ASSEMBLY, No. 5322 STATE OF NEW JERSEY 218th LEGISLATURE

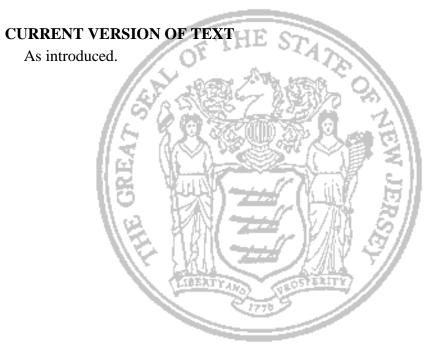
INTRODUCED MAY 13, 2019

Sponsored by: Assemblyman JOHN J. BURZICHELLI District 3 (Cumberland, Gloucester and Salem) Assemblyman MATTHEW W. MILAM District 1 (Atlantic, Cape May and Cumberland) Assemblyman ERIC HOUGHTALING District 11 (Monmouth) Assemblyman ADAM J. TALIAFERRO District 3 (Cumberland, Gloucester and Salem)

Co-Sponsored by: Assemblyman Dancer and Assemblywoman Vainieri Huttle

SYNOPSIS

Establishes program for cultivation, handling, processing, transport, and sale of hemp; repeals New Jersey Industrial Hemp Pilot Program.



(Sponsorship Updated As Of: 5/21/2019)

2

1 AN ACT concerning the cultivation, handling, processing, transport, 2 and sale of hemp, supplementing Title 4 and 24 of the Revised 3 Statutes, amending various parts of the statutory law, and 4 repealing P.L.2018, c.139. 5 6 **BE IT ENACTED** by the Senate and General Assembly of the State 7 of New Jersey: 8 9 1. (New section) Sections 1 through 9 of P.L., c. (C.) 10 (pending before the Legislature as this bill) shall be known and may

be cited as the "New Jersey Hemp Farming Act."

11 12

13 2. (New section) The Legislature finds and declares that hemp is a viable agricultural crop and a potentially valuable agricultural 14 15 commodity in the State, and that hemp should be cultivated, 16 handled, processed, transported, and sold in the State to the 17 maximum extent permitted by federal law. It is the purpose of 18 P.L. , c. (C.) (pending before the Legislature as this bill) to: 19 promote the cultivation and processing of hemp; develop new 20 commercial markets for farmers and businesses through the sale of 21 hemp products; promote the expansion of the State's hemp industry 22 to the maximum extent permitted by federal law; allow farmers and 23 businesses to cultivate, handle, and process hemp, and to sell hemp 24 products for commercial purposes; and to move the State and its 25 citizens to the forefront of the hemp industry.

26

27 3. (New section) As used in sections 1 through 9 of P.L. ,
28 c. (C.) (pending before the Legislature as this bill), unless
29 the context otherwise requires:

30 "Agent" means an employee or contractor of a hemp producer.

31 "Applicant" means a person, or for a business entity, any person
32 authorized to act on behalf of the business entity, who applies to the
33 department to be a hemp producer in the State.

34 "Commercial sale" means the sale of a product in the stream of35 commerce at retail, at wholesale, or on the Internet.

36 "Cultivate" means to plant, water, grow, or harvest a plant or37 crop.

38 "Department" means the New Jersey Department of Agriculture.

39 "Federally defined THC level for hemp" means a delta-9
40 tetrahydrocannabinol concentration of not more than 0.3 percent on
41 a dry weight basis for hemp or in a hemp product.

"Handle" means to possess or store a hemp plant on premises
owned, operated, or controlled by a hemp producer for any period
of time or in a vehicle for any period of time other than during the
actual transport of the plant between premises owned, operated, or

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 <u>thus</u> is new matter.

controlled by hemp producers or persons or entities authorized to
 produce hemp pursuant to 7 U.S.C. s.16390 et seq. and any state
 law or rule or regulation adopted pursuant thereto. "Handle" does
 not mean possession or storage of finished hemp products.

5 "Hemp" means the plant Cannabis sativa L. and any part of that 6 plant, including the seeds of the plant and all derivatives, extracts, 7 cannabinoids, isomers, acids, salts, and salts of isomers, whether 8 growing or not, with a delta-9 tetrahydrocannabinol concentration 9 of not more than 0.3 percent on a dry weight basis. Hemp and 10 hemp-derived cannabinoids, including cannabidiol, shall be considered an agricultural commodity and not a controlled 11 12 substance.

13 "Hemp producer" means a person or business entity authorized14 by the department to cultivate, handle, or process hemp in the State.

15 "Hemp product" means a finished product with a delta-9 16 tetrahydrocannabinol concentration of not more than 0.3 percent that is derived from or made by processing a hemp plant or plant 17 18 part and prepared in a form available for commercial sale. The term 19 includes cosmetics, personal care products, food intended for 20 human or animal consumption, cloth, cordage, fiber, fuel, paint, 21 paper, particleboard, plastics, and any product containing one or 22 more hemp-derived cannabinoids such as cannabidiol. Hemp 23 products shall not be considered controlled substances.

24 "Process" means to convert hemp into a marketable form.

25 "Secretary" means the Secretary of the New Jersey Department26 of Agriculture.

27 "Transport" means the movement or shipment of hemp by a 28 hemp producer, a person or entity authorized to produce hemp 29 pursuant to 7 U.S.C. s.16390 et seq. and any state law or rule or 30 regulation adopted pursuant thereto, or a hemp producer's or 31 authorized entity's third-party carrier or agent. "Transport" shall 32 not mean the movement or shipment of hemp products.

33

4. (New section) a. Notwithstanding any other provision of
law, or rule or regulation adopted pursuant thereto to the contrary, it
is lawful for a hemp producer or its agent to cultivate, handle, or
process hemp or hemp products in the State. Nothing in P.L. ,

c. (C.) (pending before the Legislature as this bill) authorizes
any person to violate a federal or State law, or rule or regulation
adopted pursuant thereto. Notwithstanding any other provision of
law, or rule or regulation adopted pursuant thereto to the contrary, it
is lawful to possess, transport, sell, and purchase legally-produced
hemp products in the State.

b. It is unlawful for a person or entity that is not a hemp
producer or an agent of a hemp producer to cultivate, handle, or
process living hemp plants or viable seeds, leaf materials, or floral
materials derived from hemp. A person or entity that is not a hemp
producer or an agent of a hemp producer, but who cultivates,
handles, or processes living hemp plants or viable seeds, leaf

materials, or floral materials derived from hemp, shall be subject to
 the same penalties as those related to marijuana.

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4 5. (New section) a. Pursuant to 7 U.S.C. s.1639p, and to 5 designate itself as the primary regulatory authority over the 6 production of hemp in the State, the department, in consultation 7 with the Governor and the Attorney General, shall promulgate regulations for submission, along with P.L., c. 8 (C.) 9 (pending before the Legislature as this bill), to the Secretary of the 10 United States Department of Agriculture, as a plan under which the 11 State monitors and regulates hemp production.

12 b. No later than 90 days after the effective date of P.L.) (pending before the Legislature as this bill) and 13 (C. c. 14 notwithstanding the provisions of the "Administrative Procedure 15 Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the 16 department, after consultation with the Governor and Attorney 17 General shall, immediately upon filing proper notice with the Office of Administrative Law, adopt interim rules and regulations to 18 19 implement P.L., c. (C.) (pending before the Legislature as 20 this bill) and to meet the requirements for federal approval as a state 21 plan pursuant to 7 U.S.C. s.16390 et seq. The regulations shall be 22 effective as regulations immediately upon filing with the Office of 23 Administrative Law and shall be in effect for a period not to exceed 24 18 months, and shall, thereafter, be amended, adopted, or readopted 25 by the department in accordance with the provisions of the 26 "Administrative Procedure Act." The rules and regulations adopted 27 pursuant to this section shall include the following:

(1) a procedure to maintain relevant information regarding land,
fields, greenhouses, or any other location where hemp is produced
in the State, including a legal description of the land and global
positioning system coordinates, for a period of at least three
calendar years;

33 (2) a procedure for testing, including by third parties, using 34 post-decarboxylation or another similarly reliable method, that the 35 delta-9 tetrahydrocannabinol concentration of hemp produced in the 36 State does not exceed the federally defined THC level for hemp, 37 and that hemp products do not exceed the federally defined THC 38 level for hemp when made available to the public. A hemp 39 producer shall begin harvesting any hemp within 30 days of 40 sampling;

41 (3) a procedure for the effective disposal of hemp plants,
42 whether growing or not, that are produced in violation of 7 U.S.C.
43 s.16390 et seq., and products derived from those plants;

(4) a procedure to comply with the enforcement procedures in
section 7 of P.L., c. (C.) (pending before the Legislature as
this bill), pursuant to 7 U.S.C. s.1639p, and to provide due process
for hemp producers;

1 (5) a procedure for conducting annual inspections of, at a 2 minimum, a random sample of hemp producers to verify that hemp 3 is not produced in violation of 7 U.S.C. s.16390 et seq.;

(6) a procedure for submitting the information described in 7
U.S.C. s.1639q, as applicable, to the Secretary of the United States
Department of Agriculture not later than 30 days after the date the
information is received; and

8 c. Upon adoption of rules and regulations pursuant to 9 subsection b. of this section, subsection c. of section 6, and 10 subsection c. of section 7 of P.L., c. (C.) (pending before 11 the Legislature as this bill), the department, after consultation with 12 the Governor and the Attorney General, shall submit the rules and 13 regulations, along with P.L., c. (C.) (pending before the 14 Legislature as this bill), for approval to the Secretary of the United 15 States Department of Agriculture as a state plan for monitoring and 16 regulating the production of hemp in the State pursuant to 7 U.S.C. 17 s.16390 et seq.

d. (1) If the plan submitted by the department is disapproved by
the Secretary of the United States Department of Agriculture, the
department, after consultation with the Governor and the Attorney
General, shall amend the rules promulgated pursuant to P.L. ,

c. (C.) (pending before the Legislature as this bill) as needed
to obtain approval and shall thereafter submit an amended plan.

(2) The department shall, as necessary, consult with and seek
technical assistance from the Secretary of the United States
Department of Agriculture in crafting a satisfactory state plan
pursuant to 7 U.S.C. s.16390 et seq.

28 (3) If a plan submitted by the department is disapproved by the 29 Secretary of the United States Department of Agriculture, nothing 30 (C.) (pending before the Legislature as this bill) in P.L., c. 31 shall prohibit the production of hemp in the State pursuant to 7 32 U.S.C. s1639q or any other federal law, or rule or regulation 33 adopted pursuant thereto, if the production of hemp is not otherwise 34 prohibited by the State.

(4) As part of the State plan adopted pursuant to subsection b. of
this section, the department shall also submit a certification that the
State has the resources and personnel to implement the practices
and procedures as provided in P.L., c. (C.) (pending before
the Legislature as this bill), pursuant to 7 U.S.C. s.1639p.

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6. (New section) a. Except as otherwise provided, P.L. ,
c. (C.) (pending before the Legislature as this bill) does not
apply to the possession, transportation, or sale of hemp products or
extracts, including those containing one or more hemp-derived
cannabinoids, including cannabidiol.

b. In adopting rules and regulations pursuant to P.L. ,
c. (C.) (pending before the Legislature as this bill), the
department shall consult with relevant public agencies as well as
private, nonprofit associations in the hemp industry that promote

standards, best practices, and self-regulation in the production of
 hemp.

3 c. In addition to the rules and regulations required for a state 4 plan consistent with the requirements of 7 U.S.C. s.16390 et seq. 5 and section 5 of P.L. , c. (C.) (pending before the Legislature as this bill), no later than 90 days after the effective date 6 7 of P.L., c. (C.) (pending before the Legislature as this bill) 8 and notwithstanding the provisions of the "Administrative 9 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the 10 contrary, the department, after consultation with the Governor and 11 Attorney General, shall immediately upon filing proper notice with 12 the Office of Administrative Law, adopt interim rules and regulations to promote the cultivating and processing of hemp and 13 14 the commercial sale of hemp products, while regulating hemp 15 production in the State pursuant to 7 U.S.C. s.16390 et seq. and 16 P.L., c. (C.) (pending before the Legislature as this bill). The rules and regulations shall be effective immediately upon filing 17 18 with the Office of Administrative Law and shall be in effect for a 19 period not to exceed 18 months, and shall, thereafter, be amended, 20 adopted, or readopted by the department in accordance with the 21 provisions of the "Administrative Procedure Act." The rules and 22 regulations shall:

(1) establish requirements by which the department authorizes
an applicant to be a hemp producer to cultivate, handle, or process
or any combination thereof, hemp;

(2) provide due process, including an appeal process with
retesting, to ensure that hemp producers are not subject to the
consequences of inaccurate test results;

29 (3) establish procedures for the department, not more than 30 30 days after receiving and compiling the following information, to 31 provide the information to the United States Secretary of 32 Agriculture: (a) the hemp producer's name, telephone number, 33 email address, residential address, mailing address, or another form 34 of contact information; (b) the legal description and global 35 positioning system coordinates for each field, facility, or other place 36 where hemp is to be cultivated, processed, or handled; and (c) 37 whether the hemp producer is in compliance with the rules and 38 regulations for the production of hemp in the State. The department 39 shall provide updates to this information as needed;

40 (4) define classes or categories of hemp products that are41 eligible for sale, transfer, or distribution to members of the public;

(5) establish non-refundable application, licensure, and renewal
fees in amounts that are reasonable and necessary to cover the costs
of administering and enforcing the State hemp program, which shall
be deposited in the State hemp program account pursuant to section
8 of P.L., c. (C.) (pending before the Legislature as this
bill); and

48 (6) establish procedures governing hemp shipment within the49 State and across state lines by third-party transporters who are not

1 authorized hemp producers. The regulations shall include a 2 requirement that all shipments need only be accompanied by a proof 3 of authorization to engage in the commercial sale of hemp, either 4 under a state plan pursuant to 7 U.S.C. s.1639p or the United States 5 Department of Agriculture plan pursuant to 7 U.S.C. 1639q in a 6 state where a state plan has not been approved from the producer of 7 hemp, as well as a travel manifest that lists the origin, destination, 8 product description, and date of transport. In no case shall the 9 department require third-party carriers to be authorized hemp 10 producers in order to transport hemp.

11 d. Except as provided by section 9 of P.L., c. (C.) 12 (pending before the Legislature as this bill), a person or business entity may not cultivate, handle, or process hemp, or cause an agent 13 14 to cultivate, handle or process, in this State or transport, or cause an 15 agent to transport, hemp outside of this State unless that person or 16 business entity is authorized by the department to participate in the 17 State hemp program as a hemp producer. All applicants must apply 18 to the department on a form and in the manner prescribed by the 19 department as described in P.L., c. (C.) (pending before the Legislature as this bill). Upon approval of the State plan by the 20 21 United States Department of Agriculture, the department shall begin 22 authorizing participation in the State hemp program established 23 pursuant to P.L., c. (C.) (pending before the Legislature as 24 this bill).

(1) In addition to any other information deemed necessary bythe department, an application shall include:

(a) a legal description and the global positioning system
coordinates for each location where an applicant intends to cultivate
or process hemp;

30 (b) written consent allowing the department, the Department of Law and Public Safety, and any other State or local law 31 32 enforcement agency to enter onto all premises where hemp is 33 cultivated, handled, or processed to conduct a physical inspection or 34 to ensure compliance with P.L., c. (C.) (pending before the 35 Legislature as this bill) and rules and regulation adopted pursuant to 36 P.L., c. (C.) (pending before the Legislature as this bill);

37 (c) the payment of any fees required by the department;

38 (d) a criminal history record background check on all applicants39 at the applicant's expense; and

40 (e) any other information required pursuant to rules and41 regulations adopted by the department.

42 (2) If the department determines that an applicant meets the
43 State hemp program participation requirements, the department
44 shall authorize the applicant to participate in the program as a hemp
45 producer.

46 (3) An applicant who materially falsifies any information
47 contained in an application submitted to the department may not
48 participate in the State hemp program as a hemp producer.

7. (New section) a. If the department determines that a hemp producer negligently violated P.L., c. (C.) (pending before the Legislature as this bill) or any rule or regulation adopted pursuant thereto, the department shall enforce the violation in the manner provided by 7 U.S.C. s.1639p as follows:

6 (1) The hemp producer shall not be subject to a civil or criminal
7 penalty under subsection a. of this section. A hemp producer shall
8 be required to implement a corrective action plan if the department
9 determines that the person or business entity negligently violated
10 State hemp laws or regulations, including by negligently:

(a) Failing to disclose, or provide required information about, asite where hemp is cultivated, handled, or processed;

(b) Failing to obtain a necessary license from the department or
a necessary authorization from the State or a federal agency other
than those required to be a hemp producer; or

(c) Producing Cannabis sativa L. with more than the federallydefined THC level for hemp.

18 (2) A corrective action plan required pursuant to paragraph (1)19 of this subsection shall include:

20 (a) A reasonable date by which a hemp producer shall correct21 the negligent violation; and

(b) A requirement for periodic reports from the hemp producer
to the department about the hemp producer's compliance with the
corrective action plan, statutes, and any rules or regulations adopted
pursuant thereto, for a period of at least two years from the date of
the corrective action plan.

(3) A hemp producer that negligently violates any law or any
rule or regulation adopted pursuant thereto, governing that person's
or business entity's participation in the hemp program shall not be
subject to a criminal or civil enforcement action by the State or a
local government other than an enforcement action authorized
pursuant to this section.

(4) A person or business entity found by the department to have
negligently violated any law, or rule or regulation governing the
person's or business entity's participation in the hemp program
three times in a five year period shall be ineligible to participate in
the State hemp program as a hemp producer for a period of five
years beginning on the date of the third violation.

39 b. If the department determines that a hemp producer has 40 violated P.L., c. (C.) (pending before the Legislature as 41 this bill) or a rule or regulation adopted pursuant thereto with a 42 culpable mental state greater than negligence, subsection a. of this 43 section shall not apply and the department shall report the hemp 44 producer immediately to the United States Attorney General and the 45 Attorney General of the State, who may, on behalf of the 46 department, investigate the violation and institute proceedings for 47 injunctive or other appropriate relief or report the matter to an 48 appropriate law enforcement agency.

1 c. In addition to the rules and regulations adopted pursuant to 2 sections 5 and 6 of P.L., c. (C.) (pending before the 3 Legislature as this bill), no later than 90 days after the effective date 4) (pending before the Legislature as this bill) of P.L., c. (C. and notwithstanding the provisions of the "Administrative 5 6 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the 7 contrary, the department, after consulting with the Governor and the 8 Attorney General, shall immediately upon filing proper notice with 9 the Office of Administrative Law, adopt interim rules and 10 regulations establishing a schedule of penalties for violations of 11 P.L., c. (C.) (pending before the Legislature as this bill) or 12 a rule or regulation adopted pursuant thereto that do not conflict 13 with 7 U.S.C. s.16390 et seq. The regulations shall be effective as 14 regulations immediately upon filing with the Office of 15 Administrative Law and shall be in effect for a period not to exceed 18 months, and shall, thereafter, be amended, adopted, or readopted 16 by the department in accordance with the provisions of the 17 "Administrative Procedure Act." Any penalty collected pursuant to 18 19 P.L., c.) (pending before the Legislature as this bill) (C. 20 shall be deposited in the "New Jersey Hemp Farming Fund" 21 established pursuant to section 8 P.L., c. (C.) (pending 22 before the Legislature as this bill).

23 d. A person who is or has been convicted of an offense relating 24 to a controlled substance under State or federal law may not 25 participate in the State hemp program established pursuant to 26 P.L., c. (C.) (pending before the Legislature as this bill) or 27 produce hemp in the State under any other law for a period of at 28 least 10 years following the date of the person's conviction. This 29 prohibition shall not apply to any person growing hemp lawfully 30 with a license, registration, or authorization under a pilot program 31 authorized pursuant to 7 U.S.C. s.5940 before the date of enactment 32) (pending before the Legislature as this bill). of P.L., c. (C. 33

34 8. (New section) a. There is established in the Department of 35 Agriculture a special nonlapsing fund to be known as the "New 36 Jersey Hemp Farming Fund." Moneys in the fund shall be used for 37 the administration and enforcement of P.L. , c. (C.) 38 (pending before the Legislature as this bill). 39

b. The fund shall be credited with:

(1) penalties and fees collected by the department pursuant to 40 41) (pending before the Legislature as this bill); P.L., c. (C.

42 (2) moneys as are appropriated by the Legislature;

43 (3) moneys made available to the department for the purposes of 44) (pending before the Legislature as this bill), P.L., c. (C. 45 including federal funds; and

- (4) any return on investment of moneys deposited in the fund. 46
- 47

48 9. (New section) a. A State agency may not prohibit a person 49 or business entity that processes or manufactures a product regulated by the agency from applying for or obtaining a permit or
 other authorization to process or manufacture the product solely on
 the basis that the person or business entity intends to process or
 manufacture the product with hemp.

b. Notwithstanding any other law, or rule or regulation adopted
pursuant thereto to the contrary, derivatives of hemp, including
hemp-derived cannabidiol, may be added to cosmetics, personal
care products, and products intended for human or animal
consumption to the maximum extent permitted by federal law.

10 The provisions of P.L., c. (C.) (pending before the c. 11 Legislature as this bill) applicable to hemp producers shall not 12 apply to the possession, handling, transport, or sale of hemp products, including those containing one or more hemp-derived 13 14 cannabinoids, including cannabidiol. Notwithstanding any other 15 law, a person or business entity may possess, transport, sell, and 16 purchase legally produced hemp products in this State. As part of the rules and regulations adopted pursuant to P.L., c. (C. 17)

(pending before the Legislature as this bill), the Department of Agriculture shall provide to a retailer of hemp products notice of a potential violation concerning hemp products sold by the retailer and shall provide an opportunity to cure a violation committed unintentionally or negligently.

d. The Department of Agriculture, in consultation with the
Department of Health, may adopt rules and regulations only to
regulate the sale of hemp products that provide that:

26 (1) hemp-derived cannabinoids, including cannabidiol, are not27 considered controlled substances or adulterants; and

(2) products containing one or more hemp-derived cannabinoids,
such as cannabidiol, intended for ingestion are to be considered
foods, not controlled substances or adulterated products to the
maximum extent permitted by federal law.

32 Retail sales of hemp products processed outside the State e. 33 may be conducted in the State when the products and the hemp used 34 in the products were processed and cultivated legally in another 35 state or jurisdiction that has the same or substantially similar 36 requirements for processing hemp products or cultivating hemp as 37 provided by P.L., c. (C.) (pending before the Legislature as 38 this bill).

f. Hemp products may be legally transported across State lines
and exported to foreign countries in a manner that is consistent with
federal law and the laws of respective foreign countries.

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43 10. N.J.S.2C:35-2 is amended to read as follows:

44 2C:35-2. As used in this chapter:

45 "Administer" means the direct application of a controlled 46 dangerous substance or controlled substance analog, whether by 47 injection, inhalation, ingestion, or any other means, to the body of a 48 patient or research subject by: (1) a practitioner (or, in his 49 presence, by his lawfully authorized agent), or (2) the patient or research subject at the lawful direction and in the presence of the
 practitioner.

"Agent" means an authorized person who acts on behalf of or at
the direction of a manufacturer, distributor, or dispenser but does
not include a common or contract carrier, public warehouseman, or
employee thereof.

7 "Controlled dangerous substance" means a drug, substance, or 8 immediate precursor in Schedules I through V, any substance the 9 distribution of which is specifically prohibited in N.J.S.2C:35-3, in 10 section 3 of P.L.1997, c.194 (C.2C:35-5.2), in section 5 of 11 P.L.1997, c.194 (C.2C:35-5.3), in section 2 of P.L.2011, c.120 12 (C.2C:35-5.3a), or in section 2 of P.L.2013, c.35 (C.2C:35-5.3b), and any drug or substance which, when ingested, is metabolized or 13 14 otherwise becomes a controlled dangerous substance in the human 15 body. When any statute refers to controlled dangerous substances, 16 or to a specific controlled dangerous substance, it shall also be 17 deemed to refer to any drug or substance which, when ingested, is 18 metabolized or otherwise becomes a controlled dangerous substance 19 or the specific controlled dangerous substance, and to any substance 20 that is an immediate precursor of a controlled dangerous substance 21 or the specific controlled dangerous substance. The term shall not 22 include distilled spirits, wine, malt beverages, as those terms are 23 defined or used in R.S.33:1-1 et seq., or tobacco and tobacco 24 The term, wherever it appears in any law or products. 25 administrative regulation of this State, shall include controlled 26 substance analogs.

27 "Controlled substance analog" means a substance that has a 28 chemical structure substantially similar to that of a controlled 29 dangerous substance and that was specifically designed to produce 30 an effect substantially similar to that of a controlled dangerous 31 substance. The term shall not include a substance manufactured or 32 distributed in conformance with the provisions of an approved new 33 drug application or an exemption for investigational use within the 34 meaning of section 505 of the "Federal Food, Drug and Cosmetic 35 Act," 52 Stat. 1052 (21 U.S.C. s.355).

36 "Counterfeit substance" means a controlled dangerous substance 37 or controlled substance analog which, or the container or labeling of 38 which, without authorization, bears the trademark, trade name, or 39 other identifying mark, imprint, number, or device, or any likeness 40 thereof, of a manufacturer, distributor, or dispenser other than the person or persons who in fact manufactured, distributed, or 41 42 dispensed the substance and which thereby falsely purports or is 43 represented to be the product of, or to have been distributed by, 44 such other manufacturer, distributor, or dispenser.

45 "Deliver" or "delivery" means the actual, constructive, or
46 attempted transfer from one person to another of a controlled
47 dangerous substance or controlled substance analog, whether or not
48 there is an agency relationship.

"Dispense" means to deliver a controlled dangerous substance or
controlled substance analog to an ultimate user or research subject
by or pursuant to the lawful order of a practitioner, including the
prescribing, administering, packaging, labeling, or compounding
necessary to prepare the substance for that delivery. "Dispenser"
means a practitioner who dispenses.

7 "Distribute" means to deliver other than by administering or
8 dispensing a controlled dangerous substance or controlled substance
9 analog. "Distributor" means a person who distributes.

10 "Drugs" means (a) substances recognized in the official United 11 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the 12 United States, or official National Formulary, or any supplement to any of them; and (b) substances intended for use in the diagnosis, 13 14 cure, mitigation, treatment, or prevention of disease in man or other 15 animals; and (c) substances (other than food) intended to affect the 16 structure or any function of the body of man or other animals; and (d) substances intended for use as a component of any article 17 18 specified in subsections (a), (b), and (c) of this section; but does not 19 include devices or their components, parts, or accessories.

20 "Drug or alcohol dependent person" means a person who as a 21 result of using a controlled dangerous substance or controlled 22 substance analog or alcohol has been in a state of psychic or 23 physical dependence, or both, arising from the use of that controlled 24 dangerous substance or controlled substance analog or alcohol on a 25 continuous or repetitive basis. Drug or alcohol dependence is 26 characterized by behavioral and other responses, including but not 27 limited to a strong compulsion to take the substance on a recurring 28 basis in order to experience its psychic effects, or to avoid the 29 discomfort of its absence.

"Hashish" means the resin extracted from any part of the plant 30 31 Genus Cannabis L. and any compound, manufacture, salt, 32 derivative, mixture, or preparation of such resin. "Hashish" shall 33 not mean [industrial] hemp or a hemp product cultivated , handled, 34 processed, transported, or sold pursuant to the [New Jersey 35 Industrial Hemp Pilot Program established by P.L.2018, c.139 (C.4:28-1 et al.) <u>"New Jersey Hemp Farming Act," P.L.</u> 36 c. (C.) (pending before the Legislature as this bill). 37

38 "Manufacture" means the production, propagation, 39 compounding, conversion, or processing of a controlled dangerous 40 substance or controlled substance analog, either directly or by 41 extraction from substances of natural origin, or independently by 42 means of chemical synthesis, or by a combination of extraction and 43 chemical synthesis, and includes any packaging or repackaging of 44 the substance or labeling or relabeling of its container, except that 45 this term does not include the preparation or compounding of a 46 controlled dangerous substance or controlled substance analog by 47 an individual for his own use or the preparation, compounding, 48 packaging, or labeling of a controlled dangerous substance: (1) by 49 a practitioner as an incident to his administering or dispensing of a

controlled dangerous substance or controlled substance analog in
 the course of his professional practice, or (2) by a practitioner (or
 under his supervision) for the purpose of, or as an incident to,
 research, teaching, or chemical analysis and not for sale.

5 "Marijuana" means all parts of the plant Genus Cannabis L., 6 whether growing or not; the seeds thereof, and every compound, 7 manufacture, salt, derivative, mixture, or preparation of the plant or 8 its seeds, except those containing resin extracted from the plant; but 9 shall not include the mature stalks of the plant, fiber produced from 10 the stalks, oil, or cake made from the seeds of the plant, any other 11 compound, manufacture, salt, derivative, mixture, or preparation of 12 mature stalks, fiber, oil, or cake, or the sterilized seed of the plant 13 which is incapable of germination. "Marijuana" shall not mean 14 [industrial] hemp or a hemp product cultivated , handled, 15 processed, transported, or sold pursuant to the [New Jersey Industrial Hemp Pilot Program established by P.L.2018, c.139 16 17 (C.4:28-1 et al.) <u>"New Jersey Hemp Farming Act," P.L.</u> c. (C.) (pending before the Legislature as this bill). 18

"Narcotic drug" means any of the following, whether produced
directly or indirectly by extraction from substances of vegetable
origin, or independently by means of chemical synthesis, or by a
combination of extraction and chemical synthesis:

23 (a) Opium, coca leaves, and opiates;

(b) A compound, manufacture, salt, derivative, or preparation ofopium, coca leaves, or opiates;

(c) A substance (and any compound, manufacture, salt,
derivative, or preparation thereof) which is chemically identical
with any of the substances referred to in subsections (a) and (b),
except that the words "narcotic drug" as used in this act shall not
include decocainized coca leaves or extracts of coca leaves, which
extracts do not contain cocaine or ecogine.

32 "Opiate" means any dangerous substance having an addiction-33 forming or addiction-sustaining liability similar to morphine or 34 being capable of conversion into a drug having such addiction-35 forming or addiction-sustaining liability. It does not include, unless 36 specifically designated as controlled pursuant to the provisions of 37 section 3 of P.L.1970, c.226 (C.24:21-3), the dextrorotatory isomer 38 of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). 39 It does include its racemic and levorotatory forms.

40 "Opium poppy" means the plant of the species Papaver41 somniferum L., except the seeds thereof.

42 "Person" means any corporation, association, partnership, trust,43 other institution or entity, or one or more individuals.

44 "Plant" means an organism having leaves and a readily
45 observable root formation, including, but not limited to, a cutting
46 having roots, a rootball or root hairs.

47 "Poppy straw" means all parts, except the seeds, of the opium48 poppy, after mowing.

"Practitioner" means a physician, dentist, veterinarian, scientific
investigator, laboratory, pharmacy, hospital, or other person
licensed, registered, or otherwise permitted to distribute, dispense,
conduct research with respect to, or administer a controlled
dangerous substance or controlled substance analog in the course of
professional practice or research in this State.

7 (a) "Physician" means a physician authorized by law to practice
8 medicine in this or any other state and any other person authorized
9 by law to treat sick and injured human beings in this or any other
10 state.

(b) "Veterinarian" means a veterinarian authorized by law topractice veterinary medicine in this State.

13 (c) "Dentist" means a dentist authorized by law to practice14 dentistry in this State.

(d) "Hospital" means any federal institution, or any institution
for the care and treatment of the sick and injured, operated or
approved by the appropriate State department as proper to be
entrusted with the custody and professional use of controlled
dangerous substances or controlled substance analogs.

(e) "Laboratory" means a laboratory to be entrusted with the
custody of narcotic drugs and the use of controlled dangerous
substances or controlled substance analogs for scientific,
experimental, and medical purposes and for purposes of instruction
approved by the Department of Health.

25 "Production" includes the manufacture, planting, cultivation,
26 growing, or harvesting of a controlled dangerous substance or
27 controlled substance analog.

28 "Immediate precursor" means a substance which the Division of 29 Consumer Affairs in the Department of Law and Public Safety has 30 found to be and by regulation designates as being the principal 31 compound commonly used or produced primarily for use, and 32 which is an immediate chemical intermediary used or likely to be 33 used in the manufacture of a controlled dangerous substance or 34 controlled substance analog, the control of which is necessary to 35 prevent, curtail, or limit such manufacture.

36 "Residential treatment facility" means any facility licensed and
37 approved by the Department of Human Services and which is
38 approved by any county probation department for the inpatient
39 treatment and rehabilitation of drug or alcohol dependent persons.

"Schedules I, II, III, IV, and V" are the schedules set forth in
sections 5 through 8 of P.L.1970, c.226 (C.24:21-5 through 24:218) and in section 4 of P.L.1971, c.3 (C.24:21-8.1) and as modified
by any regulations issued by the Director of the Division of
Consumer Affairs in the Department of Law and Public Safety
pursuant to the director's authority as provided in section 3 of
P.L.1970, c.226 (C.24:21-3).

47 "State" means the State of New Jersey.

48 "Ultimate user" means a person who lawfully possesses a49 controlled dangerous substance or controlled substance analog for

1 his own use or for the use of a member of his household or for 2 administration to an animal owned by him or by a member of his 3 household. 4 "Prescription legend drug" means any drug which under federal 5 or State law requires dispensing by prescription or order of a 6 licensed physician, veterinarian, or dentist and is required to bear 7 the statement "Rx only" or similar wording indicating that such 8 drug may be sold or dispensed only upon the prescription of a 9 licensed medical practitioner and is not a controlled dangerous 10 substance or stramonium preparation. 11 "Stramonium preparation" means a substance prepared from any 12 part of the stramonium plant in the form of a powder, pipe mixture, cigarette, or any other form with or without other ingredients. 13 14 "Stramonium plant" means the plant Datura Stramonium Linne, 15 including Datura Tatula Linne. 16 (cf: P.L.2018, c.139, s.6) 17 18 11. Section 2 of P.L.1970, c.226 (C.24:21-2) is amended to read 19 as follows: 20 2. As used in this act <u>P.L.1970, c.226 (C.24:21-1 et seq.)</u> : 21 "Administer" means the direct application of a controlled 22 dangerous substance, whether by injection, inhalation, ingestion, or 23 any other means, to the body of a patient or research subject by: (1) 24 a practitioner (or, in the practitioner's presence, by the 25 practitioner's lawfully authorized agent), or (2) the patient or 26 research subject at the lawful direction and in the presence of the 27 practitioner. 28 "Agent" means an authorized person who acts on behalf of or at 29 the direction of a manufacturer, distributor, or dispenser but does 30 not include a common or contract carrier, public warehouseman, or 31 employee thereof. "Commissioner" means the Commissioner of Health. 32 33 "Controlled dangerous substance" means a drug, substance, or immediate precursor in Schedules I through V of article 2 of 34 35 P.L.1970, c.226 (C.24:21-1 et seq.). The term shall not include 36 distilled spirits, wine, malt beverages, as those terms are defined or 37 used in R.S.33:1-1 et seq., or tobacco and tobacco products. "Counterfeit substance" means a controlled dangerous substance 38 39 which, or the container or labeling of which, without authorization, 40 bears the trademark, trade name, or other identifying mark, imprint, 41 number or device, or any likeness thereof, of a manufacturer, 42 distributor, or dispenser other than the person or persons who in fact 43 manufactured, distributed, or dispensed such substance and which 44 thereby falsely purports or is represented to be the product of, or to 45 have been distributed by, such other manufacturer, distributor, or 46 dispenser. 47 "Deliver" or "delivery" means the actual, constructive, or 48 attempted transfer from one person to another of a controlled

49 dangerous substance, whether or not there is an agency relationship.

1 "Director" means the Director of the Division of Consumer 2 Affairs in the Department of Law and Public Safety. 3 "Dispense" means to deliver a controlled dangerous substance to 4 an ultimate user or research subject by or pursuant to the lawful 5 order of a practitioner, including the prescribing, administering, 6 packaging, labeling, or compounding necessary to prepare the 7 substance for that delivery. 8 "Dispenser" means a practitioner who dispenses. 9 "Distribute" means to deliver other than by administering or 10 dispensing a controlled dangerous substance. 11 "Distributor" means a person who distributes. 12 "Division" means the Division of Consumer Affairs in the 13 Department of Law and Public Safety. 14 "Drug Enforcement Administration" means the Drug 15 Enforcement Administration in the United States Department of 16 Justice. "Drugs" means (a) substances recognized in the official United 17 18 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the 19 United States, or official National Formulary, or any supplement to 20 any of them; and (b) substances intended for use in the diagnosis, 21 cure, mitigation, treatment, or prevention of disease in man or other 22 animals; and (c) substances (other than food) intended to affect the structure or any function of the body of man or other animals; and (d) substances intended for use as a component of any article specified in subsections (a), (b), and (c) of this section; but does not include devices or their components, parts or accessories. "Drugs" shall not mean [industrial] hemp or a hemp product cultivated , handled, processed, transported, or sold pursuant to the [New 29 Jersey Industrial Hemp Pilot Program established by P.L.2018, 30 c.139 (C.4:28-1 et al.)] "New Jersey Hemp Farming Act," P.L., 31 c. (C.) (pending before the Legislature as this bill). 32 "Hashish" means the resin extracted from any part of the plant 33 genus Cannabis and any compound, manufacture, salt, derivative, mixture, or preparation of such resin. "Hashish" shall not mean 34 35 [industrial] hemp or a hemp product cultivated , handled, processed, transported, or sold pursuant to the [New Jersey 36 Industrial Hemp Pilot Program established by P.L.2018, c.139 37 (C.4:28-1 et al.)] "New Jersey Hemp Farming Act," P.L., 38 39) (pending before the Legislature as this bill). c. (C. 40 "Marihuana" means all parts of the plant genus Cannabis, 41 whether growing or not; the seeds thereof; and every compound, 42 manufacture, salt, derivative, mixture, or preparation of the plant or 43 its seeds, except those containing resin extracted from the plant; but 44 shall not include the mature stalks of the plant, fiber produced from 45 the stalks, oil or cake made from the seeds of the plant, any other 46 compound, manufacture, salt, derivative, mixture, or preparation of 47 such mature stalks, fiber, oil, or cake, or the sterilized seed of the

48 plant which is incapable of germination. "Marihuana" shall not

23 24 25 26 27 28

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1 mean [industrial] hemp or a hemp product cultivated , handled, 2 processed, transported, or sold pursuant to the [New Jersey 3 Industrial Hemp Pilot Program established by P.L.2018, c.139 4 (C.4:28-1 et al.)] "New Jersey Hemp Farming Act," P.L. 5 c. (C.) (pending before the Legislature as this bill). 6 "Manufacture" means the production, preparation, propagation, 7 compounding, conversion, or processing of a controlled dangerous 8 substance, either directly or by extraction from substances of 9 natural origin, or independently by means of chemical synthesis, or 10 by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or 11 12 relabeling of its container, except that this term does not include the 13 preparation or compounding of a controlled dangerous substance by 14 an individual for the individual's own use or the preparation, 15 compounding, packaging, or labeling of a controlled dangerous 16 substance: (1) by a practitioner as an incident to the practitioner's 17 administering or dispensing of a controlled dangerous substance in 18 the course of the practitioner's professional practice, or (2) by a 19 practitioner (or under the practitioner's supervision) for the purpose 20 of, or as an incident to, research, teaching, or chemical analysis and 21 not for sale. 22 "Narcotic drug" means any of the following, whether produced

directly or indirectly by extraction from substances of vegetable
origin, or independently by means of chemical synthesis, or by a
combination of extraction and chemical synthesis:

(a) Opium, coca leaves, and opiates;

26

(b) A compound, manufacture, salt, derivative, or preparation ofopium, coca leaves, or opiates;

(c) A substance (and any compound, manufacture, salt,
derivative, or preparation thereof) which is chemically identical
with any of the substances referred to in subsections (a) and (b),
except that the words "narcotic drug" as used in [this act]
<u>P.L.1970, c.226 (C.24:21-1 et seq.)</u> shall not include decocainized
coca leaves or extracts of coca leaves, which extracts do not contain
cocaine or ecgonine.

36 "Official written order" means an order written on a form provided for that purpose by the Attorney General of the United 37 38 States or his delegate, under any laws of the United States making 39 provisions therefor, if such order forms are authorized and required 40 by the federal law, and if no such form is provided, then on an 41 official form provided for that purpose by the division. If 42 authorized by the Attorney General of the United States or the 43 division, the term shall also include an order transmitted by 44 electronic means.

45 "Opiate" means any dangerous substance having an addiction46 forming or addiction-sustaining liability similar to morphine or
47 being capable of conversion into a drug having such addiction48 forming or addiction-sustaining liability. It does not include, unless

1 specifically designated as controlled under section 3 of [this act]

2 P.L.1970, c.226 (C.24:21-1 et seq.), the dextrorotatory isomer of

3 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). It

4 does include its racemic and levorotatory forms.

5 "Opium poppy" means the plant of the species Papaver 6 somniferum L., except the seeds thereof.

7 "Person" means any corporation, association, partnership, trust,8 other institution or entity, or one or more individuals.

9 "Pharmacist" means a registered pharmacist of this State.

10 "Pharmacy owner" means the owner of a store or other place of 11 business where controlled dangerous substances are compounded or 12 dispensed by a registered pharmacist; but nothing in this chapter 13 contained shall be construed as conferring on a person who is not 14 registered or licensed as a pharmacist any authority, right, or 15 privilege that is not granted to the person by the pharmacy laws of 16 this State.

17 "Poppy straw" means all parts, except the seeds, of the opium18 poppy, after mowing.

"Practitioner" means a physician, dentist, veterinarian, scientific
investigator, laboratory, pharmacy, hospital, or other person
licensed, registered, or otherwise permitted to distribute, dispense,
conduct research with respect to, or administer a controlled
dangerous substance in the course of professional practice or
research in this State.

(a) "Physician" means a physician authorized by law to practicemedicine in this or any other state.

(b) "Veterinarian" means a veterinarian authorized by law topractice veterinary medicine in this State.

29 (c) "Dentist" means a dentist authorized by law to practice30 dentistry in this State.

(d) "Hospital" means any federal institution, or any institution
for the care and treatment of the sick and injured, operated or
approved by the appropriate State department as proper to be
entrusted with the custody and professional use of controlled
dangerous substances.

(e) "Laboratory" means a laboratory to be entrusted with the
custody of narcotic drugs and the use of controlled dangerous
substances for scientific, experimental, and medical purposes and
for purposes of instruction approved by the Department of Health.

40 "Production" includes the manufacture, planting, cultivation,41 growing, or harvesting of a controlled dangerous substance.

42 "Immediate precursor" means a substance which the division has 43 found to be and by regulation designates as being the principal 44 compound commonly used or produced primarily for use, and 45 which is an immediate chemical intermediary used or likely to be 46 used in the manufacture of a controlled dangerous substance, the 47 control of which is necessary to prevent, curtail, or limit such 48 manufacture.

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1 "Substance use disorder involving drugs" means taking or using 2 a drug or controlled dangerous substance, as defined in this chapter, 3 in association with a state of psychic or physical dependence, or 4 both, arising from the use of that drug or controlled dangerous 5 substance on a continuous basis. A substance use disorder is 6 characterized by behavioral and other responses, including, but not 7 limited to, a strong compulsion to take the substance on a recurring 8 basis in order to experience its psychic effects, or to avoid the 9 discomfort of its absence. 10 "Ultimate user" means a person who lawfully possesses a 11 controlled dangerous substance for the person's own use or for the 12 use of a member of the person's household or for administration to an animal owned by the person or by a member of the person's 13 14 household. 15 (cf: P.L.2018, c.138, s.7) 16 17 12. Section 5 of P.L.1970, c.226 (C.24:21-5) is amended to read 18 as follows: 19 5. Schedule I. 20 Tests. The director shall place a substance in Schedule I if he a. 21 finds that the substance: (1) has high potential for abuse; and (2) 22 has no accepted medical use in treatment in the United States; or 23 lacks accepted safety for use in treatment under medical 24 supervision. 25 b. The controlled dangerous substances listed in this section are 26 included in Schedule I, subject to any revision and republishing by the director pursuant to subsection d. of section 3 of P.L.1970, 27 28 c.226 (C.24:21-3), and except to the extent provided in any other 29 schedule. 30 c. Any of the following opiates, including their isomers, esters, 31 and ethers, unless specifically excepted, whenever the existence of 32 such isomers, esters, ethers and salts is possible within the specific 33 chemical designation: 34 (1) Acetylmethadol (2) Allylprodine 35 36 (3) Alphacetylmethadol 37 (4) Alphameprodine 38 (5) Alphamethadol 39 (6) Benzethidine 40 (7) Betacetylmethadol 41 (8) Betameprodine 42 (9) Betamethadol 43 (10) Betaprodine 44 (11) Clonitazene 45 (12) Dextromoramide (13) Dextrorphan 46 47 (14) Diampromide 48 (15) Diethylthiambutene 49 (16) Dimenoxadol

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- 1 (17) Dimepheptanol
- 2 (18) Dimethylthiambutene
- 3 (19) Dioxaphetyl butyrate
- 4 (20) Dipipanone
- 5 (21) Ethylmethylthiambutene
- 6 (22) Etonitazene
- 7 (23) Etoxeridine
- 8 (24) Furethidine
- 9 (25) Hydroxypethidine
- 10 (26) Ketobemidone
- 11 (27) Levomoramide
- 12 (28) Levophenacylmorphan
- 13 (29) Morpheridine
- 14 (30) Noracymethadol
- 15 (31) Norlevorphanol
- 16 (32) Normethadone
- 17 (33) Norpipanone
- 18 (34) Phenadoxone
- 19 (35) Phenampromide
- 20 (36) Phenomorphan
- 21 (37) Phenoperidine
- 22 (38) Piritramide
- 23 (39) Proheptazine
- 24 (40) Properidine
- 25 (41) Racemoramide
- 26 (42) Trimeperidine.
- d. Any of the following narcotic substances, their salts, isomers
- and salts of isomers, unless specifically excepted, whenever the
 existence of such salts, isomers and salts of isomers is possible
 within the specific chemical designation:
- 31 (1) Acetorphine
- 32 (2) Acetylcodone
- 33 (3) Acetyldihydrocodeine
- 34 (4) Benzylmorphine
- 35 (5) Codeine methylbromide
- 36 (6) Codeine-N-Oxide
- 37 (7) Cyprenorphine
- 38 (8) Desomorphine
- 39 (9) Dihydromorphine
- 40 (10) Etorphine
- 41 (11) Heroin
- 42 (12) Hydromorphinol
- 43 (13) Methyldesorphine
- 44 (14) Methylhydromorphine
- 45 (15) Morphine methylbromide
- 46 (16) Morphine methylsulfonate
- 47 (17) Morphine-N-Oxide
- 48 (18) Myrophine
- 49 (19) Nicocodeine

- 1 (20) Nicomorphine
- 2 (21) Normorphine
- 3 (22) Phoclodine
- 4 (23) Thebacon.

e. Any material, compound, mixture or preparation which
contains any quantity of the following hallucinogenic substances,
their salts, isomers and salts of isomers, unless specifically
excepted, whenever the existence of such salts, isomers, and salts of

9 isomers is possible within the specific chemical designation:

10 (1) 3,4-methylenedioxy amphetamine

- 11 (2) 5-methoxy-3,4-methylenedioxy amphetamine
- 12 (3) 3,4,5-trimethoxy amphetamine
- 13 (4) Bufotenine
- 14 (5) Diethyltryptamine
- 15 (6) Dimethyltryptamine
- 16 (7) 4-methyl-2,5-dimethoxylamphetamine
- 17 (8) Ibogaine
- 18 (9) Lysergic acid diethylamide
- 19 (10) Marihuana
- 20 (11) Mescaline
- 21 (12) Peyote
- 22 (13) N-ethyl-3-piperidyl benzilate
- 23 (14) N-methyl-3-piperidyl benzilate
- 24 (15) Psilocybin
- 25 (16) Psilocyn
- 26 (17) Tetrahydrocannabinols, except when found in [industrial]
- 27 hemp <u>or a hemp product</u> cultivated <u>, handled, processed</u>,
 28 <u>transported, or sold</u> pursuant to the [New Jersey Industrial Hemp
- 29 Pilot Program established by P.L.2018, c.139 (C.4:28-1 et al.)]
- 30 <u>"New Jersey Hemp Farming Act," P.L.</u>, c. (C.) (pending
- 31 <u>before the Legislature as this bill</u>.
- 32 (cf: P.L.2018, c.139, s.8)
- 33

34 13. Section 1 of P.L.1939, c.248 (C.26:2-81) is amended to read
35 as follows:

36 1. In order to protect the health, morals and welfare of the State of New Jersey, whenever the county prosecutor of any county of the 37 38 State of New Jersey receives credible information that wild, 39 cultivated, or hidden growth or beds of alleged Marihuana weed are 40 located anywhere within the county, the county prosecutor shall 41 immediately communicate such information to the Department of The Department of Health, upon receipt of such 42 Health. 43 information, shall immediately dispatch one of its agents to the 44 location who shall make an examination and determination of the alleged Marihuana weed so as to determine the existence or 45 46 nonexistence of Marihuana weed at the location, and the 47 Department of Health shall immediately communicate by writing its 48 determination to the aforesaid county prosecutor and the "Marihuana" shall not mean 49 Department of Agriculture .

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1 [industrial] hemp or a hemp product cultivated , handled, processed, transported, or sold pursuant to the [New Jersey 2 3 Industrial Hemp Pilot Program established by P.L.2018, c.139 (C.4:28-1 et al.) <u>"New Jersey Hemp Farming Act," P.L.</u> 4 . 5 c. (C.) (pending before the Legislature as this bill). 6 (cf: P.L.2018, c.139, s.9) 7 8 14. Section 2 of P.L.1939, c.248 (C.26:2-82) is amended to read 9 as follows: 10 2. Upon certification by the Department of Health of the existence of Marihuana weed at the location examined by the 11 Department of Health, then the county prosecutor is hereby 12 13 empowered to dispatch one of the prosecutor's agents to the 14 location so certified and the agent shall destroy the Marihuana weed 15 and the county prosecutor or the agent shall not be civilly 16 responsible in any manner whatsoever for destruction of the 17 Marihuana weed. "Marihuana" shall not mean [industrial] hemp or a hemp product cultivated , handled, processed, transported, and 18 19 sold pursuant to the [New Jersey Industrial Hemp Pilot Program 20 established by P.L.2018, c.139 (C.4:28-1 et al.)] "New Jersey Hemp Farming Act," P.L., c. (C.) (pending before the 21 22 Legislature as this bill). 23 (cf: P.L.2018, c.139, s.10) 24 25 15. Sections 1 through 5 of P.L.2018, c.139 (C.4:28-1 through 26 C.4:28-5) are repealed. 27 28 16. This act shall take effect immediately. 29 30 31 **STATEMENT** 32 33 This bill would establish a program for the cultivation, handling, 34 processing, transport, and sale of hemp and hemp products in the 35 State in accordance with federal law. The federal "Agricultural Improvement Act of 2018" (commonly 36 37 known as the 2018 Farm Bill) was enacted in December 2018 and 38 contains changes to the regulation of the production of hemp by the 39 federal government. The 2018 Farm Bill significantly expands the 40 states' ability to regulate hemp production, and provides an eventual repeal of the section of the 2014 Farm Bill that allowed for 41 42 hemp pilot programs in the states. As New Jersey's law 43 establishing a hemp pilot program was consistent with the provision 44 of the 2014 Farm Bill that will eventually be repealed, an update to 45 State law is required to ensure the production of hemp in the State. 46 The bill would repeal New Jersey's hemp pilot program, and 47 replace it with a permanent program, administered by the 48 Department of Agriculture (department), that complies with federal

1 law. The bill would define "hemp" as the plant Cannabis sativa L., 2 any part of the plant, and all derivatives thereof with a delta-9 3 tetrahydrocannabinol concentration of not more than 0.3 percent, 4 consistent with federal law. The bill would define hemp producer 5 as a person or business entity authorized by the department to 6 cultivate, handle, or process hemp in the State. The bill would 7 define "hemp product" as a finished product with a delta-9 8 tetrahydrocannabinol concentration of not more than 0.3 percent 9 that is derived from or made by processing a hemp plant or plant 10 part and prepared in a form available for commercial sale, and 11 would include cannabidiol.

The bill would make it lawful for a hemp producer to cultivate, handle, or process hemp or hemp products in the State, and for any person to possess, transport, sell, and purchase legally-produced hemp products in the State. Any unauthorized person who cultivates, handles, or processes hemp would be subject to the same penalties as those related to marijuana.

18 The bill would require the department to adopt regulations and 19 submit a state plan for the regulation of hemp consistent with federal requirements. The regulations would include: maintaining 20 21 information about hemp producers; an inspection, testing and 22 of noncompliant hemp program; provisions disposal for 23 enforcement of the bill; information sharing as required by federal 24 law; and a certification that the department has the resources to 25 implement the program. If the United States Department of 26 Agriculture disapproves the State plan, the department would be 27 required to amend the State plan and resubmit it to gain federal 28 approval. The bill would not prevent any person from participating 29 in a federally-administered hemp program if the State does not have 30 an approved State plan.

31 Additionally, the department would be required to adopt rules 32 and regulations to: establish requirements to be a hemp producer, 33 establish an appeal process with retesting, to collect and share 34 information about hemp producers pursuant to federal law, to define 35 classes hemp products that are eligible for sale, establish a licensing 36 fee structure, and establish procedures governing hemp shipment 37 within the State. The regulations would include a requirement that 38 all shipments need only be accompanied by the originating hemp 39 producer's proof of authorization to engage in the commercial sale 40 of hemp, as well as a travel manifest that lists the origin, 41 destination, product description, and date of transport. In no case 42 shall the department require third-party carriers to be authorized 43 hemp producers in order to transport hemp.

If a hemp producer negligently violates the bill or any rules or regulations adopted pursuant thereto, the producer would be subject to a corrective action plan designed to bring the producer into compliance with the hemp program. Three negligent violations in a five year period would result in a five year ban from participating in the hemp program. Any intentional violations would be referred to the Attorney General, and the United States Attorney General. The
 department would be required to adopt rules and regulations
 establishing a penalty fee structure for violations of the act.

The bill would establish a separate fund called the "New Jersey
Hemp Farming Fund" to collect all license fees, penalties collected

6 by the department, donations, and sums appropriated by the7 Legislature to implement the hemp program.

8 The bill would provide that a person may possess, transport, buy, 9 and sell hemp products in the State, including products containing 10 cannabidiol derived from hemp, to the maximum extent permitted 11 by federal law. The department, in consultation with the 12 Department of Health, would be permitted to adopt rules and 13 regulations only to regulate the sale of hemp products that provide 14 that hemp-derived cannabinoids, including cannabidiol, are not 15 considered controlled substances or adulterants. Retail sales of hemp products processed outside the State may be conducted in the 16 State when the products and the hemp used in the products were 17 18 processed and cultivated legally in another state or jurisdiction that 19 has substantially similar requirements for processing hemp products 20 or cultivating hemp as the bill.

The bill would also amend various sections of statutory law to
remove references to the New Jersey Industrial Hemp Pilot
Program, and replace them with the New Jersey Hemp Farming Act.