cameras and other security
7 features;
 - 8 (d) plans for the storage of medical marijuana and medical
9 marijuana products, including any safes, vaults, and climate control
10 systems that will be utilized for this purpose;
 - 11 (e) a diversion prevention plan;
 - 12 (f) an emergency management plan;
 - 13 (g) procedures for screening, monitoring, and performing
14 criminal history record background checks of employees;
 - 15 (h) cybersecurity procedures, including, in the case of an
16 applicant for a medical marijuana dispensary permit, procedures for
17 collecting, processing, and storing patient data, and the applicant's
18 familiarity with State and federal privacy laws;
 - 19 (i) workplace safety plans and the applicant's familiarity with
20 federal Occupational Safety and Health Administration regulations;
 - 21 (j) the applicant's history of workers' compensation claims and
22 safety assessments;
 - 23 (k) procedures for reporting adverse events; and
 - 24 (l) a sanitation practices plan.
- 25 (3) Up to 15 total points may be awarded for the summary of the
26 applicant's business experience, subject to the following
27 requirements:
- 28 (a) up to six points may be awarded for the description of the
29 applicant's experience operating businesses in highly-regulated
30 industries;
 - 31 (b) up to six points may be awarded for a description of the
32 applicant's experience in operating alternative treatment centers and
33 related medical marijuana production and dispensation entities
34 under the laws of New Jersey or any other state;
 - 35 (c) up to three points may be awarded for the applicant's plan,
36 which shall not exceed three pages, to comply with and mitigate the
37 effects of 26 U.S.C. s.280E on marijuana businesses, and for
38 evidence that the applicant is not in arrears with respect to any tax
39 obligation to the State.
- 40 In evaluating the experience described under subparagraphs (a)
41 and (b) of this paragraph, the department shall afford the greatest
42 weight to the experience of the applicant itself, controlling owners,
43 and entities with common ownership or control with the applicant;
44 followed by the experience of those with a 15 percent or greater
45 ownership interest in the applicant's organization; followed by
46 interest holders in the applicant's organization; followed by other
47 officers, directors, and bona fide full-time employees of the
48 applicant as of the submission date of the application.

1 (4) Up to 15 points may be awarded based on a description of
2 the proposed location for the applicant's alternative treatment center
3 site, which shall be awarded as follows:

4 (a) up to seven points may be awarded for a description of the
5 proposed location, the surrounding area, and the suitability or
6 advantages of the proposed location, along with a floor plan and
7 optional renderings or architectural or engineering plans;

8 (b) four points may be awarded for submitting zoning approvals
9 for the proposed location, which shall consist of a letter or affidavit
10 from appropriate municipal officials that the location will conform
11 to municipal zoning requirements allowing for the cultivation,
12 processing, or dispensing of medical marijuana, marijuana-infused
13 and marijuana-derived products, and related supplies, as
14 appropriate; and

15 (c) four points may be awarded for submitting proof of local
16 support for the suitability of the location, which may be
17 demonstrated by a letter from the municipality's highest-ranking
18 official or by a resolution adopted by the municipality's governing
19 body indicating that the intended location is appropriately located
20 or otherwise suitable for the cultivation, processing, or dispensing
21 of medical marijuana, marijuana-infused and marijuana-derived
22 products, and related supplies, as appropriate.

23 Notwithstanding any other provision of this subsection, an
24 application shall be disqualified from consideration unless it
25 includes documentation demonstrating that the applicant will have
26 final control of the premises upon approval of the application,
27 including, but not limited to, a lease agreement, contract for sale,
28 title, deed, or similar documentation. In addition, if the applicant
29 will lease the premises, the application will be disqualified from
30 consideration unless it includes certification from the landlord that
31 the landlord is aware that the tenant's use of the premises will
32 involve cultivation, processing, or dispensing of medical marijuana
33 and medical marijuana products, as appropriate. An application
34 shall not be disqualified from consideration if the application does
35 not include the materials described in subparagraphs (b) or (c) of
36 this paragraph.

37 (5) Up to 15 total points may be awarded in the community
38 impact and social responsibility section of the application, subject
39 to the following requirements:

40 (a) up to four points may be awarded for a community impact
41 plan, not to exceed five pages, summarizing how the applicant
42 intends to have a positive impact on the community in which the
43 proposed medical marijuana cultivator-processor or medical
44 marijuana dispensary is to be located, which shall include an
45 economic impact plan, a description of outreach activities, and any
46 financial assistance or discount plans the applicant will provide to
47 qualifying patients and primary caregivers;

1 (b) up to three points may be awarded for a written description
2 of the applicant's record of social responsibility, philanthropy, and
3 ties to the proposed host community, which shall not exceed five
4 pages; and

5 (c) up to four points may be awarded for a written description of
6 any research the applicant has conducted on the medical efficacy or
7 adverse effects of marijuana use and the applicant's participation in
8 or support of marijuana-related research and educational activities,
9 which shall not exceed three pages; and

10 (d) up to four points may be awarded for a written plan, which
11 shall not exceed three pages, describing any research and
12 development regarding the medical efficacy or adverse effects of
13 marijuana, and any marijuana-related educational and outreach
14 activities, the applicant intends to conduct if issued a permit by the
15 department.

16 In evaluating the information submitted pursuant to
17 subparagraphs (b) and (c) of this paragraph, the department shall
18 afford the greatest weight to the experience of the applicant itself,
19 controlling owners, and entities with common ownership or control
20 with the applicant; followed by the experience of those with a 15
21 percent or greater ownership interest in the applicant's organization;
22 followed by interest holders in the applicant's organization;
23 followed by other officers, directors, and bona fide full-time
24 employees of the applicant as of the submission date of the
25 application.

26 (6) Up to 7.5 total points may be awarded for the applicant's
27 workforce development and job creation plan, which may be
28 awarded based on the following criteria:

29 (a) up to four points may be awarded for a description of the
30 applicant's workforce development and job creation plan, which
31 may include information on the applicant or its owners' history of
32 job creation and planned job creation at its proposed medical
33 marijuana cultivator-processor or medical marijuana dispensary;
34 education, training, and resources to be made available for
35 employees; any relevant certifications; and an optional diversity
36 plan; and

37 (b) 3.5 points shall be awarded to any applicant that has
38 executed a labor peace agreement or card check and neutrality
39 agreement with a collective bargaining unit for the proposed
40 medical marijuana cultivator-processor or medical marijuana
41 dispensary. An applicant that does not submit the information
42 described in this subparagraph shall not be disqualified from
43 consideration.

44 (7) Up to 15 total points may be awarded for the description of
45 applicant's business and financial plan:

46 (a) up to five points may be awarded for an executive summary
47 of the applicant's business plan, which shall not exceed 1,500
48 words;

1 (b) up to five points may be awarded for a demonstration of the
2 applicant's financial ability to implement its business plan, which
3 shall not exceed 10 pages including attachments, and which may
4 include, but shall not be limited to, bank statements, business and
5 individual financial statements, net worth statements, and debt and
6 equity financing statements. An applicant who demonstrates the
7 availability of at least \$500,000 in a bank account in the applicant's
8 name at the time the application is submitted shall be awarded full
9 points under this subparagraph;

10 (c) up to five points may be awarded for a description of the
11 applicant's experience complying with guidance pertaining to
12 marijuana issued by the Financial Crimes Enforcement Network
13 under 31 U.S.C. s.5311 et seq., the federal Bank Secrecy Act, which
14 may be demonstrated by submitting letters regarding its banking
15 history from banks or credit unions that certify they are aware of the
16 business activities of the applicant, or entities with common
17 ownership or control of the applicant's organization, in any state
18 where the applicant has operated a business related to medical
19 marijuana. For the purposes of this subparagraph, the department
20 shall consider only bank references involving accounts in the name
21 of the applicant or of an entity with common ownership or control
22 of the applicant's organization. An applicant who does not submit
23 the information described in this subparagraph shall not be
24 disqualified from consideration.

25 e. Up to a total of 40 bonus points may be added to the
26 applicant's total score based on the following:

27 (1) If any of the applicant's majority or controlling owners were
28 previously approved by the department to serve as an officer,
29 director, principal, or key employee of an alternative treatment
30 center, and the individual served in such capacity at the alternative
31 treatment center for two or more years, the department shall award
32 10 bonus points, which shall be added to the applicant's total score.
33 No points shall be deducted from the applicant's total score if none
34 of the majority or controlling owners meet the requirements of this
35 paragraph.

36 (2) If an applicant can demonstrate that its governance structure
37 includes the involvement of a licensed and accredited school of
38 medicine or osteopathic medicine, a general acute care hospital or
39 ambulatory care facility licensed in New Jersey, or a pharmacy, the
40 department shall award 15 bonus points, which shall be added to the
41 applicant's total score, provided the following conditions are met:

42 (a) the school, hospital, facility, or pharmacy has conducted or
43 participated in institutional review board-approved research related
44 to marijuana involving the use of human subjects;

45 (b) the school, hospital, facility, or pharmacy holds a profit
46 share or ownership interest in the applicant's organization of 10
47 percent or more; and

1 (c) the school, hospital, facility, or pharmacy participates in
2 major decision-making activities within the applicant's
3 organization, which may be demonstrated by representation on the
4 board of directors of the applicant's organization.

5 No points shall be deducted from the applicant's total score if the
6 applicant's governance structure does not include a school, hospital,
7 facility, or pharmacy that meets the requirements of this paragraph.

8 (3) If the applicant submits evidence that the applicant, or an
9 entity with common ownership or control with the applicant, has
10 executed a collective bargaining agreement in the cannabis industry
11 that has been in effect for at least six months as of the submission
12 date of the application, the department shall award 15 bonus points,
13 which shall be added to the applicant's total score. No points shall
14 be deducted from the applicant's total score if the applicant has not
15 executed a collective bargaining agreement in the cannabis industry
16 that meets the requirements of this paragraph.

17 f. In reviewing a medical marijuana cultivator-processor or
18 medical marijuana dispensary initial permit application, unless the
19 information is otherwise solicited by the department in a specific
20 application question, the department's evaluation of the application
21 shall be limited to the experience and qualifications of the
22 applicant's organization, including any entities with common
23 ownership or control of the applicant's organization, controlling
24 owners or interest holders in the applicant's organization, and the
25 officers, directors, and actual full-time existing employees of the
26 applicant's organization. Responses pertaining to consultants,
27 independent contractors, and prospective or part-time employees of
28 the entity shall not be considered or scored. Each applicant shall
29 certify as to the status of the individuals and entities included in the
30 application.

31 g. To the extent possible, the department shall seek to ensure
32 that at least 15 percent of the total number of new medical
33 marijuana dispensary permits issued on or after the effective date of
34 P.L. , c. (C.) (pending before the Legislature as this bill) are
35 issued to a qualified applicant that:

36 (1) has been certified as a minority business or as a women's
37 business by the Division of Development for Small Businesses and
38 Women's and Minority Businesses in the New Jersey Commerce
39 and Economic Growth Commission pursuant to P.L.1986, c.195
40 (C.52:27H-21.18 et seq.);

41 (2) has been certified as a veteran-owned business by the
42 Department of the Treasury pursuant to P.L.2011, c.147 (C.52:32-
43 49 et seq.); or

44 (3) is a disabled-veteran business, as defined in section 2 of
45 P.L.2015, c.116 (C.52:32-31.2).

46 In selecting among applicants who meet these criteria, the
47 Department of Health shall grant a higher preference to applicants

1 with up to two groups in its ownership composition that meet the
2 criteria described in this subsection.

3 h. No employee of the department shall have any direct or
4 indirect financial interest in the cultivation, processing, or
5 dispensing of medical marijuana or related paraphernalia, or
6 otherwise receive anything of value from a medical marijuana
7 cultivator-processor or medical marijuana dispensary permit
8 applicant in exchange for reviewing, processing, or making any
9 recommendations with respect to a permit application.

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

14 j. If the department notifies an applicant that it has scored
15 sufficiently high on multiple applications to be awarded more than
16 one medical marijuana cultivator-processor or medical marijuana
17 dispensary permit by the department, the applicant shall notify the
18 department, within seven business days after receiving such notice,
19 as to which permit it will accept. For any permit award declined by
20 an applicant pursuant to this subsection, the department shall, upon
21 receiving notice from the applicant of the declination, award the
22 permit to the applicant with the next highest score on an application
23 for that permit in the same region. If an applicant fails to notify the
24 department as to which permit it will accept, the department shall
25 have the discretion to determine which permit it will award to the
26 applicant, based on the department's determination of Statewide
27 need and the scores awarded to other applications in the affected
28 regions.

29 k. Any application submitted by a medical marijuana
30 dispensary to open a satellite dispensary shall include a description
31 of the proposed location for the applicant's satellite dispensary site,
32 including:

33 (1) a description of the proposed location, the surrounding area,
34 and the suitability or advantages of the proposed location, along
35 with a floor plan and optional renderings or architectural or
36 engineering plans;

37 (2) zoning approvals for the proposed location, which shall
38 consist of a letter or affidavit from appropriate municipal officials
39 that the location will conform to municipal zoning requirements
40 allowing for the dispensing of medical marijuana, marijuana-
41 infused and marijuana-derived products, and related supplies; and

42 (3) proof of local support for the suitability of the location,
43 which may be demonstrated by a letter from the municipality's
44 highest-ranking official or by a resolution adopted by the
45 municipality's governing body indicating that the intended location
46 is appropriately located or otherwise suitable for the dispensing of
47 medical marijuana, marijuana-infused and marijuana-derived
48 products, and related supplies.

1 Notwithstanding any other provision of this subsection, an
2 application shall be disqualified from consideration unless it
3 includes documentation demonstrating that the applicant will have
4 final control of the premises upon approval of the application,
5 including, but not limited to, a lease agreement, contract for sale,
6 title, deed, or similar documentation. In addition, if the applicant
7 will lease the premises, the application will be disqualified from
8 consideration unless it includes certification from the landlord that
9 the landlord is aware that the tenant's use of the premises will
10 involve dispensing of medical marijuana and medical marijuana
11 products. An application shall not be disqualified from
12 consideration if the application does not include the materials
13 described in paragraphs (2) or (3) of this subsection.
14

15 9. (New section) a. An alternative treatment center may
16 appoint a medical advisory board to provide advice to the
17 alternative treatment center on all aspects of its business.

18 b. A medical advisory board appointed pursuant to this section
19 shall comprise five members: three health care professionals
20 licensed to practice in New Jersey, at least one of whom shall be a
21 physician; one qualifying patient; and one individual who owns a
22 business in the same region in which the alternative treatment
23 center is located. If the alternative treatment center is a medical
24 marijuana dispensary, the qualifying patient member shall be
25 registered with the dispensary; if the alternative treatment center is
26 a medical marijuana cultivator-processor, the qualifying patient
27 shall be registered with a medical marijuana dispensary located in
28 the same region as the medical marijuana cultivator-processor. No
29 ATC identification card holder may serve on a medical advisory
30 board.

31 c. A medical advisory board appointed pursuant to this section
32 shall meet at least two times per calendar year.
33

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

36 10. a. A physician shall provide written instructions for a
37 registered qualifying patient or **his** the patient's primary caregiver
38 to present to **an alternative treatment center** a medical marijuana
39 dispensary concerning the total amount of usable marijuana that a
40 patient may be dispensed, in weight, in a 30-day period, which
41 amount shall not exceed **two** four ounces. If no amount is noted,
42 the maximum amount that may be dispensed at one time is **two**
43 four ounces.

44 b. A physician may issue multiple written instructions at one
45 time authorizing the patient to receive a total of up to a 90-day
46 supply, provided that the following conditions are met:

1 (1) Each separate set of instructions shall be issued for a
2 legitimate medical purpose by the physician, as provided in **[this**
3 **act]** P.L.2009, c.307 (C.24:6I-1 et al.);

4 (2) Each separate set of instructions shall indicate the earliest
5 date on which a **[center]** dispensary may dispense the marijuana,
6 except for the first dispensation if it is to be filled immediately; and

7 (3) The physician has determined that providing the patient with
8 multiple instructions in this manner does not create an undue risk of
9 diversion or abuse.

10 c. A registered qualifying patient or **[his]** the patient's primary
11 caregiver shall present the patient's or caregiver's registry
12 identification card, as applicable, and these written instructions to
13 the **[alternative treatment center]** medical marijuana dispensary,
14 which shall verify and log the documentation presented. A
15 physician may provide a copy of a written instruction by electronic
16 or other means, as determined by the commissioner, directly to **[an**
17 **alternative treatment center]** a medical marijuana dispensary on
18 behalf of a registered qualifying patient. The dispensation of
19 marijuana pursuant to any written instructions shall occur within
20 one month of the date that the instructions were written or the
21 instructions are void.

22 d. **[A]** Medical marijuana may be dispensed to a patient or the
23 patient's primary caregiver **[may be registered at only one**
24 **alternative treatment center at any time]** by any medical marijuana
25 dispensary in the State. Prior to dispensing medical marijuana to a
26 qualifying patient or the patient's primary caregiver, the medical
27 marijuana dispensary shall access the system established pursuant
28 to section 11 of P.L.2009, c.307 (C.45:1-45.1) to ascertain whether
29 medical marijuana was dispensed to the patient or the patient's
30 primary caregiver by any medical marijuana dispensary within the
31 preceding 30 days. Upon dispensing medical marijuana to a
32 qualifying patient or the patient's primary caregiver, the medical
33 marijuana dispensary shall transmit to the patient's physician
34 information concerning the amount, strain, and form of medical
35 marijuana that was dispensed.

36 (cf: P.L.2009, c.307, s.10)

37
38 11. Section 14 of P.L.2009, c.307 (C.24:6I-12) is amended to
39 read as follows:

40 14. a. The commissioner shall report to the Governor, and to the
41 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1):

42 (1) no later than one year after the effective date of **[this act]**
43 P.L.2009, c.307 (C.24:6I-1 et al.), on the actions taken to
44 implement the provisions of **[this act]** P.L.2009, c.307 (C.24:6I-1
45 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); and

46 (2) annually thereafter on the number of applications for registry
47 identification cards, the number of qualifying patients registered,

1 the number of primary caregivers registered, the nature of the
2 **【debilitating】** qualifying medical conditions of the patients, the
3 number of registry identification cards revoked, the number of
4 alternative treatment center permits issued and revoked, and the
5 number of physicians **【providing certifications for】** authorizing
6 patients for the medical use of marijuana.

7 b. The reports shall not contain any identifying information of
8 patients, caregivers, or physicians.

9 c. Within two years after the effective date of **【this act】**
10 P.L.2009, c.307 (C.24:6I-1 et al.) and every two years thereafter,
11 the commissioner shall: evaluate whether there are sufficient
12 numbers of alternative treatment centers to meet the needs of
13 registered qualifying patients throughout the State; evaluate
14 whether the maximum amount of medical marijuana allowed
15 pursuant to **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.) is sufficient
16 to meet the medical needs of qualifying patients; and determine
17 whether any alternative treatment center has charged excessive
18 prices for marijuana that the center dispensed.

19 The commissioner shall report his findings no later than two
20 years after the effective date of **【this act】** P.L.2009, c.307 (C.24:6I-
21 1 et al.), and every two years thereafter, to the Governor, and to the
22 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1).
23 (cf: P.L.2009, c.307, s.14)

24

25 12. Section 15 of P.L.2009, c.307 (C.24:6I-13) is amended to
26 read as follows:

27 15. a. The Department of Health is authorized to exchange
28 fingerprint data with, and receive information from, the Division of
29 State Police in the Department of Law and Public Safety and the
30 Federal Bureau of Investigation for use in reviewing applications
31 for individuals seeking to serve as primary caregivers who are not
32 an immediate family member of the patient pursuant to section 4 of
33 P.L.2009, c.307 (C.24:6I-4), applications for an ATC identification
34 card pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), and
35 applications for permits to operate as **【**, or to be a director, officer,
36 or employee of,**】** alternative treatment centers pursuant to section 7
37 of P.L.2009, c.307 (C.24:6I-7).

38 b. The Division of State Police shall promptly notify the
39 Department of Health in the event an applicant seeking to serve as a
40 primary caregiver who is not an immediate family member of the
41 patient, an applicant for an ATC identification card, or an applicant
42 for a permit to operate as **【**, or to be a director, officer, or employee
43 of,**】** an alternative treatment center, who was the subject of a
44 criminal history record background check conducted pursuant to
45 subsection a. of this section, is convicted of a crime involving
46 possession or sale of a controlled dangerous substance.

47 (cf: P.L.2012, c.17, s.91)

1 13. Section 11 of P.L.2009, c.307 (C.45:1-45.1) is amended to
2 read as follows:

3 11. a. A physician who **【provides a certification】** authorizes a
4 patient for the medical use of marijuana or who provides a written
5 instruction for the medical use of marijuana to a qualifying patient
6 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) and any **【alternative**
7 **treatment center】** medical marijuana dispensary shall furnish to the
8 Director of the Division of Consumer Affairs in the Department of
9 Law and Public Safety such information, on a daily basis and in
10 such a format **【and at such intervals,】** as the director shall prescribe
11 by regulation, for inclusion in a system established to monitor the
12 dispensation of marijuana in this State for medical use as authorized
13 by the provisions of P.L.2009, c.307 (C.24:6I-1 et al.), which
14 system shall serve the same purpose as, and be cross-referenced
15 with, the electronic system for monitoring controlled dangerous
16 substances established pursuant to section 25 of P.L.2007, c.244
17 (C.45:1-45).

18 b. The Director of the Division of Consumer Affairs, pursuant
19 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
20 1 et seq.), and in consultation with the Commissioner of Health
21 **【and Senior Services】**, shall adopt rules and regulations to
22 effectuate the purposes of subsection a. of this section.

23 c. Notwithstanding any provision of P.L.1968, c.410
24 (C.52:14B-1 et seq.) to the contrary, the Director of the Division of
25 Consumer Affairs shall adopt, immediately upon filing with the
26 Office of Administrative Law and no later than the 90th day after
27 the effective date of P.L.2009, c.307 (C.24:6I-1 et al.), such
28 regulations as the director deems necessary to implement the
29 provisions of subsection a. of this section. Regulations adopted
30 pursuant to this subsection shall be effective until the adoption of
31 rules and regulations pursuant to subsection b. of this section and
32 may be amended, adopted, or readopted by the director in
33 accordance with the requirements of P.L.1968, c.410 (C.52:14B-1
34 et seq.).

35 (cf: P.L.2009, c.307, s.11)

36
37 14. Section 5 of P.L.2009, c.307 (C.24:6I-5) is repealed.
38

39 15. The Commissioner of Health shall adopt, pursuant to the
40 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
41 seq.), such rules and regulations as may be necessary to effectuate
42 the purposes of this act.
43

44 16. This act shall take effect 900 days after the date of
45 enactment, except that the Commissioner of Health may take any
46 advance administrative action as may be necessary to implement the
47 requirements of this act.

STATEMENT

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This bill makes various revisions to the requirements of the “Compassionate Use Medical Marijuana Act,” P.L.2009, c.307 (C.24:6I-1 et al.), including allowing medical marijuana to be authorized for any condition, revising the application, ownership, and operational requirements for alternative treatment centers (ATCs), revising the requirements for physicians to authorize patients for the medical use of marijuana, and revising certain requirements concerning patients and primary caregivers.

Patient Registration and Certification and Dispensing Requirements

The bill provides that medical marijuana may be authorized for the treatment of any medical condition diagnosed by a physician, including the symptoms of the medical condition and the symptoms resulting from any treatment for the medical condition, rather than the list of enumerated conditions as provided under current law.

The bill provides that no application or renewal fee will apply in the case of an immediate family member of a qualifying patient who serves as primary caregiver to the patient; in all other cases, the maximum fee will be \$10 for an individual who is indigent and \$50 for all other cardholders. The current application fee is \$200, with a reduced fee of \$20 for low-income applicants. In addition, an immediate family member of a patient will not be required to undergo a criminal history record background check. The bill provides that a person may serve as primary caregiver for up to two patients at one time; under current law, primary caregivers are restricted to serving as primary caregiver for no more than one patient at a time.

The bill revises the list of disqualifying offenses for applicants seeking to serve as a primary caregiver who are not an immediate family member of the patient to provide that a conviction for possession of any amount of marijuana or hashish, and a conviction for manufacture, dispensing, or distributing less than 50 pounds of marijuana, fewer than 50 marijuana plants, or less than five pounds of hashish, will not constitute a disqualifying condition.

The bill provides that physicians will not be required to enroll in a physician registry as a condition of authorizing qualifying patients for the medical use of marijuana and removes the requirement that physicians certify a patient for medical marijuana.

The bill provides that, in order to authorize a qualifying patient who is a minor for medical marijuana, the certifying physician will be required to either: (1) be trained in the care of pediatric patients; or (2) obtain written confirmation from a physician trained in the care of pediatric patients establishing that, following examination of the patient or a review of the patient’s record, the minor patient is likely to receive therapeutic or palliative benefits from the medical

1 use of marijuana to treat or alleviate symptoms associated with the
2 patient's debilitating medical condition.

3 The bill increases the maximum amount of medical marijuana
4 that may be dispensed to a patient for a 30-day period from two
5 ounces to four ounces.

6 The bill removes a provision that limited distribution of edible
7 forms of medical marijuana to qualifying patients who are minors,
8 and specifies that medical marijuana may be distributed in
9 transdermal, sublingual, and tincture forms, as well as in the forms
10 authorized under current law.

11 The bill provides that medical marijuana may be dispensed to a
12 patient by any medical marijuana dispensary in the State; under
13 current law, patients are to be registered with, and may only be
14 dispensed medical marijuana from, a single alternative treatment
15 center where the patient is registered. The bill requires that, prior to
16 dispensing medical marijuana to a patient, a medical marijuana
17 dispensary will be required to access a system currently maintained
18 by the Division of Consumer Affairs in the Department of Law and
19 Public Safety that tracks medical marijuana dispensations in the
20 State, in order to ascertain whether any medical marijuana was
21 dispensed to the patient or the patient's primary caregiver within the
22 preceding 30 days. Upon dispensing medical marijuana to a patient,
23 the medical marijuana dispensary will be required to transmit to the
24 authorizing physician information concerning the amount, form,
25 and strain of medical marijuana that was dispensed.

26 The bill provides that a physician or an immediate family
27 member of a physician who authorizes patients for medical
28 marijuana may not hold any profit or ownership interest in an ATC.
29 A physician or the immediate family member of a physician who
30 applies for an ATC identification card is to certify that the
31 physician has not authorized any patients for medical marijuana in
32 the preceding 90 days. A violation of this prohibition will
33 constitute a crime of the fourth degree, which is punishable by
34 imprisonment for up to 18 months, up to a \$10,000 fine, or both.
35 The bill specifies that nothing in the prohibition will prohibit any
36 physician from serving on the medical advisory board of an ATC,
37 provided the physician receives no special compensation or
38 remuneration from the ATC, including payments based on patient
39 volumes or the number of certifications issued by the physician.

40

41 ATC Application and Operational Requirements

42

43 With regard to ATCs, the bill differentiates between two
44 different types of ATC: medical marijuana cultivator-processors
45 and medical marijuana dispensaries. Medical marijuana cultivator-
46 processors are facilities that will be authorized to cultivate and
47 process marijuana and marijuana-infused and marijuana-derived
48 products, which it may supply to medical marijuana dispensaries.

1 Medical marijuana dispensaries will be authorized to dispense
2 marijuana and marijuana products to qualifying patients. An ATC
3 holding a permit as of the effective date of the bill will be deemed
4 to hold both a cultivator-processor permit and a dispensary permit.
5 The bill limits the ability of a person or entity holding a direct or
6 indirect interest in an ATC that is issued a new permit under the
7 bill. Specifically:

- 8 • A person or entity holding an interest in an ATC issued a
9 permit prior to the effective date of the bill may
10 simultaneously hold up to a 15 percent interest in up to one
11 other ATC issued a permit prior to the effective date of the
12 bill, medical marijuana cultivator-processor, or medical
13 marijuana dispensary;
- 14 • A person or entity holding an interest in a medical marijuana
15 cultivator-processor may simultaneously hold up to a 15
16 percent interest in up to one other medical marijuana
17 cultivator-processor or in an ATC that was issued a permit
18 prior to the effective date of the bill; and
- 19 • A person or entity holding an interest in a medical marijuana
20 dispensary may simultaneously hold up to a 15 percent
21 interest in up to one other medical marijuana dispensary or
22 in an ATC that was issued a permit prior to the effective date
23 of the bill.

24 No person or entity will be permitted to simultaneously hold any
25 other interest in any other ATC. These ownership restrictions do not
26 apply in the case of a person or entity holding an ownership interest
27 of less than one percent of the total capitalization of a publicly
28 traded company, provided the stockholder is not an employee,
29 officer, or director of the publicly traded company. ATCs may, but
30 are not required to be, nonprofit entities.

31 To ensure adequate access to ATCs throughout the State, the bill
32 requires the Department of Health (DOH) to issue a request for
33 applications for three additional medical marijuana cultivator-
34 processors and 21 additional medical marijuana dispensary permits
35 within 90 days after the effective date of the bill; these new
36 facilities, along with the six ATCs currently operating in the State,
37 will result in a total of nine medical marijuana cultivator-processors
38 and 27 total medical marijuana dispensaries. Thereafter, DOH will
39 be required to periodically evaluate whether the number of existing
40 ATCs is sufficient to meet the needs of qualifying patients in the
41 State, and, if it determines additional ATCs are needed, make a
42 request for applications and issue such additional permits as it
43 deems necessary.

44 The bill adds specific requirements for DOH to review and score
45 initial permit applications for new medical marijuana cultivator-
46 processors and medical marijuana dispensaries based on a 100-point
47 scale, which includes evaluations of the applicant's operational
48 plan, environmental impact plan, safety and security plan, business

1 experience, proposed location, record of social responsibility,
2 philanthropy, involvement in research concerning the medical
3 efficacy and adverse effects of medical marijuana, workforce
4 development and job creation plan, and business and financial plan.
5 In evaluating an application, DOH is to limit its review to the
6 controlling owners, officers, directors, and employees, and is not to
7 consider responses pertaining to consultants, independent
8 contractors, or prospective or part-time employees. To the extent
9 possible, DOH is to seek to ensure that at least 15 percent of the
10 new medical marijuana dispensary permits issued under the bill are
11 awarded to entities certified as a minority business, a women's
12 business, a veteran-owned business, or a disabled-veteran business,
13 with higher preference going to entities that are certified in up to
14 two such categories. Application materials submitted to DOH will
15 not constitute a public record subject to the statutory or common
16 laws concerning access to public records.

17 Applicants are to submit a separate application for each proposed
18 medical marijuana cultivator-processor or medical marijuana
19 dispensary location. If an applicant scores sufficiently high on
20 multiple applications to be awarded more than one permit, the
21 applicant is to notify DOH within seven business days as to which
22 permit it will accept; for any permit declined by an applicant, DOH
23 will award the permit to the next highest-scoring applicant. If an
24 applicant fails to provide notice as to which permit it will accept
25 within seven business days, DOH will have the discretion to
26 determine which permit to award the applicant, based on its
27 determination of Statewide need and the scores awarded to other
28 applicants in the relevant locations.

29 Commencing 18 months after the effective date of the bill,
30 medical marijuana dispensaries will be allowed to apply to DOH for
31 approval to open up to one satellite dispensary. The application is
32 to include information concerning the proposed location for the
33 satellite dispensary. Medical marijuana dispensaries will be limited
34 to a single satellite dispensary; with DOH approval, a satellite
35 dispensary may be closed or relocated. If a medical marijuana
36 dispensary permit is sold or transferred, such sale or transfer will
37 include the dispensary's satellite dispensary, if any. The fee for a
38 satellite dispensary permit will be \$20,000.

39 The bill prohibits DOH employees from holding any financial
40 interest in an ATC or receiving anything of value from an ATC in
41 connection with reviewing, processing, or making recommendations
42 with respect to an ATC permit application.

43 The bill provides that an initial ATC permit will be valid for
44 three years and will thereafter be renewable on a biennial basis.

45 The bill provides that DOH may require ATC permit applicants
46 to submit a personal history disclosure and may conduct financial
47 due diligence on any person or entity providing \$100,000 or more in
48 financial backing to an applicant. The bill revises the list of

1 disqualifying offenses for ATC permit applicants to provide that a
2 conviction for possession of any amount of marijuana or hashish,
3 and a conviction for manufacture, dispensing, or distributing less
4 than 50 pounds of marijuana, fewer than 50 marijuana plants, or
5 less than five pounds of hashish, will not constitute a disqualifying
6 condition.

7 The bill clarifies that the officers, directors, board members,
8 owners, and employees of an ATC will be issued “ATC
9 identification cards” upon approval of the ATC’s permit
10 application.

11 The bill sets forth certain requirements for the sale or transfer of
12 an ATC permit, which include completing a criminal history record
13 background check of the entity purchasing or receiving the permit,
14 as well as certain requirements specific to nonprofit ATCs, which
15 will be required to comply with the requirements of the “New
16 Jersey Nonprofit Corporation Act,” N.J.S.15A:1-1 et seq. If the
17 debts and liabilities of a nonprofit ATC exceed the value of all
18 assets of the ATC other than the permit, the ATC may pay \$300,000
19 to DOH and sell its permit for a sum that satisfies all outstanding
20 obligations. The bill provides that, with DOH approval, medical
21 marijuana cultivator-processors may relocate within the same
22 region and medical marijuana dispensaries may relocate within the
23 same county.

24 The bill provides that the maximum fee for initial issuance or
25 renewal of an ATC permit will be \$40,000; the maximum fee for
26 relocation of an ATC will be \$20,000; and the maximum fee to sell
27 or transfer an ATC permit will be \$150,000.

28 The bill provides that ATCs will be permitted to establish a
29 medical advisory board to advise the ATC on all aspects of its
30 business. A medical advisory board is to comprise five members:
31 three healthcare professionals, including at least one physician; one
32 qualifying patient; and one business owner from the same region as
33 the ATC. If the ATC is a medical marijuana dispensary, the
34 qualifying patient member is to be registered with the dispensary; if
35 the ATC is a medical marijuana cultivator-processor, the qualifying
36 patient member is to be registered at a medical marijuana
37 dispensary located in the same region as the medical marijuana
38 cultivator-processor. No ATC identification card holder may serve
39 on an ATC medical advisory board. Medical advisory boards are to
40 meet at least two times per year.