

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
**ASSEMBLY, Nos. 3740 and 3437**

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**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

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ADOPTED MARCH 22, 2018

**Sponsored by:**

**Assemblyman HERB CONAWAY, JR.**

**District 7 (Burlington)**

**Assemblyman REED GUSCIORA**

**District 15 (Hunterdon and Mercer)**

**Assemblyman TIM EUSTACE**

**District 38 (Bergen and Passaic)**

**Assemblywoman CAROL A. MURPHY**

**District 7 (Burlington)**

**Co-Sponsored by:**

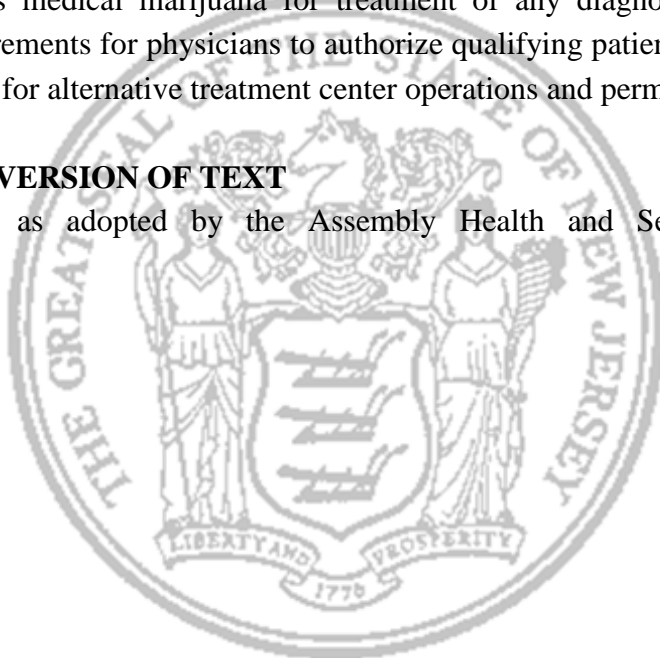
**Assemblywoman Jasey**

**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**

Substitute as adopted by the Assembly Health and Senior Services Committee.



**(Sponsorship Updated As Of: 11/27/2018)**

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:

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

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

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

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

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

17 "Commissioner" means the Commissioner of Health.

18 “Common ownership or control” means:

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

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

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

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

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

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

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

42 (3) amyotrophic lateral sclerosis, multiple sclerosis, terminal  
43 cancer, muscular dystrophy, or inflammatory bowel disease,  
44 including Crohn's disease;

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

47 (5) any other medical condition or its treatment that is approved  
48 by the department by regulation.】

1 "Department" means the Department of Health.

2 "Immediate family" means the spouse, child, sibling, or parent of  
3 an individual, and shall include the siblings and parents of the  
4 individual's spouse and the spouse of the individual's child.

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

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

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

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

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

46 "Medical use of marijuana" means the acquisition, possession,  
47 transport, or use of marijuana or paraphernalia by a registered  
48 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<sub>2</sub> 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 to a qualifying patient, or in  
29 the case of an immediate family member of the patient who serves  
30 as primary caregiver to the patient. In all other cases, the  
31 application and renewal fee shall not exceed \$10 for patients who  
32 are indigent and \$50 for all other cardholders;

33 (3) the name, address<sub>2</sub> and date of birth of the patient and  
34 caregiver, as applicable; and

35 (4) the name, address<sub>2</sub> 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 (4) of subsection a. of  
42 N.J.S.2C:35-10, or any similar law of the United States or of any  
43 other state.

44 (3) Upon receipt of the criminal history record background  
45 information from the Division of State Police and the Federal  
46 Bureau of Investigation, the commissioner shall provide written  
47 notification to the applicant of **【his】** the applicant's qualification or  
48 disqualification for serving as a primary caregiver.

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

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

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

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

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

25 (c) the circumstances under which the crime or offense  
26 occurred;

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

28 (e) the age of the individual when the crime or offense was  
29 committed;

30 (f) whether the crime or offense was an isolated or repeated  
31 incident;

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

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

40 d. A registry identification card shall contain the following  
41 information:

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

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

45 (3) photo identification of the cardholder; and

46 (4) such other information that the department may specify by  
47 regulation.

48 e. (1) A patient who has been issued a registry identification  
49 card shall notify the department of any change in the patient's name,



1 address, or physician or change in status of the patient's  
2 **【debilitating】** qualifying medical condition, within 10 days of such  
3 change, or the registry identification card shall be deemed null and  
4 void.

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

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

17 (1) authorized employees of the department and the Division of  
18 Consumer Affairs in the Department of Law and Public Safety as  
19 necessary to perform official duties of the department and the  
20 division, as applicable; and

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

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

28

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

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

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

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

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

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

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

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

26  
27       6. Section 7 of P.L.2009, c.307 (C.24:6I-7) is amended to read  
28 as follows:

29       7. a. The department shall accept applications from entities  
30 for permits to operate as alternative treatment centers **],** and may  
31 charge a reasonable fee for the issuance of a permit under this  
32 section**].** **【The department shall seek to ensure the availability of a**  
33 **sufficient number of】** To ensure adequate access to alternative  
34 treatment centers throughout the State, **【pursuant to need, including**  
35 **at least two each in】** the department shall grant permits authorizing  
36 a total of 12 medical marijuana cultivator-processors and 40  
37 medical marijuana dispensaries in the State, which to the extent  
38 possible in light of patient need, shall be evenly distributed among  
39 the northern, central, and southern regions of the State; this total  
40 number of permits shall include the six alternative treatment center  
41 permits issued prior to the effective date of P.L. , c. (C. )  
42 (pending before the Legislature as this bill), which shall constitute  
43 six of the medical marijuana cultivator-processor permits and six of  
44 the medical marijuana dispensary permits, plus the six medical  
45 marijuana cultivator-processor permits and the 34 medical  
46 marijuana dispensary permits issued pursuant to section 6 of P.L. ,  
47 c. (C. ) (pending before the Legislature as this bill).

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

5 An alternative treatment center holding a permit that was issued  
6 prior to the effective date of P.L. , c. (C. ) (pending before  
7 the Legislature as this bill) shall be deemed to hold both a medical  
8 marijuana cultivator-processor permit and a medical marijuana  
9 dispensary permit, and shall be authorized to hold both permits  
10 concurrently. [The first two centers issued a permit in each region  
11 shall be nonprofit entities, and centers subsequently issued permits  
12 may be nonprofit or for-profit entities]

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

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

29 No natural person or entity shall hold an interest in more than  
30 one medical marijuana cultivator-processor or more than one  
31 medical marijuana dispensary at any time, except that an interest  
32 holder in a medical marijuana alternative treatment center that was  
33 issued a permit by the department prior to the effective date of P.L.,  
34 c. (C. ) (pending before the Legislature as this bill) may  
35 concurrently hold up to a 15 percent ownership interest in up to one  
36 additional medical marijuana alternative treatment center that was  
37 issued a permit by the department prior to the effective date of P.L.,  
38 c. (C. ) (pending before the Legislature as this bill), up to one  
39 medical marijuana cultivator-processor, or up to one medical  
40 marijuana dispensary; a medical marijuana cultivator-processor may  
41 concurrently hold up to a 15 percent ownership interest in up to one  
42 additional medical marijuana cultivator-processor or up to one  
43 medical marijuana alternative treatment center that was issued a  
44 permit by the department prior to the effective date of P.L. , c.  
45 (C. ) (pending before the Legislature as this bill); and a medical  
46 marijuana dispensary may concurrently hold up to a 15 percent  
47 ownership interest in up to one additional medical marijuana  
48 dispensary or up to one medical marijuana alternative treatment

1 center that was issued a permit by the department prior to the  
2 effective date of P.L. , c. (C. ) (pending before the  
3 Legislature as this bill).

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

9 **【An alternative treatment center】** A medical marijuana  
10 cultivator-processor shall be authorized to acquire a reasonable  
11 initial and ongoing inventory, as determined by the department, of  
12 marijuana seeds or seedlings and paraphernalia, possess, cultivate,  
13 plant, grow, harvest, process, 【display,】 and manufacture medical  
14 marijuana and marijuana-infused and marijuana-derived products,  
15 and deliver, transfer, transport, distribute, supply, sell, or dispense  
16 medical marijuana, 【or】 marijuana-infused products, marijuana-  
17 derived products, and related supplies to any medical marijuana  
18 dispensary in the State. If approved by the department, a medical  
19 marijuana cultivator-processor may operate, within the scope of its  
20 permit, from more than one physical location. Medical marijuana  
21 dispensaries may purchase or acquire medical marijuana,  
22 marijuana-infused and marijuana-derived products, paraphernalia,  
23 and related supplies from any medical marijuana cultivator-  
24 processor in the State, and distribute, supply, sell, or dispense  
25 marijuana, marijuana-infused products, marijuana-derived products,  
26 and related supplies to qualifying patients or their primary  
27 caregivers who are registered with the department pursuant to  
28 section 4 of 【this act】 P.L.2009, c.307 (C.24:6I-4). 【An alternative  
29 treatment center】 A medical marijuana cultivator-producer shall not  
30 be limited in the number of strains of medical marijuana cultivated  
31 【, and】 or the number of products manufactured. A medical  
32 marijuana cultivator-producer may package, and a medical  
33 marijuana dispensary may directly dispense 【marijuana】 to  
34 qualifying patients and their primary caregivers, medical marijuana  
35 in dried form, oral lozenges, topical formulations, transdermal form,  
36 sublingual form, tincture form, or edible form, or any other form as  
37 authorized by the commissioner. Edible form shall include tablets,  
38 capsules, drops or syrups, and any other form as authorized by the  
39 commissioner. 【Edible forms shall be available only to qualifying  
40 patients who are minors.】

41 Applicants that choose to apply for authorization as **【nonprofit】**  
42 alternative treatment centers with nonprofit status shall be subject to  
43 all applicable State laws governing nonprofit entities, but need not  
44 be recognized as a 501(c)(3) organization by the federal Internal  
45 Revenue Service.

46 b. The department shall require that an applicant provide such  
47 information as the department determines to be necessary pursuant

1 to regulations adopted pursuant to **【this act】** P.L.2009, c.307  
2 (C.24:6I-1 et al.) and may, in its discretion, require any applicant to  
3 submit a personal history disclosure and conduct financial due  
4 diligence on any person or entity providing \$100,000 or more in  
5 financial backing to an applicant.

6 c. A person who has been convicted of a crime involving any  
7 controlled dangerous substance or controlled substance analog as  
8 set forth in chapter 35 of Title 2C of the New Jersey Statutes except  
9 paragraph (4) of subsection a. of N.J.S.2C:35-10, or any similar law  
10 of the United States or any other state shall not be issued a permit to  
11 operate as an alternative treatment center or be **【a director, officer,**  
12 **or employee of an alternative treatment center】** issued an ATC  
13 identification card, unless such conviction occurred after the  
14 effective date of **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.) and  
15 was for a violation of federal law relating to possession or sale of  
16 marijuana for conduct that is authorized under **【this act】** P.L.2009,  
17 c.307 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-12.22), or P.L. ,  
18 c. (C. ) (pending before the Legislature as this bill).

19 d. (1) The commissioner shall require each applicant seeking  
20 a permit to operate as an alternative treatment center to undergo a  
21 criminal history record background check. For purposes of this  
22 section, the term "applicant" shall include any applicant for an ATC  
23 identification card authorizing the individual to be an owner,  
24 director, board member, principal officer, or employee of an  
25 alternative treatment center. The commissioner is authorized to  
26 exchange fingerprint data with and receive criminal history record  
27 background information from the Division of State Police and the  
28 Federal Bureau of Investigation consistent with the provisions of  
29 applicable federal and State laws, rules, and regulations. The  
30 Division of State Police shall forward criminal history record  
31 background information to the commissioner in a timely manner  
32 when requested pursuant to the provisions of this section.

33 An applicant shall submit to being fingerprinted in accordance  
34 with applicable State and federal laws, rules, and regulations. No  
35 check of criminal history record background information shall be  
36 performed pursuant to this section unless the applicant has  
37 furnished **【his】** written consent to that check. An applicant who  
38 refuses to consent to, or cooperate in, the securing of a check of  
39 criminal history record background information shall not be  
40 considered for **【a permit to operate, or authorization to be employed**  
41 **at, an alternative treatment center】** issuance of an ATC  
42 identification card. An applicant shall bear the cost for the criminal  
43 history record background check, including all costs of  
44 administering and processing the check.

45 (2) The commissioner shall not approve an applicant for **【a**  
46 **permit to operate, or authorization to be employed at, an alternative**  
47 **treatment center】** issuance of an ATC identification card if the  
48 criminal history record background information of the applicant

1 reveals a disqualifying conviction as set forth in subsection c. of  
2 this section.

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

11 If the applicant is disqualified because of a disqualifying  
12 conviction pursuant to the provisions of this section, the conviction  
13 that constitutes the basis for the disqualification shall be identified  
14 in the written notice.

15 (4) The Division of State Police shall promptly notify the  
16 commissioner in the event that an individual who was the subject of  
17 a criminal history record background check conducted pursuant to  
18 this section is convicted of a crime or offense in this State after the  
19 date the background check was performed. Upon receipt of that  
20 notification, the commissioner shall make a determination regarding  
21 the continued eligibility to operate or be **【a】** an owner, director,  
22 board member, principal officer, or employee of an alternative  
23 treatment center.

24 (5) Notwithstanding the provisions of subsection b. of this  
25 section to the contrary, the commissioner may offer **【provisional**  
26 **authority for】** an applicant to be an employee of an alternative  
27 treatment center a provisional ATC identification card, which shall  
28 be valid for a period not to exceed three months, if the applicant  
29 submits to the commissioner a sworn statement attesting that the  
30 **【person】** applicant has not been convicted of any disqualifying  
31 conviction pursuant to this section.

32 (6) Notwithstanding the provisions of subsection b. of this  
33 section to the contrary, no employee of an alternative treatment  
34 center shall be disqualified from issuance of an ATC identification  
35 card on the basis of any conviction disclosed by a criminal history  
36 record background check conducted pursuant to this section if the  
37 individual has affirmatively demonstrated to the commissioner clear  
38 and convincing evidence of rehabilitation. In determining whether  
39 clear and convincing evidence of rehabilitation has been  
40 demonstrated, the following factors shall be considered:

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

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

44 (c) the circumstances under which the crime or offense  
45 occurred;

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

47 (e) the age of the individual when the crime or offense was  
48 committed;

- 1 (f) whether the crime or offense was an isolated or repeated  
2 incident;
- 3 (g) any social conditions which may have contributed to the  
4 commission of the crime or offense; and
- 5 (h) any evidence of rehabilitation, including good conduct in  
6 prison or in the community, counseling or psychiatric treatment  
7 received, acquisition of additional academic or vocational  
8 schooling, successful participation in correctional work-release  
9 programs, or the recommendation of those who have had the  
10 individual under their supervision.
- 11 e. The department shall issue **【a permit to a person to operate**  
12 **as】** an alternative treatment center permit to an applicant if the  
13 department finds that issuing such a permit would be consistent  
14 with the purposes of **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.)  
15 and the requirements of this section are met and the department has  
16 verified the information contained in the application. An initial  
17 permit to operate an alternative treatment center issued pursuant to  
18 this subsection shall be valid for three years, and thereafter shall be  
19 renewable biennially. The department shall approve or deny an  
20 application within 60 days after receipt of a completed application.  
21 The denial of an application shall be considered a final agency  
22 decision, subject to review by the Appellate Division of the  
23 Superior Court. The department may suspend or revoke a permit to  
24 operate as an alternative treatment center for cause, which shall be  
25 subject to review by the Appellate Division of the Superior Court.
- 26 f. A person **【who has been】** or entity issued a medical  
27 marijuana cultivator-processor permit pursuant to this section shall  
28 display the permit at the premises of the **【alternative treatment**  
29 **center】** medical marijuana cultivator-processor facility at all times  
30 when marijuana is being produced, **【or】** , cultivated, processed, or  
31 manufactured, and a person or entity issued a medical marijuana  
32 dispensary permit pursuant to this section shall display the permit  
33 on the premises of the medical marijuana dispensary at all times  
34 when medical marijuana is being dispensed to a registered  
35 qualifying patient or the patient's primary caregiver. An individual  
36 who has been issued an ATC identification card shall have the card  
37 on the cardholder's person at all times that the individual is on the  
38 premises of an alternative treatment center.
- 39 g. An alternative treatment center shall report any change in  
40 information to the department not later than 10 days after such  
41 change, or the permit shall be deemed null and void.
- 42 h. **【An alternative treatment center】** A medical marijuana  
43 cultivator-processor may charge a medical marijuana dispensary for  
44 the reasonable costs associated with the production, cultivation,  
45 processing, and manufacture of medical marijuana and marijuana-  
46 infused and marijuana-derived products, and a medical marijuana  
47 dispensary may charge a registered qualifying patient or primary

1 caregiver for the reasonable costs associated with the **【production**  
2 **and】** distribution of medical marijuana **【for】** to the cardholder.

3 i. The commissioner shall adopt regulations to:

4 (1) require such written documentation of each delivery of  
5 marijuana to, and pickup of marijuana for, a registered qualifying  
6 patient, including the date and amount dispensed, to be maintained  
7 in the records of the **【alternative treatment center】** medical  
8 marijuana dispensary, as the commissioner determines necessary to  
9 ensure effective documentation of the operations of each  
10 **【alternative treatment center】** medical marijuana dispensary;

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

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

16 j. A medical marijuana cultivator-processor may apply to the  
17 department for approval to relocate to another location within the  
18 same region, and a medical marijuana dispensary may apply to the  
19 department for approval to relocate the medical marijuana  
20 dispensary to another location within the same county. The  
21 department may approve an application for relocation if the  
22 department finds the relocation would be consistent with the  
23 purposes of P.L.2009, c.307 (C.24:6I-1 et al.). The denial of an  
24 application to relocate a medical marijuana cultivator-processor or  
25 medical marijuana dispensary shall be considered a final agency  
26 decision, subject to review by the Appellate Division of the  
27 Superior Court.

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



1 receives approval for the relocation from the department pursuant to  
2 subsection j. of this section.

3 (2) If a nonprofit medical marijuana cultivator processor or  
4 medical marijuana dispensary proposes to sell or transfer its permit  
5 to a for-profit entity, its board of directors may proceed with the  
6 sale or transfer upon receiving approval for the sale or transfer from  
7 the department pursuant to paragraph (1) of this subsection, and,  
8 except as provided in paragraph (3) of this subsection, after  
9 obtaining an independent appraisal for the fair market value of the  
10 permit. The sale or transfer of the permit shall be consistent with  
11 the requirements of the “New Jersey Nonprofit Corporation Act,”  
12 N.J.S.15A:1-1 et seq. The proceeds of the sale or transfer,  
13 following satisfaction of the obligations of the medical marijuana  
14 cultivator-processor or medical marijuana dispensary, shall be  
15 retained or expended in a manner consistent with the requirements  
16 of the “New Jersey Nonprofit Corporation Act,” N.J.S.15A:1-1 et  
17 seq., or until the organization is lawfully wound down or dissolved.  
18 If a nonprofit medical marijuana cultivator processor or medical  
19 marijuana dispensary seeks to sell or transfer its permit to a for-  
20 profit entity with which it shares common ownership or control, the  
21 sale or transfer shall not proceed unless at least one disinterested  
22 director or trustee approves the sale or transfer in accordance with  
23 the requirements of the “New Jersey Nonprofit Corporation Act,”  
24 N.J.S.15A:1-1 et seq.

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

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

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

45 (2) for authorization to relocate a medical marijuana cultivator-  
46 processor to a new location within the same region, or for  
47 authorization to relocate a medical marijuana dispensary to another  
48 location within the same county, \$20,000;

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

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

5  
 6       7. (New section) The department shall begin accepting and  
 7 processing applications for six additional cultivator-processors and  
 8 34 additional medical marijuana dispensaries no later than 90 days  
 9 after the effective date of P.L. , c. (C. ) (pending before the  
 10 Legislature as this bill).

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

24  
 25       8. (New section) a. Each application for an initial three year  
 26 permit to operate a medical marijuana cultivator processor or  
 27 medical marijuana dispensary, and for biennial renewal of such  
 28 permit, shall be submitted to the department. A separate application  
 29 shall be required for each location at which an applicant seeks to  
 30 operate. Renewal applications shall be submitted to the department  
 31 no later than 90 days before the date the current permit will expire.

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

37       c. In addition to any points awarded for an initial application  
 38 for a medical marijuana cultivator-processor permit or a medical  
 39 marijuana dispensary permit pursuant to subsection d. of this  
 40 section and any bonus points awarded pursuant to subsection e. of  
 41 this section, up to 21 points may be awarded for the summary of the  
 42 applicant’s operating plan, excluding safety and security criteria:

43       (1) In the case of an applicant for a medical marijuana  
 44 cultivator-processor permit, the operating plan summary shall  
 45 include a written description, of up to 1,000 words per topic,  
 46 concerning the applicant’s qualifications for, experience in, and  
 47 knowledge of each of the following topics:

- 1 (a) State-licensed cultivation of medical marijuana and
- 2 manufacture of marijuana products using appropriate extraction
- 3 methods;
- 4 (b) conventional horticulture or agriculture, familiarity with
- 5 good agricultural practices, and any relevant certifications or
- 6 degrees;
- 7 (c) pharmaceutical manufacturing, good manufacturing
- 8 practices, quality control, and quality assurance;
- 9 (d) recall plans;
- 10 (e) packaging and labeling;
- 11 (f) inventory control and tracking software or systems for the
- 12 production of medical marijuana;
- 13 (g) analytical chemistry and testing of marijuana and marijuana-
- 14 infused or marijuana-derived products and formulations;
- 15 (h) water management practices;
- 16 (i) odor mitigation practices;
- 17 (j) onsite and offsite recordkeeping;
- 18 (k) strain variety and plant genetics;
- 19 (l) pest control and disease management practices, including
- 20 plans for the use of pesticides, nutrients, and additives;
- 21 (m) waste disposal plans; and
- 22 (n) compliance with applicable laws and regulations.
- 23 (2) In the case of an applicant for a medical marijuana
- 24 dispensary permit, the operating plan summary shall include a
- 25 written description, of up 1,000 words per topic, concerning the
- 26 applicant's qualifications for, experience in, and knowledge of each
- 27 of the following topics:
- 28 (a) State-licensed dispensation of medical marijuana to
- 29 qualifying patients;
- 30 (b) healthcare, medicine, and treatment of patients with
- 31 debilitating medical conditions;
- 32 (c) marijuana product evaluation procedures;
- 33 (d) recall plans;
- 34 (e) packaging and labeling;
- 35 (f) inventory control and point-of-sale software or systems for
- 36 the sale of medical marijuana;
- 37 (g) patient counseling procedures;
- 38 (h) the routes of administration, strains, varieties, and
- 39 cannabinoid profiles of medical marijuana products;
- 40 (i) odor mitigation practices;
- 41 (j) onsite and offsite recordkeeping;
- 42 (k) the composition of the applicant's medical advisory board, if
- 43 any;
- 44 (l) compliance with State and federal patient privacy rules;
- 45 (m) waste disposal plans; and
- 46 (n) compliance with applicable laws and regulations.
- 47 d. In addition to any points awarded for an operating plan
- 48 summary submitted pursuant to subsection c. of this section and any
- 49 bonus points awarded pursuant to subsection e. of this section, up

- 1 79 points may be awarded for an initial application for a medical  
2 marijuana cultivator-processor permit or a medical marijuana  
3 dispensary permit, as follows:
- 4 (1) Up to four points may be awarded for the applicant's  
5 environmental impact plan, which shall not exceed five pages.
- 6 (2) Up to 7.5 points may be awarded for the summary of the  
7 applicant's safety and security plans and procedures, which shall  
8 include descriptions of the following:
- 9 (a) plans for the use of security personnel;
- 10 (b) the experience or qualifications of existing security  
11 personnel;
- 12 (c) security and surveillance features, including descriptions of  
13 any alarm systems, video surveillance systems, and access and  
14 visitor management systems, along with drawings identifying the  
15 proposed locations for surveillance cameras and other security  
16 features;
- 17 (d) plans for the storage of medical marijuana and medical  
18 marijuana products, including any safes, vaults, and climate control  
19 systems that will be utilized for this purpose;
- 20 (e) a diversion prevention plan;
- 21 (f) an emergency management plan;
- 22 (g) procedures for screening, monitoring, and performing  
23 criminal history record background checks of employees;
- 24 (h) cybersecurity procedures, including, in the case of an  
25 applicant for a medical marijuana dispensary permit, procedures for  
26 collecting, processing, and storing patient data, and the applicant's  
27 familiarity with State and federal privacy laws;
- 28 (i) workplace safety plans and the applicant's familiarity with  
29 federal Occupational Safety and Health Administration regulations;
- 30 (j) the applicant's history of workers' compensation claims and  
31 safety assessments;
- 32 (k) procedures for reporting adverse events; and
- 33 (l) a sanitation practices plan.
- 34 (3) Up to 15 total points may be awarded for the summary of the  
35 applicant's business experience, subject to the following  
36 requirements:
- 37 (a) up to six points may be awarded for the description of the  
38 applicant's experience operating businesses in highly-regulated  
39 industries;
- 40 (b) up to six points may be awarded for a description of the  
41 applicant's experience in operating alternative treatment centers and  
42 related medical marijuana production and dispensation entities  
43 under the laws of New Jersey or any other state;
- 44 (c) up to three points may be awarded for the applicant's plan,  
45 which shall not exceed three pages, to comply with and mitigate the  
46 effects of 26 U.S.C. s.280E on marijuana businesses, and for  
47 evidence that the applicant is not in arrears with respect to any tax  
48 obligation to the State.

1 In evaluating the experience described under subparagraphs (a)  
2 and (b) of this paragraph, the department shall afford the greatest  
3 weight to the experience of the applicant itself, controlling owners,  
4 and entities with common ownership or control with the applicant;  
5 followed by the experience of those with a 15 percent or greater  
6 ownership interest in the applicant's organization; followed by  
7 interest holders in the applicant's organization; followed by other  
8 officers, directors, and bona fide full-time employees of the  
9 applicant as of the submission date of the application.

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

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

17 (b) four points may be awarded for submitting zoning approvals  
18 for the proposed location, which shall consist of a letter or affidavit  
19 from appropriate municipal officials that the location will conform  
20 to municipal zoning requirements allowing for the cultivation,  
21 processing, or dispensing of medical marijuana, marijuana-infused  
22 and marijuana-derived products, and related supplies, as  
23 appropriate; and

24 (c) four points may be awarded for submitting proof of local  
25 support for the suitability of the location, which may be  
26 demonstrated by a letter from the municipality's highest-ranking  
27 official or by a resolution adopted by the municipality's governing  
28 body indicating that the intended location is appropriately located  
29 or otherwise suitable for the cultivation, processing, or dispensing  
30 of medical marijuana, marijuana-infused and marijuana-derived  
31 products, and related supplies, as appropriate.

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

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

1 (a) up to four points may be awarded for a community impact  
2 plan, not to exceed five pages, summarizing how the applicant  
3 intends to have a positive impact on the community in which the  
4 proposed medical marijuana cultivator-processor or medical  
5 marijuana dispensary is to be located, which shall include an  
6 economic impact plan, a description of outreach activities, and any  
7 financial assistance or discount plans the applicant will provide to  
8 qualifying patients and primary caregivers;

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

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

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

24 In evaluating the information submitted pursuant to  
25 subparagraphs (b) and (c) of this paragraph, the department shall  
26 afford the greatest weight to the experience of the applicant itself,  
27 controlling owners, and entities with common ownership or control  
28 with the applicant; followed by the experience of those with a 15  
29 percent or greater ownership interest in the applicant's organization;  
30 followed by interest holders in the applicant's organization;  
31 followed by other officers, directors, and bona fide full-time  
32 employees of the applicant as of the submission date of the  
33 application.

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

37 (a) up to four points may be awarded for a description of the  
38 applicant's workforce development and job creation plan, which  
39 may include information on the applicant or its owners' history of  
40 job creation and planned job creation at its proposed medical  
41 marijuana cultivator-processor or medical marijuana dispensary;  
42 education, training, and resources to be made available for  
43 employees; any relevant certifications; and an optional diversity  
44 plan; and

45 (b) 3.5 points shall be awarded to any applicant that has  
46 executed a labor peace agreement or card check and neutrality  
47 agreement with a collective bargaining unit for the proposed  
48 medical marijuana cultivator-processor or medical marijuana  
49 dispensary. An applicant that does not submit the information

1 described in this subparagraph shall not be disqualified from  
2 consideration.

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

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

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

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

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

34 (1) If any of the applicant's majority or controlling owners were  
35 previously approved by the department to serve as an officer,  
36 director, principal, or key employee of an alternative treatment  
37 center, and the individual served in such capacity at the alternative  
38 treatment center for two or more years, the department shall award  
39 10 bonus points, which shall be added to the applicant's total score.  
40 No points shall be deducted from the applicant's total score if none  
41 of the majority or controlling owners meet the requirements of this  
42 paragraph.

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

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

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

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

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

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

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

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

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

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



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

3 In selecting among applicants who meet these criteria, the  
4 Department of Health shall grant a higher preference to applicants  
5 with up to two groups in its ownership composition that meet the  
6 criteria described in this subsection.

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

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

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

33  
34 9. (New section) a. An alternative treatment center may  
35 appoint a medical advisory board to provide advice to the  
36 alternative treatment center on all aspects of its business.

37 b. A medical advisory board appointed pursuant to this section  
38 shall comprise five members: three health care professionals  
39 licensed to practice in New Jersey, at least one of whom shall be a  
40 physician; one qualifying patient; and one individual who owns a  
41 business in the same region in which the alternative treatment  
42 center is located. If the alternative treatment center is a medical  
43 marijuana dispensary, the qualifying patient member shall be  
44 registered with the dispensary; if the alternative treatment center is  
45 a medical marijuana cultivator-processor, the qualifying patient  
46 shall be registered with a medical marijuana dispensary located in  
47 the same region as the medical marijuana cultivator-processor. No  
48 ATC identification card holder may serve on a medical advisory  
49 board.

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

3  
4 10. Section 10 of P.L.2009, c.307 (C.24:6I-10) is amended to  
5 read as follows:

6 10. a. A physician shall provide written instructions for a  
7 registered qualifying patient or **【his】** the patient's primary caregiver  
8 to present to **【an alternative treatment center】** a medical marijuana  
9 dispensary concerning the form and total amount of usable  
10 marijuana that a patient may be dispensed, in weight, in a 30-day  
11 period, which amount shall not exceed **【two】** four ounces in dried  
12 form or the equivalent amount, as established by the commissioner  
13 by regulation, in any other form, including, but not limited to, oral  
14 lozenges, topical formulations, transdermal form, sublingual form,  
15 tincture form, edible form, or any other authorized form. If no  
16 amount is noted, the maximum amount that may be dispensed at  
17 one time is **【two】** four ounces in dried form or the equivalent  
18 amount, as established by the commissioner by regulation, in any  
19 other form, including, but not limited to, oral lozenges, topical  
20 formulations, transdermal form, sublingual form, tincture form,  
21 edible form, or any other authorized form. If no form is noted, the  
22 dispensary shall return the instructions to the physician in order to  
23 specify the form.

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

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

30 (2) Each separate set of instructions shall indicate the earliest  
31 date on which a **【center】** dispensary may dispense the marijuana,  
32 except for the first dispensation if it is to be filled immediately; and

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

36 c. A registered qualifying patient or **【his】** the patient's primary  
37 caregiver shall present the patient's or caregiver's registry  
38 identification card, as applicable, and these written instructions to  
39 the **【alternative treatment center】** medical marijuana dispensary,  
40 which shall verify and log the documentation presented. A  
41 physician may provide a copy of a written instruction by electronic  
42 or other means, as determined by the commissioner, directly to **【an**  
43 **alternative treatment center】** a medical marijuana dispensary on  
44 behalf of a registered qualifying patient. The dispensation of  
45 marijuana pursuant to any written instructions shall occur within  
46 one month of the date that the instructions were written or the  
47 instructions are void.

1 d. **【A】** Medical marijuana may be dispensed to a patient or the  
2 patient's primary caregiver **【**may be registered at only one  
3 alternative treatment center at any time**】** by any medical marijuana  
4 dispensary in the State. Prior to dispensing medical marijuana to a  
5 qualifying patient or the patient's primary caregiver, the medical  
6 marijuana dispensary shall access the system established pursuant  
7 to section 11 of P.L.2009, c.307 (C.45:1-45.1) to ascertain whether  
8 medical marijuana was dispensed to the patient or the patient's  
9 primary caregiver by any medical marijuana dispensary within the  
10 preceding 30 days. Upon dispensing medical marijuana to a  
11 qualifying patient or the patient's primary caregiver, the medical  
12 marijuana dispensary shall transmit to the patient's physician  
13 information concerning the amount, strain, and form of medical  
14 marijuana that was dispensed.

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

16

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

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

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

25 (2) annually thereafter on the number of applications for registry  
26 identification cards, the number of qualifying patients registered,  
27 the number of primary caregivers registered, the nature of the  
28 **【debilitating】** qualifying medical conditions of the patients, the  
29 number of registry identification cards revoked, the number of  
30 alternative treatment center permits issued and revoked, and the  
31 number of physicians **【providing certifications for】** authorizing  
32 patients for the medical use of marijuana.

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

35 c. Within two years after the effective date of **【this act】**  
36 P.L.2009, c.307 (C.24:6I-1 et al.) and every two years thereafter,  
37 the commissioner shall: evaluate whether there are sufficient  
38 numbers of alternative treatment centers to meet the needs of  
39 registered qualifying patients throughout the State; evaluate  
40 whether the maximum amount of medical marijuana allowed  
41 pursuant to **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.) is sufficient  
42 to meet the medical needs of qualifying patients; and determine  
43 whether any alternative treatment center has charged excessive  
44 prices for marijuana that the center dispensed.

45 The commissioner shall report his findings no later than two  
46 years after the effective date of **【this act】** P.L.2009, c.307 (C.24:6I-  
47 1 et al.), and every two years thereafter, to the Governor, and to the

1 Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1).  
2 (cf: P.L.2009, c.307, s.14)

3

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

6 15. a. The Department of Health is authorized to exchange  
7 fingerprint data with, and receive information from, the Division of  
8 State Police in the Department of Law and Public Safety and the  
9 Federal Bureau of Investigation for use in reviewing applications  
10 for individuals seeking to serve as primary caregivers who are not  
11 an immediate family member of the patient pursuant to section 4 of  
12 P.L.2009, c.307 (C.24:6I-4), applications for an ATC identification  
13 card pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), and  
14 applications for permits to operate as **█**, or to be a director, officer,  
15 or employee of, **█** alternative treatment centers pursuant to section 7  
16 of P.L.2009, c.307 (C.24:6I-7).

17 b. The Division of State Police shall promptly notify the  
18 Department of Health in the event an applicant seeking to serve as a  
19 primary caregiver who is not an immediate family member of the  
20 patient, an applicant for an ATC identification card, or an applicant  
21 for a permit to operate as **█**, or to be a director, officer, or employee  
22 of, **█** an alternative treatment center, who was the subject of a  
23 criminal history record background check conducted pursuant to  
24 subsection a. of this section, is convicted of a crime involving  
25 possession or sale of a controlled dangerous substance.

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

27

28 13. Section 18 of P.L.2009, c.307 (C.24:6I-16) is amended to  
29 read as follows:

30 18. a. Pursuant to the "Administrative Procedure Act,"  
31 P.L.1968, c.410 (C.52:14B-1 et seq.), the commissioner shall  
32 promulgate rules and regulations to effectuate the purposes of **█**  
33 **█** P.L.2009, c.307 (C.24:6I-1 et al.), in consultation with the  
34 Department of Law and Public Safety.

35 b. Notwithstanding any provision of P.L.1968, c.410  
36 (C.52:14B-1 et seq.) to the contrary, the commissioner shall adopt,  
37 immediately upon filing with the Office of Administrative Law and  
38 no later than the 90th day after the effective date of **█**  
39 P.L.2009, c.307 (C.24:6I-1 set al.), such regulations as the  
40 commissioner deems necessary to implement the provisions of **█**  
41 **█** P.L.2009, c.307 (C.24:6I-1 set al.). Regulations adopted  
42 pursuant to this subsection shall be effective until the adoption of  
43 rules and regulations pursuant to subsection a. of this section and  
44 may be amended, adopted, or readopted by the commissioner in  
45 accordance with the requirements of P.L.1968, c.410 (C.52:14B-1  
46 et seq.).

47 c. No later than 90 days after the effective date of P.L. \_\_\_\_\_, c.  
48 (C. \_\_\_\_\_ ) (pending before the Legislature as this bill), the

1 commissioner shall establish, by regulation, dosage amounts for  
2 medical marijuana in each form available to qualifying patients that  
3 are equivalent to four ounces of medical marijuana in dried form.  
4 The commissioner shall periodically review and update the dosage  
5 amounts as appropriate, including to establish equivalent dosage  
6 amounts for new forms of medical marijuana that become available.  
7 (cf: P.L.2009, c.307, s.18)

8  
9 14. Section 11 of P.L.2009, c.307 (C.45:1-45.1) is amended to  
10 read as follows:

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

26 b. The Director of the Division of Consumer Affairs, pursuant  
27 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-  
28 1 et seq.), and in consultation with the Commissioner of Health  
29 **【and Senior Services】**, shall adopt rules and regulations to  
30 effectuate the purposes of subsection a. of this section.

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

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

44  
45 15. Section 5 of P.L.2009, c.307 (C.24:6I-5) is repealed.

46  
47 16. The Commissioner of Health shall adopt, pursuant to the  
48 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et

1 seq., such rules and regulations as may be necessary to effectuate  
2 the purposes of this act.

3

4 17. This act shall take effect 90 days after the date of enactment,  
5 except that the Commissioner of Health may take any advance  
6 administrative action as may be necessary to implement the  
7 requirements of this act.