

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 2703

STATE OF NEW JERSEY
218th LEGISLATURE

ADOPTED MARCH 18, 2019

Sponsored by:

Senator NICHOLAS P. SCUTARI

District 22 (Middlesex, Somerset and Union)

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

SYNOPSIS

“New Jersey Cannabis Regulatory and Expungement Aid Modernization Act”; legalizes personal use cannabis for adults; creates Cannabis Regulatory Commission to regulate personal use and medical cannabis; provides expungement relief for certain past marijuana offenses.

CURRENT VERSION OF TEXT

Substitute as adopted by the Senate Judiciary Committee.



1 **AN ACT** concerning the regulation and use of cannabis, and
2 amending and supplementing various parts of the statutory law.

3

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

6

7 1. (New section) This act shall be known and may be cited as
8 the “New Jersey Cannabis Regulatory and Expungement Aid
9 Modernization Act.”

10

11 2. (New section) Findings and Declarations.

12 The Legislature finds and declares that:

13 a. It is the intent of the people of New Jersey to adopt a new
14 approach to our marijuana policies by taxing, controlling, and
15 legalizing a marijuana product, to be referred to as cannabis, in a
16 similar fashion to the regulation of alcohol for adults;

17 b. It is the intent of the people of New Jersey that the
18 provisions of this act will prevent the sale or distribution of
19 cannabis to persons under 21 years of age;

20 c. This act is designed to eliminate the problems caused by the
21 unregulated manufacture, distribution, and use of illegal marijuana
22 within New Jersey;

23 d. This act will divert funds from marijuana sales from going to
24 illegal enterprises, gangs, and cartels;

25 e. Black New Jerseyans are nearly three times more likely to be
26 arrested for marijuana possession than white New Jerseyans, despite
27 similar usage rates;

28 f. New Jersey spends approximately \$127 million per year on
29 marijuana possession enforcement costs;

30 g. Taxing, controlling, and legalizing cannabis for adults like
31 alcohol will free up precious resources to allow our criminal justice
32 system to focus on serious crime and public safety issues;

33 h. Taxing, controlling, and legalizing cannabis for adults like
34 alcohol will strike a blow at the illegal enterprises that profit from
35 New Jersey’s current, unregulated illegal marijuana market;

36 i. New Jersey must strengthen our support for evidence-based,
37 drug prevention programs that work to educate New Jerseyans,
38 particularly young New Jerseyans, about the harms of drug abuse;

39 j. New Jersey must enhance State-supported programming that
40 provides appropriate, evidence-based treatment for those who suffer
41 from the illness of drug addiction;

42 k. Controlling and regulating the manufacture, distribution, and
43 sale of cannabis will strengthen our ability to keep it and illegal
44 marijuana away from minors;

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 l. A controlled system of cannabis manufacturing, distribution,
2 and sale must be designed in a way that enhances public health and
3 minimizes harms to New Jersey communities and families;

4 m. The regulated cannabis system in New Jersey must be
5 regulated so as to prevent persons younger than 21 years of age
6 from accessing or purchasing cannabis;

7 n. A marijuana arrest in New Jersey can have a debilitating
8 impact on a person's future, including consequences for one's job
9 prospects, housing access, financial health, familial integrity,
10 immigration status, and educational opportunities;

11 o. The tax revenue generated from a controlled cannabis
12 manufacture, distribution, and retail sales system in New Jersey will
13 generate hundreds of millions of dollars to bolster effective,
14 evidence-based drug treatment and education, and to reinvest in
15 New Jersey communities; and

16 p. New Jersey cannot afford to sacrifice its public safety and
17 civil rights by continuing its ineffective and wasteful past marijuana
18 enforcement policies.

19
20 3. (New section) Definitions.

21 As used in P.L. , c. (C.) (pending before the Legislature
22 as this bill) regarding the personal use of cannabis, unless the
23 context otherwise requires:

24 “Alternative treatment center” means an entity issued a permit to
25 engage in activities associated with medical cannabis pursuant to
26 the “Jake Honig Compassionate Use Medical Cannabis Act,”
27 P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-
28 12.22 et al.).

29 “Cannabis” means all parts of the plant Genus Cannabis L.,
30 whether growing or not, the seeds thereof, and every compound,
31 manufacture, salt, derivative, mixture, or preparation of the plant or
32 its seeds, except those containing resin extracted from the plant,
33 which are cultivated and, when applicable, processed in accordance
34 with P.L. , c. (C.) (pending before the Legislature as this
35 bill) for use in cannabis items as set forth in this act, but shall not
36 include the weight of any other ingredient combined with cannabis
37 to prepare topical or oral administrations, food, drink, or other
38 product. “Cannabis” does not include medical cannabis dispensed
39 to registered qualifying patients pursuant to the “Jake Honig
40 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
41 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.),
42 marijuana as defined in N.J.S.2C:35-2 and applied to any offense or
43 civil violation set forth in chapters 35, 35A, and 36 of Title 2C of
44 the New Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.),
45 or marihuana as defined in section 2 of P.L.1970, c.226 (C.24:21-2)
46 and applied to any offense of the “New Jersey Controlled
47 Dangerous Substances Act,” P.L.1970, c.226 (C.24:21-1 et al.).

1 “Cannabis consumption area” means a designated location
2 operated by a cannabis retailer or alternative treatment center, for
3 which both a State and local endorsement has been obtained, that is
4 either: (1) an indoor, structurally enclosed area of a cannabis
5 retailer or alternative treatment center that is separate from the area
6 in which retail sales of cannabis items or the dispensing of medical
7 cannabis occurs; or (2) an exterior structure on the same premises
8 as the cannabis retailer or alternative treatment center, either
9 separate from or connected to the retailer or center, at which
10 cannabis items or medical cannabis either obtained from the retailer
11 or center, or brought by a person to the consumption area, may be
12 consumed.

13 “Cannabis establishment” means a cannabis grower, also referred
14 to as a cannabis cultivation facility, a cannabis processor, also
15 referred to as a cannabis product manufacturing facility, a cannabis
16 wholesaler, or a cannabis retailer.

17 “Cannabis extract” means a substance obtained by separating
18 resins from cannabis by: (1) a chemical extraction process using a
19 hydrocarbon-based solvent, such as butane, hexane, or propane; (2)
20 a chemical extraction process using the hydrocarbon-based solvent
21 carbon dioxide, if the process uses high heat or pressure; or (3) any
22 other process identified by the commission by rule.

23 “Cannabis flower” means the flower of the plant Genus Cannabis
24 L. within the plant family Cannabaceae.

25 “Cannabis grower” means any licensed person or entity that
26 grows, cultivates, or produces cannabis in this State, and may sell
27 this cannabis to other cannabis growers, cannabis processors,
28 cannabis wholesalers, or cannabis retailers, but not to consumers.
29 This person or entity shall hold a Class 1 Cannabis Grower license.
30 A cannabis grower may also be referred to as a "cannabis
31 cultivation facility."

32 “Cannabis item” means any cannabis, cannabis resin, cannabis
33 product, and cannabis extract. “Cannabis item” does not include any
34 form of medical cannabis dispensed to registered qualifying patients
35 pursuant to the “Jake Honig Compassionate Use Medical Cannabis
36 Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158
37 (C.18A:40-12.22 et al.).

38 “Cannabis leaf” means the leaf of the plant genus Genus
39 Cannabis L. within the plant family Cannabaceae.

40 “Cannabis paraphernalia” means any equipment, products, or
41 materials of any kind which are used, intended for use, or designed
42 for use in planting, propagating, cultivating, growing, harvesting,
43 composting, manufacturing, compounding, converting, producing,
44 processing, preparing, testing, analyzing, packaging, repackaging,
45 storing, vaporizing, or containing cannabis, or for ingesting,
46 inhaling, or otherwise introducing cannabis into the human body.
47 “Cannabis paraphernalia” does not include drug paraphernalia as
48 defined in N.J.S.2C:36-1 and which is used or intended for use to

1 commit a violation of chapter 35 of Title 2C of the New Jersey
2 Statutes.

3 “Cannabis processor” means any licensed person or entity that
4 processes cannabis items in this State by purchasing cannabis,
5 manufacturing, preparing, and packaging cannabis items, and
6 selling these items to other cannabis processors, cannabis
7 wholesalers, or cannabis retailers, but not to consumers. This
8 person or entity shall hold a Class 2 Cannabis Processor license. A
9 cannabis processor may also be referred to as a “cannabis product
10 manufacturing facility.”

11 “Cannabis product” means a product containing cannabis or
12 cannabis extracts and other ingredients intended for human
13 consumption or use, including a product intended to be applied to the
14 skin or hair, edible products, ointments, and tinctures. Cannabis
15 products do not include: (1) cannabis by itself; or (2) cannabis extract
16 by itself.

17 “Cannabis Regulatory Commission” means the commission
18 established in but not of the Department of the Treasury.

19 “Cannabis resin” means the resin extracted from any part of the
20 plant Genus Cannabis L. and any compound, manufacture, salt,
21 derivative, mixture, or preparation of such resin, processed and used in
22 accordance with P.L. , c. (C.) (pending before the Legislature
23 as this bill). “Cannabis resin” does not include any form of medical
24 cannabis dispensed to registered qualifying patients pursuant to the
25 “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009,
26 c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.),
27 hashish as defined in N.J.S.2C:35-2 and applied to any offense or civil
28 violation set forth in chapters 35, 35A, and 36 of Title 2C of the New
29 Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or as defined
30 in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense
31 of the “New Jersey Controlled Dangerous Substances Act,” P.L.1970,
32 c.226 (C.24:21-1 et al.).

33 “Cannabis retailer” means any licensed person or entity that
34 purchases cannabis from cannabis growers and cannabis items from
35 cannabis processors or cannabis wholesalers, and sells these to
36 consumers from a retail store. This person or entity shall hold a
37 Class 4 Cannabis Retailer license.

38 “Cannabis testing facility” means an independent, third-party entity
39 meeting accreditation requirements established by the commission that
40 is licensed to analyze and certify cannabis items for compliance with
41 applicable health, safety, and potency standards.

42 “Cannabis wholesaler” means any licensed person or entity that
43 sells cannabis items for the purpose of resale either to another cannabis
44 wholesaler or to a cannabis retailer. This person or entity shall hold a
45 Class 3 Cannabis Wholesaler license.

46 “Conditional license” means a temporary license designated as
47 either a Class 1 Cannabis Grower license, a Class 2 Cannabis
48 Processor license, a Class 3 Cannabis Wholesaler license, or a Class 4

1 Cannabis Retailer license that allows the holder to lawfully act as a
2 cannabis grower, cannabis processor, cannabis wholesaler, or cannabis
3 retailer, as the case may be, which is issued pursuant to an abbreviated
4 application process, after which the conditional license holder shall
5 have a limited period of time in which to become fully licensed by
6 satisfying all of the remaining conditions for licensure which were not
7 required for the issuance of the conditional license.

8 “Consumer” means a person 21 years of age or older who
9 purchases, acquires, owns, holds, or uses cannabis items for personal
10 use by a person 21 years of age or older, but not for resale to others.

11 “Consumption” means the act of ingesting, inhaling, or otherwise
12 introducing cannabis items into the human body.

13 “Delivery” means the transportation of cannabis items and
14 related supplies to a consumer. “Delivery” also includes the use by
15 a licensed cannabis retailer of any third party technology platform
16 to receive, process, and fulfill orders by consumers, provided that
17 any physical acts in connection with filling the order and delivery
18 shall be accomplished by a certified cannabis handler performing
19 work for or on behalf of the licensed cannabis retailer.

20 “Department” means the Department of Health.

21 “Director” means the Director of the Office of Minority,
22 Disabled Veterans, and Women Cannabis Business Development in
23 the Cannabis Regulatory Commission.

24 “Executive director” means the executive director of the
25 Cannabis Regulatory Commission.

26 “Financial consideration” means value that is given or received
27 either directly or indirectly through sales, barter, trade, fees,
28 charges, dues, contributions, or donations.

29 “Immature cannabis plant” means a cannabis plant that is not
30 flowering.

31 “Impact zone” means any local governmental entity, based on
32 past criminal marijuana enterprises contributing to higher
33 concentrations of law enforcement activity, unemployment, and
34 poverty within parts of or throughout the entity, that:

35 (1) has a population of 120,000 or more according to the most
36 recently compiled federal decennial census as of the effective date
37 of P.L. , c. (C.) (pending before the Legislature as this bill);
38 or

39 (2) ranks in the top 33 percent of local governmental entities in
40 the State for marijuana- or hashish-related arrests for violation of
41 paragraph (4) of subsection a. of N.J.S.2C:35-10 in the calendar
42 year next preceding the effective date of P.L. , c. (C.)
43 (pending before the Legislature as this bill); has a crime index total
44 of 1,000 or higher based upon the indexes listed in the most
45 recently issued annual Uniform Crime Report by the Division of
46 State Police as of that effective date; and has a local governmental
47 entity average annual unemployment rate that ranks in the top 15
48 percent of all local governmental entities for the calendar year next

1 preceding that effective date, based upon average annual
2 unemployment rates estimated for the relevant calendar year by the
3 Office of Research and Information in the Department of Labor and
4 Workforce Development.

5 “Jake Honig Compassionate Use Medical Cannabis Act” includes
6 all provisions of P.L.2009, c.307 (C.24:6I-1 et al.), as amended and
7 supplemented by P.L. , c. (C.) (pending before the Legislature
8 as the Third Reprint of Senate Committee Substitute for Senate Bill
9 Nos. 10 and 2426), as well as all provisions of P.L.2009, c.307
10 (C.24:6I-1 et al.) in effect on the date next preceding the effective date
11 of P.L. , c. (C.) (pending before the Legislature as the Third
12 Reprint of Senate Committee Substitute for Senate Bill Nos. 10 and
13 2426) until the date those provisions are amended or supplemented.

14 “License” means a license issued under P.L. , c. (C.)
15 (pending before the Legislature as this bill) that is designated as either
16 a Class 1 Cannabis Grower license, a Class 2 Cannabis Processor
17 license, a Class 3 Cannabis Wholesaler license, or a Class 4 Cannabis
18 Retailer license. The term includes a conditional license for a
19 designated class, except when the context of the provisions of P.L. ,
20 c. (C.) (pending before the Legislature as this bill) otherwise
21 intend to only apply to a license and not a conditional license.

22 “Licensee” means a person or entity that holds a license issued
23 under P.L. , c. (C.) (pending before the Legislature as this
24 bill) that is designated as either a Class 1 Cannabis Grower license,
25 a Class 2 Cannabis Processor license, a Class 3 Cannabis
26 Wholesaler license, or a Class 4 Cannabis Retailer license, and
27 includes a person or entity that holds a conditional license for a
28 designated class, except when the context of the provisions of
29 P.L. , c. (C.) (pending before the Legislature as this bill)
30 otherwise intend to only apply to a person or entity that holds a
31 license and not a conditional license.

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

35 “Local governmental entity” means a municipality.

36 “Mature cannabis plant” means a cannabis plant that is not an
37 immature cannabis plant.

38 “Medical cannabis” means cannabis dispensed to registered
39 qualifying patients pursuant to the “Jake Honig Compassionate Use
40 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and
41 P.L.2015, c.158 (C.18A:40-12.22 et al.), as both are amended and
42 supplemented by P.L. , c. (C.) (pending before the
43 Legislature as the Third Reprint of Senate Committee Substitute for
44 Senate Bill Nos. 10 and 2426), and includes medical marijuana
45 dispensed under those acts prior to the provisions of
46 P.L. , c. (C.) (pending before the Legislature as the Third
47 Reprint of Senate Committee Substitute for Senate Bill Nos. 10 and
48 2426) taking effect. “Medical cannabis” does not include any

1 cannabis item which is cultivated, produced, processed, and
2 consumed pursuant to P.L. , c. (C.) (pending before the
3 Legislature as this bill).

4 “Microbusiness” means a person or entity licensed by the
5 commission as a cannabis grower, cannabis processor, cannabis
6 wholesaler, or cannabis retailer that may only, with respect to its
7 business operations, and capacity and quantity of product: (1)
8 employ no more than 10 employees; (2) operate a cannabis
9 establishment occupying an area of no more than 2,500 square feet,
10 and in the case of a cannabis grower, grow cannabis on an area no
11 more than 2,500 square feet measured on a horizontal plane and
12 grow above that plane not higher than 24 feet; (3) possess no more
13 than 1,000 cannabis plants each month; (4) acquire and process
14 each month, in the case of a cannabis processor, no more than 1,000
15 pounds of cannabis in dried form; (5) acquire for resale each month,
16 in the case of a cannabis wholesaler, no more than 1,000 pounds of
17 cannabis in dried form, or the equivalent amount in any other form,
18 or any combination thereof; and (6) acquire for retail sale each
19 month, in the case of a cannabis retailer, no more than 1,000 pounds
20 of cannabis in dried form, or the equivalent amount in any other
21 form, or any combination thereof.

22 “Noncommercial” means not dependent or conditioned upon the
23 provision or receipt of financial consideration.

24 “Premises” or “licensed premises” includes the following areas
25 of a location licensed under P.L. , c. (C.) (pending before
26 the Legislature as this bill): all public and private enclosed areas at
27 the location that are used in the business operated at the location,
28 including offices, kitchens, rest rooms, and storerooms; all areas
29 outside a building that the commission has specifically licensed for
30 the production, processing, wholesaling, or retail sale of cannabis
31 items; and, for a location that the commission has specifically
32 licensed for the production of cannabis outside a building, the entire
33 lot or parcel that the licensee owns, leases, or has a right to occupy.

34 “Process” means the processing, compounding, or conversion of
35 cannabis into cannabis products or cannabis extracts. “Process”
36 does not include packaging or labeling.

37 “Produce” means the manufacture, planting, cultivation, growing
38 or harvesting of cannabis. “Produce” does not include the drying of
39 cannabis by a cannabis processor, if the cannabis processor is not
40 otherwise producing cannabis; or the cultivation and growing of an
41 immature cannabis plant by a cannabis processor, cannabis
42 wholesaler, or cannabis retailer if the cannabis processor, cannabis
43 wholesaler, or cannabis retailer purchased or otherwise received the
44 plant from a licensed cannabis grower.

45 “Public place” means any place to which the public has access
46 that is not privately owned; or any place to which the public has
47 access where alcohol consumption is not allowed, including, but not
48 limited to, a public street, road, thoroughfare, sidewalk, bridge,

1 alley, plaza, park, playground, swimming pool, shopping area,
2 public transportation facility, vehicle used for public transportation,
3 parking lot, public library, or any other public building, structure, or
4 area.

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

9 “Significantly involved person” means a person or entity who
10 holds at least a five percent investment interest in a proposed or
11 licensed cannabis grower, cannabis processor, cannabis wholesaler,
12 or cannabis retailer, or who is a decision making member of a group
13 that holds at least a 20 percent investment interest in a proposed or
14 licensed cannabis grower, cannabis processor, cannabis wholesaler,
15 or cannabis retailer in which no member of that group holds more
16 than a five percent interest in the total group investment interest,
17 and the person or entity makes controlling decisions regarding the
18 proposed or licensed cannabis grower, cannabis processor, cannabis
19 wholesaler, or cannabis retailer operations.

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

25 “THC” means delta-9-tetrahydrocannabinol, the main
26 psychoactive chemical contained in the cannabis plant.

27

28 4. (New section) Personal Use of Cannabis or Cannabis Resin.

29 Notwithstanding any other provision of law, the following acts
30 are not unlawful and shall not be an offense or a basis for seizure or
31 forfeiture of assets under N.J.S.2C:64-1 et seq. or other applicable
32 law for persons 21 years of age or older:

33 a. Possessing, displaying, purchasing, or transporting: cannabis
34 paraphernalia; one ounce (28.38 grams) or less of cannabis; the
35 equivalent of one ounce (28.38 grams) or less of cannabis infused
36 product in solid, liquid, or concentrate form, based upon an
37 equivalency calculation for different product forms set by the
38 commission in its regulations, and for which the commission may
39 utilize research conducted in other states on the issue of product
40 equivalency calculations when setting this equivalency; or five
41 grams (0.176 ounces) or less of cannabis resin. Possessing,
42 displaying, purchasing, or transporting at any one time any amount
43 of cannabis or cannabis resin in an amount greater than as permitted
44 pursuant to this subsection, or an infused product in solid, liquid, or
45 concentrate form with more than the equivalency permitted
46 pursuant to this subsection shall be considered a violation of the
47 “Comprehensive Drug Reform Act of 1987,” P.L.1987, c.106
48 (N.J.S.2C:35-1 et al.), and subject the person to a civil penalty or

1 prosecution as if the person possessed, displayed, purchased, or
2 transported marijuana or hashish in violation of that act;

3 b. Transferring without remuneration: one ounce (28.38 grams)
4 or less of cannabis; the equivalent of one ounce (28.38 grams) or
5 less of cannabis infused product in solid, liquid, or concentrate
6 form, based upon the equivalency calculation for different product
7 forms set by the commission pursuant to subsection a. of this
8 section; or five grams (0.176 ounces) or less of cannabis resin to a
9 person who is of legal age for purchasing cannabis items, provided
10 that such transfer is for non-promotional, non-business purposes.
11 Transferring at any one time any amount of cannabis or cannabis
12 resin in an amount greater than as permitted pursuant to this
13 subsection, or an infused product in solid, liquid, or concentrate
14 form with more than the equivalency permitted pursuant to this
15 subsection, or to a person who is not of legal age to purchase
16 cannabis items, shall be considered a violation of the
17 “Comprehensive Drug Reform Act of 1987,” P.L.1987, c.106
18 (N.J.S.2C:35-1 et al.), and subject the person to prosecution as if
19 the person distributed marijuana or hashish in violation of that act,
20 unless the transfer to a person who is not of legal age was done by a
21 cannabis establishment licensed pursuant to P.L. , c. (C.)
22 (pending before the Legislature as this bill), or an employee or
23 agent thereof, in which case it is a civil violation and the civil
24 penalty set forth in subsection b. of section 6 of P.L. ,
25 c. (C.) (pending before the Legislature as this bill) shall
26 apply;

27 c. Consumption of a lawfully possessed cannabis item,
28 provided that nothing in this section shall permit a person to smoke
29 or otherwise consume any cannabis item in a public place. This
30 prohibition includes the smoking of a cannabis item in any public
31 place pursuant to law that prohibits the smoking of tobacco,
32 including N.J.S.2C:33-13 and the “New Jersey Smoke-Free Air
33 Act,” P.L.2005, c.383 (C.26:3D-55 et seq.), and any indoor public
34 place, as that term is defined in section 3 of P.L.2005, c.383
35 (C.26:3D-57), or portion thereof, even if the smoking of tobacco is
36 otherwise permitted in that place or portion thereof pursuant to the
37 “New Jersey Smoke-Free Air Act”; except that the smoking of a
38 cannabis item shall be permitted in a cannabis consumption area as
39 set forth in section 82 of P.L. , c. (C.) (pending before the
40 Legislature as this bill), and may be permitted by the person or
41 entity that owns or controls a hotel, motel, or other lodging
42 establishment as defined in section 1 of P.L.1967, c.95 (C.29:4-5)
43 in up to 20 percent of its guest rooms. The smoking of a cannabis
44 item may also be prohibited or otherwise regulated in multifamily
45 housing that is a multiple dwelling as defined in section 3 of
46 P.L.1967, c.76 (C.55:13A-3), as decided by the person or entity that
47 owns or controls the multifamily housing, or prohibited or
48 otherwise regulated in the units of a condominium, as those terms

1 are defined by section 3 of P.L.1969, c.257 (C.46:8B-3), if
2 approved by the association for the condominium and a majority of
3 all of the condominium's unit owners, as those terms are defined in
4 that section. Except as otherwise provided by P.L. , c. (C.)
5 (pending before the Legislature as this bill), any penalties that may
6 be assessed for the smoking of tobacco where prohibited under the
7 "New Jersey Smoke-Free Air Act" shall be applicable to the
8 smoking of cannabis where prohibited. Concerning the
9 consumption of any cannabis item, other than by smoking: a person
10 or entity that owns or controls a property, other than multifamily
11 housing that is a multiple dwelling as defined in section 3 of
12 P.L.1967, c.76 (C.55:13A-3), a unit of a condominium, as those
13 terms are defined by section 3 of P.L.1969, c.257 (C.46:8B-3), or a
14 site in a mobile home park as defined in section 3 of P.L.1983, c.386
15 (C.40:55D-102), which site is leased to the owner of a manufactured
16 home, as defined in that section, that is installed thereon, may prohibit
17 or otherwise regulate the consumption of cannabis items on or in
18 that property, including a casino hotel facility as defined in section
19 19 of P.L.1977, c.110 (C.5:12-19) with respect to a hotel property, a
20 casino as defined in section 6 of P.L.1977, c.110 (C.5:12-6), or
21 casino simulcasting facility authorized pursuant to the "Casino
22 Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.); and a local
23 governmental entity may enact an ordinance making it an unlawful
24 act for any person 21 years of age or older to consume, other than
25 by smoking, any cannabis item in a public place, including any
26 indoor public place as that term is defined in section 3 of P.L.2005,
27 c.383 (C.26:3D-57), or portion thereof, and providing a civil
28 penalty for a violation in accordance with section 57 of P.L. , c.
29 (C.) (pending before the Legislature as this bill); and

30 d. Assisting another person to engage in any of the acts
31 described in subsections a. through c. of this section, provided that
32 the person being assisted is of legal age to purchase cannabis items and
33 the assistance being provided is without remuneration.
34

35 5. (New section) Lawful Operation of Cannabis Establishments.

36 Notwithstanding any other provision of law, the following acts
37 are not unlawful and shall not be a criminal offense or a basis for
38 seizure or forfeiture of assets under N.J.S.2C:64-1 et seq. or other
39 applicable law for persons 21 years of age or older, provided the acts
40 are undertaken by a person acting within the scope of authority
41 provided by a license or certification issued pursuant to P.L. , c.
42 (C.) (pending before the Legislature as this bill):

43 a. manufacturing, possessing, or purchasing cannabis
44 paraphernalia or the sale of cannabis paraphernalia to a person who
45 is 21 years of age or older;

46 b. possessing, displaying, or transporting cannabis items;
47 purchasing cannabis from a cannabis cultivation facility; purchasing
48 cannabis items from a cannabis product manufacturing facility; or

1 selling cannabis items to consumers, if the person conducting the
2 activities described in this subsection has obtained a current, valid
3 license to operate as a cannabis retailer or is acting in his capacity as
4 an owner, employee, or agent of a licensed cannabis retailer;

5 c. cultivating, harvesting, processing, packaging, transporting,
6 displaying, or possessing cannabis; delivering or transferring
7 cannabis to a cannabis testing facility; selling cannabis to a cannabis
8 cultivation facility, a cannabis product manufacturing facility, or a
9 cannabis retailer; or purchasing cannabis from a cannabis cultivation
10 facility, if the person conducting the activities described in this
11 subsection has obtained a current, valid license to operate a cannabis
12 cultivation facility or is acting in his capacity as an owner,
13 employee, or agent of a licensed cannabis cultivation facility;

14 d. packaging, processing, transporting, manufacturing,
15 displaying, or possessing cannabis items; delivering or transferring
16 cannabis items to a cannabis testing facility; selling cannabis items
17 to a cannabis retailer or a cannabis product manufacturing facility;
18 purchasing cannabis from a cannabis cultivation facility; or
19 purchasing cannabis items from a cannabis product manufacturing
20 facility, if the person conducting the activities described in this
21 subsection has obtained a current, valid license to operate a cannabis
22 product manufacturing facility or is acting in his capacity as an
23 owner, employee, or agent of a licensed cannabis product
24 manufacturing facility;

25 e. possessing, cultivating, processing, repackaging, storing,
26 transporting, displaying, transferring, or delivering cannabis items if
27 the person has obtained a current, valid license to operate a cannabis
28 testing facility or is acting in his capacity as an owner, employee, or
29 agent of a licensed cannabis testing facility; and

30 f. leasing or otherwise allowing the use of property owned,
31 occupied, or controlled by any person, corporation, or other entity
32 for any of the activities conducted lawfully in accordance with
33 subsections a. through e. of this section.

34
35 6. (New section) Prohibition of Persons Under the Legal Age
36 Purchasing Cannabis or Cannabis Resin.

37 a. Except as authorized by the “Jake Honing Compassionate
38 Use Medical Cannabis Act, P.L.2009, c.307 (C.24:6I-1 et al.) and
39 P.L.2015, c.158 (C.18A:40-12.22 et al.), no licensee, either directly
40 or indirectly by an agent or employee, shall sell, offer for sale,
41 distribute for commercial purpose at no cost or minimal cost, give,
42 or furnish, to a person under 21 years of age, any cannabis items.

43 b. Any licensee or employee or agent of a licensee who allows
44 a person under the age of 21 to procure cannabis items which,
45 pursuant to section 4 of P.L. , c. (C.) (pending before the
46 Legislature as this bill) are not unlawful for persons 21 years of age
47 or older to procure for personal use, shall be subject to a civil
48 penalty of not less than \$250 for the first violation; \$500 for the

1 second violation; and \$1,000 for the third and each subsequent
2 violation; in addition, subject to a hearing, a licensee's license may
3 be revoked, suspended, or otherwise limited. The penalties provided
4 for in this subsection shall be recovered by a summary proceeding
5 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274
6 (C.2A:58-10 et seq.).

7 c. The establishment of all of the following facts by a licensee,
8 employee, or agent, allowing any such person under the age of 21 to
9 procure cannabis items shall constitute a defense to any violation of
10 the provisions of subsection a. or b. of this section:

11 (1) That the purchaser of the cannabis item falsely represented
12 that the person was of legal age to make the purchase, by producing
13 either a United States passport; driver's license or non-driver
14 identification card issued by the New Jersey Motor Vehicle
15 Commission; a driver's license issued pursuant to the laws of
16 another state; or any other identification card issued by a state or the
17 United States that bears a picture of the person, the name of the
18 person, the person's date of birth, and a physical description of the
19 person; and

20 (2) That the sale or distribution was made in good faith, relying
21 upon the production of the identification in paragraph (1) of this
22 subsection and in the reasonable belief that the purchaser or
23 recipient was actually of legal age to make the purchase.

24 d. It shall be unlawful for a person under the age of 21 to
25 purchase, acquire, or attempt to purchase or acquire a cannabis item,
26 even if the cannabis item may be legally purchased by persons at or
27 above the legal age for purchasing cannabis items.

28 For purposes of this subsection, purchasing a cannabis item
29 includes accepting a cannabis item, and acquiring a cannabis item
30 includes consuming a cannabis item.

31 e. It shall be unlawful for a person under the age of 21 to
32 present or offer to a cannabis establishment or the cannabis
33 establishment's agent or employee any written or oral evidence of
34 age or other personal identifying information that is false, fraudulent,
35 or not actually the person's own, including the use of a driver's
36 license or other government-issued form of identification in violation
37 of section 1 of P.L.1983, c.565 (C.2C:21-2.1), N.J.S.2C:21-17, section
38 5 of P.L.2003, c.184 (C.2C:21-17.2), or section 6 of P.L.1968, c.313
39 (C.33:1-81.7), for the purpose of:

40 (1) Purchasing, attempting to purchase, or otherwise procuring
41 or attempting to procure cannabis items; or

42 (2) Gaining access to a cannabis establishment.

43 f. Except as permitted by the commission by rule or regulation,
44 or as necessary on an emergency basis, a person under legal age for
45 purchasing cannabis items may not enter or attempt to enter any
46 portion of a licensed premises that is posted or otherwise identified
47 as being prohibited to the use of persons under legal age for

1 purchasing cannabis items, unless accompanied by and supervised
2 by a parent or legal guardian.

3 g. Any person under the legal age to purchase cannabis, who
4 knowingly possesses without legal authority or who knowingly
5 consumes any cannabis item, in any school, public conveyance,
6 public place, place of public assembly, or motor vehicle, shall be
7 guilty of an offense as set forth in section 1 of P.L.1979, c.264
8 (C.2C:33-15). Any person under the legal age to purchase
9 cannabis, who knowingly possesses without legal authority or who
10 knowingly consumes, any cannabis item on private property shall
11 be guilty of a municipal violation as set forth in section 1 of
12 P.L.2000, c.33 (C.40:48-1.2).

13 h. The prohibitions of this section do not apply to a person
14 under the legal age for purchasing cannabis items who is acting
15 under the direction of the commission or under the direction of
16 State or local law enforcement agencies for the purpose of
17 investigating possible violations of the laws prohibiting the sale of
18 cannabis items to persons who are under the legal age for
19 purchasing cannabis items.

20 i. The prohibitions of this section do not apply to a person
21 under the legal age for purchasing cannabis items who is acting
22 under the direction of a licensee for the purpose of investigating
23 possible violations by employees of the licensee of laws prohibiting
24 sales of cannabis items to persons who are under the legal age for
25 purchasing cannabis items.

26

27 7. (New section) Creation, Powers, and Duties of the Cannabis
28 Regulatory Commission.

29 The Cannabis Regulatory Commission is hereby created in, but
30 not of, the Department of the Treasury, to oversee the development,
31 regulation, and enforcement of activities associated with the
32 personal use of cannabis pursuant to P.L. , c. (C.) (pending
33 before the Legislature as this bill), and assume responsibility from
34 the Department of Health for the further development and
35 expansion, regulation, and enforcement of activities associated with
36 the medical use of cannabis pursuant to the “Jake Honig
37 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
38 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.).

39 a. (1) (a) The commission shall consist of five members, one
40 of whom shall be designated by the Governor as the chair, and one of
41 whom shall be designated the vice-chair in accordance with the
42 appointment process set forth in paragraph (4) of this subsection.
43 Initially, the chair and two other members shall be appointed by the
44 Governor, one member shall be appointed by the Governor upon the
45 recommendation of the Senate President, and one member shall be
46 appointed by the Governor upon the recommendation of the
47 Speaker of the General Assembly. Thereafter, any subsequent
48 appointment as the chair or as any other commission member without

1 any needed recommendation, including the reappointment of the initial
2 chair or another initial member, shall be an appointment by the
3 Governor, with the advice and consent of the Senate. The subsequent
4 appointments based upon the recommendation of the Senate President
5 and Speaker of the General Assembly shall be done in the same
6 manner as the initial appointment.

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

18 (2) The chair and the other members shall serve for terms of five
19 years; provided that for the two other members initially appointed
20 by the Governor without any needed recommendation, one shall be
21 appointed for a term of four years, and one shall be appointed for a
22 term of three years. The chair and the other members shall serve in
23 their respective capacities throughout their entire term and until
24 their successors shall have been duly appointed and qualified. Any
25 vacancy in the commission occurring for any reason other than the
26 expiration of a term, including a vacancy occurring during the term of
27 the initial chair or another initial member, shall be filled for the
28 unexpired term only in the same manner as the appointment of any
29 subsequent chair or other member as set forth in subparagraph (a) of
30 paragraph (1) of this subsection.

31 (3) The chair and other members of the commission shall devote
32 full time to their respective duties of office and shall not pursue or
33 engage in any other business, occupation, or gainful employment.
34 Each member shall receive an annual salary to be fixed and
35 established by the Governor, which for the chair shall not exceed
36 \$141,000, and for the other members shall not exceed \$125,000.

37 (4) The members of the commission, at the commission's first
38 meeting when called by the chair, shall elect, by a majority of the
39 total authorized membership of the commission, one of the
40 members who is appointed based upon the recommendation of the
41 Senate President or Speaker of the General Assembly as set forth in
42 subparagraph (a) of paragraph (1) of this subsection to serve as
43 vice-chair during that members term. A new vice-chair shall be
44 elected upon the expiration of the current vice-chair's term, even if
45 that member remains on the commission until that member's
46 successor is duly appointed and qualified. The vice-chair shall be
47 empowered to carry out all of the responsibilities of the chair during
48 the chair's absence, disqualification, or inability to serve.

1 (5) A majority of the total authorized membership of the
2 commission shall be required to establish a quorum, and a majority
3 of the total authorized membership of the commission shall be
4 required to exercise its powers at any meeting thereof. However,
5 only if all five commissioners have been duly appointed in
6 accordance with the appointment process set forth in subsection a.
7 of this section, and five appointed commissioners are present at a
8 meeting, can a majority of the total authorized membership act to
9 adopt the commission's initial rules and regulations pursuant to
10 subparagraph (a) of paragraph (1) of subsection d. of section 8 of
11 P.L. , c. (C.) (pending before the Legislature as this bill), by
12 which the licensing of cannabis establishments, and the lawfully
13 permitted licensing activities of those establishments, may begin.

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

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

20 b. (1) The commission may establish, and from time to time
21 alter, a plan of organization, and employ personnel as it deems
22 necessary under the direct supervision of a full-time executive
23 director for the commission. The plan of organization shall include
24 the Office of Minority, Disabled Veterans, and Women Cannabis
25 Business Development established by section 9 of P.L. ,
26 c. (C.) (pending before the Legislature as this bill).

27 (a) The initial executive director shall be appointed by the
28 Governor, and thereafter every subsequent executive director shall be
29 appointed by the Governor with the advice and consent of the
30 Senate. The executive director shall serve at the pleasure of the
31 appointing Governor during the Governor's term of office and until
32 a successor has been duly appointed and qualified. Any vacancy in
33 the office occurring for any reason other than the expiration of a
34 term, including a vacancy occurring during the term of the initial
35 executive director, shall be filled for the unexpired term only in the
36 same manner as the appointment of any subsequent executive
37 director as set forth herein. The executive director shall receive an
38 annual salary to be fixed and established by the Governor, which
39 shall be at an amount not to exceed the annual salary of a member
40 of the commission not serving as chair, as set forth in paragraph (3)
41 of subsection a. of this section.

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

(ii) If, as a result of the transfer of duties and responsibilities from the Department of Health to the commission in accordance with P.L. , c. (C.) (pending before the Legislature as this bill) and the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) on or after the effective date of P.L. , c. (C.) (pending before the Legislature as the Third Reprint of Senate Committee Substitute for Senate Bill Nos. 10 and 2426), the commission needs to employ an individual to fill a position, employees of the department who performed the duties of the position to be filled shall be given a one-time right of first refusal offer of employment with the commission, and such employees may be removed by the commission for cause or if deemed unqualified to hold the position, notwithstanding any other provision of law to the contrary. A department employee who becomes employed by the commission shall retain as an employee of the commission the seniority, and all rights related to seniority, that the employee had with the department as of the last day of employment with the department; provided, however, that such seniority and seniority rights shall be retained only by an employee who was transferred from employment with the department to employment with the commission, and shall not be retained by an employee who was removed from employment with the department due to layoff procedures or who resigned from a position with the department prior to being hired by the commission.

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

(3) The commission may incur additional expenses within the limits of fund available to it in order to carry out its duties, functions, and powers under P.L. , c. (C.) (pending before the Legislature as this bill), the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), and P.L.2015, c.158 (C.18A:40-12.22 et al.).

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

1 the spouse, domestic partner, or partner in a civil union couple
2 residing in the same household as the Governor, President of the
3 Senate, or Speaker of the General Assembly.

4
5 8. (New section) Powers and Duties of the Cannabis
6 Regulatory Commission Concerning Personal Use of Cannabis;
7 Reporting on Commission's Activities.

8 a. The Cannabis Regulatory Commission shall have all powers
9 necessary or proper to enable it to carry out the commission's
10 duties, functions, and powers under P.L. , c. (C.) (pending
11 before the Legislature as this bill). The jurisdiction, supervision,
12 duties, functions, and powers of the commission extend to any
13 person who buys, sells, produces, processes, transports, or delivers
14 any cannabis items within this State.

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

17 (1) To regulate the purchase, sale, production, processing,
18 transportation, and delivery of cannabis items in accordance with
19 the provisions of P.L. , c. (C.) (pending before the Legislature as
20 this bill);

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

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

30 (4) To adopt, amend, or repeal regulations as necessary to carry
31 out the intent and provisions of P.L. , c. (C.) (pending before
32 the Legislature as this bill);

33 (5) To exercise all powers incidental, convenient, or necessary
34 to enable the commission to administer or carry out the provisions
35 of P.L. , c. (C.) (pending before the Legislature as this bill), or
36 any other law of this State that charges the commission with a duty,
37 function, or power related to cannabis. Powers described in this
38 paragraph include, but are not limited to:

39 (a) Issuing subpoenas;

40 (b) Compelling attendance of witnesses;

41 (c) Administering oaths;

42 (d) Certifying official acts;

43 (e) Taking depositions as provided by law;

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

46 (g) Establishing fees in addition to the application, licensing,
47 and renewal fees, provided that any fee established by the

1 commission is reasonably calculated not to exceed the cost of the
2 activity for which the fee is charged;

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

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

10 c. The powers of the commission further include the power to
11 purchase, seize, possess, and dispose of cannabis items. The
12 commission may purchase, possess, seize, or dispose of cannabis
13 items as is necessary to ensure compliance with and enforcement of
14 the provisions of P.L. , c. (C.) (pending before the Legislature
15 as this bill), and any rule adopted pursuant thereto. Any State
16 officer, board, commission, corporation, institution, department, or
17 other State body, and any local officer, board, commission,
18 institution, department, or other local government body, that is
19 permitted by the statutory laws of this State to perform a duty,
20 function, or power with respect to a cannabis item, may purchase,
21 possess, seize, or dispose of the cannabis item as the State officer,
22 board, commission, corporation, institution, department or other
23 State body, or the local officer, board, commission, institution,
24 department, or other local government body, considers necessary to
25 ensure compliance with and enforce the applicable statutory law or
26 any rule adopted under the applicable statutory law.

27 d. (1) (a) Within 180 days after the effective date of this
28 section, which takes effect immediately upon enactment of P.L. ,
29 c. (C.) (pending before the Legislature as this bill), or within
30 45 days of all five members of the commission being duly
31 appointed in accordance with the appointment process set forth in
32 paragraph (5) of subsection a. of section 7 of that act (C.),
33 whichever date is later, and notwithstanding the provisions of the
34 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
35 seq.), to the contrary, the commission, after consultation with the
36 Attorney General, State Treasurer, Commissioner of Health, and
37 Commissioner of Banking and Insurance, shall, immediately upon
38 filing proper notice with the Office of Administrative Law, adopt
39 rules and regulations prepared by the commission necessary or
40 proper to enable it to carry out the commission’s duties, functions,
41 and powers with respect to overseeing the development, regulation,
42 and enforcement of activities associated with the personal use of
43 cannabis pursuant to P.L. , c. (C.), and assume
44 responsibility from the Department of Health for the further
45 development and expansion, regulation, and enforcement of
46 activities associated with the medical use of cannabis pursuant to
47 the “Jake Honig Compassionate Use Medical Cannabis Act,”

1 P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-
2 12.22 et al.).

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

12 (2) On the date of adoption of the initial rules and regulations
13 pursuant to subparagraph (a) of paragraph (1) of this subsection, the
14 provisions of P.L. , c. (C.) (pending before the Legislature
15 as this bill) shall become operative, other than those provisions
16 which were operative immediately upon enactment. Subsequent to
17 the date of adoption of the initial rules and regulations, the
18 commission shall determine the first date thereafter on which
19 cannabis retailers issued licenses or conditional licenses may begin
20 retail sales of personal use cannabis items, which latter date shall
21 not be more than 180 days after the commission’s adoption of its
22 initial rules and regulations. The commission shall provide every
23 person or entity issued licenses or conditional licenses by the
24 commission with at least 30 days’ notice of this date, and shall also
25 provide the 30-day notice to every alternative treatment center
26 deemed to be licensed for personal use cannabis activities pursuant
27 to section 7 of P.L.2009, c.307 (C.24:6I-7), as amended by P.L. ,
28 c. (C.) (pending before the Legislature as the Third Reprint to
29 Senate Committee Substitute for Senate Bill Nos. 10 and 2426),
30 whether or not already engaged in retail sales of personal use
31 cannabis items as permitted prior to the retail sales date established
32 pursuant to this paragraph, as set forth in paragraph (3) of
33 subsection a. of section 30 of P.L. , c. (C.) (pending before
34 the Legislature as this bill).

35 e. (1) The commission shall biannually report to the Governor
36 and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) to the
37 Legislature, regarding the commission’s regulation and enforcement
38 activities associated with the personal use of cannabis pursuant to
39 P.L. , c. (C.), and the medical use of cannabis pursuant to the
40 “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009,
41 c.307 (C.24:6I-1 et al.), and P.L.2015, c.158 (C.18A:40-12.22 et al.).
42 The biannual report shall include, but is not limited to, information on:

43 (a) the number of civil penalty citations or arrests or charges
44 for manufacturing, distributing, or possessing or having under
45 control with the intent to distribute marijuana or hashish in
46 violation of paragraph (12) of subsection b. of N.J.S.2C:35-5, or for
47 obtaining or possessing marijuana or hashish in violation of
48 paragraph (4) of subsection a. of N.J.S.2C:35-10, cataloged by the

1 jurisdictions in which the acts resulting in the citations, arrests, or
2 charges occurred, and the race, ethnicity, gender, and age of the
3 persons cited, arrested, or charged;

4 (b) the number of motor vehicle stops by law enforcement
5 involving violations of R.S.39:4-50, or section 5 of P.L.1990, c.103
6 (C.39:3-10.13) concerning operators of commercial motor vehicles,
7 for driving under the influence of cannabis or marijuana, or
8 suspicion thereof, cataloged by the jurisdictions in which the stop
9 occurred, and the race, ethnicity, gender, and age of the vehicle
10 driver and any other vehicle occupants;

11 (c) the total number of personal use cannabis licenses and
12 medical use cannabis permits issued since the distribution of the
13 previous report to the Governor and Legislature, as well as the
14 number for each class of license and permit issued, and the total
15 number and type of applicants that submitted applications for
16 licenses and permits and whether they were approved, reapproved,
17 or denied;

18 (d) the data compiled by the Office of Minority, Disabled
19 Veterans, and Women Cannabis Business Development pursuant to
20 subsection f. of section 9 of P.L. , c. (C.) (pending before
21 the Legislature as this bill) about participation in the lawful
22 operation of cannabis establishments by persons from socially and
23 economically disadvantaged communities, including minority,
24 disabled veterans', and women's business licensing and business
25 development in the personal use cannabis and medical use cannabis
26 marketplaces, and the data shall include the office's analysis of the
27 total number of licenses and permits applied for and issued since
28 the distribution of the previous report to the Governor and
29 Legislature compared with the total number of minority businesses
30 and women's businesses, as these terms are defined in section 2 of
31 P.L.1986, c.195 (C.52:27H-21.18), and disabled veterans' businesses,
32 as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), that
33 submitted applications for licenses and permits and whether they
34 were approved, reapproved, or denied; and

35 (e) the total amount of tax revenue generated by the State-level
36 taxes on personal use cannabis collected by the State pursuant to
37 section 19 of P.L. , c. (C.) (pending before the Legislature
38 as this bill), and any optional local tax thereon collected by a local
39 governmental entity pursuant to section 21 of that act (C.).

40 (2) Beginning on the third anniversary of the commission's first
41 organizational meeting called by the commission chair pursuant to
42 paragraph (4) of subsection a. of section 7 of P.L. , c. (C.)
43 (pending before the Legislature as this bill), a public research
44 university, as defined in section 3 of P.L.1994, c.48 (C.18A:3B-3),
45 contracted by the commission shall engage in an independent study,
46 reviewing the commission's organization, and regulation and
47 enforcement activities, with a focus on the commission's
48 effectiveness as established and operating as a full time commission

1 pursuant to P.L. , c. (C.) (pending before the Legislature as
2 this bill) and whether a better execution of the laws concerning the
3 personal use of cannabis and medical use of cannabis could be more
4 effectively managed, and more efficiently promoted through a
5 reorganization of the commission, consolidation of the commission
6 within the Department of the Treasury or another Executive Branch
7 department, change to a part-time commission, or the transfer of
8 some or all of the commission's operations elsewhere within the
9 Executive Branch, to begin on the fifth anniversary of the
10 commission's first organizational meeting. The findings of the
11 university's study shall be issued in a report, presented to the
12 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
13 19.1), to the Legislature.

14

15 9. (New section) Office of Minority, Disabled Veterans, and
16 Women Cannabis Business Development; Establishment; Powers
17 and Duties.

18 a. There is hereby established in the commission an Office of
19 Minority, Disabled Veterans, and Women Cannabis Business
20 Development. The office shall be under the immediate supervision of
21 a director. The director of the office shall be appointed by the
22 Governor, and shall serve at the pleasure of the appointing Governor
23 during the Governor's term of office and until a successor has been
24 duly appointed and qualified. Any vacancy in the office occurring for
25 any reason other than the expiration of a term shall be filled for the
26 unexpired term only in the same manner as the original appointment.
27 The director shall receive an annual salary as provided by law which
28 shall be at an amount not to exceed the annual salary of the executive
29 director of the commission.

30 b. (1) The office shall establish and administer, under the
31 direction of the commission, unified practices and procedures for
32 promoting participation in the lawful operation of cannabis
33 establishments and medical cannabis alternative treatment centers
34 by persons from socially and economically disadvantaged
35 communities, including by prospective and existing ownership of
36 minority businesses and women's businesses, as these terms are
37 defined in section 2 of P.L.1986, c.195 (C.52:27H-21.18), and
38 disabled veterans' businesses as defined in section 2 of P.L.2015,
39 c.116 (C.52:32-31.2), to be licensed as personal use cannabis
40 establishments under P.L. , c. (C.) (pending before the
41 Legislature as this bill) or issued permits for activities concerning
42 the medical use of cannabis under the "Jake Honig Compassionate
43 Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.).
44 These unified practices and procedures shall include the
45 certification and subsequent recertification at regular intervals of a
46 business as a minority or women's business, or a disabled veterans'
47 business, in accordance with eligibility criteria and a certification

1 application process established by the commission through
2 regulation in consultation with the office.

3 (2) The office shall conduct advertising, promotional
4 campaigns, and disseminate information to the public to increase
5 awareness for participation in the lawful operation of cannabis
6 establishments and medical cannabis alternative treatment centers
7 by persons from socially and economically disadvantaged
8 communities, including by prospective and existing ownership of
9 certified minority, women's, and disabled veterans' businesses,
10 concerning the qualifications and application processes for licenses
11 and permits pursuant to P.L. , c. (C.) (pending before the
12 Legislature as this bill) or the "Jake Honig Compassionate Use
13 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.). The
14 office shall sponsor seminars and informational programs, as well
15 as provide information on its Internet website, directed toward those
16 persons and prospective and existing certified businesses which are
17 useful to persons seeking practical information on personal use
18 cannabis or medical cannabis business management, marketing, and
19 other matters.

20 c. (1) The office shall develop, recommend, and implement
21 policies, practices, protocols, standards, and criteria designed to
22 promote the formulation and participation in the lawful operation of
23 cannabis establishments by persons from socially and economically
24 disadvantaged communities, including by prospective or existing
25 ownership of certified minority, women's, and disabled veterans'
26 businesses, the effectiveness of which measures shall be assessed
27 by considering whether those measures have resulted in not less
28 than 30 percent of the total number of licenses issued by the
29 commission for personal use cannabis establishments under P.L. ,
30 c. (C.) (pending before the Legislature as this bill), and not
31 less than 30 percent of the new permits issued for activities
32 concerning the medical use of cannabis under the "Jake Honig
33 Compassionate Use Medical Cannabis Act," P.L.2009, c.307
34 (C.24:6I-1 et al.) on or after the effective date of P.L. , c.
35 (C.) (pending before the Legislature as the Third Reprint of
36 Senate Committee Substitute for Senate Bill Nos. 10 and 2426) being
37 issued to businesses certified in accordance with the certification
38 process established by the office pursuant to paragraph (1) of
39 subsection b. of this section. Of the resulting total number of
40 licenses issued for personal use cannabis establishments and new
41 permits issued for activities concerning the medical use of cannabis,
42 the effectiveness of the office's policies, practices, protocols,
43 standards, and criteria shall be further assessed by considering
44 whether those measures have resulted in not less than 15 percent of
45 the licenses and permits being issued to certified minority
46 businesses, and not less than 15 percent of the licenses and permits
47 being issued to certified women's and disabled veterans'
48 businesses.

1 (2) The office shall periodically analyze the number of licenses
2 and permits issued by the commission and compare that analysis to
3 the number of certified minority, women's, and disabled veterans'
4 businesses that submitted applications for licenses and permits. The
5 office shall make good faith efforts to establish, maintain, and
6 enhance the measures designed to promote the formulation and
7 participation in the lawful operation of cannabis establishments by
8 persons from socially and economically disadvantaged communities
9 consistent with the standards set forth in paragraph (1) of this
10 subsection, and to coordinate and assist the commission with
11 respect to its incorporation of these licensing measures into the
12 application and review process for issuing licenses for personal use
13 cannabis establishments under P.L. , c. (C.) (pending before
14 the Legislature as this bill), and for issuing permits for activities
15 concerning the medical use of cannabis under the "Jake Honig
16 Compassionate Use Medical Cannabis Act," P.L.2009, c.307
17 (C.24:6I-1 et al.) on or after the effective date of P.L. , c.
18 (C.) (pending before the Legislature as the Third Reprint of
19 Senate Committee Substitute for Senate Bill Nos. 10 and 2426), as set
20 forth in paragraph (4) of subsection a. of section 17 of P.L. , c.
21 (C.) (pending before the Legislature as this bill).

22 d. The office may review the commission's measures regarding
23 participation in the lawful operation of cannabis establishments by
24 persons from socially and economically disadvantaged
25 communities, and minority, women's, and disabled veterans'
26 businesses, and make recommendations for the improvement
27 thereof. The office may consult with experts or other
28 knowledgeable individuals in the public or private sector on any
29 aspect of its mission.

30 e. The office shall make recommendations to the commission
31 on relevant policy and implementation matters concerning
32 participation in the lawful operation of cannabis establishments by
33 persons from socially and economically disadvantaged
34 communities, including by prospective or existing ownership of
35 minority, women's, and disabled veterans' businesses, as the office
36 deems appropriate.

37 f. The office shall prepare information regarding its activities
38 pursuant to this section addressing participation in the lawful
39 operation of cannabis establishments by persons from socially and
40 economically disadvantaged communities, including minority,
41 women's, and disabled veterans' business development in the retail
42 cannabis and medical cannabis marketplaces, to be incorporated by
43 the commission in its biannual report to the Governor and the
44 Legislature pursuant to subsection e. of section 8 of P.L. , c.
45 (C.) (pending before the Legislature as this bill).

46
47 10. (New section) Pre-Interest or Pre-Employment Restrictions
48 on Cannabis Regulatory Commission Members and Employees.

1 a. No person shall be appointed to or employed by the
2 commission if, during the period commencing three years prior to
3 appointment or employment, the person held any direct or indirect
4 interest in, or any employment by, any holder of, or applicant for, a
5 cannabis license or permit pursuant to P.L. , c. (C.)
6 (pending before the Legislature as this bill), or the “Jake Honig
7 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
8 (C.24:6I-1 et al.), or which is an entity that employs or uses a
9 certified cannabis handler to perform work for or on behalf of a
10 licensed cannabis establishment; provided, however, that
11 notwithstanding any other provision of P.L. , c. (C.)
12 (pending before the Legislature as this bill) to the contrary, any
13 such person may be appointed to or employed by the commission if
14 the person’s prior interest in any such license or permit holder,
15 applicant, or entity involving a certified cannabis handler would
16 not, in the opinion of the commission, interfere with the objective
17 discharge of the person’s obligations of appointment or
18 employment, but in no instance shall any person be appointed to or
19 employed by the commission if the person’s prior interest in such
20 license or permit holder, applicant, or entity involving a certified
21 cannabis handler constituted a controlling interest in that license or
22 permit holder, or entity; and provided further, however, that
23 notwithstanding any other provision of P.L. , c. (C.)
24 (pending before the Legislature as this bill) to the contrary, any
25 such person may be employed by the commission in a secretarial or
26 clerical position if, in the opinion of the commission, the person’s
27 previous employment by, or interest in, any license or permit
28 holder, or entity involving a certified cannabis handler, would not
29 interfere with the objective discharge of the person’s employment
30 obligations.

31 b. Prior to appointment or employment, each member of the
32 commission and each employee of the commission shall swear or
33 affirm that he possesses no interest in any business or organization
34 issued a license or permit by the commission, or interest in any
35 business or organization that employs or uses a certified cannabis
36 handler to perform work for or on behalf of a licensed cannabis
37 establishment.

38 c. (1) Each member of the commission shall file with the State
39 Ethics Commission a financial disclosure statement listing all assets
40 and liabilities, property and business interests, and sources of
41 income of the member and the member’s spouse, domestic partner,
42 or partner in a civil union couple, as the case may be, and shall also
43 provide to the State Ethics Commission in the same financial
44 disclosure statement a listing all assets and liabilities, property and
45 business interests, and sources of income of each dependent child or
46 stepchild, recognized by blood or by law, of the member, or of the
47 spouse, domestic partner, or partner in a civil union couple residing
48 in the same household as the member. Each statement shall be

1 under oath and shall be filed at the time of appointment and
2 annually thereafter.

3 (2) Each employee of the commission, except for secretarial and
4 clerical personnel, shall file with the State Ethics Commission a
5 financial disclosure statement listing all assets and liabilities,
6 property and business interests, and sources of income of the
7 employee and the employee's spouse, domestic partner, or partner in
8 a civil union couple, as the case may be. Such statement shall be
9 under oath and shall be filed at the time of employment and
10 annually thereafter. Notwithstanding the provisions of subsection
11 (n) of section 10 of P.L.1971, c.182 (C.52:13D-21), only financial
12 disclosure statements filed by a commission employee who is in a
13 policy-making management position shall be posted on the Internet
14 site of the State Ethics Commission.

15

16 11. (New section) Restrictions on Cannabis Regulatory
17 Commission Members and Employees.

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

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

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

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

34 (1) No commission member or employee shall be permitted to
35 enter and engage in any activities, nor have any interest, directly or
36 indirectly, in any cannabis grower, cannabis processor, cannabis
37 wholesaler, or cannabis retailer issued its license by the commission
38 in accordance with P.L. , c. (C.) (pending before the
39 Legislature as this bill), or any alternative treatment center issued
40 its permit by the commission in accordance with the "Jake Honig
41 Compassionate Use Medical Cannabis Act," P.L.2009, c.307
42 (C.24:6I-1 et al.), except in the course of the member's or
43 employee's duties.

44 (2) No commission member or employee shall solicit or accept
45 employment from any personal use cannabis license holder or
46 medical cannabis permit holder, or from any applicant for a license
47 or permit, or any entity that employs or uses a certified cannabis
48 handler to perform work for or on behalf of a licensed cannabis

1 establishment, for a period of two years after termination of service
2 with the commission, except as otherwise provided in section 12 of
3 P.L. , c. (C.) (pending before the Legislature as this bill).

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

11 (4) No commission member or employee shall act in the
12 member's or employee's official capacity in a matter concerning
13 any personal use cannabis license holder or medical cannabis permit
14 holder, or any applicant for a license or permit, or any entity that
15 employs or uses a certified cannabis handler to perform work for or
16 on behalf of a licensed cannabis establishment, and who is the
17 employer of a spouse, domestic partner, or partner in a civil union
18 couple, or child, parent, or sibling of the commission member or
19 employee when the fact of the employment of the spouse, domestic
20 partner, or partner in a civil union couple, or child, parent, or
21 sibling might reasonably be expected to impair the objectivity and
22 independence of judgment of the commission member or employee.

23 (5) No spouse, domestic partner, or partner in a civil union
24 couple, or child, parent, or sibling of a commission member shall be
25 employed in any capacity by any personal use cannabis license
26 holder or medical cannabis permit holder, or any applicant for a
27 license or permit, or any entity that employs or uses a certified
28 cannabis handler to perform work for or on behalf of a licensed
29 cannabis establishment, nor by any holding, intermediary, or
30 subsidiary company thereof.

31 (6) No commission member shall meet with any person, except
32 for any other member of the commission or employee of the
33 commission, or discuss any issues involving any pending or
34 proposed application or any matter whatsoever which may
35 reasonably be expected to come before the commission, or any
36 member thereof, for determination unless the meeting or discussion
37 takes place on the business premises of the commission, provided,
38 however, that commission members may meet to consider matters
39 requiring the physical inspection of equipment or premises at the
40 location of the equipment or premises. All meetings or discussions
41 subject to this paragraph shall be noted in a log maintained for this
42 purpose and available for inspection pursuant to the provisions of
43 P.L.1963, c.73 (C.47:1A-1 et seq.).

44 d. No commission member or employee shall have any interest,
45 direct or indirect, in any personal use cannabis license holder or
46 medical cannabis permit holder, or any applicant for a license or
47 permit, or any entity that employs or uses a certified cannabis
48 handler to perform work for or on behalf of a licensed cannabis

1 establishment, during the member's term of office or employee's
2 term of employment.

3 e. Each commission member and employee shall devote his
4 entire time and attention to his duties and shall not pursue any other
5 business or occupation or other gainful employment; provided,
6 however, that secretarial and clerical personnel may engage in such
7 other gainful employment as shall not interfere with their duties to
8 the commission, unless otherwise directed; and provided further,
9 however, that other employees of the commission may engage in
10 such other gainful employment as shall not interfere or be in
11 conflict with their duties to the commission or division, upon
12 approval by the commission, as the case may be.

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

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

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

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

27 (c) Take any active part in political campaigns or the
28 management thereof; provided, however, that nothing herein shall
29 prohibit a member or employee from voting as the member or
30 employee chooses or from expressing personal opinions on political
31 subjects and candidates.

32 g. For the purpose of applying the provisions of the "New
33 Jersey Conflicts of Interest Law," any consultant or other person
34 under contract for services to the commission shall be deemed to be
35 a special State employee, except that the restrictions of section 4 of
36 P.L.1981, c.142 (C.52:13D-17.2) shall not apply to such person.
37 Such person and any corporation, firm, or partnership in which the
38 person has an interest or by which the person is employed shall not
39 represent any person or party other than the commission.

40

41 12. (New section) Post-Service Restrictions on Cannabis
42 Regulatory Commission Members and Employees.

43 a. No member of the commission shall hold any direct or
44 indirect interest in, or be employed by, any holder of, or applicant
45 for, a personal use cannabis license or medical cannabis permit
46 pursuant to P.L. , c. (C.) (pending before the Legislature as
47 this bill), or the "Jake Honig Compassionate Use Medical Cannabis
48 Act," P.L.2009, c.307 (C.24:6I-1 et al.), or which is an entity that

1 employs or uses a certified cannabis handler to perform work for or
2 on behalf of a licensed cannabis establishment, for a period of two
3 years commencing on the date that membership on the commission
4 terminates.

5 b. (1) No employee of the commission may acquire any direct
6 or indirect interest in, or accept employment with, any personal use
7 cannabis license holder or medical cannabis permit holder, or any
8 applicant for a license or permit, or any entity that employs or uses
9 a certified cannabis handler to perform work for or on behalf of a
10 licensed cannabis establishment, for a period of two years
11 commencing at the termination of employment with the
12 commission, except that a secretarial or clerical employee of the
13 commission may accept such employment at any time after the
14 termination of employment with the commission. At the end of two
15 years and for a period of two years thereafter, a former employee
16 who held a policy-making management position at any time during
17 the five years prior to termination of employment may acquire an
18 interest in, or accept employment with, any personal use cannabis
19 license holder or medical cannabis permit holder, or any applicant
20 for a license or permit, or any entity that employs or uses a certified
21 cannabis handler to perform work for or on behalf of a licensed
22 cannabis establishment, upon application to, and the approval of,
23 the commission, upon a finding that the interest to be acquired or
24 the employment will not create the appearance of a conflict of
25 interest and does not evidence a conflict of interest in fact.

26 (2) Notwithstanding the provisions of this subsection, if the
27 employment of a commission employee, other than an employee
28 who held a policy-making management position at any time during
29 the five years prior to termination of employment, is terminated as a
30 result of a reduction in the workforce at the commission, the
31 employee may, at any time prior to the end of the two-year period,
32 accept employment with any personal use cannabis license holder
33 or medical cannabis permit holder, or any applicant for a license or
34 permit, or any entity that employs or uses a certified cannabis
35 handler to perform work for or on behalf of a licensed cannabis
36 establishment, upon application to, and the approval of, the
37 commission, upon a finding that the employment will not create the
38 appearance of a conflict of interest and does not evidence a conflict
39 of interest in fact. The commission shall take action on an
40 application within 30 days of receipt and an application may be
41 submitted to the commission prior to or after the commencement of
42 the employment.

43 c. No commission member or employee shall represent any
44 person or party other than the State before or against the
45 commission for a period of two years from the termination of office
46 or employment with the commission.

47 d. No partnership, firm, or corporation in which a former
48 commission member or employee has an interest, nor any partner,

1 officer, or employee of any such partnership, firm, or corporation
2 shall make any appearance or representation which is prohibited to
3 the former member or employee.
4

5 13. (New section) Liability For Interest, Employment, and
6 Ethics Violations By Applicant for Cannabis License or Permit,
7 License or Permit Holder, and Cannabis Regulatory Commission
8 Members and Employees; Enforcement by State Ethics
9 Commission.

10 a. (1) No holder of, or applicant for, a personal use cannabis
11 license or medical cannabis permit pursuant to P.L. , c. (C.)
12 (pending before the Legislature as this bill), or the "Jake Honig
13 Compassionate Use Medical Cannabis Act," P.L.2009, c.307
14 (C.24:6I-1 et al.), or entity that employs or uses a certified cannabis
15 handler to perform work for or on behalf of a licensed cannabis
16 establishment shall employ or offer to employ, or provide, transfer,
17 or sell, or offer to provide, transfer, or sell any interest, direct or
18 indirect, in any personal use cannabis license holder or medical
19 cannabis permit holder to any person restricted from such
20 transactions by the provisions of sections 10 through 12 of P.L. ,
21 c. (C.) (pending before the Legislature as this bill).

22 (2) The commission may deny an application, or revoke or
23 suspend a license or permit holder's license or permit, for
24 committing a violation of this subsection, as well as impose a civil
25 penalty of not less than \$500 nor more than \$10,000, which penalty
26 may be collected in a summary proceeding pursuant to the "Penalty
27 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

28 b. (1) A member or employee of the commission who makes
29 or causes to be made a political contribution prohibited under
30 subsection f. of section 11 of P.L. , c. (C.) (pending before
31 the Legislature as this bill) is guilty of a crime of the fourth degree,
32 but notwithstanding the provisions of subsection b. of N.J.S.2C:43-
33 3, a fine not to exceed \$200,000 may be imposed.

34 (2) A member or employee of the commission who willfully
35 violates any other provisions in sections 10 through 12 of P.L. ,
36 c. (C.) (pending before the Legislature as this bill) is guilty of
37 a disorderly persons offense.

38 c. The State Ethics Commission, established pursuant to the
39 "New Jersey Conflicts of Interest Law," P.L.1971, c.182
40 (C.52:13D-12 et seq.), shall enforce the provisions of sections 10
41 through 13 of P.L. , c. (C.) (pending before the Legislature
42 as this bill), and upon a finding of a violation, impose a civil
43 penalty of not less than \$500 nor more than \$10,000, which penalty
44 may be collected in a summary proceeding pursuant to the "Penalty
45 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
46 If a violation also represents a crime or disorderly persons offense
47 as set forth in subsection b. of this section, the State Ethics
48 Commission shall also refer the matter to the Attorney General or

1 appropriate county prosecutor for further investigation and
2 prosecution.

3

4 14. Section 2 of P.L.1971, c.182 (C.52:13D-13) is amended to
5 read as follows:

6 2. As used in this act, and unless a different meaning clearly
7 appears from the context, the following terms shall have the
8 following meanings:

9 a. "State agency" means any of the principal departments in the
10 Executive Branch of the State Government, and any division, board,
11 bureau, office, commission or other instrumentality within or
12 created by such department, the Legislature of the State and any
13 office, board, bureau or commission within or created by the
14 Legislative Branch, and, to the extent consistent with law, any
15 interstate agency to which New Jersey is a party and any
16 independent State authority, commission, instrumentality or agency.
17 A county or municipality shall not be deemed an agency or
18 instrumentality of the State.

19 b. "State officer or employee" means any person, other than a
20 special State officer or employee (1) holding an office or
21 employment in a State agency, excluding an interstate agency, other
22 than a member of the Legislature or (2) appointed as a New Jersey
23 member to an interstate agency.

24 c. "Member of the Legislature" means any person elected to
25 serve in the General Assembly or the Senate.

26 d. "Head of a State agency" means (1) in the case of the
27 Executive Branch of government, except with respect to interstate
28 agencies, the department head or, if the agency is not assigned to a
29 department, the Governor, and (2) in the case of the Legislative
30 Branch, the chief presiding officer of each House of the Legislature.

31 e. "Special State officer or employee" means (1) any person
32 holding an office or employment in a State agency, excluding an
33 interstate agency, for which office or employment no compensation
34 is authorized or provided by law, or no compensation other than a
35 sum in reimbursement of expenses, whether payable per diem or per
36 annum, is authorized or provided by law; (2) any person, not a
37 member of the Legislature, holding a part-time elective or
38 appointive office or employment in a State agency, excluding an
39 interstate agency, or (3) any person appointed as a New Jersey
40 member to an interstate agency the duties of which membership are
41 not full-time.

42 f. "Person" means any natural person, association or
43 corporation.

44 g. "Interest" means (1) the ownership or control of more than
45 **【10%】** 10 percent of the profits or assets of a firm, association, or
46 partnership, or more than **【10%】** 10 percent of the stock in a
47 corporation for profit other than a professional service corporation
48 organized under the "Professional Service Corporation Act,"

1 P.L.1969, c.232 (C. 14A:17-1 et seq.); or (2) the ownership or
 2 control of more than **【1%】** one percent of the profits of a firm,
 3 association, or partnership, or more than **【1%】** one percent of the
 4 stock in any corporation, (a) which is the holder of, or an applicant
 5 for, a casino license or in any holding or intermediary company
 6 with respect thereto, as defined by the "Casino Control Act,"
 7 P.L.1977, c.110 (C.5:12-1 et seq.), or (b) which is the holder of, or
 8 an applicant for, a license concerning the personal use of cannabis
 9 or a permit concerning the medical use of cannabis, issued pursuant
 10 to the "New Jersey Cannabis Regulatory and Expungement Aid
 11 Modernization Act," P.L. , c. (C.) (pending before the
 12 Legislature as this bill), or the "Jake Honig Compassionate Use
 13 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), or any
 14 holding or intermediary company with respect thereto, or (c) which
 15 is an entity that employs or uses a certified cannabis handler to
 16 perform work for or on behalf of a licensed cannabis establishment,
 17 or any holding or intermediary company with respect to that entity.
 18 The provisions of this act governing the conduct of individuals are
 19 applicable to shareholders, associates or professional employees of
 20 a professional service corporation regardless of the extent or
 21 amount of their shareholder interest in such a corporation.

22 h. "Cause, proceeding, application or other matter" means a
 23 specific cause, proceeding or matter and does not mean or include
 24 determinations of general applicability or the preparation or review
 25 of legislation which is no longer pending before the Legislature or
 26 the Governor.

27 i. "Member of the immediate family" of any person means the
 28 person's spouse, domestic partner, partner in a civil union couple,
 29 child, parent or sibling residing in the same household.
 30 (cf: P.L.1987, c.432, s.2)

31

32 15. The title of P.L.1981, c.142 is amended to read as follows:
 33 **AN ACT** concerning casino activity, and personal use and medical
 34 cannabis activities, and the conduct of certain elected and appointed
 35 public officers and employees as it relates thereto, amending and
 36 supplementing P.L.1971, c.182, amending P.L.1977, c.110,
 37 P.L.1980, c.28 and P.L.1980, c.69 , and repealing section 2 of
 38 P.L.1980, c.79.
 39 (cf: P.L.1981, c.142, title)

40

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

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

44 (1) **【any State officer or employee subject to financial disclosure**
 45 **by law or executive order and any other State officer or employee**
 46 **with responsibility for matters affecting casino activity; any special**
 47 **State officer or employee with responsibility for matters affecting**
 48 **casino activity;】** (a) with respect to casino activity, personal use

1 cannabis activity subject to the “New Jersey Cannabis Regulatory
2 and Expungement Aid Modernization Act,” P.L. , c. (C.)
3 (pending before the Legislature as this bill), and medical cannabis
4 activity subject to the “Jake Honig Compassionate Use Medical
5 Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), the Governor;
6 【any member of the Legislature or】 the President of the Senate; the
7 Speaker of the General Assembly; any full-time member of the
8 Judiciary; any full-time professional employee of the Office of the
9 Governor 【, or the Legislature; members of the Casino
10 Reinvestment Development Authority】; the head of a principal
11 department; the assistant or deputy heads of a principal department,
12 including all assistant and deputy commissioners; the head of any
13 division of a principal department;

14 (b) with respect to casino activity, any State officer or employee
15 subject to financial disclosure by law or executive order and any
16 other State officer or employee with responsibility for matters
17 affecting casino activity; any special State officer or employee with
18 responsibility for matters affecting casino activity; any member of
19 the Legislature; any full-time professional employee of the
20 Legislature; members of the Casino Reinvestment Development
21 Authority;

22 (c) with respect to personal use cannabis activity subject to the
23 “New Jersey Cannabis Regulatory and Expungement Aid
24 Modernization Act,” P.L. , c. (C.) (pending before the
25 Legislature as this bill), and medical cannabis activity subject to the
26 “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009,
27 c.307 (C.24:6I-1 et al.), any State officer or employee subject to
28 financial disclosure by law or executive order and any other State
29 officer or employee with responsibility for matters affecting
30 personal use cannabis or medical cannabis activity; any special
31 State officer or employee with responsibility for matters affecting
32 personal use cannabis or medical cannabis activity; members of the
33 Cannabis Regulatory Commission; or

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

41 (b) any member of the governing body or the municipal judge of
42 a municipality wherein a cannabis grower, cannabis processor,
43 cannabis wholesaler, or cannabis retailer, issued its license in
44 accordance with the “New Jersey Cannabis Regulatory and
45 Expungement Aid Modernization Act,” P.L. , c. (C.)
46 (pending before the Legislature as this bill), is located, or wherein
47 an alternative treatment center, issued its permit in accordance with
48 the “Jake Honig Compassionate Use Medical Cannabis Act,”

1 P.L.2009, c.307 (C.24:6I-1 et al.), or deemed to be licensed for
2 personal use cannabis activities pursuant to section 7 of P.L.2009,
3 c.307 (C.24:6I-7), or otherwise issued a license therefor by the
4 commission in accordance with the “New Jersey Cannabis
5 Regulatory and Expungement Aid Modernization Act,” is located.

6 b. (1) No State officer or employee, nor any person, nor any
7 member of the immediate family of any State officer or employee,
8 or person, nor any partnership, firm or corporation with which any
9 such State officer or employee or person is associated or in which
10 he has an interest, nor any partner, officer, director or employee
11 while he is associated with such partnership, firm, or corporation,
12 shall hold, directly or indirectly, an interest in, or hold employment
13 with, or represent, appear for, or negotiate on behalf of, any holder
14 of, or applicant for, a casino license, or any holding or intermediary
15 company with respect thereto, in connection with any cause,
16 application, or matter, except as provided in section 3 of P.L.2009,
17 c.26 (C.52:13D-17.3), and except that **[(1)]** (a) a State officer or
18 employee other than a State officer or employee included in the
19 definition of person, and **[(2)]** (b) a member of the immediate
20 family of a State officer or employee, or of a person, may hold
21 employment with the holder of, or applicant for, a casino license if,
22 in the judgment of the State Ethics Commission, the Joint
23 Legislative Committee on Ethical Standards, or the Supreme Court,
24 as appropriate, such employment will not interfere with the
25 responsibilities of the State officer or employee, or person, and will
26 not create a conflict of interest, or reasonable risk of the public
27 perception of a conflict of interest, on the part of the State officer or
28 employee, or person. No special State officer or employee without
29 responsibility for matters affecting casino activity, excluding those
30 serving in the Departments of Education, Health **[and Senior**
31 **Services]**, and Human Services and the Commission on Higher
32 Education, shall hold, directly or indirectly, an interest in, or
33 represent, appear for, or negotiate on behalf of, any holder of, or
34 applicant for, a casino license, or any holding or intermediary
35 company with respect thereto, in connection with any cause,
36 application, or matter. However, a special State officer or employee
37 without responsibility for matters affecting casino activity may hold
38 employment directly with any holder of or applicant for a casino
39 license or any holding or intermediary company thereof and if so
40 employed may hold, directly or indirectly, an interest in, or
41 represent, appear for, or negotiate on behalf of, **[his]** that employer,
42 except as otherwise prohibited by law.

43 (2) No State officer or employee, nor any person, nor any
44 member of the immediate family of any State officer or employee,
45 or person, nor any partnership, firm or corporation with which any
46 such State officer or employee or person is associated or in which
47 he has an interest, nor any partner, officer, director or employee

1 while he is associated with such partnership, firm, or corporation,
2 shall hold, directly or indirectly, an interest in, or hold employment
3 with, or represent, appear for, or negotiate on behalf of, or derive
4 any remuneration, payment, benefit or any other thing of value for
5 any services, including but not limited to consulting or similar
6 services, from any holder of, or applicant for, a license, permit, or
7 other approval to conduct Internet gaming, or any holding or
8 intermediary company with respect thereto, or any Internet gaming
9 affiliate of any holder of, or applicant for, a casino license, or any
10 holding or intermediary company with respect thereto, or any
11 business, association, enterprise or other entity that is organized, in
12 whole or in part, for the purpose of promoting, advocating for, or
13 advancing the interests of the Internet gaming industry generally or
14 any Internet gaming-related business or businesses in connection
15 with any cause, application, or matter, except as provided in section
16 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that **[(1)]** (a) a
17 State officer or employee other than a State officer or employee
18 included in the definition of person, and **[(2)]** (b) a member of the
19 immediate family of a State officer or employee, or of a person,
20 may hold employment with the holder of, or applicant for, a license,
21 permit, or other approval to conduct Internet gaming, or any
22 holding or intermediary company with respect thereto, or any
23 Internet gaming affiliate of any holder of, or applicant for, a casino
24 license, or any holding or intermediary company with respect
25 thereto if, in the judgment of the State Ethics Commission, the Joint
26 Legislative Committee on Ethical Standards, or the Supreme Court,
27 as appropriate, such employment will not interfere with the
28 responsibilities of the State officer or employee, or person, and will
29 not create a conflict of interest, or reasonable risk of the public
30 perception of a conflict of interest, on the part of the State officer or
31 employee, or person.

32 (3) No State officer or employee, nor any person, nor any
33 member of the immediate family of any State officer or employee,
34 or person, nor any partnership, firm or corporation with which any
35 such State officer or employee or person is associated or in which
36 he has an interest, nor any partner, officer, director or employee
37 while he is associated with such partnership, firm, or corporation,
38 shall hold, directly or indirectly, an interest in, or hold employment
39 with, or represent, appear for, or negotiate on behalf of, any holder
40 of, or applicant for, a license concerning the personal use of
41 cannabis or a permit concerning the medical use of cannabis, issued
42 pursuant to the “New Jersey Cannabis Regulatory and Expungement
43 Aid Modernization Act,” P.L. , c. (C.) (pending before the
44 Legislature as this bill), or the “Jake Honig Compassionate Use
45 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or any
46 holding or intermediary company with respect thereto, or which is
47 an entity that employs or uses a certified cannabis handler to
48 perform work for or on behalf of a licensed cannabis establishment,

1 in connection with any cause, application, or matter, except as
2 provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except
3 that (a) a State officer or employee other than a State officer or
4 employee included in the definition of person, and (b) a member of
5 the immediate family of a State officer or employee, or of a person,
6 may hold employment with the holder of, or applicant for, a
7 personal use cannabis license or medical cannabis permit, or an
8 entity that employs or uses a certified cannabis handler if, in the
9 judgment of the State Ethics Commission, the Joint Legislative
10 Committee on Ethical Standards, or the Supreme Court, as
11 appropriate, such employment will not interfere with the
12 responsibilities of the State officer or employee, or person, and will
13 not create a conflict of interest, or reasonable risk of the public
14 perception of a conflict of interest, on the part of the State officer or
15 employee, or person. No special State officer or employee without
16 responsibility for matters affecting personal use cannabis or medical
17 cannabis activity, excluding those serving in the Departments of
18 Education, Health, and Human Services and the Commission on
19 Higher Education, shall hold, directly or indirectly, an interest in, or
20 represent, appear for, or negotiate on behalf of, any holder of, or
21 applicant for, a personal use cannabis license or medical cannabis
22 permit, or any holding or intermediary company with respect
23 thereto, or an entity that employs or uses a certified cannabis
24 handler in connection with any cause, application, or matter.
25 However, a special State officer or employee without responsibility
26 for matters affecting personal use cannabis or medical cannabis
27 activity may hold employment directly with any holder of or
28 applicant for a personal use cannabis license or medical cannabis
29 permit, or any holding or intermediary company thereof, or an
30 entity that employs or uses a certified cannabis handler, and if so
31 employed may hold, directly or indirectly, an interest in, or
32 represent, appear for, or negotiate on behalf of, that employer,
33 except as otherwise prohibited by law.

34 c. No person or any member of his immediate family, nor any
35 partnership, firm or corporation with which such person is
36 associated or in which he has an interest, nor any partner, officer,
37 director or employee while he is associated with such partnership,
38 firm or corporation, shall, within two years next subsequent to the
39 termination of the office or employment of such person, hold,
40 directly or indirectly, an interest in, or hold employment with, or
41 represent, appear for or negotiate on behalf of, any holder of, or
42 applicant for, a casino license, or any holder of, or applicant for, a
43 license concerning the personal use of cannabis or a permit
44 concerning the medical use of cannabis, issued pursuant to the
45 “New Jersey Cannabis Regulatory and Expungement Aid
46 Modernization Act,” P.L. , c. (C.) (pending before the
47 Legislature as this bill), or the “Jake Honig Compassionate Use
48 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or any

1 holding or intermediary company with respect thereto, or any entity
2 that employs or uses a certified cannabis handler to perform work
3 for or on behalf of a licensed cannabis establishment, in connection
4 with any cause, application or matter, or any holding or
5 intermediary company with respect to such holder of, or applicant
6 for, a casino license, personal use cannabis license, or medical
7 cannabis permit, in connection with any phase of [casino]
8 development, permitting, licensure or any other matter whatsoever
9 related to casino, personal use cannabis, or medical cannabis
10 activity, except as provided in section 3 of P.L.2009, c.26
11 (C.52:13D-17.3), and except that:

12 (1) a member of the immediate family of a person may hold
13 employment with the holder of, or applicant for, a casino license, or
14 the holder of, or applicant for, a license concerning the personal use
15 of cannabis or a permit concerning the medical use of cannabis,
16 issued pursuant to the “New Jersey Cannabis Regulatory and
17 Expungement Aid Modernization Act,” P.L. , c. (C.)
18 (pending before the Legislature as this bill), or the “Jake Honig
19 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
20 (C.24:6I-1 et al.), or any entity that employs or uses a certified
21 cannabis handler if, in the judgment of the State Ethics
22 Commission, the Joint Legislative Committee on Ethical Standards,
23 or the Supreme Court, as appropriate, such employment will not
24 interfere with the responsibilities of the person and will not create a
25 conflict of interest, or reasonable risk of the public perception of a
26 conflict of interest, on the part of the person;

27 (2) (a) an employee who is terminated as a result of a reduction
28 in the workforce at the agency where employed, other than an
29 employee who held a policy-making management position at any
30 time during the five years prior to termination of employment, may,
31 at any time prior to the end of the two-year period, accept
32 employment with the holder of, or applicant for, a casino license,
33 personal use cannabis license, or medical cannabis permit, or with
34 an entity that employs or uses a certified cannabis handler if, in the
35 judgment of the State Ethics Commission, the Joint Legislative
36 Committee on Ethical Standards, or the Supreme Court, as
37 appropriate, such employment will not create a conflict of interest,
38 or reasonable risk of the public perception of a conflict of interest,
39 on the part of the employee. In no case shall the restrictions of this
40 subsection apply to a secretarial or clerical employee.

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

47 (ii) Nothing herein contained shall alter or amend the post-
48 service or post-employment restrictions applicable to members and

- 1 employees of the Cannabis Regulatory Commission pursuant to
2 paragraph (2) of subsection c. of section 11 and section 12 of
3 P.L. , c. (C.) (pending before the Legislature as this bill);
4 and
- 5 (3) any partnership, firm or corporation engaged in the practice
6 of law or in providing any other professional services with which
7 any person included in paragraph (1) of subsection a. of this
8 section, or a member of the immediate family of that person, is
9 associated, and any partner, officer, director or employee thereof,
10 other than that person, or immediate family member, may represent,
11 appear for or negotiate on behalf of any holder of, or applicant for,
12 a casino license, personal use cannabis license, or medical cannabis
13 permit, or any entity that employs or uses a certified cannabis
14 handler in connection with any cause, application or matter or any
15 holding company or intermediary company with respect to such
16 holder of, or applicant for, a casino license, personal use cannabis
17 license, or medical cannabis permit, or entity, in connection with
18 any phase of **【casino】** development, permitting, licensure or any
19 other matter whatsoever related to casino or cannabis or medical
20 marijuana activity, and that person or immediate family member
21 shall not be barred from association with such partnership, firm or
22 corporation, if for a period of two years next subsequent to the
23 termination of the person's office or employment, the person or
24 immediate family member (a) is screened from personal
25 participation in any such representation, appearance or negotiation;
26 and (b) is associated with the partnership, firm or corporation in a
27 position which does not entail any equity interest in the partnership,
28 firm or corporation. The exception provided in this paragraph shall
29 not apply to a former Governor, Lieutenant Governor, Attorney
30 General, member of the Legislature, person included in paragraph
31 (2) of subsection a. of this section, or to the members of their
32 immediate families.
- 33 d. This section shall not apply to the spouse of a State officer
34 or employee, which State officer or employee is without
35 responsibility for matters affecting casino, personal use cannabis, or
36 medical cannabis activity, who becomes the spouse subsequent to
37 the State officer's or employee's appointment or employment as a
38 State officer or employee and who is not individually or directly
39 employed by a holder of, or applicant for, a casino license, personal
40 use cannabis license, or medical cannabis permit, or any entity that
41 employs or uses a certified cannabis handler, or any holding or
42 intermediary company thereof.
- 43 e. The Joint Legislative Committee on Ethical Standards and
44 the State Ethics Commission, as appropriate, shall forthwith
45 determine and publish, and periodically update, a list of those
46 positions in State government with responsibility for matters
47 affecting casino, personal use cannabis, and medical cannabis
48 activity.

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

6 (2) No person shall solicit or accept, directly or indirectly, any
7 complimentary service or discount from any holder of, or applicant
8 for, a license concerning the personal use of cannabis or a permit
9 concerning the medical use of cannabis, issued pursuant to the
10 "New Jersey Cannabis Regulatory and Expungement Aid
11 Modernization Act," P.L. , c. (C.) (pending before the
12 Legislature as this bill), or the "Jake Honig Compassionate Use
13 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), or any
14 entity that employs or uses a certified cannabis handler to perform
15 work for or on behalf of a licensed cannabis establishment, which
16 the person knows or has reason to know is other than a service or
17 discount that is offered to members of the general public in like
18 circumstance.

19 g. No person shall influence, or attempt to influence, by use of
20 his official authority, the decision of the [commission] Casino
21 Control Commission or the investigation of the [division] Division
22 of Gaming Enforcement in any application for casino licensure, or
23 the decision of the Cannabis Regulatory Commission in any
24 application for a personal use cannabis license or medical cannabis
25 permit, or in any proceeding to enforce the provisions of this act or
26 the regulations of [the] either commission. Any such attempt shall
27 be promptly reported to the Attorney General; provided, however,
28 that nothing in this section shall be deemed to proscribe a request
29 for information by any person concerning the status of any
30 application for licensure or permitting, or any proceeding to enforce
31 the provisions of this act or the regulations of [the] either
32 commission.

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

36 In addition, for violations of subsection c. of this section
37 occurring after the effective date of P.L.2005, c.382, a civil penalty
38 of not less than \$500 nor more than \$10,000 shall be imposed upon
39 a former State officer or employee or former special State officer or
40 employee of a State agency in the Executive Branch upon a finding
41 of a violation by the State Ethics Commission, which penalty may
42 be collected in a summary proceeding pursuant to the "Penalty
43 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
44 (cf: P.L.2013, c.27, s.35)

45
46 17. (New section) Regulation of Cannabis.

47 a. The commission shall adopt rules and regulations, pursuant to
48 subsection d. of section 8 of P.L. , c. (C.) (pending before the

1 Legislature as this bill), which shall be consistent with the intent of
2 P.L. , c. (C.) (pending before the Legislature as this bill). The
3 commission may create an expert task force to make recommendations
4 to the commission about the content of such regulations. Such
5 regulations shall include:

6 (1) Procedures for the application, issuance, denial, renewal,
7 suspension, and revocation of a license or conditional license to
8 operate a cannabis establishment. Such procedures shall include a
9 periodic evaluation of whether the number of each class of cannabis
10 establishment is sufficient to meet the market demands of the State, a
11 result of which is the commission's authority to make requests for
12 new applications and issue additional licenses as it deems necessary
13 to meet those demands, except as otherwise provided in section 30
14 of P.L. , c. (C.) (pending before the Legislature as this bill)
15 regarding an initial period during which the number of Class 1
16 Cannabis Grower licenses is capped;

17 (2) Application, licensure, and renewal of licensure fees;

18 (3) Incorporation of the licensing goals for applicants for
19 licensure who are New Jersey residents established in P.L. ,
20 c. (C.) (pending before the Legislature as this bill). The
21 commission shall make good faith efforts to meet these goals.
22 Qualifications for licensure shall be directly and demonstrably
23 related to the operation of a cannabis establishment, provided that
24 the commission shall make licenses available to as diverse a group
25 as reasonably practicable, however no license of any kind shall be
26 issued to a person under the legal age to purchase cannabis items;

27 (4) (a) Incorporation of the licensing measures established
28 by the Office of Minority, Disabled Veterans, and Women Cannabis
29 Business Development pursuant to paragraph (1) of subsection c. of
30 section 9 of P.L. , c. (C.) (pending before the Legislature as
31 this bill) to promote the licensing of persons from socially and
32 economically disadvantaged communities, and minority businesses
33 and women's businesses, as these terms are defined in section 2 of
34 P.L.1986, c.195 (C.52:27H-21.18), and disabled veterans'
35 businesses as defined in section 2 of P.L.2015, c.116 (C.52:32-
36 31.2). The commission shall coordinate with the office with respect
37 to the incorporation of these licensing measures;

38 (b) Procedures, to monitor the incorporated licensing measures
39 established by the Office of Minority, Disabled Veterans, and Women
40 Cannabis Business Development, which shall include a verification, as
41 part of the application process for licensure or license renewal, of a
42 minority, women's, or disabled veterans' business certification
43 provided to that business by the office pursuant to paragraph (1) of
44 subsection b. of section 9 of P.L. , c. (C.) (pending before the
45 Legislature as this bill), or verification of an application for
46 certification under review by the office pursuant to that paragraph,
47 which review is occurring simultaneous to the application for licensure
48 or license renewal;

- 1 (5) Security requirements for cannabis establishments and
2 transportation of cannabis;
- 3 (6) Requirements to prevent the sale or diversion of cannabis
4 items to persons under the legal age to purchase cannabis items,
5 including, but not limited to, requirements that:
- 6 (a) All licensees and licensee representatives, before permitting
7 entrance to a cannabis establishment and selling or serving cannabis
8 items to any person, shall require such person to produce one of the
9 following pieces of identification:
- 10 (i) The person's United States passport;
- 11 (ii) The person's motor vehicle driver's license, whether issued by
12 New Jersey or by any other state, provided the license displays a
13 picture of the person;
- 14 (iii) A New Jersey identification card issued by the New Jersey
15 Motor Vehicle Commission; or
- 16 (iv) Any other identification card issued by a state or the United
17 States that bears a picture of the person, the name of the person, the
18 person's date of birth, and a physical description of the person;
- 19 (b) No cannabis establishment shall employ persons under 18
20 years of age nor shall any cannabis retailer allow persons under the
21 legal age to purchase cannabis items, other than a person employed
22 by the retailer, to enter or remain on the premises of a cannabis
23 retailer unless accompanied by a parent or legal guardian;
- 24 (c) Packaging and branding regulations to prevent marketing of
25 cannabis items and cannabis paraphernalia to people under the legal
26 age to purchase cannabis items;
- 27 (7) Labeling and packaging requirements for cannabis items
28 sold or distributed by a cannabis establishment, including, but not
29 limited to, the affixing of a tracking stamp to containers or
30 packaging as set forth in section 18 of P.L. , c. (C.)
31 (pending before the Legislature as this bill) and requirements that:
- 32 (a) Cannabis items and cannabis paraphernalia are not
33 packaged, branded, or marketed using any statement, illustration, or
34 image that:
- 35 (i) Includes false, deceptive, or misleading statements;
- 36 (ii) Promotes over-consumption;
- 37 (iii) Depicts a child or other person under legal age consuming
38 cannabis items; or
- 39 (iv) Includes objects, such as toys, characters, or cartoon
40 characters suggesting the presence of a person under the legal age to
41 purchase cannabis items, or any other depiction designed in any
42 manner to be especially appealing to persons under the legal age to
43 purchase cannabis items;
- 44 (b) Ensure cannabis items are packaged in opaque, child-
45 resistant special packaging, or if applicable to a particular cannabis
46 item, child resistant special packaging for liquid nicotine containers, in
47 accordance with the "Poison Prevention Packaging Act of 1970," 15
48 U.S.C. s.1471 et seq., and the associated regulations promulgated

1 thereunder, except that these child-resistant packaging requirements
2 shall not apply to any cannabis item obtained from a cannabis retailer
3 or alternative treatment center for immediate, on-premises
4 consumption at that retailer's or center's cannabis consumption area as
5 permitted pursuant to section 82 of P.L. , c. (C.) (pending
6 before the Legislature as this bill);

7 (c) Cannabis items warning labels adequately inform consumers
8 about safe cannabis use and warn of the consequences of misuse or
9 overuse;

10 (d) Labeling rules that mandate clear identification of health and
11 safety information, including, but not limited to:

12 (i) Net weight;

13 (ii) Production date and expiration date;

14 (iii) An ingredient list that includes, but is not limited to, all
15 ingredients used to manufacture the cannabis product and a list of
16 all potential allergens contained within the product;

17 (iv) Strain or type of cannabis, listed by scientific terms, if
18 available, and generic or "slang" names;

19 (v) Whether the product requires refrigeration;

20 (vi) Growth method (whether dirt grown, hydroponic, or
21 otherwise) and an indication whether the cannabis was grown using
22 all-organic materials, and a complete list of any nonorganic
23 pesticides, fungicides and herbicides used during the cultivation of
24 the cannabis;

25 (vii) Serving size, the total number of servings, and a statement
26 regarding the percentage of THC contained in the cannabis product
27 and in each serving. For example: "The serving size of active THC
28 in this product is X mg. This product contains X servings of
29 cannabis, and the total amount of active THC in this product is X
30 mg.";

31 (viii) Warning labels that include the nationwide toll-free
32 telephone number used to access poison control centers that is
33 maintained in accordance with 42 U.S.C. s.300d-71, as well as
34 include, but are not limited to, one or more of the following:

35 -- "This product contains cannabis";

36 -- "This product is infused with cannabis";

37 -- "This product is intended for use by adults 21 years of age or
38 older. Keep out of the reach of children";

39 -- "The intoxicating effects of this product may be delayed by
40 two or more hours";

41 -- "There may be health risks associated with the consumption of
42 this product, including for women who are pregnant, breastfeeding,
43 or planning on becoming pregnant";

44 -- "Do not drive a motor vehicle or operate heavy machinery
45 while using cannabis";

46 (e) Labeling rules that mandate the source of the cannabis items,
47 including, but not limited to, the license number of the cannabis
48 cultivation facility where the cannabis used to produce the cannabis

1 item was grown, the license number of the cannabis product
2 manufacturing facility that produced the cannabis item, and the
3 license number of the cannabis retailer that sold the cannabis item
4 and the production batch and lot numbers of the cannabis items;

5 (8) Health and safety regulations and standards for the
6 manufacture and sale of cannabis products and the cultivation of
7 cannabis, including, but not limited to, requirements that:

8 (a) Establish accreditation and licensure criteria for cannabis
9 testing facilities, which shall include, as a condition for licensure, the
10 maintenance of a labor peace agreement and entrance into, or good
11 faith effort to enter into, a collective bargaining agreement in
12 accordance with subsection c. of section 23 of P.L. , c. (C.)
13 (pending before the Legislature as this bill). The commission shall
14 also incorporate the licensing measures established by the Office of
15 Minority, Disabled Veterans, and Women Cannabis Business
16 Development, and the assessment of their effectiveness, pursuant to
17 paragraph (1) of subsection c. of section 9 of P.L. , c. (C.)
18 (pending before the Legislature as this bill), and apply them to the
19 licensing of cannabis testing facilities in order to promote the
20 licensing of persons from socially and economically disadvantaged
21 communities, and minority businesses and women's businesses, as
22 these terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-
23 21.18), and disabled veterans' businesses as defined in section 2 of
24 P.L.2015, c.116 (C.52:32-31.2);

25 (b) (i) The commission issue licenses for a sufficient number of
26 cannabis testing facilities, if those facilities meet the requirements
27 for licensure, in order to ensure that the testing of representative
28 samples of cannabis items in accordance with the procedures set
29 forth in paragraph (13) of this subsection can be completed in not
30 more than seven days following their submission to any facility.
31 Other factors that may be considered by the commission in
32 determining whether a sufficient number of cannabis testing
33 facilities are currently licensed include the current licensees'
34 experience or expertise in testing highly regulated products,
35 demonstrated testing efficiency and effectiveness, existing research
36 partnerships or capability to form and maintain research
37 partnerships focusing on cannabis items, and any other factors
38 established in regulation by the commission; and

39 (ii) Permits the commission to inspect any licensed cannabis
40 testing facility to determine the condition and calibration of any
41 equipment used for testing, and to ensure that a facility's testing
42 procedures are performed in accordance with the commission's
43 accreditation requirements for licensure;

44 (c) Every licensed cannabis cultivation facility and cannabis
45 product manufacturing facility shall permit representatives of
46 cannabis testing facilities to make scheduled and unscheduled visits
47 to facilities in order to obtain random samples of cannabis items, in
48 a quantity established by the commission, to be transported to

- 1 cannabis testing facilities for inspection and testing to certify
2 compliance with health, safety, and potency standards adopted by
3 the commission;
- 4 (d) Prescribe methods of producing, processing, and packaging
5 cannabis items; conditions of sanitation; safe handling
6 requirements; approved pesticides and pesticide testing
7 requirements, to the extent not inconsistent with approved pesticides
8 and requirements otherwise established under federal and State law;
9 and standards of ingredients, quality, and identity of cannabis items
10 produced, processed, packaged, or sold by cannabis establishments;
- 11 (e) Establish accreditation and licensing criteria for responsible
12 cannabis server and seller training and certification programs for
13 cannabis retailer employees;
- 14 (f) Provide that no licensed cannabis establishment or employee
15 of a cannabis establishment shall consume, or allow to be
16 consumed, any cannabis items on the establishment's premises,
17 except permitted in a cannabis consumption area as set forth in
18 section 82 of P.L. , c. (C.) (pending before the Legislature
19 as this bill);
- 20 (g) Set appropriate dosage, potency, and serving size limits for
21 cannabis and other cannabis items, provided that a standardized
22 serving of cannabis shall be no more than 10 milligrams of active
23 THC and no individual edible retail product unit for sale shall
24 contain more than 100 milligrams of active THC;
- 25 (h) Require that each single standardized serving of cannabis in
26 a multiple-serving edible cannabis product is physically demarked
27 in a way that enables a reasonable person to determine how much of
28 the product constitutes a single serving of active THC, and that each
29 standardized serving of cannabis shall be easily separable to allow
30 an average person 21 years of age or older to physically separate,
31 with minimal effort, individual servings of the product;
- 32 (i) Require that, if it is impracticable to clearly demark every
33 standardized serving of cannabis or to make each standardized
34 serving easily separable in an edible cannabis product, the product
35 shall contain no more than 10 milligrams of active THC per unit of
36 sale;
- 37 (j) Establish screening, hiring, training, and supervising
38 requirements for retail store employees and others who manufacture
39 or handle cannabis items;
- 40 (k) Promote general sanitary requirements for the handling,
41 storage, and disposal of cannabis items, and the maintenance of
42 cannabis establishments;
- 43 (l) Provide for rigorous auditing, inspection, and monitoring of
44 cannabis establishments for compliance with health and safety rules
45 and regulations;
- 46 (m) Require the implementation of security requirements for
47 retail outlets and premises where cannabis items are produced or

- 1 processed, and safety protocols for cannabis establishments and
2 their employees;
- 3 (n) Prescribe reasonable restrictions on the manner, methods,
4 and means by which licensees shall transport cannabis items within
5 the State; and
- 6 (o) Establish procedures for identification, seizure, confiscation,
7 destruction, or donation to law enforcement for training purposes of
8 all cannabis or cannabis products produced, processed, sold, or
9 offered for sale within this State which do not conform in all
10 respects to the standards prescribed by P.L. , c. (C.)
11 (pending before the Legislature as this bill);
- 12 (9) Restrictions on the advertising and display of cannabis items
13 and cannabis paraphernalia, including, but not limited to,
14 requirements that:
- 15 (a) Restrict advertising of cannabis items and cannabis
16 paraphernalia in ways that target or are designed to appeal to
17 individuals under the legal age to purchase cannabis items,
18 including, but not limited to depictions of a person under 21 years
19 of age consuming cannabis, or, includes objects, such as toys,
20 characters, or cartoon characters suggesting the presence of a
21 person under 21 years of age, or any other depiction designed in any
22 manner to be especially appealing to a person under 21 years of
23 age;
- 24 (b) Prohibit advertising of any cannabis items or cannabis
25 paraphernalia on television, or on radio between the hours of
26 6:00am and 10:00pm;
- 27 (c) Prohibit engaging in advertising unless the advertiser has
28 reliable evidence that at least 71.6 percent of the audience for the
29 advertisement is reasonably expected to be 21 years of age or older;
- 30 (d) Prohibit engaging in advertising or marketing directed
31 towards location-based devices, including but not limited to cellular
32 phones, unless the marketing is a mobile device application
33 installed on the device by the owner of the device who is 21 years
34 of age or older and includes a permanent and easy opt-out feature
35 and warnings that the use of cannabis items is restricted to persons
36 21 years of age or older;
- 37 (e) Prohibit the sponsoring of a charitable, sports, musical,
38 artistic, cultural, social, or other similar event or advertising at or in
39 connection with such an event unless the sponsor or advertiser has
40 reliable evidence that no more than 20 percent of the audience at the
41 event is reasonably expected to be under the legal age to purchase
42 cannabis items;
- 43 (f) Require all advertisements to contain the following warning:
44 “This product contains cannabis. For use only by adults 21 years of
45 age or older. Keep out of the reach of children.”;
- 46 (g) Prohibit the advertising of cannabis items or cannabis
47 paraphernalia in any form or through any medium whatsoever
48 within 200 feet of an elementary or secondary school grounds.

1 For the purposes of this section, a noncommercial message shall
2 not be considered an advertisement. This section also shall not
3 apply to advertisements within the premises of a cannabis retailer.

4 (10) A requirement that only cannabis items and cannabis
5 paraphernalia are available for sale at a cannabis establishment;

6 (11) Procedures for the commission to conduct announced and
7 unannounced visits to cannabis establishments to make, or cause to
8 be made, such investigations as it shall deem proper in the
9 administration of P.L. , c. (C.) (pending before the
10 Legislature as this bill) and any other laws which may hereafter be
11 enacted concerning cannabis, or the manufacture, distribution or
12 sale thereof, including the inspection and search of premises for
13 which the license is sought or has been issued, of any building
14 containing the same, of licensed buildings, examination of the
15 books, records, accounts, documents and papers of the licensees or
16 on the licensed premises;

17 (a) The commission and the Director of the Division of
18 Taxation shall be authorized, after adequate notice to the owner or
19 the agent of the owner, to make an examination of the books and
20 may at any time make an examination of the premises of any person
21 licensed under P.L. , c. (C.) (pending before the Legislature
22 as this bill) for the purpose of determining compliance with P.L. ,
23 c. (C.) (pending before the Legislature as this bill) and the
24 rules of the commission. The commission shall not require the
25 books of any licensee to be maintained on the premises of the
26 licensee;

27 (b) The commission and the Director of the Division of
28 Taxation may, at any time, examine the books and records of any
29 cannabis licensee, require compliance with P.L. , c. (C.)
30 (pending before the Legislature as this bill), and may appoint
31 auditors, investigators and other employees that the commission or
32 the Director of the Division of Taxation considers necessary to
33 enforce its powers and perform its duties;

34 (c) During any inspection of a licensed premises, the
35 commission may require proof that a person performing work at the
36 premises is 18 years of age or older. If the person does not provide
37 the commission with acceptable proof of age upon request, the
38 commission may require the person to immediately cease any
39 activity and leave the premises until the commission receives
40 acceptable proof of age; and

41 (d) The commission shall not be required to obtain a search
42 warrant to conduct an investigation or search of licensed premises;

43 (12) Record keeping requirements, including, but not limited to,
44 the following:

45 (a) The obligation of every cannabis grower to keep a complete
46 and accurate record of all sales of cannabis flowers, cannabis
47 leaves, and immature cannabis plants, and a complete and accurate
48 record of the number of cannabis flowers produced, the number of

1 ounces of cannabis leaves produced, the number of immature
2 cannabis plants produced, and the dates of production; and the
3 obligation of every cannabis establishment to keep a complete and
4 accurate record of all sales of cannabis, and a complete and accurate
5 record of the number of ounces of cannabis items sold;

6 (b) Such records shall be kept and maintained for four years and
7 the records shall be in such form and contain such other information
8 as the commission may require; and

9 (c) The commission or the Director of the Division of Taxation
10 may at any time, with adequate notice, examine the books and
11 records of any cannabis establishment, and may appoint auditors,
12 investigators, and other employees that the commission considers
13 necessary to enforce its powers and duties as described in P.L. ,
14 c. (C.) (pending before the Legislature as this bill);

15 (13) Procedures for inspecting samples of cannabis items,
16 including:

17 (a) On a schedule determined by the commission, every licensed
18 cannabis grower and processor shall submit representative samples
19 of cannabis, useable cannabis, or cannabis-infused products
20 produced or processed by the licensee to an independent, third-party
21 licensed testing facility meeting the accreditation requirements
22 established by the commission, for inspection and testing to certify
23 compliance with standards adopted by the commission. Any sample
24 remaining after testing shall be destroyed by the facility or returned
25 to the licensee, unless that sample does not meet the applicable
26 standards adopted by the commission, in which case it may be retained
27 for purposes of retesting upon request of a licensee in accordance with
28 subparagraph (c) of this paragraph;

29 (b) Licensees shall submit the results of this inspection and
30 testing to the commission on a form developed by the commission;
31 and

32 (c) If a representative sample inspected and tested under this
33 section does not meet the applicable standards adopted by the
34 commission, the representative sample may, upon notice to the
35 commission, be retested at the request of a licensee in a manner
36 prescribed by the commission, and in addition to a retest, or as an
37 alternative thereto, the licensee may also be permitted an
38 opportunity to remediate, upon notice to the commission, the lot
39 from which the failed representative sample was taken, which lot
40 shall be subject to a subsequent test of a new representative sample
41 in a manner prescribed by the commission. Any request for a retest
42 of a representative sample, and any retest and reporting of results,
43 as well as any lot remediation process undertaken and subsequent
44 testing of that lot, shall be completed within a time period
45 established by the commission. The commission shall also provide
46 a process by which representative samples and lots that failed
47 retesting or remediation, as applicable, shall be destroyed;

48 (14) Establishing the number of cannabis retailers:

1 (a) Assuming there are sufficient qualified applicants for
2 licensure, the commission shall, subject to annual review, issue a
3 sufficient number of Class 4 Retailer licenses to meet the market
4 demands of the State, giving regard to geographical and population
5 distribution throughout the State; and

6 (b) the provision of adequate access to licensed sources of
7 useable cannabis and cannabis products to discourage purchases
8 from the illegal market; and

9 (15) Civil penalties for the failure to comply with regulations
10 adopted pursuant to this section.

11 b. In order to ensure that individual privacy is protected, the
12 commission shall not require a consumer to provide a cannabis retailer
13 with personal information other than government-issued identification
14 to determine the consumer's age, and a cannabis retailer shall not
15 collect and retain any personal information about consumers other than
16 information typically acquired in a financial transaction conducted by
17 the holder of a Class C retail license concerning alcoholic beverages as
18 set forth in R.S.33:1-12.

19 c. (1) Once regulations are adopted by the commission
20 pursuant to subsection a. of this section, but prior to the
21 commencement of the application process, the commission shall
22 conduct a series of information sessions in every county in New
23 Jersey to educate residents of New Jersey about the responsibilities,
24 opportunities, requirements, obligations, and processes for
25 application for a license to operate a cannabis establishment. The
26 commission shall conduct an appropriate number of information
27 sessions in each county considering the population of each county,
28 but no fewer than one information session. in each county. The
29 commission shall publicize the day, time, location, and agenda of
30 each information session broadly through television, radio, Internet,
31 print, and local agencies.

32 (2) With respect to any authority provided in this section to the
33 Director of the Division of Taxation, notwithstanding the provisions
34 of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
35 1 et seq.), to the contrary, the director may immediately upon filing
36 proper notice with the Office of Administrative Law, adopt rules
37 and regulations deemed necessary by the director concerning the
38 director's authority. These rules and regulations shall be effective
39 for a period not to exceed 180 days following the date determined
40 by the commission pursuant to paragraph (2) of subsection d. of
41 section 8 of P.L. , c. (C.) (pending before the Legislature as
42 this bill) to be the first date on which cannabis retailers issued
43 licenses or conditional licenses may begin retail sales of personal
44 use cannabis items, or the first date that any alternative treatment
45 center issued a cannabis retailer license pursuant to paragraph (3) of
46 subsection a. of section 30 of P.L. , c. (C.) (pending before
47 the Legislature as this bill) engages in retail sales of personal use
48 cannabis items, whichever date is earlier, and shall thereafter be

1 adopted, amended, or readopted, and any subsequent rules and
2 regulations adopted, amended, or readopted, by the director in
3 accordance with the “Administrative Procedure Act,” P.L.1968,
4 c.410 (C.52:14B-1 et seq.).

5 d. The commission shall:

6 (1) Examine available research, and may conduct or commission
7 new research or convene an expert task force, to investigate the
8 influence of cannabis and marijuana on the ability of a person to
9 drive a vehicle, on methods for determining whether a person is under
10 the influence of cannabis or marijuana, and on the concentration of
11 delta-9 tetrahydrocannabinol in a person's blood, in each case taking
12 into account all relevant factors; and

13 (2) Report, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
14 19.1), the results of the research to the Legislature and make
15 recommendations to the Legislature regarding legislation or other
16 legislative action as the commission deems necessary.

17
18 18. (New section) Tracking System.

19 a. (1) The commission shall develop and maintain a system for
20 tracking the production of cannabis, the processing of cannabis items,
21 the transfer of cannabis items between licensed premises, and the
22 retail sale of cannabis items, utilizing a means of electronic identity
23 verification, to persons 21 years of age or older.

24 (2) The tracking system shall, among other features as determined
25 by the commission, utilize a stamp affixed to a container or package
26 for a cannabis item to assist in the collection of the information
27 required to be tracked pursuant to subsection c. of this section.

28 (a) The commission, in consultation with the Director of the
29 Division of Taxation, shall secure stamps based on the designs,
30 specifications, and denominations prescribed by the commission in
31 regulation, and which incorporate encryption, security, and
32 counterfeit-resistant features to prevent the unauthorized duplication or
33 counterfeiting of any stamp. The stamp shall be readable by a scanner
34 or similar device that may be used by the commission, the Director of
35 the Division of Taxation, and any licensed cannabis establishment.

36 (b) The commission, and the Director of the Division of Taxation if
37 authorized by the commission, shall make stamps available for
38 purchase by a licensed cannabis establishment, and only a licensed
39 establishment shall affix a stamp to a container or package for a
40 cannabis item in accordance with applicable regulations promulgated
41 by the commission in consultation with the Director of the Division of
42 Taxation.

43 (c) A cannabis establishment shall not purchase, sell, offer for sale,
44 or transport any cannabis item unless a stamp is properly affixed to the
45 container or package for that item.

46 b. The purposes of the system developed and maintained under
47 this section include, but are not limited to:

1 (1) Preventing the diversion of cannabis items to criminal
2 enterprises, gangs, cartels, minors, and other states;

3 (2) Preventing persons from substituting or tampering with
4 cannabis items;

5 (3) Ensuring an accurate accounting of the production,
6 processing, and sale of cannabis items;

7 (4) Assisting the Director of the Division of Taxation with the
8 collection of taxes for the purpose of being distributed as described
9 in subsection g. of section 19 of P.L. , c. (C.) (pending
10 before the Legislature as this bill);

11 (5) Ensuring that the testing results by licensed cannabis testing
12 facilities are accurately reported; and

13 (6) Ensuring compliance with the rules and regulations adopted
14 under the provisions of P.L. , c. (C.) (pending before the
15 Legislature as this bill), and any other law of this State that charges
16 the commission with a duty, function, or power related to cannabis.

17 c. The system developed and maintained under this section
18 shall be capable of tracking, at a minimum:

19 (1) The propagation of immature cannabis plants and the
20 production of cannabis by a cannabis grower;

21 (2) The processing of cannabis by a cannabis processor;

22 (3) The receiving, storing, and delivering of cannabis items by a
23 cannabis wholesaler;

24 (4) The sale of cannabis items by a cannabis retailer to a
25 consumer;

26 (5) The purchase and sale of cannabis items between licensees;

27 (6) The transfer of cannabis items between licensed premises;

28 (7) The delivery of cannabis items; and

29 (8) Any other information that the commission determines is
30 reasonably necessary to accomplish the duties, functions, and
31 powers of the commission.

32
33 19. (New section) Taxation; Business Treatment.

34 a. There is imposed an excise tax on the sale or transfer of
35 cannabis by a cannabis grower to any other cannabis establishment
36 as follows: (1) any part of the bud and flower shall be taxed at \$42
37 an ounce; and (2) the remainder of the plant shall be taxed at a rate
38 to be determined by the commission, which shall not exceed \$42 an
39 ounce. Any fractional portion of an ounce sold or transferred shall be
40 taxed proportionately. The sales of cannabis by a cannabis grower
41 for which the excise tax is imposed shall be exempt from the tax
42 imposed under the "Sales and Use Tax Act," P.L.1966, c.30
43 (C.54:32B-1 et seq.).

44 b. (1) The commission shall regularly review the tax imposed
45 under this section and make recommendations to the Legislature as
46 appropriate regarding adjustments that would further the goals of:
47 supporting the development, expansion, regulation, and
48 enforcement of activities in the legal personal use cannabis

1 marketplace; undercutting illegal marijuana and hashish market prices;
2 discouraging use, particularly by those under 21 years of age; and
3 maximizing the use of taxation revenue.

4 (2) Additionally, in the first biannual report prepared by the
5 commission pursuant to paragraph (1) of subsection e. of section 8 of
6 P.L. , c. (C.) (pending before the Legislature as this bill) that
7 next follows the third anniversary of the date determined by the
8 commission pursuant to paragraph (2) of subsection d. of that section
9 to be the first date on which retail sales of personal use cannabis items
10 may occur, the commission shall present an evaluation of the tax based
11 upon the goals set forth in paragraph (1) of this subsection and include
12 a recommendation as to whether the tax amount should remain the
13 same or be reduced to a lower amount, and if the recommendation is
14 for a reduction, what lower amount would be appropriate in order to
15 continue or enhance the goals set forth in paragraph (1) of this
16 subsection.

17 c. (1) The tax imposed pursuant to this section shall be
18 collected from the cannabis establishment purchasing the cannabis
19 or paid by the cannabis grower, and remitted to the Director of the
20 Division of Taxation. The tax shall be stated, charged, and shown
21 separately on any sales slip, invoice, receipt, or other statement or
22 memorandum of the price paid or payable for the bud and flower of
23 the cannabis, or the remainder of the cannabis plant, or both, as
24 applicable.

25 (2) Every cannabis grower required to collect or pay the tax
26 imposed by this section shall be personally liable for the tax
27 imposed, collected, or required to be collected or paid under this
28 section. Any cannabis grower shall have the same right with
29 respect to collecting the tax from the cannabis establishment
30 purchasing the cannabis, or with respect to non-payment of the tax
31 by the cannabis establishment, as if the tax were a part of the
32 purchase price of the cannabis, and payable at the same time;
33 provided, however, that the director shall be joined as a party in any
34 action or proceeding brought to collect the tax.

35 d. The tax shall be reported and paid to the director on a
36 monthly basis, in a manner prescribed by the director.

37 e. Except as otherwise provided in the “New Jersey Cannabis
38 Regulatory and Expungement Aid Modernization Act,” P.L. ,
39 c. (C.) (pending before the Legislature as this bill), the tax
40 imposed pursuant to this section shall be governed by the provisions
41 of the “State Uniform Tax Procedure Law,” R.S.54:48-1 et seq.

42 f. The excise tax imposed under this section shall not apply to
43 sales or transfers of cannabis by a cannabis grower to a licensed
44 medical cannabis alternative treatment center for use as medical
45 cannabis dispensed pursuant to the “Jake Honig Compassionate Use
46 Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) or
47 P.L.2015, c.158 (C.18A:40-12.22 et al.).

1 g. The tax revenue collected pursuant to this section shall be
2 deposited by the Director of the Office of Management and Budget
3 into the “Cannabis Regulatory and Expungement Aid Modernization
4 Fund” established pursuant to section 81 of P.L. , c. (C.)
5 (pending before the Legislature as this bill), and shall be used to fund
6 the commission’s operations and for other purposes as set forth in
7 that section.

8 h. With respect to the business treatment of cannabis
9 establishments:

10 (1) In no case shall a cannabis grower operate or be located on
11 land that is valued, assessed or taxed as an agricultural or
12 horticultural use pursuant to the "Farmland Assessment Act of
13 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

14 (2) As used in this paragraph, “economic incentive” includes,
15 but is not limited to, operating as a certified seller in a designated
16 enterprise zone established pursuant to the "New Jersey Urban
17 Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et al.), or a
18 UEZ-impacted business district established pursuant to P.L.2001,
19 c.347 (C.52:27H-66.2 et al.).

20 (a) (i) A person or entity issued a license to operate as a
21 cannabis grower, cannabis processor, cannabis wholesaler, or cannabis
22 retailer shall not be eligible for a State or local economic incentive.

23 (ii) The issuance of a license to operate as a cannabis grower,
24 cannabis processor, cannabis wholesaler, or cannabis retailer to a
25 person or entity that has been awarded a State or local economic
26 incentive shall invalidate the right of the person or entity to benefit
27 from the economic incentive as of the date of issuance of the
28 license.

29 (b) (i) A property owner, developer, or operator of a project to
30 be used, in whole or in part, as a cannabis grower, cannabis
31 processor, cannabis wholesaler, or cannabis retailer shall not be
32 eligible for a State or local economic incentive during the period of
33 time that the economic incentive is in effect.

34 (ii) The issuance of a license to operate as a cannabis grower,
35 cannabis processor, cannabis wholesaler, or cannabis retailer at a
36 location that is the subject of a State or local economic incentive
37 shall invalidate the right of a property owner, developer, or operator
38 to benefit from the economic incentive as of the date of issuance of
39 the license.

40 i. With respect to any authority provided in this section to the
41 Director of the Division of Taxation, notwithstanding the provisions
42 of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-
43 1 et seq.), to the contrary, the director may immediately upon filing
44 proper notice with the Office of Administrative Law, adopt rules
45 and regulations deemed necessary by the director concerning the
46 director’s authority. These rules and regulations shall be effective
47 for a period not to exceed 180 days following the date determined
48 by the commission pursuant to paragraph (2) of subsection d. of

1 section 8 of P.L. , c. (C.) (pending before the Legislature as
2 this bill) to be the first date on which cannabis retailers issued
3 licenses or conditional licenses may begin retail sales of personal
4 use cannabis items, or the first date that any alternative treatment
5 center issued a cannabis retailer license pursuant to paragraph (3) of
6 subsection a. of section 30 of P.L. , c. (C.) (pending before
7 the Legislature as this bill) engages in retail sales of personal use
8 cannabis items, whichever date is earlier, and shall thereafter be
9 adopted, amended, or readopted, and any subsequent rules and
10 regulations adopted, amended, or readopted, by the director in
11 accordance with the “Administrative Procedure Act,” P.L.1968,
12 c.410 (C.52:14B-1 et seq.).

13 j. As used in this section:

14 “Cannabis” means the same as that term is defined in section 3 of
15 P.L. , c. (C.) (pending before the Legislature as this bill).

16 “Cannabis establishment” means the same as that term is defined in
17 section 3 of P.L. , c. (C.) (pending before the Legislature as
18 this bill).

19 “Cannabis grower” means the same as that term is defined in
20 section 3 of P.L. , c. (C.) (pending before the Legislature as
21 this bill).

22 “Cannabis items” means the same as that term is defined in section
23 3 of P.L. , c. (C.) (pending before the Legislature as this bill).

24 “Cannabis processor” means the same as that term is defined in
25 section 3 of P.L. , c. (C.) (pending before the Legislature as
26 this bill).

27 “Cannabis retailer” means the same as that term is defined in
28 section 3 of P.L. , c. (C.) (pending before the Legislature as
29 this bill).

30 “Cannabis wholesaler” means the same as that term is defined in
31 section 3 of P.L. , c. (C.) (pending before the Legislature as
32 this bill).

33 “Director” means the Director of the Division of Taxation in the
34 Department of the Treasury.

35

36 20. (New section) a. The receipts from the retail sale of cannabis
37 items by a cannabis retailer, as those terms are defined in section 3 of
38 P.L. , c. (C.) (pending before the Legislature as this bill), in
39 accordance with the “New Jersey Cannabis Regulatory and
40 Expungement Aid Modernization Act,” P.L. , c. (C.) (pending
41 before the Legislature as this bill) shall be exempt from the tax
42 imposed under the “Sales and Use Tax Act,” P.L.1966, c.30
43 (C.54:32B-1 et seq.).

44 b. The Director of the Division of Taxation, notwithstanding the
45 provisions of the “Administrative Procedure Act,” P.L.1968, c.410
46 (C.52:14B-1 et seq.), to the contrary, may immediately upon filing
47 proper notice with the Office of Administrative Law, adopt rules
48 and regulations deemed necessary by the director to carry out the

provisions of this section. These rules and regulations shall be effective for a period not to exceed 180 days following the date determined by the commission pursuant to paragraph (2) of subsection d. of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill) to be the first date on which cannabis retailers issued licenses or conditional licenses may begin retail sales of personal use cannabis items, or the first date that any alternative treatment center issued a cannabis retailer license pursuant to paragraph (3) of subsection a. of section 30 of P.L. , c. (C.) (pending before the Legislature as this bill) engages in retail sales of personal use cannabis items, whichever date is earlier, and shall thereafter be adopted, amended, or readopted, and any subsequent rules and regulations adopted, amended, or readopted, by the director in accordance with the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.).

21. (New section) Local Cannabis Taxation; Local Cannabis Transfer Tax and User Tax.

a. (1) A municipality may adopt an ordinance imposing a transfer tax on the sale of cannabis items by a cannabis establishment that is located in the municipality. At the discretion of the local governmental entity, the tax may be imposed on: receipts from the sale of cannabis items from one cannabis establishment to another cannabis establishment; receipts from the retail sales by a cannabis retailer to retail customers who are 21 years of age or older; or any combination thereof. Each municipality shall set its own rate or rates, but in no case shall a rate exceed: two percent of the receipts from each sale by a cannabis grower; two percent of the receipts from each sale by a cannabis processor; one percent of the receipts from each sale by a cannabis wholesaler; and three percent of the receipts from each sale by a cannabis retailer.

(2) A local tax ordinance adopted pursuant to paragraph (1) of this subsection shall also include provisions for imposing a user tax, at the equivalent transfer tax rates, on any concurrent license holder, as permitted by section 30 of P.L. , c. (C.) (pending before the Legislature as this bill), operating more than one cannabis establishment. The user tax shall be imposed on the value of each transfer or use of cannabis items not otherwise subject to the transfer tax imposed pursuant to paragraph (1) of this subsection, from the license holder’s establishment that is located in the municipality to any of the other license holder’s establishments, whether located in the municipality or another municipality.

b. (1) A transfer tax or user tax imposed pursuant this section shall be in addition to any other tax imposed by law. Any transaction for which the transfer tax or user tax is imposed, or could be imposed, pursuant to this section shall be exempt from the tax imposed under the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.). The transfer tax or user tax shall be collected

1 or paid, and remitted to the municipality by the cannabis establishment
2 from the cannabis establishment purchasing or receiving the
3 cannabis item, or from the customer at the point of sale, on behalf
4 of the municipality by the cannabis establishment selling or
5 transferring the cannabis item. The transfer tax or user tax shall be
6 stated, charged, and shown separately on any sales slip, invoice,
7 receipt, or other statement or memorandum of the price paid or
8 payable for the cannabis item.

9 (2) Every cannabis establishment required to collect a transfer
10 tax or user tax imposed by ordinance pursuant to this section shall
11 be personally liable for the transfer tax or user tax imposed,
12 collected, or required to be collected under this section. Any
13 cannabis establishment shall have the same right with respect to
14 collecting the transfer tax or user tax from another cannabis
15 establishment or the customer as if the transfer tax or user tax was a
16 part of the sale and payable at the same time, or with respect to non-
17 payment of the transfer tax or user tax by the cannabis
18 establishment or customer, as if the transfer tax or user tax was a
19 part of the purchase price of the cannabis item, and payable at the
20 same time; provided, however, that the chief fiscal officer of the
21 municipality which imposes the transfer tax or user tax shall be
22 joined as a party in any action or proceeding brought to collect the
23 transfer tax or user tax.

24 (3) No cannabis establishment required to collect a transfer tax or
25 user tax imposed by ordinance pursuant to this section shall advertise
26 or hold out to any person or to the public in general, in any manner,
27 directly or indirectly, that the transfer tax or user tax will not be
28 separately charged and stated to another cannabis establishment or the
29 customer or that the transfer tax or user tax will be refunded to the
30 cannabis establishment or the customer.

31 c. (1) All revenues collected from a transfer tax or user tax
32 imposed by ordinance pursuant to this section shall be remitted to
33 the chief financial officer of the municipality in a manner
34 prescribed by the local governmental entity. The chief financial
35 officer shall collect and administer any transfer tax or user tax
36 imposed by ordinance pursuant to this section. The municipality
37 shall enforce the payment of delinquent taxes or transfer fees
38 imposed by ordinance pursuant to this section in the same manner
39 as provided for municipal real property taxes.

40 (2) (a) In the event that the transfer tax or user tax imposed by
41 ordinance pursuant to this section is not paid as and when due by a
42 cannabis establishment, the unpaid balance, and any interest
43 accruing thereon, shall be a lien on the parcel of real property
44 comprising the cannabis establishment in the same manner as all
45 other unpaid municipal taxes, fees, or other charges. The lien shall
46 be superior and paramount to the interest in the parcel of any
47 owner, lessee, tenant, mortgagee, or other person, except the lien of
48 municipal taxes, and shall be on a parity with and deemed equal to

1 the municipal lien on the parcel for unpaid property taxes due and
2 owing in the same year.

3 (b) A municipality shall file in the office of its tax collector a
4 statement showing the amount and due date of the unpaid balance
5 and identifying the lot and block number of the parcel of real
6 property that comprises the delinquent cannabis establishment. The
7 lien shall be enforced as a municipal lien in the same manner as all
8 other municipal liens are enforced.

9 d. No transfer tax or user tax imposed by ordinance pursuant to
10 this section shall be levied upon medical cannabis dispensed
11 pursuant to the “Jake Honig Compassionate Use Medical Cannabis
12 Act,” P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158
13 (C.18A:40-12.22 et al.).

14 e. As used in this section:

15 “Cannabis establishment” means the same as that term is defined
16 in section 3 of P.L. , c. (C.) (pending before the Legislature
17 as this bill).

18 “Cannabis grower” means the same as that term is defined in
19 section 3 of P.L. , c. (C.) (pending before the Legislature as this
20 bill).

21 “Cannabis items” means the same as that term is defined in
22 section 3 of P.L. , c. (C.) (pending before the Legislature
23 as this bill).

24 “Cannabis processor” means the same as that term is defined in
25 section 3 of P.L. , c. (C.) (pending before the Legislature as this
26 bill).

27 “Cannabis retailer” means the same as that term is defined in
28 section 3 of P.L. , c. (C.) (pending before the Legislature
29 as this bill).

30 “Cannabis wholesaler” means the same as that term is defined in
31 section 3 of P.L. , c. (C.) (pending before the Legislature as this
32 bill).

33 “Director” means the Director of the Division of Taxation in the
34 Department of the Treasury.

35

36 22. (New section) Local Governmental Entity Regulations or
37 Ordinances.

38 a. A local governmental entity may enact ordinances or
39 regulations, not in conflict with the provisions of P.L. , c. (C.)
40 (pending before the Legislature as this bill):

41 (1) governing the time, location, manner, and number of
42 cannabis establishments; and

43 (2) establishing civil penalties for violation of an ordinance or
44 regulation governing the time, location, and manner of a cannabis
45 establishment that may operate in such local governmental entity.

46 b. A local governmental entity may prohibit the operation of
47 any one or more classes of cannabis establishment within the
48 jurisdiction of the local governmental entity through the enactment

1 of an ordinance, and this prohibiting ordinance shall apply throughout
2 the local governmental entity, even if that local governmental entity or
3 parts thereof fall within any district, area, or other geographical
4 jurisdiction for which land use planning, site planning, zoning
5 requirements or other development authority is exercised by an
6 independent State authority, commission, instrumentality, or agency
7 pursuant to the enabling legislation that governs its duties, functions,
8 and powers, even if this development authority is expressly stated or
9 interpreted to be exclusive thereunder; the local prohibiting ordinance
10 applies, notwithstanding the provisions of any independent State
11 authority law to the contrary. Only an ordinance to prohibit one or
12 more classes of cannabis establishment enacted pursuant to the
13 specific authority to do so by this section shall be valid and
14 enforceable; any ordinance enacted by a local governmental entity
15 prior to the effective date of this section addressing the issue of
16 prohibiting one or more types of cannabis-related activities within
17 the jurisdiction of the local governmental entity is null and void,
18 and that entity may only prohibit the operation of one or more
19 classes of cannabis establishment by enactment of a new ordinance
20 based upon the specific authority to do so by this section. The
21 failure of a local governmental entity to enact an ordinance
22 prohibiting the operation of one or more classes of cannabis
23 establishment within 180 days after the effective date of
24 P.L. , c. (C.) (pending before the Legislature as this bill),
25 shall result in any class of cannabis establishment that is not
26 prohibited from operating within the local governmental entity as
27 being permitted to operate therein as follows: the growing,
28 cultivating, processing, and selling and reselling of cannabis and
29 cannabis items by a cannabis grower, cannabis processor, or
30 cannabis wholesaler shall be permitted uses in all industrial zones
31 of the local governmental entity; and the selling of cannabis items
32 to consumers from a retail store by a cannabis retailer shall be a
33 conditional use in all commercial zones or retail zones, subject to
34 meeting the conditions set forth in any applicable zoning ordinance
35 or receiving a variance from one or more of those conditions in
36 accordance with the “Municipal Land Use Law,” P.L.1975, c.291
37 (C.40:55D-1 et seq.). At the end of a five-year period following the
38 initial failure of a local governmental entity to enact an ordinance
39 prohibiting the operation of one or more classes of cannabis
40 establishment, and every five-year period thereafter following a
41 failure to enact a prohibiting ordinance, the local governmental
42 entity shall again be permitted to prohibit the future operation of
43 any one or more classes of cannabis establishment through the
44 enactment of an ordinance, but this ordinance shall be prospective
45 only and not apply to any cannabis establishment operating in the
46 local governmental entity prior to the enactment of the ordinance.

47 c. (1) When the commission receives an application for initial
48 licensing or renewal of an existing license for any cannabis

1 establishment pursuant to section 23 of P.L. , c. (C.)
2 (pending before the Legislature as this bill), or endorsement for a
3 cannabis consumption area pursuant to section 82 of P.L. ,
4 c. (C.) (pending before the Legislature as this bill), the
5 commission shall provide, within seven days, a copy of the
6 application to the local governmental entity in which the
7 establishment or consumption area is to be located, unless the local
8 governmental entity has prohibited the operation of the particular
9 class of cannabis establishment for which licensure is sought, or in
10 the case of an application seeking a consumption area endorsement,
11 prohibited the operation of cannabis retailers. The local jurisdiction
12 shall determine whether the application complies with local
13 restrictions on time, location, manner, and the number of cannabis
14 businesses. The local jurisdiction shall inform the commission
15 whether the application complies with local restrictions on time,
16 location, manner, and the number of cannabis businesses.

17 (2) A local governmental entity may impose a separate local
18 licensing or endorsement requirement as a part of its restrictions on
19 time, location, manner, and the number of cannabis businesses. A
20 local governmental entity may decline to impose any local licensing
21 or endorsement requirements, but a local jurisdiction shall notify
22 the commission that it either approves or denies each application
23 forwarded to it.

24
25 23. (New section) Application For License or Conditional
26 License.

27 a. Each application for an annual license to operate a cannabis
28 establishment, or conditional license for a proposed cannabis
29 establishment, shall be submitted to the commission. A separate
30 license or conditional license shall be required for each location at
31 which a cannabis establishment seeks to operate. Renewal
32 applications for another annual license may be filed up to 90 days
33 prior to the expiration of the establishment's license. A conditional
34 license shall not be renewed, but replaced with an annual license
35 upon the commission's determination of qualification for the annual
36 license, or otherwise expire, as set forth in paragraph (2) of
37 subsection b. of this section.

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

40 (a) begin accepting and processing applications within 30 days
41 after the commission's initial rules and regulations have been
42 adopted pursuant to subparagraph (a) of paragraph (1) of subsection
43 d. of section 8 of P.L. , c. (C.) (pending before the Legislature
44 as this bill);

45 (b) forward, within seven days of receipt, a copy of each
46 application to the local governmental entity in which the applicant
47 desires to operate the cannabis establishment; and

1 (c) verify the information contained in the application and
2 review the qualifications for the applicable license class, set forth in
3 section 24, 26, 27, or 28 of P.L. , c. (C.) (pending before
4 the Legislature as this bill), and regulations concerning
5 qualifications for licensure promulgated by the commission for
6 which the applicant seeks licensure, and not more than 90 days after
7 the receipt of an application, make a determination as to whether
8 the application is approved or denied, or that the commission
9 requires more time to adequately review the application.

10 The commission shall deny a license application to any applicant
11 who fails to provide information, documentation and assurances as
12 required by P.L. , c. (C.) (pending before the Legislature as
13 this bill) or as requested by the commission, or who fails to reveal any
14 fact material to qualification, or who supplies information which is
15 untrue or misleading as to a material fact pertaining to the qualification
16 criteria for licensure. The commission shall approve a license
17 application that meets the requirements of this section unless the
18 commission finds by clear and convincing evidence that the applicant
19 would be manifestly unsuitable to perform the activities for the
20 applicable license class for which licensure is sought.

21 (i) If the application is approved, upon collection of the license
22 fee, the commission shall issue an annual license to the applicant no
23 later than 30 days after giving notice of approval of the application
24 unless the commission finds the applicant is not in compliance with
25 regulations for annual licenses enacted pursuant to the provisions of
26 paragraph (1) of subsection d. of section 8 of P.L. , c. (C.)
27 (pending before the Legislature as this bill) or the commission is
28 notified by the relevant local governmental entity that the applicant
29 is not in compliance with ordinances and regulations made pursuant
30 to the provisions of section 22 of P.L. , c. (C.) (pending
31 before the Legislature as this bill) and in effect at the time of
32 application, provided, if a local governmental entity has enacted a
33 numerical limit on the number of cannabis establishments and a
34 greater number of applicants seek licenses, the commission shall
35 solicit and consider input from the local governmental entity as to
36 the local governmental entity's preference or preferences for
37 licensure.

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

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

45 (a) begin accepting and processing applications from applicants
46 within 30 days after the commission's initial rules and regulations
47 have been adopted pursuant to subparagraph (a) of paragraph (1) of
48 subsection d. of section 8 of P.L. , c. (C.) (pending before the

1 Legislature as this bill), and ensure that at least 35 percent of the
2 total licenses issued for each class of cannabis establishment are
3 conditional licenses, which 35 percent figure shall also include any
4 conditional license issued to an applicant which is subsequently
5 replaced by the commission with an annual license due to that
6 applicant's compliance for the annual license pursuant to
7 subsubparagraph (i) of subparagraph (d) of this paragraph;

8 (b) forward, within seven days of receipt, a copy of each
9 application to the local governmental entity in which the applicant
10 desires to operate a proposed cannabis establishment; and

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

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

16 (ii) a listing included with the application, showing all persons
17 with a financial interest who also has decision making authority for
18 the proposed cannabis establishment detailed in the application;

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

23 (iv) the name, address, date of birth, and resumes of each
24 executive officer and all other persons with a financial interest who
25 also has decision making authority for the proposed cannabis
26 establishment, as well as a photocopy of their driver's licenses or
27 other government-issued form of identification, plus background
28 check information in a form and manner determined by the
29 commission in consultation with the Superintendent of State Police;
30 concerning the background check, an application shall be denied if
31 any person has any disqualifying conviction pursuant to
32 subparagraph (c) of paragraph (4) of subsection a. of section 24, 26,
33 27 or 28 of P.L. , c. (C.) (pending before the Legislature as
34 this bill), based upon the applicable class of cannabis establishment
35 for which the application was submitted, unless the commission
36 determines pursuant to subsubparagraph (ii) of those subparagraphs
37 that the conviction should not disqualify the application;

38 (v) proof that each person with a financial interest who also has
39 decision making authority for the proposed cannabis establishment
40 has, for the immediately preceding taxable year, an adjusted gross
41 income of no more than \$200,000 or no more than \$400,000 if
42 filing jointly with another;

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

1 (vii) the federal and State tax identification numbers for the
2 proposed cannabis establishment, and proof of business registration
3 with the Division of Revenue in the Department of the Treasury;

4 (viii) information about the proposed cannabis establishment,
5 including its legal name, any registered alternate name under which
6 it may conduct business, and a copy of its articles of organization
7 and bylaws;

8 (ix) the business plan and management operation profile for the
9 proposed cannabis establishment;

10 (x) the plan by which the applicant intends to obtain appropriate
11 liability insurance coverage for the proposed cannabis
12 establishment; and

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

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

19 The commission shall deny a license application to any applicant
20 who fails to provide information, documentation and assurances as
21 required by P.L. , c. (C.) (pending before the Legislature as
22 this bill) or as requested by the commission, or who fails to reveal any
23 fact material to qualification, or who supplies information which is
24 untrue or misleading as to a material fact pertaining to the qualification
25 criteria for licensure. The commission shall approve a license
26 application that meets the requirements of this section unless the
27 commission finds by clear and convincing evidence that the applicant
28 would be manifestly unsuitable to perform the activities for the
29 applicable license class for which licensure is sought.

30 (i) If the application is approved, upon collection of the
31 conditional license fee, the commission shall issue a conditional
32 license to the applicant, which is non-transferable for its duration,
33 no later than 30 days after giving notice of approval of the
34 application, unless the commission finds the applicant is not in
35 compliance with regulations for conditional licenses enacted
36 pursuant to the provisions of paragraph (1) of subsection d. of
37 section 8 of P.L. , c. (C.) (pending before the legislature as
38 this bill) or the commission is notified by the relevant local
39 governmental entity that the applicant is not in compliance with
40 ordinances and regulations made pursuant to the provisions of
41 section 22 of P.L. , c. (C.) (pending before the Legislature
42 as this bill) and in effect at the time of application, provided, if a
43 local governmental entity has enacted a numerical limit on the
44 number of marijuana cannabis establishments and a greater number
45 of applicants seek licenses, the commission shall solicit and
46 consider input from the local governmental entity as to the local
47 governmental entity's preference or preferences for licensure. For
48 each license issued, the commission shall also provide the approved

1 licensee with documentation setting forth the remaining conditions
2 to be satisfied under section 24, 26, 27 or 28 of P.L. , c.
3 (C.) (pending before the Legislature as this bill), or relevant
4 regulations, based upon the applicable class of cannabis
5 establishment for which the conditional license was issued, and
6 which were not already required for the issuance of that license, to
7 be completed within 120 days of issuance of the conditional license.
8 If the commission subsequently determines during that 120-day
9 period that the conditional licensee is in compliance with all
10 applicable conditions and is implementing the plans, procedures,
11 protocols, actions, or other measures set forth in its application, the
12 commission shall replace the conditional license by issuing an
13 annual license, which will expire one year from its date of issuance;
14 if the conditional licensee is not in compliance with all applicable
15 conditions or not implementing the plans, procedures, protocols,
16 actions, or other measures set forth in its application, the
17 conditional license shall automatically expire at the end of the 120-
18 day period;

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

25 c. The commission shall require all applicants for cannabis
26 licenses, other than applicants issued a conditional license for any
27 form of cannabis establishment or issued either a conditional or
28 annual license for an establishment that is a microbusiness pursuant
29 to subsection f. of this section, to submit an attestation signed by a
30 bona fide labor organization stating that the applicant has entered
31 into a labor peace agreement with such bona fide labor
32 organization. The maintenance of a labor peace agreement with a
33 bona fide labor organization by a licensed cannabis establishment,
34 other than an establishment that is a microbusiness, shall be an
35 ongoing material condition of the establishment’s license. The
36 submission of an attestation and maintenance of a labor peace
37 agreement with a bona fide labor organization by an applicant
38 issued a conditional license for a cannabis establishment, other than
39 an establishment that is a microbusiness, shall be a requirement for
40 final approval for an annual license. Failure to enter, or to make a
41 good faith effort to enter, into a collective bargaining agreement
42 within 200 days of the opening of a licensed cannabis
43 establishment, other than an establishment that is a microbusiness,
44 shall result in the suspension or revocation of the establishment’s
45 license.

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

1 distribution by regulation. The commission shall rank all
2 applicants, from the most to the least points, according to the point
3 system. The commission may, pursuant to a process set forth in
4 regulation and consistent with this subsection, adjust the point
5 system or utilize a separate point system and rankings with respect
6 to the review of an application for which a conditional license is
7 sought. If two or more eligible applicants have the same number of
8 points, those applicants shall be grouped together and, if there are
9 more eligible applicants in this group than the remaining number of
10 licenses available, the commission shall utilize a public lottery to
11 determine which applicants receive a license or conditional license,
12 as the case may be.

13 (a) An initial application for licensure shall be evaluated
14 according to criteria to be developed by the commission. For the
15 point values assigned to each criterion, there shall be included
16 bonus points for applicants who are residents of New Jersey.

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

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

- 27 - State-authorized cultivation of medical cannabis;
- 28 - conventional horticulture or agriculture, familiarity with good
29 agricultural practices, and any relevant certifications or degrees;
- 30 - quality control and quality assurance;
- 31 - recall plans;
- 32 - packaging and labeling;
- 33 - inventory control and tracking software or systems for the
34 production of personal use cannabis;
- 35 - analytical chemistry and testing of personal use cannabis;
- 36 - water management practices;
- 37 - odor mitigation practices;
- 38 - onsite and offsite recordkeeping;
- 39 - strain variety and plant genetics;
- 40 - pest control and disease management practices, including plans
41 for the use of pesticides, nutrients, and additives;
- 42 - waste disposal plans; and
- 43 - compliance with applicable laws and regulations.

44 (ii) In the case of an applicant for a cannabis processor license,
45 or, as applicable, a cannabis wholesaler license, the operating plan
46 summary shall include a written description concerning the
47 applicant's qualifications for, experience in, and knowledge of each
48 of the following topics:

- 1 - State-authorized manufacture, production, and creation of
- 2 cannabis products using appropriate extraction methods, including
- 3 intended use and sourcing of extraction equipment and associated
- 4 solvents or intended methods and equipment for non-solvent
- 5 extraction;
- 6 - quality control and quality assurance;
- 7 - recall plans;
- 8 - packaging and labeling;
- 9 - inventory control and tracking software or systems for the
- 10 production of personal use cannabis and cannabis items;
- 11 - analytical chemistry and testing of personal use cannabis and
- 12 cannabis items;
- 13 - water management practices;
- 14 - odor mitigation practices;
- 15 - onsite and offsite recordkeeping;
- 16 - a list of product formulations or products proposed to be
- 17 manufactured with estimated cannabinoid profiles, if known,
- 18 including varieties with high cannabidiol content;
- 19 - intended use and sourcing of all non-cannabis ingredients used
- 20 in the manufacture, production, and creation of cannabis products,
- 21 including methods to verify or ensure the safety and integrity of
- 22 those ingredients and their potential to be or contain allergens;
- 23 - waste disposal plans; and
- 24 - compliance with applicable laws and regulations.
- 25 (iii) In the case of an applicant for a cannabis retailer license, the
- 26 operating plan summary shall include a written description
- 27 concerning the applicant's qualifications for, experience in, and
- 28 knowledge of each of the following topics:
- 29 - State-authorized sales of cannabis items to consumers;
- 30 - personal use cannabis product evaluation procedures;
- 31 - recall plans;
- 32 - packaging and labeling;
- 33 - inventory control and point-of-sale software or systems for the
- 34 sale of cannabis items;
- 35 - the routes of administration, strains, varieties, and cannabinoid
- 36 profiles of personal use cannabis and cannabis items;
- 37 - odor mitigation practices;
- 38 - onsite and offsite recordkeeping;
- 39 - waste disposal plans; and
- 40 - compliance with applicable laws and regulations.
- 41 (c) The criteria to be developed by the commission pursuant to
- 42 subparagraph (a) of this paragraph shall include, in addition to the
- 43 criteria set forth in subparagraph (b) and (d) of this paragraph and
- 44 any other criteria developed by the commission, an analysis of the
- 45 following factors, if applicable:
- 46 (i) The applicant's environmental impact plan.
- 47 (ii) A summary of the applicant's safety and security plans and
- 48 procedures, which shall include descriptions of the following:

- 1 - plans for the use of security personnel, including contractors;
- 2 - the experience or qualifications of security personnel and
- 3 proposed contractors;
- 4 - security and surveillance features, including descriptions of any
- 5 alarm systems, video surveillance systems, and access and visitor
- 6 management systems, along with drawings identifying the proposed
- 7 locations for surveillance cameras and other security features;
- 8 - plans for the storage of cannabis and cannabis items, including
- 9 any safes, vaults, and climate control systems that will be utilized
- 10 for this purpose;
- 11 - a diversion prevention plan;
- 12 - an emergency management plan;
- 13 - procedures for screening, monitoring, and performing criminal
- 14 history record background checks of employees;
- 15 - cybersecurity procedures;
- 16 - workplace safety plans and the applicant's familiarity with
- 17 federal Occupational Safety and Health Administration regulations;
- 18 - the applicant's history of workers' compensation claims and
- 19 safety assessments;
- 20 - procedures for reporting adverse events; and
- 21 - a sanitation practices plan.
- 22 (iii) A summary of the applicant's business experience, including
- 23 the following, if applicable:
- 24 - the applicant's experience operating businesses in highly-
- 25 regulated industries;
- 26 - the applicant's experience in operating alternative treatment
- 27 centers and related medical cannabis production and dispensation
- 28 entities under the laws of New Jersey or any other state or
- 29 jurisdiction within the United States; and
- 30 - the applicant's plan to comply with and mitigate the effects of
- 31 26 U.S.C. s.280E on cannabis businesses, and for evidence that the
- 32 applicant is not in arrears with respect to any tax obligation to the
- 33 State.
- 34 In evaluating the experience described under this
- 35 subsubparagraph, the commission shall afford the greatest weight to
- 36 the experience of the applicant itself, controlling owners, and
- 37 entities with common ownership or control with the applicant;
- 38 followed by the experience of those with a 15 percent or greater
- 39 ownership interest in the applicant's organization; followed by
- 40 interest holders in the applicant's organization; followed by other
- 41 officers, directors, and bona fide full-time employees of the
- 42 applicant as of the submission date of the application.
- 43 (iv) A description of the proposed location for the applicant's
- 44 site, including the following, if applicable:
- 45 - the proposed location, the surrounding area, and the suitability
- 46 or advantages of the proposed location, along with a floor plan and
- 47 optional renderings or architectural or engineering plans;

1 - the submission of zoning approvals for the proposed location,
2 which shall consist of a letter or affidavit from appropriate officials
3 of the local governmental entity that the location will conform to
4 local zoning requirements allowing for activities related to the
5 operations of the proposed cannabis grower, cannabis processor,
6 cannabis wholesaler, or cannabis retailer, and related supplies as
7 will be conducted at the proposed facility; and

8 - the submission of proof of local support for the suitability of
9 the location, which may be demonstrated by a resolution adopted by
10 the local governmental entity's governing body indicating that the
11 intended location is appropriately located or otherwise suitable for
12 activities related to the operations of the proposed cannabis grower,
13 cannabis processor, cannabis wholesaler, or cannabis retailer.

14 Notwithstanding any other provision of this subsubparagraph, an
15 application shall be disqualified from consideration unless it
16 includes documentation demonstrating that the applicant will have
17 final control of the premises upon approval of the application,
18 including, but not limited to, a lease agreement, contract for sale,
19 title, deed, or similar documentation. In addition, if the applicant
20 will lease the premises, the application will be disqualified from
21 consideration unless it includes certification from the landlord that
22 the landlord is aware that the tenant's use of the premises will
23 involve operations as a cannabis grower, cannabis processor,
24 cannabis wholesaler, or cannabis retailer. An application shall not
25 be disqualified from consideration if the application does not
26 include the materials described in this subsubparagraph.

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

30 - a community impact plan summarizing how the applicant
31 intends to have a positive impact on the community in which the
32 proposed cannabis establishment is to be located, which shall
33 include an economic impact plan and a description of outreach
34 activities;

35 - a written description of the applicant's record of social
36 responsibility, philanthropy, and ties to the proposed host
37 community;

38 - a written description of any research the applicant has
39 conducted on the adverse effects of the use of cannabis items,
40 substance abuse or addiction, and the applicant's participation in or
41 support of cannabis-related research and educational activities; and

42 - a written plan describing any research and development
43 regarding the medical efficacy or adverse effects of cannabis, and
44 any cannabis-related educational and outreach activities, which the
45 applicant intends to conduct if issued a permit by the commission.

46 In evaluating the information submitted pursuant to this
47 subsubparagraph, the commission shall afford the greatest weight to
48 the experience of the applicant itself, controlling owners, and

1 entities with common ownership or control with the applicant;
2 followed by the experience of those with a 15 percent or greater
3 ownership interest in the applicant's organization; followed by
4 interest holders in the applicant's organization; followed by other
5 officers, directors, and bona fide full-time employees of the
6 applicant as of the submission date of the application.

7 (vi) A workforce development and job creation plan, which may
8 include, but shall not be limited to a description of the applicant's
9 workforce development and job creation plan, which may include
10 information on the applicant's history of job creation and planned
11 job creation at the proposed cannabis establishment; education,
12 training, and resources to be made available for employees; any
13 relevant certifications; and an optional diversity plan.

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

16 - an executive summary of the applicant's business plan;
17 - a demonstration of the applicant's financial ability to
18 implement its business plan, which may include, but shall not be
19 limited to, bank statements, business and individual financial
20 statements, net worth statements, and debt and equity financing
21 statements; and

22 - a description of the applicant's experience complying with
23 guidance pertaining to cannabis issued by the Financial Crimes
24 Enforcement Network under 31 U.S.C. s.5311 et seq., the federal
25 "Bank Secrecy Act," which may be demonstrated by submitting
26 letters regarding the applicant's banking history from banks or
27 credit unions that certify they are aware of the business activities of
28 the applicant, or entities with common ownership or control of the
29 applicant's organization, in any state where the applicant has
30 operated a business related to medical cannabis. For the purposes
31 of this subparagraph, the commission shall consider only bank
32 references involving accounts in the name of the applicant or of an
33 entity with common ownership or control of the applicant's
34 organization. An applicant who does not submit the information
35 described in this subparagraph shall not be disqualified from
36 consideration.

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

42 (ix) Whether the applicant can demonstrate that its governance
43 structure includes the involvement of a school of medicine or
44 osteopathic medicine licensed and accredited in the United States,
45 or a general acute care hospital, ambulatory care facility, adult day
46 care services program, or pharmacy licensed in New Jersey,
47 provided that:

1 - the school, hospital, facility, or pharmacy has conducted or
2 participated in research approved by an institutional review board
3 related to cannabis involving the use of human subjects, except in
4 the case of an accredited school of medicine or osteopathic
5 medicine that is located and licensed in New Jersey;

6 - the school, hospital, facility, or pharmacy holds a profit share
7 or ownership interest in the applicant's organization of 10 percent
8 or more, except in the case of an accredited school of medicine or
9 osteopathic medicine that is located and licensed in New Jersey;
10 and

11 - the school, hospital, facility, or pharmacy participates in major
12 decision-making activities within the applicant's organization,
13 which may be demonstrated by representation on the board of
14 directors of the applicant's organization.

15 (x) Any other information the commission deems relevant in
16 determining whether to grant a permit to the applicant.

17 (2) In ranking applications, in addition to the awarding of points
18 as set forth in paragraph (1) of this subsection, the commission shall
19 give priority to the following:

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

23 (b) Applicants that are party to a collective bargaining
24 agreement with a labor organization that currently represents
25 cannabis workers in another state.

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

29 (d) Applicants that submit an attestation affirming that they will
30 use best efforts to utilize union labor in the construction or retrofit
31 of the facilities associated with the permitted entity.

32 (3) In reviewing an initial application, unless the information is
33 otherwise solicited by the commission in a specific application
34 question, the commission's evaluation of the application shall be
35 limited to the experience and qualifications of the applicant's
36 organization, including any entities with common ownership or
37 control of the applicant's organization, controlling owners or
38 interest holders in the applicant's organization, and the officers,
39 directors, and current full-time existing employees of the
40 applicant's organization. Responses pertaining to consultants,
41 independent contractors, applicants who are exempt from the
42 criminal history record background check requirements of P.L. ,
43 c. (C.) (pending before the Legislature as this bill), and
44 prospective or part-time employees of the entity shall not be
45 considered. Each applicant shall certify as to the status of the
46 individuals and entities included in the application.

47 (4) The commission shall give special consideration to any
48 applicant that has entered into an agreement with an institution of

1 higher education to create an integrated curriculum involving the
2 growing, processing, wholesaling, and retail sales of personal use
3 cannabis and cannabis items, provided that the curriculum is
4 approved by both the commission and the Department of Education
5 and the applicant agrees to maintain the integrated curriculum in
6 perpetuity. An integrated curriculum permit shall be subject to
7 revocation if the permit holder fails to maintain or continue the
8 integrated curriculum. In the event that, because of circumstances
9 outside a permit holder's control, the permit holder will no longer
10 be able to continue an integrated curriculum, the permit holder shall
11 notify the commission and shall make reasonable efforts to establish
12 a new integrated curriculum with an institution of higher education,
13 subject to approval by the commission and the Department of
14 Education. If the permit holder is unable to establish a new
15 integrated curriculum within six months after the date the current
16 integrated curriculum arrangement ends, the commission shall
17 revoke the entity's permit, unless the commission finds there are
18 extraordinary circumstances that justify allowing the permit holder
19 to retain the permit without an integrated curriculum and the
20 commission finds that allowing the permit holder to retain the
21 permit would be consistent with the purposes of P.L. , c.
22 (C.) (pending before the Legislature as this bill). The
23 commission may revise the application and permit fees or other
24 conditions for a permit pursuant to this paragraph as may be
25 necessary to encourage applications for permits.

26 (5) Application materials submitted to the commission pursuant
27 to this section shall not be considered a public record pursuant to
28 P.L.1963, c.73 (C.47:1A-1 et seq.).

29 (6) If the commission notifies an applicant that it has performed
30 sufficiently well on multiple applications to be awarded more than
31 one cannabis grower license, more than one cannabis processor
32 license, more than one cannabis wholesaler license, or more than
33 one cannabis retailer license, the applicant shall notify the
34 commission, within seven business days after receiving such notice,
35 as to which license it will accept. For any license award that is
36 declined by an applicant pursuant to this paragraph, the commission
37 shall, upon receiving notice from the applicant of the declination,
38 award the license to the applicant for that license class who, in the
39 determination of the commission, best satisfies the commission's
40 criteria while meeting the commission's determination of Statewide
41 market place need. If an applicant fails to notify the commission as
42 to which license it will accept, the commission shall have the
43 discretion to determine which license it will award to the applicant,
44 based on the commission's determination of Statewide marketplace
45 need and other applications submitted for cannabis establishments
46 to be located in the affected regions.

47 e. (1) The commission shall also prioritize applications on the
48 basis of impact zones, for which past criminal marijuana enterprises

1 contributed to higher concentrations of law enforcement activity,
2 unemployment, and poverty within parts of or throughout these
3 zones. An “impact zone” means any local governmental entity that:

4 (a) has a population of 120,000 or more according to the most
5 recently compiled federal decennial census as of the effective date
6 of P.L. , c. (C.) (pending before the Legislature as this bill);
7 or

8 (b) (i) ranks in the top 33 percent of local governmental entities
9 in the State for marijuana- or hashish-related arrests for violation of
10 paragraph (4) of subsection a. of N.J.S.2C:35-10 in the calendar
11 year next preceding the effective date of P.L. , c. (C.)
12 (pending before the Legislature as this bill);

13 (ii) has a crime index total of 1,000 or higher based upon the
14 indexes listed in the most recently issued annual Uniform Crime
15 Report by the Division of State Police as of that effective date; and

16 (iii) has a local governmental entity average annual
17 unemployment rate that ranks in the top 15 percent of all local
18 governmental entities in the State for the calendar year next
19 preceding that effective date, based upon average annual
20 unemployment rates estimated for the relevant calendar year by the
21 Office of Research and Information in the Department of Labor and
22 Workforce Development.

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

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

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

42 f. (1) The commission shall ensure that at least 10 percent of
43 the total licenses issued for each class of cannabis establishment are
44 designated for and only issued to microbusinesses, and that at least
45 25 percent of the total licenses issued be issued to microbusinesses.
46 The determination of the percentage for each class of license issued
47 to microbusinesses shall include the number of conditional licenses
48 issued to microbusinesses for each class, as the percentage of

1 conditional licenses issued for each class pursuant to subparagraph
2 (a) of paragraph (2) of subsection b. of this section shall not be
3 mutually exclusive of the percentage of licenses issued to
4 microbusinesses pursuant to this paragraph. The maximum fee
5 assessed by the commission for issuance or renewal of a license
6 designated and issued to a microbusiness shall be no more than half
7 the fee applicable to a license of the same class issued to a person
8 or entity that is not a microbusiness. A license designated and
9 issued to a microbusiness shall be valid for one year and may be
10 renewed annually.

11 (2) A microbusiness shall meet the following requirements:

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

15 (b) at least 51 percent of the owners, directors, officers, or
16 employees of the microbusiness shall be residents of the local
17 governmental entity in which the microbusiness is located, or to be
18 located, or a local governmental entity bordering the local
19 governmental entity in which the microbusiness is located, or to be
20 located;

21 (c) concerning business operations, and capacity and quantity
22 restrictions:

23 (i) employ no more than 10 employees;

24 (ii) operate a cannabis establishment occupying an area of no
25 more than 2,500 square feet, and in the case of a cannabis grower,
26 grow cannabis on an area no more than 2,500 square feet measured
27 on a horizontal plane and grow above that plane not higher than 24
28 feet;

29 (iii) possess no more than 1,000 cannabis plants each month;

30 (iv) in the case of a cannabis processor, acquire and process no
31 more than 1,000 pounds of cannabis in dried form each month;

32 (v) in the case of a cannabis wholesaler, acquire for resale no
33 more than 1,000 pounds of cannabis in dried form, or the equivalent
34 amount in any other form, or any combination thereof, each month;
35 and

36 (vi) in the case of a cannabis retailer, acquire for retail sale no
37 more than 1,000 pounds of cannabis in dried form, or the equivalent
38 amount in any other form, or any combination thereof, each month.

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

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

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

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

3
4 24. (New section) Class 1 Cannabis Grower license.

5 A cannabis grower shall have a Class 1 Cannabis Grower license
6 issued by the commission for the premises at which the cannabis is
7 grown or cultivated. Except for an initial period during which the
8 number of licenses is capped pursuant to section 30 of P.L. , c.
9 (C.) (pending before the Legislature as this bill), the
10 commission shall determine the maximum number of licenses, of
11 which at least 35 percent shall be conditional licenses issued
12 pursuant to subparagraph (a) of paragraph (2) of subsection b. of
13 section 23 of P.L. , c. (C.) (pending before the Legislature
14 as this bill), and at least 25 percent of the total number of licenses
15 and conditional licenses shall be designated for and only issued to
16 microbusinesses pursuant subsection f. of that section. After the
17 initial period during which the number of licenses is capped
18 pursuant to section 30 of P.L. , c. (C.) (pending before the
19 Legislature as this bill), the commission shall review the current
20 number of licenses issued and, providing there exist qualified
21 applicants, may, as authorized by paragraph (1) of subsection a. of
22 section 17 of P.L. , c. (C.) (pending before the Legislature
23 as this bill), make requests for new applications for additional
24 licenses as it deems necessary to meet the market demands of the
25 State.

26 a. To hold a Class 1 Cannabis Grower license under this
27 section, an applicant:

28 (1) Shall apply for a license in the manner described in section
29 23 of P.L. , c. (C.) (pending before the Legislature as
30 this bill);

31 (2) Shall have at least one significantly involved person who has
32 resided in this State for at least two years as of the date of the
33 application, and provide proof that this person and any other person
34 with an investment interest who also has decision making authority
35 for the cannabis grower listed on an application submitted under
36 section 23 of P.L. , c. (C.) (pending before the
37 Legislature as this bill) is 21 years of age or older;

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

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

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

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

19 (c) (i) With respect to determining whether any conviction of a
20 person contained in the criminal history record background check
21 should disqualify an applicant for a Class 1 Cannabis Grower
22 license, the commission shall not take into consideration any
23 conviction for a crime or offense that occurred prior to the effective
24 date of P.L. , c. (C.) (pending before the Legislature as this
25 bill) involving a controlled dangerous substance or controlled
26 substance analog as set forth in paragraph (11) or (12) of subsection
27 b., or subparagraph (b) of paragraph (10) of subsection b. of
28 N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of
29 N.J.S.2C:35-10, or any similar indictable offense under federal law,
30 this State's law, or any other state's law, or for any conviction under
31 federal law for conduct involving cannabis or cannabis resin that is
32 authorized by P.L. , c. (C.) (pending before the Legislature as
33 this bill). Additionally, the commission shall not take into
34 consideration any other prior conviction, unless that conviction is
35 for an indictable offense under federal law, other than a conviction
36 for conduct involving cannabis or cannabis resin that is authorized
37 by P.L. , c. (C.) (pending before the Legislature as this bill),
38 or under this State's law, or any other state's law that is
39 substantially related to the qualifications, functions, or duties for
40 which the license is required, and not more than five years have
41 passed since the date of that conviction, satisfactory completion of
42 probation or parole, or release from incarceration, which is later. In
43 determining which indictable offenses are substantially related to
44 the qualifications, functions, or duties for which the license is
45 required, the commission shall at least consider any conviction
46 involving fraud, deceit, or embezzlement, and any conviction for
47 N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or
48 similar indictable offense in this or another jurisdiction involving

1 the use of a minor to dispense or distribute a controlled dangerous
2 substance or controlled substance analog;

3 (ii) The commission may approve an applicant for a Class 1
4 Cannabis Grower license after conducting a thorough review of any
5 previous conviction of a person that substantially related to the
6 qualifications, functions, or duties for which the license is required
7 that is contained in the criminal history record background
8 information, and this review shall include examining the nature of
9 the indictable offense, the circumstances at the time of committing
10 the offense, and evidence of rehabilitation since conviction. If the
11 commission determines that the reviewed conviction should not
12 disqualify the applicant, the applicant may be approved so long as
13 the applicant is otherwise qualified to be issued the license; and

14 (d) Upon receipt and review of the criminal history record
15 background information from the Division of State Police and the
16 Federal Bureau of Investigation, the commission shall provide
17 written notification to the applicant of the qualification for or
18 disqualification for a Class 1 Cannabis Grower license.

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

24 (e) The Division of State Police shall promptly notify the
25 commission in the event that a person who was the subject of a
26 criminal history record background check conducted pursuant to
27 this section is convicted of a crime or offense in this State after the
28 date the background check was performed. Upon receipt of that
29 notification, the commission shall make a determination regarding
30 the continued eligibility for the applicant, or following application,
31 for the licensee, to hold a Class 1 Cannabis Grower license.

32 b. The commission shall adopt rules and regulations that:

33 (1) Provide for the annual renewal of the Class 1 Cannabis
34 Grower license;

35 (2) Establish application, licensure, and renewal of licensure
36 fees for cannabis growers in accordance with paragraph (2) of
37 subsection a. of section 17 of P.L. , c. (C.) (pending before
38 the Legislature as this bill);

39 (3) Require cannabis produced by cannabis growers to be tested
40 in accordance with P.L. , c. (C.) (pending before the
41 Legislature as this bill);

42 (4) Require cannabis growers to submit, at the time of applying
43 for or renewing a license under P.L. , c. (C.) (pending
44 before the Legislature as this bill), a report describing the
45 applicant's or licensee's electrical and water usage; and

46 (5) Require a cannabis grower to meet any public health and
47 safety standards, industry best practices, and all applicable
48 regulations established by the commission by rule or regulation

1 related to the production of cannabis or the propagation of
2 immature cannabis plants and the seeds of the plant Genus Cannabis
3 L. within the plant family Cannabaceae. The commission may
4 regulate the number of immature cannabis plants that may be
5 possessed by a cannabis grower licensed under this section; the size
6 of the grow canopy a cannabis grower licensed under this section
7 uses to grow immature cannabis plants; and the weight or size of
8 shipments of immature cannabis plants made by a cannabis grower
9 licensed under this section.

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

11 (1) Shall be in the form of a schedule that imposes a greater fee
12 for premises with more square footage or on which more mature
13 cannabis plants are grown; and

14 (2) Shall be deposited in the "Cannabis Regulatory and
15 Expungement Aid Modernization Fund" established under section
16 81 of P.L. , c. (C.) (pending before the Legislature as
17 this bill).

18 d. (1) The commission shall issue or deny issuance of a Class
19 1 Cannabis Grower license or conditional license in accordance
20 with the procedures set forth in section 23 of P.L. , c. (C.)
21 (pending before the Legislature as this bill).

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

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

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

35

36 25. (New section) Grow Canopies for Licensed Cannabis
37 Growers.

38 a. Subject to subsection b. of this section, the commission shall
39 adopt rules or regulations restricting the size of mature cannabis
40 plant grow canopies at premises for which a license has been issued
41 to a cannabis grower pursuant to P.L. , c. (C.) (pending
42 before the Legislature as this bill).

43 b. When adopting rules and regulations under this subsection,
44 the commission shall consider whether to:

45 (1) Limit the size of mature cannabis plant grow canopies for
46 premises where cannabis is grown outdoors and for premises where
47 cannabis is grown indoors in a manner calculated to result in
48 premises that produce the same amount of harvested cannabis

1 leaves and harvested cannabis flowers, regardless of whether the
2 cannabis is grown outdoors or indoors;

3 (2) Adopt a tiered system under which the permitted size of a
4 cannabis growers' mature cannabis plant grow canopy increases at
5 the time of licensure renewal, except that the permitted size of a
6 cannabis growers' mature cannabis plant grow canopy may not
7 increase following any year during which the commission
8 disciplined the cannabis growers for violating a provision of or a
9 rule adopted under a provision of P.L. , c. (C.) (pending
10 before the Legislature as this bill); provided, that at the time of
11 adoption, any growing or cultivation square footage previously
12 approved or authorized for an alternative treatment center that was
13 issued a permit prior to the effective date of P.L. , c. (C.)
14 (pending before the Legislature as the Third Reprint of Senate
15 Committee Substitute for Senate Bill Nos. 10 and 2426), or that was
16 issued a permit on or after that effective date pursuant to an
17 application submitted prior to that effective date, shall not be
18 reduced, but the commission's adopted tier system shall apply to the
19 growing or cultivation square footage of that alternative treatment
20 center thereafter;

21 (3) Take into consideration the market demand for cannabis
22 items in this State, the number of persons applying for a license
23 pursuant to sections 24, 26, 27 and 28 of P.L. , c. (C.)
24 (pending before the Legislature as this bill), and to whom a license
25 has been issued pursuant to those sections, and whether the
26 availability of cannabis items in this State is commensurate with the
27 market demand.

28 c. This section shall not apply to premises for which a license
29 has been issued to a cannabis grower pursuant to section 24 of
30 P.L. , c. (C.) (pending before the Legislature as this
31 bill), if the premises is used only to propagate immature cannabis
32 plants.

33

34 26. (New section) Class 2 Cannabis Processor license.

35 A cannabis processor shall have a Class 2 Cannabis Processor
36 license issued by the commission for the premises at which the
37 cannabis product is produced. The commission shall determine the
38 maximum number of licenses, of which at least 35 percent shall be
39 conditional licenses issued pursuant to subparagraph (a) of
40 paragraph (2) of subsection b. of section 23 of P.L. , c. (C.)
41 (pending before the Legislature as this bill), and at least 25 percent
42 of the total number of licenses and conditional licenses shall be
43 designated for and only issued to microbusinesses pursuant to
44 subsection f. of that section. Providing there exist qualified
45 applicants, the commission shall issue a sufficient number of
46 licenses to meet the market demands of the State, and may, as
47 authorized by paragraph (1) of subsection a. of section 17 of P.L. ,
48 c. (C.) (pending before the Legislature as this bill), make

1 requests for new applications for additional licenses as it deems
2 necessary to meet those demands.

3 a. To hold a Class 2 Cannabis Processor license under this
4 section, an applicant:

5 (1) Shall apply for a license in the manner described in section
6 23 of P.L. , c. (C.) (pending before the Legislature as
7 this bill);

8 (2) Shall have at least one significantly involved person who has
9 resided in this State for at least two years as of the date of the
10 application, and provide proof that this person and any other person
11 with an investment interest who also has decision making authority
12 for the cannabis processor listed on an application submitted under
13 section 23 of P.L. , c. (C.) (pending before the
14 Legislature as this bill) is 21 years of age or older;

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

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

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

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

44 (c) (i) With respect to determining whether any conviction of a
45 person contained in the criminal history record background check
46 should disqualify an applicant for a Class 2 Cannabis Processor
47 license, the commission shall not take into consideration any
48 conviction for a crime or offense that occurred prior to the effective

1 date of P.L. , c. (C.) (pending before the Legislature as this
2 bill) involving a controlled dangerous substance or controlled
3 substance analog as set forth in paragraph (11) or (12) of subsection
4 b., or subparagraph (b) of paragraph (10) of subsection b. of
5 N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of
6 N.J.S.2C:35-10, or any similar indictable offense under federal law,
7 this State's law, or any other state's law, or for any conviction under
8 federal law for conduct involving cannabis or cannabis resin that is
9 authorized by P.L. , c. (C.) (pending before the Legislature as
10 this bill). Additionally, the commission shall not take into
11 consideration any other prior conviction, unless that conviction is
12 for an indictable offense under federal law, other than a conviction
13 for conduct involving cannabis or cannabis resin that is authorized
14 by P.L. , c. (C.) (pending before the Legislature as this bill),
15 or under this State's law, or any other state's law that is
16 substantially related to the qualifications, functions, or duties for
17 which the license is required, and not more than five years have
18 passed since the date of that conviction, satisfactory completion of
19 probation or parole, or release from incarceration, whichever is later.
20 In determining which indictable offenses are substantially related to
21 the qualifications, functions, or duties for which the license is
22 required, the commission shall at least consider any conviction
23 involving fraud, deceit, or embezzlement, and any conviction for
24 N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or
25 similar indictable offense in this or another jurisdiction involving
26 the use of a minor to dispense or distribute a controlled dangerous
27 substance or controlled substance analog;

28 (ii) The commission may approve an applicant for a Class 2
29 Cannabis Processor license after conducting a thorough review of
30 any previous conviction of a person that substantially related to the
31 qualifications, functions, or duties for which the license is required
32 that is contained in the criminal history record background
33 information, and this review shall include examining the nature of
34 the indictable offense, the circumstances at the time of committing
35 the offense, and evidence of rehabilitation since conviction. If the
36 commission determines that the reviewed conviction should not
37 disqualify the applicant, the applicant may be approved so long as
38 the applicant is otherwise qualified to be issued the license; and

39 (d) Upon receipt and review of the criminal history record
40 background information from the Division of State Police and the
41 Federal Bureau of Investigation, the commission shall provide
42 written notification to the applicant of the qualification for or
43 disqualification for a Class 2 Cannabis Processor license.

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

(e) The Division of State Police shall promptly notify the commission in the event that an individual who was the subject of a criminal history record background check conducted pursuant to this section is convicted of a crime or offense in this State after the date the background check was performed. Upon receipt of that notification, the commission shall make a determination regarding the continued eligibility for the applicant, or following application, for the licensee, to hold a Class 2 Cannabis Processor license.

b. The commission shall adopt rules that:

(1) Provide for the annual renewal of the Class 2 Cannabis Processor license;

(2) Establish application, licensure, and renewal of licensure fees for cannabis processors in accordance with paragraph (2) of subsection a. of section 17 of P.L. , c. (C.) (pending before the Legislature as this bill);

(3) Require cannabis produced by cannabis processors to be tested in accordance with P.L. , c. (C.) (pending before the Legislature as this bill); and

(4) Require a cannabis processor to meet any public health and safety standards, industry best practices, and all applicable regulations established by the commission by rule or regulation related to the processing of cannabis.

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

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

(2) Shall be deposited in the "Cannabis Regulatory and Expungement Aid Modernization Fund" established under section 81 of P.L. , c. (C.) (pending before the Legislature as this bill).

d. (1) The commission shall issue or deny issuance of a Class 2 Cannabis Processor license or conditional license in accordance with the procedures set forth in section 23 of P.L. , c. (C.) (pending before the Legislature as this bill).

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

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

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

27. (New section) Class 3 Cannabis Wholesaler license.

1 A cannabis wholesaler shall have a Class 3 Cannabis Wholesaler
2 license issued by the commission for the premises at which the
3 cannabis is warehoused. The commission shall determine the
4 maximum number of licenses, of which at least 35 percent shall be
5 conditional licenses issued pursuant to subparagraph (a) of
6 paragraph (2) of subsection b. of section 23 of P.L. , c. (C.)
7 (pending before the Legislature as this bill), and at least 25 percent
8 of the total number of licenses and conditional licenses shall be
9 designated for and only issued to microbusinesses pursuant
10 subsection f. of that section. Providing there exist qualified
11 applicants, the commission shall issue a sufficient number of
12 licenses to meet the market demands of the State, and may, as
13 authorized by paragraph (1) of subsection a. of section 17 of P.L. ,
14 c. (C.) (pending before the Legislature as this bill), make
15 requests for new applications for additional licenses as it deems
16 necessary to meet those demands.

17 a. To hold a Class 3 Cannabis Wholesaler license under this
18 section, an applicant:

19 (1) Shall apply for a license in the manner described in section
20 23 of P.L. , c. (C.) (pending before the Legislature as
21 this bill);

22 (2) Shall have at least one significantly involved person who has
23 resided in this State for at least two years as of the date of the
24 application, and provide proof that this person and any other person
25 with an investment interest who also has decision making authority
26 for the cannabis wholesaler listed on an application submitted under
27 section 23 of P.L. , c. (C.) (pending before the
28 Legislature as this bill) is 21 years of age or older;

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

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

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

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

11 (c) (i) With respect to determining whether any conviction of a
12 person contained in the criminal history record background check
13 should disqualify an applicant for a Class 3 Cannabis Wholesaler
14 license, the commission shall not take into consideration any
15 conviction for a crime or offense that occurred prior to the effective
16 date of P.L. , c. (C.) (pending before the Legislature as this
17 bill) involving a controlled dangerous substance or controlled
18 substance analog as set forth in paragraph (11) or (12) of subsection
19 b., or subparagraph (b) of paragraph (10) of subsection b. of
20 N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of
21 N.J.S.2C:35-10, or any similar indictable offense under federal law,
22 this State's law, or any other state's law, or for any conviction under
23 federal law for conduct involving cannabis or cannabis resin that is
24 authorized by P.L. , c. (C.) (pending before the Legislature as
25 this bill). Additionally, the commission shall not take into
26 consideration any other prior conviction, unless that conviction is
27 for an indictable offense under federal law, other than a conviction
28 for conduct involving cannabis or cannabis resin that is authorized
29 by P.L. , c. (C.) (pending before the Legislature as this bill),
30 or under this State's law, or any other state's law that is
31 substantially related to the qualifications, functions, or duties for
32 which the license is required, and not more than five years have
33 passed since the date of that conviction, satisfactory completion of
34 probation or parole, or release from incarceration, whichever is later.
35 In determining which indictable offenses are substantially related to
36 the qualifications, functions, or duties for which the license is
37 required, the commission shall at least consider any conviction
38 involving fraud, deceit, or embezzlement, and any conviction for
39 N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or
40 similar indictable offense in this or another jurisdiction involving
41 the use of a minor to dispense or distribute a controlled dangerous
42 substance or controlled substance analog;

43 (ii) The commission may approve an applicant for a Class 3
44 Cannabis Wholesaler license after conducting a thorough review of
45 any previous conviction of a person that substantially related to the
46 qualifications, functions, or duties for which the license is required
47 that is contained in the criminal history record background
48 information, and this review shall include examining the nature of

1 the indictable offense, the circumstances at the time of committing
2 the offense, and evidence of rehabilitation since conviction. If the
3 commission determines that the reviewed conviction should not
4 disqualify the applicant, the applicant may be approved so long as
5 the applicant is otherwise qualified to be issued the license; and

6 (d) Upon receipt and review of the criminal history record
7 background information from the Division of State Police and the
8 Federal Bureau of Investigation, the commission shall provide
9 written notification to the applicant of the qualification for or
10 disqualification for a Class 3 Cannabis Wholesaler license.

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

16 (e) The Division of State Police shall promptly notify the
17 commission in the event that an individual who was the subject of a
18 criminal history record background check conducted pursuant to
19 this section is convicted of a crime or offense in this State after the
20 date the background check was performed. Upon receipt of that
21 notification, the commission shall make a determination regarding
22 the continued eligibility for the applicant, or following application,
23 for the licensee to hold a Class 3 Cannabis Wholesaler license.

24 b. The commission shall adopt rules that:

25 (1) Provide for the annual renewal of the Class 3 Cannabis
26 Wholesaler license;

27 (2) Establish application, licensure, and renewal of licensure
28 fees for cannabis wholesalers in accordance with paragraph (2) of
29 subsection a. of section 17 of P.L. , c. (C.) (pending before
30 the Legislature as this bill);

31 (3) Require cannabis warehoused by cannabis wholesalers to be
32 tested in accordance with P.L. , c. (C.) (pending before
33 the Legislature as this bill); and

34 (4) Require a cannabis wholesaler to meet any public health and
35 safety standards, industry best practices, and all applicable
36 regulations established by the commission by rule or regulation
37 related to the warehousing of cannabis.

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

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

41 (2) Shall be deposited in the “Cannabis Regulatory and
42 Expungement Aid Modernization Fund” established under section
43 81 of P.L. , c. (C.) (pending before the Legislature as
44 this bill).

45 d. (1) The commission shall issue or deny issuance of a Class
46 3 Cannabis Wholesaler license or conditional license in accordance
47 with the procedures set forth in section 23 of P.L. , c. (C.)
48 (pending before the Legislature as this bill).

(2) The commission may suspend or revoke a Class 3 Cannabis Wholesaler license or conditional license to operate as a cannabis wholesaler for cause, which shall be considered a final agency action for the purposes of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) and shall be subject only to judicial review as provided in the Rules of Court.

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

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

28. (New section) Class 4 Cannabis Retailer license.

A cannabis retailer shall have a Class 4 Cannabis Retailer license issued by the commission for the premises at which the cannabis is retailed. The commission shall determine the maximum number of licenses, of which at least 35 percent shall be conditional licenses issued pursuant to subparagraph (a) of paragraph (2) of subsection b. of section 23 of P.L. , c. (C.) (pending before the Legislature as this bill), and at least 25 percent of the total number of licenses and conditional licenses shall be designated for and only issued to microbusinesses pursuant subsection f. of that section. Providing there exist qualified applicants, the commission shall issue a sufficient number of licenses to meet the market demands of the State, and may, as authorized by paragraph (1) of subsection a. of section 17 of P.L. , c. (C.) (pending before the Legislature as this bill), make requests for new applications for additional licenses as it deems necessary to meet those demands.

a. To hold a Class 4 Cannabis Retailer license under this section, a cannabis retailer:

(1) Shall apply for a license in the manner described in section 23 of P.L. , c. (C.) (pending before the Legislature as this bill);

(2) Shall have at least one significantly involved person who has resided in this State for at least two years as of the date of the application, and provide proof that this person and any other person with an investment interest who also has decision making authority for the cannabis retailer listed on an application submitted under section 23 of P.L. , c. (C.) (pending before the Legislature as this bill) is 21 years of age or older;

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

(4) Shall provide for each of the following persons to undergo a criminal history record background check: any owner, other than an owner who holds less than a five percent investment interest in the cannabis retailer or who is a member of a group that holds less than

1 a 20 percent investment interest in the cannabis retailer and no
2 member of that group holds more than a five percent interest in the
3 total group investment, and who lacks the authority to make
4 controlling decisions regarding the cannabis retailer's operations;
5 any director; any officer; and any employee.

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

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

24 (c) (i) With respect to determining whether any conviction of a
25 person contained in the criminal history record background check
26 should disqualify an applicant for a Class 4 Cannabis Retailer
27 license, the commission shall not take into consideration any
28 conviction for a crime or offense that occurred prior to the effective
29 date of P.L. , c. (C.) (pending before the Legislature as this
30 bill) involving a controlled dangerous substance or controlled
31 substance analog as set forth in paragraph (11) or (12) of subsection
32 b., or subparagraph (b) of paragraph (10) of subsection b. of
33 N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of
34 N.J.S.2C:35-10, or any similar indictable offense under federal law,
35 this State's law, or any other state's law, or for any conviction under
36 federal law for conduct involving cannabis or cannabis resin that is
37 authorized by P.L. , c. (C.) (pending before the Legislature as
38 this bill). Additionally, the commission shall not take into
39 consideration any other prior conviction, unless that conviction is
40 for an indictable offense under federal law, other than a conviction
41 for conduct involving cannabis or cannabis resin that is authorized
42 by P.L. , c. (C.) (pending before the Legislature as this bill),
43 or under this State's law, or any other state's law that is
44 substantially related to the qualifications, functions, or duties for
45 which the license is required, and not more than five years have
46 passed since the date of that conviction, satisfactory completion of
47 probation or parole, or release from incarceration, whichever is later.
48 In determining which indictable offenses are substantially related to

1 the qualifications, functions, or duties for which the license is
2 required, the commission shall at least consider any conviction
3 involving fraud, deceit, or embezzlement, and any conviction for
4 N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or
5 similar indictable offense in this or another jurisdiction involving
6 the use of a minor to dispense or distribute a controlled dangerous
7 substance or controlled substance analog;

8 (ii) The commission may approve an applicant for a Class 4
9 Cannabis Retailer license after conducting a thorough review of any
10 previous conviction of a person that substantially related to the
11 qualifications, functions, or duties for which the license is required
12 that is contained in the criminal history record background
13 information, and this review shall include examining the nature of
14 the indictable offense, the circumstances at the time of committing
15 the offense, and evidence of rehabilitation since conviction. If the
16 commission determines that the reviewed conviction should not
17 disqualify the applicant, the applicant may be approved so long as
18 the applicant is otherwise qualified to be issued the license; and

19 (d) Upon receipt and review of the criminal history record
20 background information from the Division of State Police and the
21 Federal Bureau of Investigation, the commission shall provide
22 written notification to the applicant of the qualification for or
23 disqualification for a Class 4 Cannabis Retailer license.

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

29 (e) The Division of State Police shall promptly notify the
30 commission in the event that an individual who was the subject of a
31 criminal history record background check conducted pursuant to
32 this section is convicted of a crime or offense in this State after the
33 date the background check was performed. Upon receipt of that
34 notification, the commission shall make a determination regarding
35 the continued eligibility for the applicant, or following application,
36 for the licensee, to hold a Class 4 Cannabis Retailer license.

37 b. The commission shall adopt rules that:

38 (1) Provide for the annual renewal of the Class 4 Cannabis
39 Retailer license;

40 (2) Establish application, licensure, and renewal of licensure
41 fees for a cannabis retailer in accordance with paragraph (2) of
42 subsection a. of section 17 of P.L. , c. (C.) (pending before
43 the Legislature as this bill);

44 (3) Require cannabis sold by a cannabis retailer to be tested in
45 accordance with P.L. , c. (C.) (pending before the
46 Legislature as this bill); and

47 (4) Require a cannabis retailer to meet any public health and
48 safety standards, industry best practices, and all applicable

1 regulations established by the commission by rule related to the sale
2 of cannabis.

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

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

6 (2) Shall be deposited in the "Cannabis Regulatory and
7 Expungement Aid Modernization Fund" established under section
8 81 of P.L. , c. (C.) (pending before the Legislature as
9 this bill).

10 d. (1) The commission shall issue or deny issuance of a Class
11 4 Cannabis Retailer license or conditional license in accordance
12 with the procedures set forth in section 23 of P.L. , c. (C.)
13 (pending before the Legislature as this bill).

14 (2) The commission may suspend or revoke a Class 4 Cannabis
15 Retailer license or conditional license to operate as a cannabis
16 retailer for cause, which shall be considered a final agency action
17 for the purposes of the "Administrative Procedure Act," P.L.1968,
18 c.410 (C.52:14B-1 et seq.) and shall be subject only to judicial
19 review as provided in the Rules of Court.

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

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

27 g. Subject to receiving an endorsement pursuant to section 82
28 of P.L. , c. (C.) (pending before the Legislature as this bill):

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

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

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

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

47

48 29. (New section) Cannabis Handlers.

- 1 a. An individual who performs work for or on behalf of a
2 person who holds a license classified pursuant to section 24, 26, 27
3 or 28 of P.L. , c. (C.) (pending before the Legislature as
4 this bill) shall have a valid certification issued by the commission
5 under this section if the individual participates in:
- 6 (1) the possession, securing, or selling of cannabis items at the
7 premises for which the license has been issued; or
- 8 (2) the recording of the possession, securing, or selling of
9 cannabis items at the premises for which the license has been
10 issued; or
- 11 (3) the delivery of cannabis items.
- 12 b. A person who holds a license classified pursuant to section
13 24, 26, 27 or 28 of P.L. , c. (C.) (pending before the
14 Legislature as this bill) shall verify that an individual has a valid
15 certification issued under this section before allowing the individual
16 to perform any work described in subsection a. of this section at the
17 premises for which the license has been issued.
- 18 c. The commission shall issue certifications to qualified
19 applicants to perform work described in this section. The
20 commission shall adopt rules and regulations establishing: the
21 qualifications for performing work described in this section; the
22 terms of a certification issued under this section; procedures for
23 applying for and renewing a certification issued under this section;
24 and reasonable application, issuance, and renewal fees for a
25 certification issued under this section.
- 26 d. The commission may require an individual applying for a
27 certification under this section to successfully complete a course,
28 made available by or through the commission, in which the
29 individual receives training on: checking identification; detecting
30 intoxication; handling cannabis items; statutory and regulatory
31 provisions relating to cannabis; and any matter deemed necessary
32 by the commission to protect the public health and safety. The
33 commission or other provider may charge a reasonable fee for the
34 course.
- 35 The commission shall not require an individual to successfully
36 complete the course more than once, except that the commission
37 may adopt regulations directing continuing education training on a
38 prescribed schedule.
- 39 As part of a final order suspending a certification issued under
40 this section, the commission may require a holder of a certification
41 to successfully complete the course as a condition of lifting the
42 suspension and as part of a final order revoking a certification
43 issued under this section, the commission shall require an individual
44 to successfully complete the course prior to applying for a new
45 certification.
- 46 e. (1) Each individual applying for a certification under this
47 section shall undergo a criminal history record background check.
48 The commission is authorized to exchange fingerprint data with and

1 receive criminal history record background information from the
2 Division of State Police and the Federal Bureau of Investigation
3 consistent with the provisions of applicable federal and State laws,
4 rules, and regulations. The Division of State Police shall forward
5 criminal history record background information to the commission
6 in a timely manner when requested pursuant to the provisions of
7 this subsection.

8 (2) Each individual shall submit to being fingerprinted in
9 accordance with applicable State and federal laws, rules, and
10 regulations. No check of criminal history record background
11 information shall be performed pursuant to this subsection unless
12 the individual has furnished written consent to that check. Any
13 individual who refuses to consent to, or cooperate in, the securing
14 of a check of criminal history record background information shall
15 not be considered for a certification. Each individual shall bear the
16 cost for the criminal history record background check, including all
17 costs of administering and processing the check.

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

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

33 f. (1) (a) With respect to determining whether any conviction
34 of an individual contained in the criminal history record background
35 check should disqualify an applicant for a certification, the
36 commission shall not take into consideration any conviction for a
37 crime or offense that occurred prior to the effective date of P.L. , c.
38 (C.) (pending before the Legislature as this bill) involving a
39 controlled dangerous substance or controlled substance analog as
40 set forth in paragraph (11) or (12) of subsection b., or subparagraph
41 (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5, or
42 paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any
43 similar indictable offense under federal law, this State's law, or any
44 other state's law, or for any conviction under federal law for conduct
45 involving cannabis or cannabis resin that is authorized by P.L. , c.
46 (C.) (pending before the Legislature as this bill). Additionally,
47 the commission shall not take into consideration any other prior
48 conviction, unless that conviction is for an indictable offense under

1 federal law, other than a conviction for conduct involving cannabis
2 or cannabis resin that is authorized by P.L. , c. (C.)
3 (pending before the Legislature as this bill), or under this State's
4 law, or any other state's law that is substantially related to the
5 qualifications, functions, or duties for which certification is
6 required, and not more than five years have passed since the date of
7 that conviction, satisfactory completion of probation or parole, or
8 release from incarceration, whichever is later. In determining
9 which indictable offenses are substantially related to the
10 qualifications, functions, or duties for which certification is
11 required, the commission shall at least consider any conviction
12 involving fraud, deceit, or embezzlement, and any conviction for
13 N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or
14 similar indictable offense in this or another jurisdiction involving
15 the use of a minor to dispense or distribute a controlled dangerous
16 substance or controlled substance analog;

17 (b) The commission may approve an applicant for a certification
18 after conducting a thorough review of any previous conviction of a
19 person that substantially related to the qualifications, functions, or
20 duties for which certification is required that is contained in the
21 criminal history record background information, and this review
22 shall include examining the nature of the indictable offense, the
23 circumstances at the time of committing the offense, and evidence
24 of rehabilitation since conviction. If the commission determines
25 that the reviewed conviction should not disqualify the applicant, the
26 applicant may be approved so long as the applicant is otherwise
27 qualified to be issued the certification.

28 g. The commission shall deny an application to any applicant who
29 fails to provide information, documentation and assurances as required
30 by P.L. , c. (C.) (pending before the Legislature as this bill) or
31 as requested by the commission, or who fails to reveal any fact
32 material to qualification, or who supplies information which is untrue
33 or misleading as to a material fact pertaining to the qualification
34 criteria for licensure.

35 h. The commission may suspend, revoke, or refuse to renew a
36 certification if the individual who is applying for or who holds the
37 certification: violates any provision of P.L. , c. (C.)
38 (pending before the Legislature as this bill) or any rule or regulation
39 adopted under P.L. , c. (C.) (pending before the
40 Legislature as this bill); makes a false statement to the commission;
41 or refuses to cooperate in any investigation by the commission.

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

45 j. In addition to the requirements for regulations set forth in
46 paragraph (1) of subsection d. of section 8 of P.L. ,
47 c. (C.) (pending before the Legislature as this bill) the
48 commission shall enact regulations to allow for a cannabis retailer

- 1 to engage in delivery of cannabis items by a certified cannabis
2 handler performing work for or on behalf of a cannabis retailer, and
3 which regulations shall include, but not be limited to, the following
4 requirements:
- 5 (1) A cannabis retailer may only deliver cannabis items to a
6 physical address in this State.
- 7 (2) Deliveries shall be made only to a legal consumer by a
8 certified cannabis handler who is an employee of a cannabis retailer
9 or an approved contractor vender for a cannabis retailer.
- 10 (3) A cannabis retailer shall not deliver to an address located on
11 land owned by the federal government or any address on land or in
12 a building leased by the federal government.
- 13 (4) A cannabis retailer shall staff each delivery vehicle with a
14 certified cannabis handler who is an employee of the cannabis
15 retailer who shall be at least 18 years of age, or use an approved
16 contract vendor whose delivery employees shall be at least 18 years
17 of age.
- 18 (5) All deliveries of cannabis items shall be made in person. A
19 delivery of cannabis items shall not be made through the use of an
20 unmanned vehicle.
- 21 (6) Each certified cannabis handler shall carry a copy of the
22 cannabis employee or contract vendor identification card. The
23 cannabis handler shall present the identification card upon request
24 to State and local law enforcement, and State and local regulatory
25 authorities and agencies.
- 26 (7) Each certified cannabis handler shall have access to a secure
27 form of communication with the cannabis retailer, such as a cellular
28 telephone, at all times that a delivery vehicle contains cannabis
29 items.
- 30 (8) During delivery, the certified cannabis handler shall
31 maintain a physical or electronic copy of the delivery request and
32 shall make it available upon request to State and local law
33 enforcement, and State and local regulatory authorities and
34 agencies.
- 35 (9) Delivery vehicles shall be equipped with a secure lockbox in
36 a secured cargo area, which shall be used for the sanitary and secure
37 transport of cannabis items.
- 38 (10) A certified cannabis handler shall not leave cannabis items
39 in an unattended delivery vehicle unless the vehicle is locked and
40 equipped with an active vehicle alarm system.
- 41 (11) A delivery vehicle shall contain a Global Positioning
42 System (GPS) device for identifying the geographic location of the
43 delivery vehicle. The device shall be either permanently or
44 temporarily affixed to the delivery vehicle while the delivery
45 vehicle is in operation, and the device shall remain active and in the
46 possession of the certified cannabis handler at all times during
47 delivery. At all times, the cannabis retailer shall be able to identify
48 the geographic location of all delivery vehicles that are making

1 deliveries for the cannabis retailer and shall provide that
2 information to the commission upon request.

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

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

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

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

18 (16) While making deliveries, a certified cannabis handler shall
19 only travel from the cannabis retailer's licensed premises to the
20 delivery address; from one delivery address to another delivery
21 address; or from a delivery address back to the cannabis retailer's
22 licensed premises. A cannabis handler shall not deviate from the
23 delivery path described in this paragraph, except in the event of
24 emergency or as necessary for rest, fuel, or vehicle repair stops, or
25 because road conditions make continued use of the route or
26 operation of the vehicle unsafe, impossible, or impracticable.

27 (17) The process of delivery begins when the certified cannabis
28 handler leaves the cannabis retailer licensed premises with the
29 cannabis items for delivery. The process of delivering ends when
30 the cannabis handler returns to the cannabis retailer's licensed
31 premises after delivering the cannabis item to the consumer.

32 (18) Each cannabis retailer shall maintain a record of each
33 delivery of cannabis items in a delivery log, which may be written
34 or electronic. For each delivery, the log shall record:

- 35 (a) The date and time that the delivery began and ended;
36 (b) The name of the certified cannabis handler;
37 (c) The cannabis items delivered;
38 (d) The lot number of the cannabis; and
39 (e) The signature of the consumer who accepted delivery.

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

44

45 30. (New section) Marketplace Regulation.

46 a. (1) (a) For a period of 18 months after the date determined
47 by the commission pursuant to paragraph (2) of subsection d. of
48 section 8 of P.L. , c. (C.) (pending before the Legislature as

1 this bill), to be the first date on which cannabis retailers issued
2 licenses or conditional licenses may begin retail sales of personal
3 use cannabis items, it shall be unlawful for any owner, part owner,
4 stockholder, officer, or director of any corporation, or any other
5 person interested in any cannabis cultivation facility, cannabis
6 testing facility, cannabis product manufacturing facility, or cannabis
7 wholesaler, to conduct, own either in whole or in part, or be directly
8 or indirectly interested in the retailing of any cannabis in this State,
9 and such interest shall include any payments or delivery of money
10 or property by way of loan or otherwise accompanied by an
11 agreement to sell the product of said cannabis cultivation facility,
12 cannabis testing facility, cannabis product manufacturing facility, or
13 cannabis wholesaler. During this 18-month period, the holder of a
14 Class 1 Cannabis Grower license to operate a cannabis cultivation
15 facility or a Class 2 Cannabis Processor license to operate a
16 cannabis product manufacturing facility may hold one other license
17 to operate another cannabis establishment, other than a Class 3
18 Cannabis Wholesaler license to operate a cannabis wholesaler or a
19 Class 4 Cannabis Retailer license to operate a cannabis retailer; and
20 the holder of a Class 3 Cannabis Wholesaler license to operate a
21 cannabis wholesaler shall be limited to just that one license.

22 (b) Throughout the 18-month period set forth in subparagraph
23 (a) of this paragraph, the commission shall not:

24 (i) providing there exist qualified applicants, allow more than 28
25 cannabis growers to be simultaneously licensed and engaging in
26 personal use cannabis activities; and

27 (ii) providing there exist qualified applicants, allow more than 28
28 entities to be simultaneously holding medical cannabis cultivator
29 permits issued pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7)
30 for activities concerning the medical use of cannabis under the
31 “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009,
32 c.307 (C.24:6I-1 et al.), which total number of entities shall include
33 any alternative treatment center that was issued a permit prior to the
34 effective date of P.L. , c. (C.) (pending before the Legislature
35 as the Third Reprint of Senate Committee Substitute for Senate Bill
36 Nos. 10 and 2426), or that was issued a permit after that effective
37 date pursuant to an application submitted prior to that effective
38 date, or is one of the six alternative treatment centers expressly
39 exempt from the provisions of subparagraph (a) of paragraph (2) of
40 subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) pursuant to
41 section 11 of P.L. , c. (C.) (pending before the Legislature as
42 the Third Reprint of Senate Committee Substitute for Senate Bill Nos.
43 10 and 2426) concerning certain limitations on concurrently held
44 medical cannabis permits.

45 (2) For a period of 18 months after the date determined by the
46 commission pursuant to paragraph (2) of subsection d. of section 8
47 of P.L. , c. (C.) (pending before the Legislature as this bill),
48 to be the first date on which cannabis retailers issued licenses or

1 conditional licenses may begin retail sales of personal use cannabis
2 items, it shall be unlawful for any owner, part owner, stockholder,
3 officer, or director of any corporation, or any other person
4 interested in any retailing of any cannabis to conduct, own either
5 whole or in part, or to be a shareholder, officer or director of a
6 corporation or association, directly or indirectly, interested in any
7 cannabis cultivation facility, cannabis testing facility, cannabis
8 product manufacturing facility, or cannabis wholesaler.

9 (3) (a) (i) Except with respect to the cap on the number of
10 cannabis grower licenses and medical cannabis cultivator permits
11 set forth in subparagraph (b) of paragraph (1) of this subsection, the
12 provisions of paragraphs (1) and (2) of this subsection shall not
13 apply to an alternative treatment center that was issued a permit
14 prior to the effective date of P.L. , c. (C.) (pending before the
15 Legislature as the Third Reprint of Senate Committee Substitute for
16 Senate Bill Nos. 10 and 2426), or that was issued a permit after that
17 effective date pursuant to an application submitted prior to that
18 effective date, or is one of the six alternative treatment centers
19 expressly exempt from the provisions of subparagraph (a) of
20 paragraph (2) of subsection a. of section 7 of P.L.2009, c.307
21 (C.24:6I-7) pursuant to section 11 of P.L. , c. (C.) (pending
22 before the Legislature as the Third Reprint of Senate Committee
23 Substitute for Senate Bill Nos. 10 and 2426) concerning certain
24 limitations on concurrently held medical cannabis permits, and that
25 is deemed, pursuant to that section 7 (C.24:6I-7), to either
26 concurrently hold a Class 1 Cannabis Grower license, a Class 2
27 Cannabis Processor license, and a Class 4 Cannabis Retailer license,
28 plus an additional Class 4 Cannabis Retailer license for each
29 satellite dispensary that was approved prior to that act's effective
30 date or approved after that effective date pursuant to an application
31 submitted prior to the effective date P.L. , c. (C.) (pending
32 before the Legislature as the Third Reprint of Senate Committee
33 Substitute for Senate Bill Nos. 10 and 2426), or deemed to hold a
34 Class 3 Wholesaler license.

35 (ii) For each alternative treatment center deemed to have
36 licenses pursuant to subparagraph (i) of this subparagraph, the
37 commission shall not require the submission of an application for
38 licensure, as the application requirement is deemed satisfied by the
39 alternative treatment center's previously approved permit
40 application that was submitted to the Department of Health pursuant
41 to section 7 of P.L.2009, c.307 (C.24:6I-7), but the alternative
42 treatment center shall not begin to operate as any class of cannabis
43 establishment until the alternative treatment center has submitted a
44 written approval for a proposed cannabis establishment from the
45 local governmental entity in which the proposed establishment is to
46 be located, which approval is based on a determination that the
47 proposed establishment complies with the local governmental
48 entity's restrictions on the time, location, manner, and number of

1 establishments enacted pursuant to section 22 of P.L. ,
2 c. (C.) (pending before the Legislature as this bill). The
3 commission shall issue the initial license to the alternative treatment
4 center for a cannabis establishment of the appropriate class upon
5 receipt of the local governmental entity's approval. The
6 commission shall begin accepting local governmental entity
7 approvals from alternative treatment centers beginning on the date
8 of adoption of the commission's initial rules and regulations pursuant
9 to subparagraph (a) of paragraph (1) of subsection d. of section 8 of
10 P.L. , c. (C.) (pending before the Legislature as this bill).

11 (iii) An alternative treatment center issued an initial license
12 following approval by a local governmental entity pursuant to
13 subparagraph (ii) of this subparagraph shall not engage in
14 activities related to the growing, producing, or wholesaling of
15 personal use cannabis until it has certified to the commission that
16 that it has sufficient quantities of medical cannabis and medical
17 cannabis products available to meet the reasonably anticipated need
18 of registered qualifying patients, and the commission has accepted
19 the alternative treatment center's certification.

20 Notwithstanding the date determined by the commission
21 pursuant to paragraph (2) of subsection d. of section 8 of that act
22 (C.) to be the first date on which cannabis retailers issued
23 licenses or conditional licenses may begin retail sales of personal
24 use cannabis items, an alternate treatment center, if approved by a
25 local governmental entity to operate as a cannabis retailer, may
26 begin to engage in the retail sale of cannabis items on any date after
27 the date that the commission adopts its initial rules and regulations
28 pursuant to subparagraph (a) of paragraph (1) of subsection d. of
29 section 8 of P.L. , c. (C.) (pending before the Legislature as
30 this bill), so long as it has certified to the commission, and to the local
31 governmental entity in which it is located and intends to engage in
32 retail sales, that it has sufficient quantities of medical cannabis and,
33 if applicable, medical cannabis products available to meet the
34 reasonably anticipated need of registered qualifying patients, and
35 both the commission and local governmental entity have accepted
36 the alternative treatment center's certification.

37 (iv) An alternative treatment center issued a license for a
38 cannabis establishment shall be authorized to use the same premises
39 for all activities authorized under P.L. , c. (C.) (pending
40 before the Legislature as this bill) and the "Jake Honig
41 Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-
42 1 et al.), without being required to establish or maintain any
43 physical barriers or separations between operations related to the
44 medical use of cannabis and operations related to personal use
45 cannabis, provided that the alternative treatment center shall be
46 required to certify that it has sufficient quantities of medical
47 cannabis and, if applicable, medical cannabis products available to
48 meet the reasonably anticipated treatment needs of registered

1 qualifying patients, as set forth in subsubparagraph (iii) of this
2 subparagraph, as a condition of selling personal use cannabis at
3 retail.

4 In determining whether to accept, pursuant to this subparagraph,
5 an alternative treatment center's certification that it has sufficient
6 quantities of medical cannabis or medical cannabis products
7 available to meet the reasonably anticipated needs of registered
8 qualifying patients, the commission, and if applicable a local
9 governmental entity in consultation with the commission, shall
10 assess patient enrollment, inventory, sales of medical cannabis and
11 medical cannabis products, and any other factors determined by the
12 commission through regulation. If an alternative treatment center is
13 found by the commission to not have sufficient quantities of
14 medical cannabis or medical cannabis products available to meet
15 the reasonably anticipated needs of qualified patients, the
16 commission may issue fines, limit retail sales, temporarily suspend
17 the alternative treatment center's cannabis establishment license, or
18 issue any other penalties determined by the commission through
19 regulation.

20 (b) Beginning on a date determined by the commission, to be
21 not later than one year from the date determined by the commission
22 pursuant to paragraph (2) of subsection d. of section 8 of P.L. ,
23 c. (C.) (pending before the Legislature as this bill) to be the first
24 date on which cannabis retailers issued licenses or conditional
25 licenses may begin retail sales of personal use cannabis items, an
26 alternative treatment center deemed to have licenses and issued
27 initial licenses pursuant to subparagraph (a) of this paragraph shall
28 certify to the commission, within a period of time, as determined by
29 the commission, prior to the date on which a license issued to the
30 alternative treatment center is set to expire, the continued material
31 accuracy of the alternative treatment center's previously approved
32 permit application to the Department of Health pursuant to section 7
33 of P.L.2009, c.307 (C.24:6I-7), and its compliance with the
34 provisions of P.L. , c. (C.) (pending before the Legislature as
35 this bill) as required by the commission for its operations concerning
36 personal use cannabis, and this certification shall be supplemented
37 with a new written approval from the local governmental entity in
38 which the alternative treatment center is operating as a cannabis
39 establishment for which the initial license was issued, approving the
40 continued operations as a cannabis establishment. The commission
41 shall renew the license of the alternative treatment center based
42 upon a review of the certification and supporting local
43 governmental entity's continued approval. This license renewal
44 process shall thereafter be followed for each expiring license issued
45 to the alternative treatment center.

46 b. Following the 18 month period set forth in subsection a. of
47 this section, a license holder shall be authorized to hold:

1 (1) (a) a Class 1 Cannabis Grower license, a Class 2 Cannabis
2 Processor license, and a Class 4 Cannabis Retailer license
3 concurrently, provided that no license holder shall be authorized to
4 concurrently hold more than one license of each class, except for an
5 alternative treatment center that was deemed, during the 18 month
6 period, to have an additional Class 4 Cannabis Retailer license for
7 each satellite dispensary pursuant to subsubparagraph (i) of
8 subparagraph (a) of paragraph (3) of subsection a. of this section.
9 These additional retailer licenses only permit the retail operation of
10 each satellite dispensary, and shall not be replaced by any other
11 class of cannabis establishment license; or

12 (b) a Class 3 Cannabis Wholesaler license. In no case may a
13 holder of a Class 3 Cannabis Wholesaler license concurrently
14 holder a license of any other class.

15 (2) The commission, pursuant to its authority under paragraph
16 (1) of subsection a. of section 17 of P.L. , c. (C.) (pending
17 before the Legislature as this bill), and pursuant to paragraph (4) of
18 subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) for making
19 periodic evaluations of whether the number of each class of cannabis
20 establishment is sufficient to meet the market demands of the State,
21 and the number of permits is sufficient to meet the medical needs of
22 registered qualifying patients, shall review the limit on the number
23 of cannabis grower licenses and medical cannabis cultivator permits
24 set forth in subparagraph (b) of paragraph (1) of subsection a. of
25 this section, and providing there exist qualified applicants, may
26 make requests for new applications for additional licenses and
27 permits as it deems necessary.

28 (3) A license holder may submit an application for a license of
29 any type that the license holder does not currently hold prior to the
30 expiration of the 18 month period set forth in subsection a. of this
31 section, or thereafter, does not currently hold pursuant to paragraph
32 (1) of this subsection, provided that no license shall be awarded to
33 the license holder during the 18 month period, or thereafter, if
34 issuance of the license would violate the restrictions set forth in
35 subsection a. of this section concerning the classes of licenses that
36 may be concurrently held during that 18 month period, or the
37 restrictions set forth in paragraph (1) of this subsection.

38

39 31. (New section) Employers, Driving, Minors and Control of
40 Property.

41 a. No employer shall refuse to hire or employ any person or
42 shall discharge from employment or take any adverse action against
43 any employee with respect to compensation, terms, conditions, or
44 other privileges of employment because that person does or does
45 not smoke or use cannabis items, unless the employer has a rational
46 basis for doing so which is reasonably related to the employment,
47 including the responsibilities of the employee or prospective
48 employee.

1 b. Nothing in P.L. , c. (C.) (pending before the
2 Legislature as this bill):

3 (1) Requires an employer to amend or repeal, or affect, restrict
4 or preempt the rights and obligations of employers to maintain a
5 drug and alcohol free workplace or require an employer to permit or
6 accommodate the use, consumption, being under the influence,
7 possession, transfer, display, transportation, sale, or growth of
8 cannabis or cannabis items in the workplace, or to affect the ability
9 of employers to have policies prohibiting cannabis use or
10 intoxication by employees during work hours.

11 (2) Is intended to allow driving under the influence of cannabis
12 items or driving while impaired by cannabis items or to supersede
13 laws related to driving under the influence of marijuana or cannabis
14 items or driving while impaired by marijuana or cannabis items.

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

21 (4) Shall, consistent with subsection c. of section 4 of P.L. ,
22 c. (C.) (pending before the Legislature as this bill), prohibit
23 a person or entity that owns or controls a property, including a
24 casino hotel facility as defined in section 19 of P.L.1977, c.110
25 (C.5:12-19), from prohibiting or otherwise regulating the
26 consumption, use, display, transfer, distribution, sale, or
27 transportation of cannabis items on or in that property, or portion
28 thereof, including a hotel property that is a casino hotel facility as
29 defined in section 19 of P.L.1977, c.110 (C.5:12-19), a casino as
30 defined in section 6 of P.L.1977, c.110 (C.5:12-6), or casino
31 simulcasting facility authorized pursuant to the "Casino
32 Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.), provided that
33 a person or entity that owns or controls multifamily housing that is
34 a multiple dwelling as defined in section 3 of P.L.1967, c.76
35 (C.55:13A-3), a unit of a condominium as defined in section 3 of
36 P.L.1969, c.257 (C.46:8B-3), or a site in a mobile home park as
37 defined in section 3 of P.L.1983, c.386 (C.40:55D-102), which site is
38 leased to the owner of a manufactured home, as defined in that section,
39 that is installed thereon, may only prohibit or otherwise regulate the
40 smoking, but not other consumption, of cannabis items, and further
41 provided that local governmental entities may not prohibit
42 possession or consumption of cannabis items by a person 21 years
43 of age or older as permitted by section 4 of
44 P.L. , c. (C.) (pending before the Legislature as this bill).

45 (5) Is intended to permit any person to possess, consume, use,
46 display, transfer, distribute, sell, transport, or grow cannabis items
47 in a school, hospital, detention facility, adult correctional facility, or
48 youth correction facility.

1 (6) Is intended to permit the smoking of cannabis items in any
2 place that any other law prohibits the smoking of tobacco, including
3 N.J.S.2C:33-13 and the “New Jersey Smoke-Free Air Act,”
4 P.L.2005, c.383 (C.26:3D-55 et seq.). Except as otherwise provided
5 by P.L. , c. (C.) (pending before the Legislature as this bill),
6 any fines or civil penalties that may be assessed for the smoking of
7 tobacco in designated places shall be applicable to the smoking of
8 cannabis items.

9
10 32. (New section) a. An employer shall not be permitted to
11 consider when making an employment decision, require any
12 applicant to disclose or reveal, or take any adverse action against
13 any applicant for employment on the basis of, any arrest, charge,
14 conviction, or adjudication of delinquency, for unlawful distribution
15 of, or possessing or having under control with intent to distribute,
16 marijuana or hashish in violation of paragraph (11) of subsection b. of
17 N.J.S.2C:35-5, or a lesser amount of marijuana or hashish in violation
18 of paragraph (12) of subsection b. of that section, or a violation of
19 either of those paragraphs and a violation of subsection a. of section 1
20 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section 1 of
21 P.L.1997, c.327 (C.2C:35-7.1) for distributing, or possessing or having
22 under control with intent to distribute, on or within 1,000 feet of any
23 school property, or on or within 500 feet of the real property
24 comprising a public housing facility, public park, or public building,
25 or for obtaining, possessing, using, being under the influence of, or
26 failing to make lawful disposition of marijuana or hashish in
27 violation of paragraph (3) or (4) of subsection a., or subsection b., or
28 subsection c. of N.J.S.2C:35-10, or for a violation of any of those
29 provisions and a violation of N.J.S.2C:36-2 for using or possessing
30 with intent to use drug paraphernalia with the marijuana or hashish, or
31 an arrest, charge, conviction, or adjudication of delinquency under the
32 laws of another state or of the United States of a crime or offense
33 which, if committed in this State, would be a violation of any of the
34 aforementioned crimes or offenses, regardless of when any such arrest,
35 charge, conviction, or adjudication of delinquency occurred, unless the
36 employment sought or being considered is for a position in law
37 enforcement, corrections, the judiciary, homeland security, or
38 emergency management.

39 b. Any employer who commits an act in violation of this
40 section shall be liable for a civil penalty in an amount not to exceed
41 \$1,000 for the first violation, \$5,000 for the second violation, and
42 \$10,000 for each subsequent violation, which shall be collectible by
43 the Commissioner of Labor and Workforce Development in a
44 summary proceeding pursuant to the “Penalty Enforcement Law of
45 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.). The penalties set
46 forth in this subsection shall be the sole remedy provided for
47 violations of this section.

1 c. Nothing set forth in this section shall be construed as creating
2 or establishing a standard of care or duty for employers with respect
3 to any other law. Evidence that an employer has violated, or is
4 alleged to have violated, the provisions of this section, shall not be
5 admissible in any legal proceeding with respect to any law or claim
6 other than a proceeding to enforce the provisions of this
7 section. Nothing set forth in this section shall be construed as
8 creating, establishing, or authorizing a private cause of action by an
9 aggrieved person against an employer who has violated, or is
10 alleged to have violated, the provisions of this section.

11

12 33. (New section) a. A person that makes a mortgage loan in
13 this State shall not discriminate against an applicant in accepting an
14 application, granting, withholding, extending, modifying or
15 renewing, or in the fixing of the rates, terms, conditions, or
16 provisions of any mortgage loan based on an applicant's arrest,
17 charge, conviction, or adjudication of delinquency, for unlawful
18 distribution of, or possessing or having under control with intent to
19 distribute, marijuana or hashish in violation of paragraph (11) of
20 subsection b. of N.J.S.2C:35-5, or a lesser amount of marijuana or
21 hashish in violation of paragraph (12) of subsection b. of that section,
22 or a violation of either of those paragraphs and a violation of
23 subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection
24 a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or
25 possessing or having under control with intent to distribute, on or
26 within 1,000 feet of any school property, or on or within 500 feet of
27 the real property comprising a public housing facility, public park, or
28 public building, or for obtaining, possessing, using, being under the
29 influence of, or failing to make lawful disposition of marijuana or
30 hashish in violation of paragraph (3) or (4) of subsection a., or
31 subsection b., or subsection c. of N.J.S.2C:35-10, or for a violation of
32 any of those provisions and a violation of N.J.S.2C:36-2 for using or
33 possessing with intent to use drug paraphernalia with the marijuana or
34 hashish, or an arrest, charge, conviction, or adjudication of
35 delinquency under the laws of another state or of the United States
36 of a crime or offense which, if committed in this State, would be a
37 violation of any of the aforementioned crimes or offenses, regardless
38 of when any such arrest, charge, conviction, or adjudication of
39 delinquency occurred.

40 b. Any applicant who has been discriminated against as a result
41 of a violation of this section may bring an action in New Jersey in a
42 court of competent jurisdiction. Upon finding that a person is in
43 violation of this section, the court may award actual damages,
44 reasonable attorneys' fees, and court costs.

45 c. The Commissioner of Banking and Insurance shall have the
46 power to:

47 (1) Make such investigations into any matter pertaining to this
48 section, including the power to hold hearings and issue subpoenas

1 to compel the attendance of witnesses and the production of
2 evidence. In case of a failure of any person to comply with any
3 subpoena, the Superior Court may issue an order requiring the
4 attendance of such person and the giving of testimony or production
5 of evidence. Any person failing to obey the court's order may be
6 punished for contempt.

7 (2) Order a person found to be in violation of this section to
8 cease its unlawful practices, subject to review, hearing, and relief in
9 the Superior Court. A person that continues to violate the
10 provisions of this act after having been ordered by the
11 commissioner to cease such practices shall be liable to a penalty of
12 \$10,000 for each offense instead of the penalty for a continuous
13 violation set forth in section 10 of P.L.1977, c.1 (C.17:16F-
14 10). This penalty may be collected in a summary proceeding
15 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
16 c.274 (C.2A:58-10 et seq.). Except as set forth herein, the penalty
17 provided by this section shall be in addition to and not in lieu of any
18 other provision of law applicable upon a person's failure to comply
19 with an order of the commissioner.
20

21 34. (New section) a. A person alleging discrimination in public
22 or private housing, real property, or a place of public accommodation,
23 based on a prior arrest, charge, conviction, or adjudication of
24 delinquency, for unlawful distribution of, or possessing or having
25 under control with intent to distribute, marijuana or hashish in
26 violation of paragraph (11) of subsection b. of N.J.S.2C:35-5, or a
27 lesser amount of marijuana or hashish in violation of paragraph (12) of
28 subsection b. of that section, or a violation of either of those
29 paragraphs and a violation of subsection a. of section 1 of P.L.1987,
30 c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327
31 (C.2C:35-7.1) for distributing, or possessing or having under control
32 with intent to distribute, on or within 1,000 feet of any school
33 property, or on or within 500 feet of the real property comprising a
34 public housing facility, public park, or public building, or for
35 obtaining, possessing, using, being under the influence of, or failing
36 to make lawful disposition of marijuana or hashish in violation of
37 paragraph (3) or (4) of subsection a., or subsection b., or subsection c.
38 of N.J.S.2C:35-10, or for a violation of any of those provisions and a
39 violation of N.J.S.2C:36-2 for using or possessing with intent to use
40 drug paraphernalia with the marijuana or hashish, or an arrest, charge,
41 conviction, or adjudication of delinquency under the laws of another
42 state or of the United States of a crime or offense which, if
43 committed in this State, would be a violation of any of the
44 aforementioned crimes or offenses, regardless of when any such arrest,
45 charge, conviction, or adjudication of delinquency occurred, may
46 institute a civil action in the Superior Court for relief. All remedies
47 available in common law tort actions shall be available to a prevailing
48 plaintiff. The court may also order any or all of the following relief:

(1) an assessment of a civil fine of not less than \$1,000 and not more than \$2,000 for the first violation of any of the provisions of this section, and not more than \$5,000 for each subsequent violation;

(2) an injunction to restrain the continued violation of subsection a. of this section;

(3) if the discrimination impacted the person's employment, and if applicable:

(a) reinstatement of the person to the same position of employment or to a position equivalent to that which the person held prior to unlawful discharge or retaliatory action;

(b) reinstatement of full fringe benefits and seniority rights; and

(c) compensation for any lost wages, benefits and other remuneration; and

(6) payment of reasonable costs and attorney's fees.

b. An action brought under this section shall be commenced within one year of the date of the alleged violation.

c. The private cause of action provided for in this section shall be the sole remedy for a violation of this section.

35. R.S.19:4-1 is amended to read as follows:

19:4-1. **【Except as provided in R.S.19:4-2 and R.S.19:4-3, every】**
Every person possessing the qualifications required by Article II, paragraph 3, of the Constitution of the State of New Jersey and having none of the disqualifications hereinafter stated and being duly registered as required by Title 19, shall have the right of suffrage and shall be entitled to vote in the polling place assigned to the election district in which he actually resides, and not elsewhere.

No person shall have the right of suffrage--

(1) Who has been adjudicated by a court of competent jurisdiction to lack the capacity to understand the act of voting; or

(2) (Deleted by amendment.)

(3) (Deleted by amendment.)

(4) (Deleted by amendment.)

(5) (Deleted by amendment.)

(6) Who has been convicted of a violation of any of the provisions of this Title, for which criminal penalties were imposed, if such person was deprived of such right as part of the punishment therefor according to law unless pardoned or restored by law to the right of suffrage; or

(7) Who shall be convicted of the violation of any of the provisions of this Title, for which criminal penalties are imposed, if such person shall be deprived of such right as part of the punishment therefor according to law, unless pardoned or restored by law to the right of suffrage; or

(8) Who is serving a sentence or is on parole or probation as the result of a conviction of any indictable offense under the laws of this or another state or of the United States , other than a person who is on parole or probation as the result of a conviction for unlawful

distribution of, or possessing or having under control with intent to distribute, marijuana or hashish in violation of paragraph (11) of subsection b. of N.J.S.2C:35-5, or a lesser amount of marijuana or hashish in violation of paragraph (12) of subsection b. of that section, or a violation of either of those paragraphs and a violation of subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or possessing or having under control with intent to distribute, on or within 1,000 feet of any school property, or on or within 500 feet of the real property comprising a public housing facility, public park, or public building, or for obtaining or possessing marijuana or hashish in violation of paragraph (3) of subsection a. of N.J.S.2C:35-10, or as the result of a conviction of any indictable offense under the laws of another state or of the United States which, if committed in this State, would be a violation of any of those paragraphs.

A person who will have on the day of the next general election the qualifications to entitle him to vote shall have the right to be registered for and vote at such general election and register for and vote at any election, intervening between such date of registration and such general election, if he shall be a citizen of the United States and shall meet the age and residence requirements prescribed by the Constitution of this State and the laws of the United States, when such intervening election is held, as though such qualifications were met before registration.

(cf: P.L.2010, c.50, s.17)

36. Section 1 of P.L.1995, c.23 (C.47:1A-1.1) is amended to read as follows:

1. As used in P.L.1963, c.73 (C.47:1A-1 et seq.) as amended and supplemented:

"Biotechnology" means any technique that uses living organisms, or parts of living organisms, to make or modify products, to improve plants or animals, or to develop micro-organisms for specific uses; including the industrial use of recombinant DNA, cell fusion, and novel bioprocessing techniques.

"Custodian of a government record" or "custodian" means in the case of a municipality, the municipal clerk and in the case of any other public agency, the officer officially designated by formal action of that agency's director or governing body, as the case may be.

"Government record" or "record" means any paper, written or printed book, document, drawing, map, plan, photograph, microfilm, data processed or image processed document, information stored or maintained electronically or by sound-recording or in a similar device, or any copy thereof, that has been made, maintained or kept on file in the course of his or its official business by any officer, commission, agency or authority of the State or of any political subdivision thereof, including subordinate boards thereof, or that has been received in the course of his or its official business by any such officer, commission,

1 agency, or authority of the State or of any political subdivision thereof,
2 including subordinate boards thereof. The terms shall not include
3 inter-agency or intra-agency advisory, consultative, or deliberative
4 material.

5 A government record shall not include the following information
6 which is deemed to be confidential for the purposes of P.L.1963, c.73
7 (C.47:1A-1 et seq.) as amended and supplemented:

8 information received by a member of the Legislature from a
9 constituent or information held by a member of the Legislature
10 concerning a constituent, including but not limited to information in
11 written form or contained in any e-mail or computer data base, or in
12 any telephone record whatsoever, unless it is information the
13 constituent is required by law to transmit;

14 any memorandum, correspondence, notes, report or other
15 communication prepared by, or for, the specific use of a member of the
16 Legislature in the course of the member's official duties, except that
17 this provision shall not apply to an otherwise publicly-accessible
18 report which is required by law to be submitted to the Legislature or its
19 members;

20 any copy, reproduction or facsimile of any photograph, negative or
21 print, including instant photographs and videotapes of the body, or any
22 portion of the body, of a deceased person, taken by or for the medical
23 examiner at the scene of death or in the course of a post mortem
24 examination or autopsy made by or caused to be made by the medical
25 examiner except:

26 when used in a criminal action or proceeding in this State which
27 relates to the death of that person,

28 for the use as a court of this State permits, by order after good
29 cause has been shown and after written notification of the request for
30 the court order has been served at least five days before the order is
31 made upon the county prosecutor for the county in which the post
32 mortem examination or autopsy occurred,

33 for use in the field of forensic pathology or for use in medical or
34 scientific education or research, or

35 for use by any law enforcement agency in this State or any other
36 state or federal law enforcement agency;

37 criminal investigatory records;

38 the portion of any criminal record concerning a person's detection,
39 apprehension, arrest, detention, trial or disposition for unlawful
40 distribution of, or possessing or having under control with intent to
41 distribute, marijuana or hashish in violation of paragraph (11) of
42 subsection b. of N.J.S.2C:35-5, or a lesser amount of marijuana or
43 hashish in violation of paragraph (12) of subsection b. of that section,
44 or a violation of either of those paragraphs and a violation of
45 subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection
46 a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or
47 possessing or having under control with intent to distribute, on or
48 within 1,000 feet of any school property, or on or within 500 feet of

1 the real property comprising a public housing facility, public park, or
2 public building, or for obtaining, possessing, using, being under the
3 influence of, or failing to make lawful disposition of marijuana or
4 hashish in violation of paragraph (3) or (4) of subsection a., or
5 subsection b., or subsection c. of N.J.S.2C:35-10, or for a violation of
6 any of those provisions and a violation of N.J.S.2C:36-2 for using or
7 possessing with intent to use drug paraphernalia with the marijuana or
8 hashish;

9 victims' records, except that a victim of a crime shall have access
10 to the victim's own records;

11 any written request by a crime victim for a record to which the
12 victim is entitled to access as provided in this section, including, but
13 not limited to, any law enforcement agency report, domestic violence
14 offense report, and temporary or permanent restraining order;

15 personal firearms records, except for use by any person authorized
16 by law to have access to these records or for use by any government
17 agency, including any court or law enforcement agency, for purposes
18 of the administration of justice;

19 personal identifying information received by the Division of Fish
20 and Wildlife in the Department of Environmental Protection in
21 connection with the issuance of any license authorizing hunting with a
22 firearm. For the purposes of this paragraph, personal identifying
23 information shall include, but not be limited to, identity, name,
24 address, social security number, telephone number, fax number,
25 driver's license number, email address, or social media address of any
26 applicant or licensee;

27 trade secrets and proprietary commercial or financial information
28 obtained from any source. For the purposes of this paragraph, trade
29 secrets shall include data processing software obtained by a public
30 body under a licensing agreement which prohibits its disclosure;

31 any record within the attorney-client privilege. This paragraph
32 shall not be construed as exempting from access attorney or consultant
33 bills or invoices except that such bills or invoices may be redacted to
34 remove any information protected by the attorney-client privilege;

35 administrative or technical information regarding computer
36 hardware, software and networks which, if disclosed, would jeopardize
37 computer security;

38 emergency or security information or procedures for any buildings
39 or facility which, if disclosed, would jeopardize security of the
40 building or facility or persons therein;

41 security measures and surveillance techniques which, if disclosed,
42 would create a risk to the safety of persons, property, electronic data or
43 software;

44 information which, if disclosed, would give an advantage to
45 competitors or bidders;

46 information generated by or on behalf of public employers or
47 public employees in connection with any sexual harassment complaint
48 filed with a public employer or with any grievance filed by or against

1 an individual or in connection with collective negotiations, including
2 documents and statements of strategy or negotiating position;
3 information which is a communication between a public agency
4 and its insurance carrier, administrative service organization or risk
5 management office;
6 information which is to be kept confidential pursuant to court
7 order;
8 any copy of form DD-214, or that form, issued by the United
9 States Government, or any other certificate of honorable discharge, or
10 copy thereof, from active service or the reserves of a branch of the
11 Armed Forces of the United States, or from service in the organized
12 militia of the State, that has been filed by an individual with a public
13 agency, except that a veteran or the veteran's spouse or surviving
14 spouse shall have access to the veteran's own records;
15 any copy of an oath of allegiance, oath of office or any affirmation
16 taken upon assuming the duties of any public office, or that oath or
17 affirmation, taken by a current or former officer or employee in any
18 public office or position in this State or in any county or municipality
19 of this State, including members of the Legislative Branch, Executive
20 Branch, Judicial Branch, and all law enforcement entities, except that
21 the full name, title, and oath date of that person contained therein shall
22 not be deemed confidential;
23 that portion of any document which discloses the social security
24 number, credit card number, unlisted telephone number or driver
25 license number of any person; except for use by any government
26 agency, including any court or law enforcement agency, in carrying
27 out its functions, or any private person or entity acting on behalf
28 thereof, or any private person or entity seeking to enforce payment of
29 court-ordered child support; except with respect to the disclosure of
30 driver information by the New Jersey Motor Vehicle Commission as
31 permitted by section 2 of P.L.1997, c.188 (C.39:2-3.4); and except that
32 a social security number contained in a record required by law to be
33 made, maintained or kept on file by a public agency shall be disclosed
34 when access to the document or disclosure of that information is not
35 otherwise prohibited by State or federal law, regulation or order or by
36 State statute, resolution of either or both houses of the Legislature,
37 Executive Order of the Governor, rule of court or regulation
38 promulgated under the authority of any statute or executive order of
39 the Governor;
40 A list of persons identifying themselves as being in need of special
41 assistance in the event of an emergency maintained by a municipality
42 for public safety purposes pursuant to section 1 of P.L.2017, c.266
43 (C.40:48-2.67); and
44 A list of persons identifying themselves as being in need of special
45 assistance in the event of an emergency maintained by a county for
46 public safety purposes pursuant to section 6 of P.L.2011, c.178
47 (C.App.A:9-43.13).

1 A government record shall not include, with regard to any public
2 institution of higher education, the following information which is
3 deemed to be privileged and confidential:

4 pedagogical, scholarly and/or academic research records and/or the
5 specific details of any research project conducted under the auspices of
6 a public higher education institution in New Jersey, including, but not
7 limited to research, development information, testing procedures, or
8 information regarding test participants, related to the development or
9 testing of any pharmaceutical or pharmaceutical delivery system,
10 except that a custodian may not deny inspection of a government
11 record or part thereof that gives the name, title, expenditures, source
12 and amounts of funding and date when the final project summary of
13 any research will be available;

14 test questions, scoring keys and other examination data pertaining
15 to the administration of an examination for employment or academic
16 examination;

17 records of pursuit of charitable contributions or records containing
18 the identity of a donor of a gift if the donor requires non-disclosure of
19 the donor's identity as a condition of making the gift provided that the
20 donor has not received any benefits of or from the institution of higher
21 education in connection with such gift other than a request for
22 memorialization or dedication;

23 valuable or rare collections of books and/or documents obtained by
24 gift, grant, bequest or devise conditioned upon limited public access;

25 information contained on individual admission applications; and
26 information concerning student records or grievance or
27 disciplinary proceedings against a student to the extent disclosure
28 would reveal the identity of the student.

29 "Personal firearms record" means any information contained in a
30 background investigation conducted by the chief of police, the county
31 prosecutor, or the Superintendent of State Police, of any applicant for a
32 permit to purchase a handgun, firearms identification card license, or
33 firearms registration; any application for a permit to purchase a
34 handgun, firearms identification card license, or firearms registration;
35 any document reflecting the issuance or denial of a permit to purchase
36 a handgun, firearms identification card license, or firearms
37 registration; and any permit to purchase a handgun, firearms
38 identification card license, or any firearms license, certification,
39 certificate, form of register, or registration statement. For the purposes
40 of this paragraph, information contained in a background investigation
41 shall include, but not be limited to, identity, name, address, social
42 security number, phone number, fax number, driver's license number,
43 email address, social media address of any applicant, licensee,
44 registrant or permit holder.

45 "Public agency" or "agency" means any of the principal
46 departments in the Executive Branch of State Government, and any
47 division, board, bureau, office, commission or other instrumentality
48 within or created by such department; the Legislature of the State and

1 any office, board, bureau or commission within or created by the
2 Legislative Branch; and any independent State authority, commission,
3 instrumentality or agency. The terms also mean any political
4 subdivision of the State or combination of political subdivisions, and
5 any division, board, bureau, office, commission or other
6 instrumentality within or created by a political subdivision of the State
7 or combination of political subdivisions, and any independent
8 authority, commission, instrumentality or agency created by a political
9 subdivision or combination of political subdivisions.

10 "Law enforcement agency" means a public agency, or part thereof,
11 determined by the Attorney General to have law enforcement
12 responsibilities.

13 "Constituent" means any State resident or other person
14 communicating with a member of the Legislature.

15 "Member of the Legislature" means any person elected or selected
16 to serve in the New Jersey Senate or General Assembly.

17 "Criminal investigatory record" means a record which is not
18 required by law to be made, maintained or kept on file that is held by a
19 law enforcement agency which pertains to any criminal investigation
20 or related civil enforcement proceeding.

21 "Victim's record" means an individually-identifiable file or
22 document held by a victims' rights agency which pertains directly to a
23 victim of a crime except that a victim of a crime shall have access to
24 the victim's own records.

25 "Victim of a crime" means a person who has suffered personal or
26 psychological injury or death or incurs loss of or injury to personal or
27 real property as a result of a crime, or if such a person is deceased or
28 incapacitated, a member of that person's immediate family.

29 "Victims' rights agency" means a public agency, or part thereof,
30 the primary responsibility of which is providing services, including but
31 not limited to food, shelter, or clothing, medical, psychiatric,
32 psychological or legal services or referrals, information and referral
33 services, counseling and support services, or financial services to
34 victims of crimes, including victims of sexual assault, domestic
35 violence, violent crime, child endangerment, child abuse or child
36 neglect, and the Victims of Crime Compensation Board, established
37 pursuant to P.L.1971, c.317 (C.52:4B-1 et seq.) and continued as the
38 Victims of Crime Compensation Office pursuant to P.L.2007, c.95
39 (C.52:4B-3.2 et al.) and Reorganization Plan No. 001-2008.
40 (cf: P.L.2017, c.266, s.4)

41
42 37. (New section) Medical Cannabis Provisions.

43 Nothing in P.L. , c. (C.) (pending before the
44 Legislature as this bill) shall be construed:

45 a. to limit any privileges or rights of a registered qualifying
46 patient, designated caregiver, institutional caregiver, or alternative
47 treatment center as provided in the "Jake Honig Compassionate Use
48 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), or

- 1 P.L.2015, c.158 (C.18A:40-12.22 et al.) concerning the medical use
2 of cannabis;
- 3 b. to authorize an alternative treatment center to dispense
4 cannabis to or on behalf of a person who is not a registered
5 qualifying patient, unless that alternative treatment center is deemed
6 to be licensed to engage in the retail sale of cannabis pursuant to
7 section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a license by the
8 commission following receipt of a local governmental entity's
9 written approval for a cannabis retailer pursuant to subparagraph (a)
10 of paragraph (3) of subsection a. of section 30 of P.L. ,
11 c. (C.) (pending before the Legislature as this bill), or
12 otherwise has applied for a license, and been approved and issued a
13 license by the commission pursuant to P.L. , c. (C.)
14 (pending before the Legislature as this bill) to simultaneously
15 operate as a cannabis retailer, and the alternative treatment center
16 has certified to the commission, and to the local governmental entity
17 in which it is located and intends to engage in retail sales, that it has
18 sufficient quantities of medical cannabis and medical cannabis
19 products available to meet the reasonably anticipated need of
20 registered qualifying patients, and the commission, and local
21 governmental entity, if applicable, has accepted the alternative
22 treatment center's certification;
- 23 c. to authorize an alternative treatment center to purchase or
24 acquire cannabis or cannabis products in a manner or from a source
25 not permitted under the "Jake Honig Compassionate Use Medical
26 Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015,
27 c.158 (C.18A:40-12.22 et al.), unless that alternative treatment
28 center is deemed to be a licensed cannabis establishment pursuant
29 to section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a license by
30 the commission following receipt of a local governmental entity's
31 written approval for the cannabis establishment pursuant to
32 subparagraph (a) of paragraph (3) of subsection a. of section 30 of
33 P.L. , c. (C.) (pending before the Legislature as this bill), or
34 otherwise has applied for a license, and been approved and issued a
35 license by the commission pursuant to P.L. , c. (C.)
36 (pending before the Legislature as this bill) to simultaneously
37 operate as a cannabis establishment, and the alternative treatment
38 center has certified to the commission, and if operating as a
39 cannabis retailer, to the local governmental entity in which it is
40 located and intends to engage in retail sales, that it has sufficient
41 quantities of medical cannabis and, if applicable, medical cannabis
42 products available to meet the reasonably anticipated treatment
43 needs of registered qualifying patients, and the commission, and
44 local governmental entity, if applicable, has accepted the alternative
45 treatment center's certification;
- 46 d. to authorize an alternative treatment center issued a permit
47 under section 7 of P.L.2009, c.307 (C.24:6I-7) to operate on the
48 same premises as a cannabis license holder or applicant for a

1 license, unless that alternative treatment center is deemed to be a
2 licensed cannabis establishment pursuant to section 7 of P.L.2009,
3 c.307 (C.24:6I-7) and issued a license by the commission following
4 receipt of a local governmental entity's written approval for the
5 cannabis establishment pursuant to subparagraph (a) of paragraph
6 (3) of subsection a. of section 30 of P.L. , c. (C.) (pending
7 before the Legislature as this bill), or otherwise has applied for a
8 license, and been approved and issued a license by the commission
9 pursuant to P.L. , c. (C.) (pending before the Legislature as
10 this bill) to simultaneously operate as a cannabis establishment, and
11 the alternative treatment center has certified to the commission, and
12 if operating as a cannabis retailer, to the local governmental entity
13 in which it is located and intends to engage in retail sales, that it has
14 sufficient quantities of medical cannabis and, if applicable, medical
15 cannabis products available to meet the reasonably anticipated
16 treatment needs of registered qualifying patients, and the
17 commission, and local governmental entity, if applicable, has
18 accepted the alternative treatment center's certification; or

19 e. to discharge the Department of Health from its duties to
20 regulate medical cannabis pursuant to the "Jake Honig
21 Compassionate Use Medical Cannabis Act," P.L.2009, c.307
22 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.) prior
23 to the establishment of the commission and its initial promulgation
24 of rules and regulations to oversee the development, regulation, and
25 enforcement of activities associated with the personal use of
26 cannabis pursuant to P.L. , c. (C.) (pending before the
27 Legislature as this bill), and to assume responsibility from the
28 department for the further development and expansion, regulation,
29 and enforcement of activities associated with the medical use of
30 cannabis pursuant to the "Jake Honig Compassionate Use Medical
31 Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015,
32 c.158 (C.18A:40-12.22 et al.).

33 In determining whether to accept, pursuant to this section, an
34 alternative treatment center's certification that it has sufficient
35 quantities of medical cannabis or medical cannabis products
36 available to meet the reasonably anticipated needs of registered
37 qualifying patients, the commission, and if applicable a local
38 governmental entity in consultation with the commission, shall
39 assess patient enrollment, inventory, sales of medical cannabis and
40 medical cannabis products, and any other factors determined by the
41 commission through regulation. If an alternative treatment center is
42 found by the commission to not have sufficient quantities of
43 medical cannabis or medical cannabis products available to meet
44 the reasonably anticipated needs of qualified patients, the
45 commission may issue fines, limit retail sales, temporarily suspend
46 the alternative treatment center's cannabis establishment license, or
47 issue any other penalties determined by the commission through
48 regulation.

1 38. (New section) Medical Cannabis – Additional Regulatory
2 Requirements.

3 a. An alternative treatment center issued a permit under section
4 7 of P.L.2009, c.307 (C.24:6I-7) shall, as a condition of engaging in
5 operations associated with personal use cannabis, after being
6 deemed to be licensed pursuant to that section and issued a license
7 by the commission following receipt of a local governmental
8 entity's written approval for a cannabis retailer pursuant to
9 subparagraph (a) of paragraph (3) of subsection a. of section 30 of
10 P.L. , c. (C.) (pending before the Legislature as this bill), or
11 otherwise issued a license by the commission pursuant to P.L. ,
12 c. (C.) (pending before the Legislature as this bill) to
13 simultaneously operate as a cannabis establishment, certify to the
14 commission, and if operating as a cannabis retailer, to the local
15 governmental entity in which it is located and intends to engage in
16 retail sales, that it has sufficient quantities of medical cannabis and,
17 if applicable, medical cannabis products available to meet the
18 reasonably anticipated treatment needs of registered qualifying
19 patients, and the commission, and local governmental entity, if
20 applicable, has accepted the alternative treatment center's
21 certification.

22 b. In determining whether to accept, pursuant to this section, an
23 alternative treatment center's certification that it has sufficient
24 quantities of medical cannabis or medical cannabis products
25 available to meet the reasonably anticipated needs of registered
26 qualifying patients, the commission, and if applicable a local
27 governmental entity in consultation with the commission, shall
28 assess patient enrollment, inventory, sales of medical cannabis and
29 medical cannabis products, and any other factors determined by the
30 commission through regulation. If an alternative treatment center is
31 found by the commission to not have sufficient quantities of
32 medical cannabis or medical cannabis products available to meet
33 the reasonably anticipated needs of qualified patients, the
34 commission may issue fines, limit retail sales, temporarily suspend
35 the alternative treatment center's cannabis establishment license, or
36 issue any other penalties determined by the commission through
37 regulation.

38

39 39. (New section) Limitations.

40 The provisions of P.L. , c. (C.) (pending before the
41 Legislature as this bill) shall not be construed:

42 a. To amend or affect in any way any State or federal law
43 pertaining to employment matters;

44 b. To amend or affect in any way any State or federal law
45 pertaining to landlord-tenant matters;

46 c. To prohibit a recipient of a federal grant or an applicant for a
47 federal grant from prohibiting the manufacture, delivery,

1 possession, or use of cannabis items to the extent necessary to
2 satisfy federal requirements for the grant;

3 d. To prohibit a party to a federal contract or a person applying
4 to be a party to a federal contract from prohibiting the manufacture,
5 delivery, possession, or use of cannabis items to the extent
6 necessary to comply with the terms and conditions of the contract or
7 to satisfy federal requirements for the contract;

8 e. To require a person to violate a federal law; or

9 f. To exempt a person from a federal law or obstruct the
10 enforcement of a federal law.

11
12 40. N.J.S.2C:35-2 is amended to read as follows:

13 2C:35-2. As used in this chapter:

14 "Administer" means the direct application of a controlled
15 dangerous substance or controlled substance analog, whether by
16 injection, inhalation, ingestion, or any other means, to the body of a
17 patient or research subject by: (1) a practitioner (or, in his
18 presence, by his lawfully authorized agent), or (2) the patient or
19 research subject at the lawful direction and in the presence of the
20 practitioner.

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

25 "Controlled dangerous substance" means a drug, substance, or
26 immediate precursor in Schedules I through V, marijuana and
27 hashish as defined in this section, any substance the distribution of
28 which is specifically prohibited in N.J.S.2C:35-3, in section 3 of
29 P.L.1997, c.194 (C.2C:35-5.2), in section 5 of P.L.1997, c.194
30 (C.2C:35-5.3), in section 2 of P.L.2011, c.120 (C.2C:35-5.3a), or in
31 section 2 of P.L.2013, c.35 (C.2C:35-5.3b), and any drug or
32 substance which, when ingested, is metabolized or otherwise
33 becomes a controlled dangerous substance in the human body.
34 When any statute refers to controlled dangerous substances, or to a
35 specific controlled dangerous substance, it shall also be deemed to
36 refer to any drug or substance which, when ingested, is metabolized
37 or otherwise becomes a controlled dangerous substance or the
38 specific controlled dangerous substance, and to any substance that
39 is an immediate precursor of a controlled dangerous substance or
40 the specific controlled dangerous substance. The term shall not
41 include distilled spirits, wine, malt beverages, as those terms are
42 defined or used in R.S.33:1-1 et seq., **[or]** tobacco and tobacco
43 products, or cannabis or cannabis resin as defined in section 3 of
44 P.L. , c. (C.) (pending before the Legislature as this bill).
45 The term, wherever it appears in any law or administrative
46 regulation of this State, shall include controlled substance analogs.

47 "Controlled substance analog" means a substance that has a
48 chemical structure substantially similar to that of a controlled

1 dangerous substance and that was specifically designed to produce
2 an effect substantially similar to that of a controlled dangerous
3 substance. The term shall not include a substance manufactured or
4 distributed in conformance with the provisions of an approved new
5 drug application or an exemption for investigational use within the
6 meaning of section 505 of the "Federal Food, Drug and Cosmetic
7 Act," 52 Stat. 1052 (21 U.S.C. s.355).

8 "Counterfeit substance" means a controlled dangerous substance
9 or controlled substance analog which, or the container or labeling of
10 which, without authorization, bears the trademark, trade name, or
11 other identifying mark, imprint, number, or device, or any likeness
12 thereof, of a manufacturer, distributor, or dispenser other than the
13 person or persons who in fact manufactured, distributed, or
14 dispensed the substance and which thereby falsely purports or is
15 represented to be the product of, or to have been distributed by,
16 such other manufacturer, distributor, or dispenser.

17 "Deliver" or "delivery" means the actual, constructive, or
18 attempted transfer from one person to another of a controlled
19 dangerous substance or controlled substance analog, whether or not
20 there is an agency relationship.

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

27 "Distribute" means to deliver other than by administering or
28 dispensing a controlled dangerous substance or controlled substance
29 analog. "Distributor" means a person who distributes.

30 "Drugs" means (a) substances recognized in the official United
31 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the
32 United States, or official National Formulary, or any supplement to
33 any of them; and (b) substances intended for use in the diagnosis,
34 cure, mitigation, treatment, or prevention of disease in man or other
35 animals; and (c) substances (other than food) intended to affect the
36 structure or any function of the body of man or other animals; and
37 (d) substances intended for use as a component of any article
38 specified in subsections (a), (b), and (c) of this section; but does not
39 include devices or their components, parts, or accessories.

40 "Drug or alcohol dependent person" means a person who as a
41 result of using a controlled dangerous substance or controlled
42 substance analog or alcohol has been in a state of psychic or
43 physical dependence, or both, arising from the use of that controlled
44 dangerous substance or controlled substance analog or alcohol on a
45 continuous or repetitive basis. Drug or alcohol dependence is
46 characterized by behavioral and other responses, including but not
47 limited to a strong compulsion to take the substance on a recurring

1 basis in order to experience its psychic effects, or to avoid the
2 discomfort of its absence.

3 "Hashish" means the resin extracted from any part of the plant
4 Genus Cannabis L. and any compound, manufacture, salt,
5 derivative, mixture, or preparation of such resin. "Hashish" does not
6 include cannabis resin as defined in section 3 of P.L. _____,
7 c. (C. _____) (pending before the Legislature as this bill) which is
8 extracted in accordance with the "New Jersey Cannabis Regulatory
9 and Expungement Aid Modernization Act," P.L. _____, c. (C. _____)
10 (pending before the Legislature as this bill), for use in a cannabis
11 item as defined in that section.

12 "Manufacture" means the production, preparation, propagation,
13 compounding, conversion, or processing of a controlled dangerous
14 substance or controlled substance analog, either directly or by
15 extraction from substances of natural origin, or independently by
16 means of chemical synthesis, or by a combination of extraction and
17 chemical synthesis, and includes any packaging or repackaging of
18 the substance or labeling or relabeling of its container, except that
19 this term does not include the preparation or compounding of a
20 controlled dangerous substance or controlled substance analog by
21 an individual for his own use or the preparation, compounding,
22 packaging, or labeling of a controlled dangerous substance: (1) by
23 a practitioner as an incident to his administering or dispensing of a
24 controlled dangerous substance or controlled substance analog in
25 the course of his professional practice, or (2) by a practitioner (or
26 under his supervision) for the purpose of, or as an incident to,
27 research, teaching, or chemical analysis and not for sale.

28 "Marijuana" means all parts of the plant Genus Cannabis L.,
29 whether growing or not; the seeds thereof, and every compound,
30 manufacture, salt, derivative, mixture, or preparation of the plant or
31 its seeds, except those containing resin extracted from the plant [;]
32 but shall not include the mature stalks of the plant, fiber produced
33 from the stalks, oil, or cake made from the seeds of the plant, any
34 other compound, manufacture, salt, derivative, mixture, or
35 preparation of mature stalks, fiber, oil, or cake, or the sterilized
36 seed of the plant which is incapable of germination]. "Marijuana"
37 does not include cannabis as defined in section 3 of P.L. _____,
38 c. (C. _____) (pending before the Legislature as this bill) which is
39 cultivated and processed in accordance with the "New Jersey
40 Cannabis Regulatory and Expungement Aid Modernization Act,"
41 P.L. _____, c. (C. _____) (pending before the Legislature as this bill),
42 for use in a cannabis item as defined in that section. "Marijuana"
43 shall not mean industrial hemp cultivated pursuant to the New
44 Jersey Industrial Hemp Pilot Program established by P.L.2018,
45 c.139 (C.4:28-1 et al.).

46 "Narcotic drug" means any of the following, whether produced
47 directly or indirectly by extraction from substances of vegetable

1 origin, or independently by means of chemical synthesis, or by a
2 combination of extraction and chemical synthesis:

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

4 (b) A compound, manufacture, salt, derivative, or preparation of
5 opium, coca leaves, or opiates;

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

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

20 "Opium poppy" means the plant of the species *Papaver*
21 *somniferum* L., except the seeds thereof.

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

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

27 "Poppy straw" means all parts, except the seeds, of the opium
28 poppy, after mowing.

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

35 (a) "Physician" means a physician authorized by law to practice
36 medicine in this or any other state and any other person authorized
37 by law to treat sick and injured human beings in this or any other
38 state.

39 (b) "Veterinarian" means a veterinarian authorized by law to
40 practice veterinary medicine in this State.

41 (c) "Dentist" means a dentist authorized by law to practice
42 dentistry in this State.

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

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

6 "Production" includes the manufacture, planting, cultivation,
7 growing, or harvesting of a controlled dangerous substance or
8 controlled substance analog.

9 "Immediate precursor" means a substance which the Division of
10 Consumer Affairs in the Department of Law and Public Safety has
11 found to be and by regulation designates as being the principal
12 compound commonly used or produced primarily for use, and
13 which is an immediate chemical intermediary used or likely to be
14 used in the manufacture of a controlled dangerous substance or
15 controlled substance analog, the control of which is necessary to
16 prevent, curtail, or limit such manufacture.

17 "Residential treatment facility" means any facility licensed and
18 approved by the Department of Human Services and which is
19 approved by any county probation department for the inpatient
20 treatment and rehabilitation of drug or alcohol dependent persons.

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

28 "State" means the State of New Jersey.

29 "Ultimate user" means a person who lawfully possesses a
30 controlled dangerous substance or controlled substance analog for
31 his own use or for the use of a member of his household or for
32 administration to an animal owned by him or by a member of his
33 household.

34 "Prescription legend drug" means any drug which under federal
35 or State law requires dispensing by prescription or order of a
36 licensed physician, veterinarian, or dentist and is required to bear
37 the statement "Rx only" or similar wording indicating that such
38 drug may be sold or dispensed only upon the prescription of a
39 licensed medical practitioner and is not a controlled dangerous
40 substance or stramonium preparation.

41 "Stramonium preparation" means a substance prepared from any
42 part of the stramonium plant in the form of a powder, pipe mixture,
43 cigarette, or any other form with or without other ingredients.

44 "Stramonium plant" means the plant *Datura Stramonium* Linne,
45 including *Datura Tatula* Linne.

46 (cf: P.L.2018, c.139, s.6)

47
48 41. N.J.S.2C:35-5 is amended to read as follows:

1 2C:35-5. Manufacturing, Distributing or Dispensing. a. Except
2 as authorized by P.L.1970, c.226 (C.24:21-1 et seq.), it shall be
3 unlawful for any person knowingly or purposely:
4 (1) To manufacture, distribute or dispense, or to possess or have
5 under his control with intent to manufacture, distribute or dispense,
6 a controlled dangerous substance or controlled substance analog; or
7 (2) To create, distribute, or possess or have under his control
8 with intent to distribute, a counterfeit controlled dangerous
9 substance.
10 b. Any person who violates subsection a. with respect to:
11 (1) Heroin, or its analog, or coca leaves and any salt, compound,
12 derivative, or preparation of coca leaves, and any salt, compound,
13 derivative, or preparation thereof which is chemically equivalent or
14 identical with any of these substances, or analogs, except that the
15 substances shall not include decocainized coca leaves or extractions
16 which do not contain cocaine or ecogine, or 3,4-
17 methylenedioxymethamphetamine or 3,4-
18 methylenedioxyamphetamine, in a quantity of five ounces or more
19 including any adulterants or dilutants is guilty of a crime of the first
20 degree. The defendant shall, except as provided in N.J.S.2C:35-12,
21 be sentenced to a term of imprisonment by the court. The term of
22 imprisonment shall include the imposition of a minimum term
23 which shall be fixed at, or between, one-third and one-half of the
24 sentence imposed, during which the defendant shall be ineligible for
25 parole. Notwithstanding the provisions of subsection a. of
26 N.J.S.2C:43-3, a fine of up to **【\$500,000.00】** \$500,000 may be
27 imposed;
28 (2) A substance referred to in paragraph (1) of this subsection,
29 in a quantity of one-half ounce or more but less than five ounces,
30 including any adulterants or dilutants is guilty of a crime of the
31 second degree;
32 (3) A substance referred to paragraph (1) of this subsection in a
33 quantity less than one-half ounce including any adulterants or
34 dilutants is guilty of a crime of the third degree except that,
35 notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a
36 fine of up to **【\$75,000.00】** \$75,000 may be imposed;
37 (4) A substance classified as a narcotic drug in Schedule I or II
38 other than those specifically covered in this section, or the analog of
39 any such substance, in a quantity of one ounce or more including
40 any adulterants or dilutants is guilty of a crime of the second
41 degree;
42 (5) A substance classified as a narcotic drug in Schedule I or II
43 other than those specifically covered in this section, or the analog of
44 any such substance, in a quantity of less than one ounce including
45 any adulterants or dilutants is guilty of a crime of the third degree
46 except that, notwithstanding the provisions of subsection b. of
47 N.J.S.2C:43-3, a fine of up to **【\$75,000.00】** \$75,000 may be
48 imposed;

1 (6) Lysergic acid diethylamide, or its analog, in a quantity of
2 100 milligrams or more including any adulterants or dilutants, or
3 phencyclidine, or its analog, in a quantity of 10 grams or more
4 including any adulterants or dilutants, is guilty of a crime of the
5 first degree. Except as provided in N.J.S.2C:35-12, the court shall
6 impose a term of imprisonment which shall include the imposition
7 of a minimum term, fixed at, or between, one-third and one-half of
8 the sentence imposed by the court, during which the defendant shall
9 be ineligible for parole. Notwithstanding the provisions of
10 subsection a. of N.J.S.2C:43-3, a fine of up to **【\$500,000.00】**
11 \$500,000 may be imposed;

12 (7) Lysergic acid diethylamide, or its analog, in a quantity of
13 less than 100 milligrams including any adulterants or dilutants, or
14 where the amount is undetermined, or phencyclidine, or its analog,
15 in a quantity of less than 10 grams including any adulterants or
16 dilutants, or where the amount is undetermined, is guilty of a crime
17 of the second degree;

18 (8) Methamphetamine, or its analog, or phenyl-2-propanone
19 (P2P), in a quantity of five ounces or more including any
20 adulterants or dilutants is guilty of a crime of the first degree.
21 Notwithstanding the provisions of subsection a. of N.J.S.2C:43-3, a
22 fine of up to **【\$300,000.00】** \$300,000 may be imposed;

23 (9) (a) Methamphetamine, or its analog, or phenyl-2-propanone
24 (P2P), in a quantity of one-half ounce or more but less than five
25 ounces including any adulterants or dilutants is guilty of a crime of
26 the second degree;

27 (b) Methamphetamine, or its analog, or phenyl-2-propanone
28 (P2P), in a quantity of less than one-half ounce including any
29 adulterants or dilutants is guilty of a crime of the third degree
30 except that notwithstanding the provisions of subsection b. of
31 N.J.S.2C:43-3, a fine of up to **【\$75,000.00】** \$75,000 may be
32 imposed;

33 (10) (a) Marijuana in a quantity of 25 pounds or more
34 including any adulterants or dilutants, or 50 or more marijuana
35 plants, regardless of weight, or hashish in a quantity of five pounds
36 or more including any adulterants or dilutants, is guilty of a crime
37 of the first degree. Notwithstanding the provisions of subsection a.
38 of N.J.S.2C:43-3, a fine of up to **【\$300,000.00】** \$300,000 may be
39 imposed;

40 (b) Marijuana in a quantity of five pounds or more but less than
41 25 pounds including any adulterants or dilutants, or 10 or more but
42 fewer than 50 marijuana plants, regardless of weight, or hashish in a
43 quantity of one pound or more but less than five pounds, including
44 any adulterants and dilutants, is guilty of a crime of the second
45 degree;

46 (11) Marijuana in a quantity of more than one ounce **【or more】**
47 but less than five pounds including any adulterants or dilutants, or

1 hashish in a quantity of more than five grams **【or more】** but less
2 than one pound including any adulterants or dilutants, is guilty of a
3 crime of the third degree except that, notwithstanding the provisions
4 of subsection b. of N.J.S.2C:43-3, a fine of up to **【\$25,000.00】**
5 \$25,000 may be imposed;

6 (12) Marijuana in a quantity of **【less than】** one ounce (28.38
7 grams) or less including any adulterants or dilutants, or hashish in a
8 quantity of **【less than】** five grams or less including any adulterants
9 or dilutants, is guilty of a crime of the fourth degree; but
10 distribution without remuneration of, or possessing or having under
11 control with intent to distribute without remuneration this amount of
12 marijuana or hashish is presumed to be the lawful transfer or
13 intended transfer of cannabis or cannabis resin in accordance with
14 the “New Jersey Cannabis Regulatory and Expungement Aid
15 Modernization Act,” P.L. , c. (C.) (pending before the
16 Legislature as this bill) and this distribution without remuneration,
17 or possessing or having under control with intent to distribute
18 without remuneration, alone does not constitute reasonable
19 articulable suspicion of an act subject to prosecution as a crime of
20 the fourth degree pursuant to this paragraph;

21 (13) Any other controlled dangerous substance classified in
22 Schedule I, II, III or IV, or its analog, is guilty of a crime of the
23 third degree, except that, notwithstanding the provisions of
24 subsection b. of N.J.S.2C:43-3, a fine of up to **【\$25,000.00】**
25 \$25,000 may be imposed; or

26 (14) Any Schedule V substance, or its analog, is guilty of a
27 crime of the fourth degree except that, notwithstanding the
28 provisions of subsection b. of N.J.S.2C:43-3, a fine of up to
29 **【\$25,000.00】** \$25,000 may be imposed.

30 c. Where the degree of the offense for violation of this section
31 depends on the quantity of the substance, the quantity involved
32 shall be determined by the trier of fact. Where the indictment or
33 accusation so provides, the quantity involved in individual acts of
34 manufacturing, distribution, dispensing or possessing with intent to
35 distribute may be aggregated in determining the grade of the
36 offense, whether distribution or dispensing is to the same person or
37 several persons, provided that each individual act of manufacturing,
38 distribution, dispensing or possession with intent to distribute was
39 committed within the applicable statute of limitations.

40 (cf: P.L.2000, c.136, s.1)

41
42 42. N.J.S.2C:35-10 is amended to read as follows:

43 2C:35-10. Possession, Use or Being Under the Influence, or
44 Failure to Make Lawful Disposition.

45 a. It is unlawful for any person, knowingly or purposely, to
46 obtain, or to possess, actually or constructively, a controlled
47 dangerous substance or controlled substance analog, unless the

1 substance was obtained directly, or pursuant to a valid prescription
2 or order form from a practitioner, while acting in the course of his
3 professional practice, or except as otherwise authorized by
4 P.L.1970, c.226 (C.24:21-1 et seq.). Any person who violates this
5 section with respect to:

6 (1) A controlled dangerous substance, or its analog, classified in
7 Schedule I, II, III or IV other than those specifically covered in this
8 section, is guilty of a crime of the third degree except that,
9 notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a
10 fine of up to ~~【\$35,000.00】~~ \$35,000 may be imposed;

11 (2) Any controlled dangerous substance, or its analog, classified
12 in Schedule V, is guilty of a crime of the fourth degree except that,
13 notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a
14 fine of up to ~~【\$15,000.00】~~ \$15,000 may be imposed;

15 (3) Possession of more than 50 grams of marijuana, including
16 any adulterants or dilutants, or more than five grams of hashish is
17 ~~【guilty of a crime of the fourth degree, except that, notwithstanding~~
18 ~~the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to~~
19 ~~\$25,000.00 may be imposed】~~ a disorderly person; or

20 (4) Possession of 50 grams or less of marijuana, including any
21 adulterants or dilutants, ~~【or five grams or less of hashish】~~ is an
22 unlawful act subject to a 【disorderly person】 civil penalty of \$50,
23 but if the amount possessed is one ounce (28.38 grams) or less, the
24 possession is presumed to be the lawful possession of cannabis in
25 accordance with the “New Jersey Cannabis Regulatory and
26 Expungement Aid Modernization Act,” P.L. , c. (C.)
27 (pending before the Legislature as this bill) and the State shall
28 establish by a preponderance of evidence that the substance
29 possessed was not cannabis as defined in section 3 of that act (C.
30) to impose the \$50 civil penalty for possession of one ounce (28.38
31 grams) or less of marijuana pursuant to this paragraph. Possession of
32 five grams or less of hashish is an unlawful act subject to a civil
33 penalty of \$50, but possession of this amount is presumed to be the
34 lawful possession of cannabis resin in accordance with the “New
35 Jersey Cannabis Regulatory and Expungement Aid Modernization
36 Act,” P.L. , c. (C.) (pending before the Legislature as this
37 bill) and the State shall establish by a preponderance of evidence
38 that the substance possessed was not cannabis resin as defined in
39 section 3 of that act (C.) to impose the \$50 civil penalty for
40 possession of five grams or less of hashish pursuant to this paragraph.
41 The penalties provided for in this paragraph shall be collected
42 pursuant to the “Penalty Enforcement Law of 1999,” P.L.1999,
43 c.274 (C.2A:58-10 et seq.), in a summary proceeding before the
44 municipal court having jurisdiction. A penalty recovered under the
45 provisions of this paragraph shall be recovered by and in the name
46 of the State by the local municipality. The penalty shall be paid

1 into the treasury of the municipality in which the violation occurred
2 for the general use of the municipality.

3 Any person who commits any offense defined in this section
4 while on any property used for school purposes which is owned by
5 or leased to any elementary or secondary school or school board, or
6 within 1,000 feet of any such school property or a school bus, or
7 while on any school bus, and who is not sentenced to a term of
8 imprisonment, shall, in addition to any other sentence which the
9 court may impose, be required to perform not less than 100 hours of
10 community service.

11 b. Any person who uses or who is under the influence of any
12 controlled dangerous substance, or its analog, for a purpose other
13 than the treatment of sickness or injury as lawfully prescribed or
14 administered by a physician is a disorderly person.

15 In a prosecution under this subsection, it shall not be necessary
16 for the State to prove that the accused did use or was under the
17 influence of any specific drug, but it shall be sufficient for a
18 conviction under this subsection for the State to prove that the
19 accused did use or was under the influence of some controlled
20 dangerous substance, counterfeit controlled dangerous substance, or
21 controlled substance analog, by proving that the accused did
22 manifest physical and physiological symptoms or reactions caused
23 by the use of any controlled dangerous substance or controlled
24 substance analog.

25 c. Any person who knowingly obtains or possesses a controlled
26 dangerous substance or controlled substance analog in violation of
27 subsection a. of this section and who fails to voluntarily deliver the
28 substance to the nearest law enforcement officer is guilty of a
29 disorderly persons offense. Nothing in this subsection shall be
30 construed to preclude a prosecution or conviction for any other
31 offense defined in this title or any other statute.

32 (cf: P.L.1997, c.181, s.6)

33
34 43. N.J.S 2C:36-1 is amended to read as follows:

35 2C:36-1. Drug paraphernalia, defined; determination.

36 a. As used in this act, "drug paraphernalia" means all
37 equipment, products and materials of any kind which are used or
38 intended for use in planting, propagating, cultivating, growing,
39 harvesting, manufacturing, compounding, converting, producing,
40 processing, preparing, testing, analyzing, packaging, repackaging,
41 storing, containing, concealing, ingesting, inhaling, or otherwise
42 introducing into the human body a controlled dangerous substance,
43 controlled substance analog or toxic chemical in violation of the
44 provisions of chapter 35 of this title. It shall include, but not be
45 limited to:

46 **[a.]** (1) kits used or intended for use in planting, propagating,
47 cultivating, growing or harvesting of any species of plant which is a

- 1 controlled dangerous substance or from which a controlled
2 dangerous substance can be derived;
- 3 **【b.】** (2) kits used or intended for use in manufacturing,
4 compounding, converting, producing, processing, or preparing
5 controlled dangerous substances or controlled substance analogs;
- 6 **【c.】** (3) isomerization devices used or intended for use in
7 increasing the potency of any species of plant which is a controlled
8 dangerous substance;
- 9 **【d.】** (4) testing equipment used or intended for use identifying,
10 or in analyzing the strength, effectiveness or purity of controlled
11 dangerous substances or controlled substance analogs;
- 12 **【e.】** (5) scales and balances used or intended for use in weighing
13 or measuring controlled dangerous substances or controlled
14 substance analogs;
- 15 **【f.】** (6) dilutants and adulterants, such as quinine hydrochloride,
16 mannitol, mannite, dextrose and lactose, used or intended for use in
17 cutting controlled dangerous substances or controlled substance
18 analogs;
- 19 **【g.】** (7) separation gins and sifters used or intended for use in
20 removing twigs and seeds from, or in otherwise cleaning or
21 refining, **【marihuana】** marijuana;
- 22 **【h.】** (8) blenders, bowls, containers, spoons and mixing devices
23 used or intended for use in compounding controlled dangerous
24 substances or controlled substance analogs;
- 25 **【i.】** (9) capsules, balloons, envelopes and other containers used
26 or intended for use in packaging small quantities of controlled
27 dangerous substances or controlled substance analogs;
- 28 **【j.】** (10) containers and other objects used or intended for use in
29 storing or concealing controlled dangerous substances, controlled
30 substance analogs or toxic chemicals;
- 31 **【k.】** (11) objects used or intended for use in ingesting, inhaling,
32 or otherwise introducing **【marihuana】** marijuana, cocaine, hashish,
33 hashish oil, nitrous oxide or the fumes of a toxic chemical into the
34 human body, such as **【(1)】** (a) metal, wooden, acrylic, glass, stone,
35 plastic, or ceramic pipes with or without screens, permanent
36 screens, hashish heads, or punctured metal bowls; **【(2)】** (b) water
37 pipes; **【(3)】** (c) carburetion tubes and devices; **【(4)】** (d) smoking
38 and carburetion masks; **【(5)】** (e) roach clips, meaning objects used
39 to hold burning material, such as a marihuana cigarette, that has
40 become too small or too short to be held in the hand; **【(6)】** (f)
41 miniature cocaine spoons, and cocaine vials; **【(7)】** (g) chamber
42 pipes; **【(8)】** (h) carburetor pipes; **【(9)】** (i) electric pipes; **【(10)】** (j)
43 air-driven pipes; **【(11)】** (k) chillums; **【(12)】** (l) bongs; **【(13)】** (m)
44 ice pipes or chillers; **【(14)】** (n) compressed gas containers, such as
45 tanks, cartridges or canisters, that contain food grade or
46 pharmaceutical grade nitrous oxide as a principal ingredient; **【(15)】**

1 (o) chargers or charging bottles, meaning metal, ceramic or plastic
2 devices that contain an interior pin that may be used to expel
3 compressed gas from a cartridge or canister; and **[(16)]** (p) tubes,
4 balloons, bags, fabrics, bottles or other containers used to
5 concentrate or hold in suspension a toxic chemical or the fumes of a
6 toxic chemical.

7 b. In determining whether or not an object is drug
8 paraphernalia, the trier of fact, in addition to or as part of the
9 proofs, may consider the following factors:

10 **[a.]** (1) (a) statements by an owner or by anyone in control of
11 the object concerning its use;

12 **[b.]** (b) the proximity of the object **[of]** to illegally possessed
13 controlled dangerous substances, controlled substance analogs or
14 toxic chemicals;

15 **[c.]** (c) the existence of any residue of illegally possessed
16 controlled dangerous substances, controlled substance analogs or
17 toxic chemicals on the object;

18 **[d.]** (d) direct or circumstantial evidence of the intent of an
19 owner, or of anyone in control of the object, to deliver it to persons
20 whom he knows intend to use the object to facilitate a violation of
21 this act; the innocence of an owner, or of anyone in control of the
22 object, as to a direct violation of this act shall not prevent a finding
23 that the object is intended for use as drug paraphernalia;

24 **[e.]** (e) instructions, oral or written, provided with the object
25 concerning its use;

26 **[f.]** (f) descriptive materials accompanying the object which
27 explain or depict its use;

28 **[g.]** (g) national or local advertising whose purpose the person
29 knows or should know is to promote the sale of objects intended for
30 use as drug paraphernalia;

31 **[h.]** (h) the manner in which the object is displayed for sale;

32 **[i.]** (i) the existence and scope of legitimate uses for the object
33 in the community; and

34 **[j.]** (j) expert testimony concerning its use.

35 (2) If an object appears to be for use, intended for use, or
36 designed for use with cannabis or cannabis items in accordance with
37 the “New Jersey Cannabis Regulatory and Expungement Aid
38 Modernization Act,” P.L. , c. (C.) (pending before the
39 Legislature as this bill), the object is presumed to be a lawful
40 cannabis paraphernalia as defined in section 3 of that act (C.),
41 and does not alone constitute reasonable articulable suspicion that
42 the object is a drug paraphernalia, notwithstanding that the object
43 could also be used with marijuana, hashish, or another illegal
44 controlled substance or controlled substance analog, unless the
45 owner or any other person in proximity to or in control of the object
46 was in possession of marijuana, hashish, or another illegal
47 controlled dangerous substance or controlled substance analog, or

1 the object was in proximity of marijuana, hashish, or another
2 illegally possessed controlled dangerous substance or controlled
3 substance analog to indicate its use, intended use, or design for use
4 with that controlled dangerous substance or controlled substance
5 analog.

6 (cf: P.L.2007, c.31, s.2)

7
8 44. (New section) Dismissal, Withdrawal, or Termination of
9 Small Amount Marijuana and Hashish Cases; Post-Conviction
10 Relief for Certain Convictions Involving Small Amount Marijuana
11 and Hashish.

12 a. Except to the extent required to dismiss, withdraw, or
13 terminate the charge, no court shall have jurisdiction over any
14 charge, including any charge of delinquency, based on a violation
15 of any of the following laws that occurred prior to the effective date
16 of P.L. , c. (C.) (pending before the Legislature as this bill),
17 unless a final judgment of conviction or adjudication of delinquency
18 has been entered on or before that effective date: a violation of
19 paragraph (11) of subsection b. of N.J.S.2C:35-5; or a lesser amount of
20 marijuana or hashish in violation of paragraph (12) of subsection b. of
21 that section; or a violation of either of those paragraphs and a violation
22 of subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or
23 subsection a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for
24 distributing, or possessing or having under control with intent to
25 distribute, on or within 1,000 feet of any school property, or on or
26 within 500 feet of the real property comprising a public housing
27 facility, public park, or public building; or for obtaining, possessing,
28 using, being under the influence of, or failing to make lawful
29 disposition of marijuana or hashish in violation of paragraph (3) or
30 (4) of subsection a., or subsection b., or subsection c. of N.J.S.2C:35-
31 10; or for a violation of any of those provisions and a violation of
32 N.J.S.2C:36-2 for using or possessing with intent to use drug
33 paraphernalia with the marijuana or hashish. These non-prosecutable
34 charges and cases shall be expeditiously dismissed, which may be
35 accomplished by appropriate action by a law enforcement agency,
36 or on a motion to the court which would otherwise have jurisdiction
37 over a case, or the court's own motion, based upon guidelines or
38 directives issued by the Attorney General and the Administrative
39 Director of the Courts.

40 b. A charge, including any charge of delinquency, conviction,
41 or adjudication of delinquency, based on a violation of any of the
42 following laws that occurred prior to the effective date of P.L. , c.
43 (C.) (pending before the Legislature as this bill), shall not be
44 considered whenever the Pretrial Services Program established by
45 the Administrative Office of the Courts pursuant to section 11 of
46 P.L.2014, c.31 (C.2A:162-25) conducts a risk assessment on an
47 eligible defendant for the purpose of making recommendations to
48 the court concerning an appropriate pretrial release decision in

1 accordance with sections 1 through 11 of P.L.2014, c.31 (C.2A:162-
2 15 et seq.): a violation of paragraph (11) of subsection b. of
3 N.J.S.2C:35-5; or a lesser amount of marijuana or hashish in violation
4 of paragraph (12) of subsection b. of that section; or a violation of
5 either of those paragraphs and a violation of subsection a. of section 1
6 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section 1 of
7 P.L.1997, c.327 (C.2C:35-7.1) for distributing, or possessing or having
8 under control with intent to distribute, on or within 1,000 feet of any
9 school property, or on or within 500 feet of the real property
10 comprising a public housing facility, public park, or public building;
11 or for obtaining, possessing, using, being under the influence of, or
12 failing to make lawful disposition of marijuana or hashish in
13 violation of paragraph (3) or (4) of subsection a., or subsection b., or
14 subsection c. of N.J.S.2C:35-10; or for a violation of any of those
15 provisions and a violation of N.J.S.2C:36-2 for using or possessing
16 with intent to use drug paraphernalia with the marijuana or hashish.

17 c. (1) It shall be grounds for post-conviction relief that a
18 conviction or adjudication of delinquency entered prior to the
19 effective date of P.L. , c. (C.) (pending before the
20 Legislature as this bill) for a violation of paragraph (11) of subsection
21 b. of N.J.S.2C:35-5, or a lesser amount of marijuana or hashish in
22 violation of paragraph (12) of subsection b. of that section, or a
23 violation of either of those paragraphs and a violation of subsection a.
24 of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section
25 1 of P.L.1997, c.327 (C.2C:35-7.1), for distributing, or possessing or
26 having under control with intent to distribute, on or within 1,000 feet
27 of any school property, or on or within 500 feet of the real property
28 comprising a public housing facility, public park, or public building,
29 or obtaining, possessing, using, being under the influence of, or
30 failing to make lawful disposition of marijuana or hashish in
31 violation of paragraph (3) or (4) of subsection a., or subsection b., or
32 subsection c. of N.J.S.2C:35-10, or a violation involving marijuana or
33 hashish as described herein and using or possessing with intent to use
34 drug paraphernalia with that marijuana or hashish in violation of
35 N.J.S.2C:36-2, alone or in combination with each other, if the
36 conviction or adjudication of delinquency is based solely upon a
37 charge or charges over which the court would lack jurisdiction
38 pursuant to subsection a. of this section and if a final judgment of
39 conviction or adjudication of delinquency had not been entered on
40 or before that effective date.

41 (2) Notwithstanding any court rule limiting the time period
42 within which a motion to reduce or change a sentence may be filed,
43 any person who, on the effective date of P.L. , c. (C.)
44 (pending before the Legislature as this bill), is serving a sentence of
45 incarceration, probation, parole or other form of community
46 supervision solely as a result of the person's conviction or
47 adjudication of delinquency for a crime or offense enumerated in
48 paragraph (1) of this subsection may move to have the person's

1 sentence reviewed by the court. If the court finds that the sentence
2 under review is based solely upon a charge or charges over which
3 the court would lack jurisdiction pursuant to subsection a. of this
4 section, the court shall order appropriate relief.

5 (3) No fee shall be charged to a person seeking post-conviction
6 relief pursuant to this subsection.

7
8 45. (New section) a. Other than the consequences of any
9 sentence set forth in a judgment of conviction, including a term of
10 imprisonment and any court-ordered financial assessment, unless
11 otherwise provided by law, any arrest, charge, conviction, and
12 adjudication of delinquency that occurred prior to the effective date
13 of P.L. , c. (C.) (pending before the Legislature as this bill),
14 and any proceedings related thereto, for unlawful distribution of, or
15 possessing or having under control with intent to distribute,
16 marijuana or hashish in violation of paragraph (11) of subsection b. of
17 N.J.S.2C:35-5, or a lesser amount of marijuana or hashish in violation
18 of paragraph (12) of subsection b. of that section, or a violation of
19 either of those paragraphs and a violation of subsection a. of section 1
20 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section 1 of
21 P.L.1997, c.327 (C.2C:35-7.1), for distributing, or possessing or
22 having under control with intent to distribute, on or within 1,000 feet
23 of any school property, or on or within 500 feet of the real property
24 comprising a public housing facility, public park, or public building,
25 or obtaining, possessing, using, being under the influence of, or
26 failing to make lawful disposition of marijuana or hashish in
27 violation of paragraph (3) or (4) of subsection a., or subsection b., or
28 subsection c. of N.J.S.2C:35-10, or a violation involving marijuana or
29 hashish as described herein and using or possessing with intent to use
30 drug paraphernalia with that marijuana or hashish in violation of
31 N.J.S.2C:36-2 shall be deemed not to have occurred, and the person
32 involved in that violation may answer any questions relating to their
33 occurrence accordingly, except that such information shall be
34 revealed by that person if seeking employment within the judicial
35 branch or with a law enforcement or corrections agency and such
36 information shall continue to provide a disability as otherwise
37 provided by law.

38
39 46. N.J.S.2C:52-2 is amended to read as follows:

40 2C:52-2. Indictable Offenses.

41 a. In all cases, except as herein provided, a person may present an
42 expungement application to the Superior Court pursuant to this section
43 if:

44 the person has been convicted of one crime under the laws of this
45 State, and does not otherwise have any prior or subsequent conviction
46 for another crime, whether within this State or any other jurisdiction;
47 or

1 the person has been convicted of one crime and less than four
2 disorderly persons or petty disorderly persons offenses under the laws
3 of this State, and does not otherwise have any prior or subsequent
4 conviction for another crime, or any prior or subsequent conviction for
5 another disorderly persons or petty disorderly persons offense such
6 that the total number of convictions for disorderly persons and petty
7 disorderly persons offenses would exceed three, whether any such
8 crime or offense conviction was within this State or any other
9 jurisdiction; or

10 the person has been convicted of multiple crimes or a combination
11 of one or more crimes and one or more disorderly persons or petty
12 disorderly persons offenses under the laws of this State, all of which
13 are listed in a single judgment of conviction, and does not otherwise
14 have any prior or subsequent conviction for another crime or offense
15 in addition to those convictions included in the expungement
16 application, whether any such conviction was within this State or any
17 other jurisdiction; or

18 the person has been convicted of multiple crimes or a combination
19 of one or more crimes and one or more disorderly persons or petty
20 disorderly persons offenses under the laws of this State, which crimes
21 or combination of crimes and offenses were interdependent or closely
22 related in circumstances and were committed as part of a sequence of
23 events that took place within a comparatively short period of time,
24 regardless of the date of conviction or sentencing for each individual
25 crime or offense, and the person does not otherwise have any prior or
26 subsequent conviction for another crime or offense in addition to those
27 convictions included in the expungement application, whether any
28 such conviction was within this State or any other jurisdiction.

29 For purposes of determining eligibility to present an
30 expungement application to the Superior Court pursuant to this
31 section, a conviction for unlawful distribution of, or possessing or
32 having under control with intent to distribute, marijuana or hashish
33 in violation of paragraph (11) of subsection b. of N.J.S.2C:35-5, or a
34 lesser amount of marijuana or hashish in violation of paragraph (12) of
35 subsection b. of that section, or a violation of either of those
36 paragraphs and a violation of subsection a. of section 1 of P.L.1987,
37 c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327
38 (C.2C:35-7.1), for distributing, or possessing or having under control
39 with intent to distribute, on or within 1,000 feet of any school
40 property, or on or within 500 feet of the real property comprising a
41 public housing facility, public park, or public building, or for
42 obtaining or possessing marijuana or hashish in violation of
43 paragraph (3) of subsection a. of N.J.S.2C:35-10, or for an equivalent
44 crime in another jurisdiction, regardless of when the conviction
45 occurred, shall be not considered a conviction of a crime within this
46 State or any other jurisdiction but shall instead be considered a
47 conviction of a disorderly person offense within this State or an
48 equivalent category of offense within the other jurisdiction, and a

1 conviction for obtaining, possessing, using, being under the
2 influence of, or failing to make lawful disposition of marijuana or
3 hashish in violation of paragraph (4) of subsection a., or subsection
4 b., or subsection c. of N.J.S.2C:35-10, or a violation involving
5 marijuana or hashish as described herein and using or possessing with
6 intent to use drug paraphernalia with that marijuana or hashish in
7 violation of N.J.S.2C:36-2, or for an equivalent crime or offense in
8 another jurisdiction, regardless of when the conviction occurred, shall
9 not be considered a conviction within this State or any other
10 jurisdiction.

11 The person, if eligible, may present the expungement application
12 after the expiration of a period of six years from the date of his most
13 recent conviction, payment of fine, satisfactory completion of
14 probation or parole, or release from incarceration, whichever is later.
15 The term "fine" as used herein and throughout this section means and
16 includes any fine, restitution, and other court-ordered financial
17 assessment imposed by the court as part of the sentence for the
18 conviction, for which payment of restitution takes precedence in
19 accordance with chapter 46 of Title 2C of the New Jersey Statutes.
20 The person shall submit the expungement application to the Superior
21 Court in the county in which the conviction for the crime was
22 adjudged, which contains a separate, duly verified petition as provided
23 in N.J.S.2C:52-7 for each conviction sought to be expunged, praying
24 that the conviction, or convictions if applicable, and all records and
25 information pertaining thereto be expunged. The petition for each
26 conviction appended to an application shall comply with the
27 requirements set forth in N.J.S.2C:52-1 et seq.

28 Notwithstanding the provisions concerning the six-year time
29 requirement, if a fine which is currently subject to collection under the
30 comprehensive enforcement program established pursuant to
31 P.L.1995, c.9 (C.2B:19-1 et al.) is not yet satisfied due to reasons other
32 than willful noncompliance, but the time requirement of six years is
33 otherwise satisfied, the person may submit the expungement
34 application and the court may grant an expungement, provided,
35 however, that if expungement is granted under this paragraph, the
36 court shall provide for the continued collection of any outstanding
37 amount owed that is necessary to satisfy the fine or the entry of civil
38 judgment for the outstanding amount in accordance with section 8 of
39 P.L.2017, c.244 (C.2C:52-23.1).

40 Additionally, an application may be filed and presented, and the
41 court may grant an expungement pursuant to this section, although less
42 than six years have expired in accordance with the time requirements
43 when the court finds:

44 (1) the fine is satisfied but less than six years have expired from
45 the date of satisfaction, and the time requirement of six years is
46 otherwise satisfied, and the court finds that the person substantially
47 complied with any payment plan ordered pursuant to N.J.S.2C:46-1 et

1 seq., or could not do so due to compelling circumstances affecting his
2 ability to satisfy the fine; or

3 (2) at least five but less than six years have expired from the date
4 of the most recent conviction, payment of fine, satisfactory completion
5 of probation or parole, or release from incarceration, whichever is
6 later; and

7 the person has not been otherwise convicted of a crime,
8 disorderly persons offense, or petty disorderly persons offense since
9 the time of the most recent conviction; and the court finds in its
10 discretion that expungement is in the public interest, giving due
11 consideration to the nature of the offense or offenses, and the
12 applicant's character and conduct since the conviction or convictions.

13 In determining whether compelling circumstances exist for the
14 purposes of paragraph (1) of this subsection, a court may consider the
15 amount of the fine or fines imposed, the person's age at the time of the
16 offense or offenses, the person's financial condition and other relevant
17 circumstances regarding the person's ability to pay.

18 b. Records of conviction pursuant to statutes repealed by this
19 Code for the crimes of murder, manslaughter, treason, anarchy,
20 kidnapping, rape, forcible sodomy, arson, perjury, false swearing,
21 robbery, embracery, or a conspiracy or any attempt to commit any of
22 the foregoing, or aiding, assisting or concealing persons accused of the
23 foregoing crimes, shall not be expunged.

24 Records of conviction for the following crimes specified in the
25 New Jersey Code of Criminal Justice shall not be subject to
26 expungement: N.J.S.2C:11-1 et seq. (Criminal Homicide), except
27 death by auto as specified in N.J.S.2C:11-5 and strict liability
28 vehicular homicide as specified in section 1 of P.L.2017, c.165
29 (C.2C:11-5.3); N.J.S.2C:13-1 (Kidnapping); section 1 of P.L.1993,
30 c.291 (C.2C:13-6) (Luring or Enticing); section 1 of P.L.2005, c.77
31 (C.2C:13-8) (Human Trafficking); N.J.S.2C:14-2 (Sexual Assault or
32 Aggravated Sexual Assault); subsection a. of N.J.S.2C:14-3
33 (Aggravated Criminal Sexual Contact); if the victim is a minor,
34 subsection b. of N.J.S.2C:14-3 (Criminal Sexual Contact); if the victim
35 is a minor and the offender is not the parent of the victim,
36 N.J.S.2C:13-2 (Criminal Restraint) or N.J.S.2C:13-3 (False
37 Imprisonment); N.J.S.2C:15-1 (Robbery); N.J.S.2C:17-1 (Arson and
38 Related Offenses); subsection a. of N.J.S.2C:24-4 (Endangering the
39 welfare of a child by engaging in sexual conduct which would impair
40 or debauch the morals of the child, or causing the child other harm);
41 paragraph (4) of subsection b. of N.J.S.2C:24-4 (Photographing or
42 filming a child in a prohibited sexual act or for portrayal in a sexually
43 suggestive manner); paragraph (3) of subsection b. of N.J.S.2C:24-4
44 (Causing or permitting a child to engage in a prohibited sexual act or
45 the simulation of an act, or to be portrayed in a sexually suggestive
46 manner); subparagraph (a) of paragraph (5) of subsection b. of
47 N.J.S.2C:24-4 (Distributing, possessing with intent to distribute or
48 using a file-sharing program to store items depicting the sexual

1 exploitation or abuse of a child); subparagraph (b) of paragraph (5) of
2 subsection b. of N.J.S.2C:24-4 (Possessing or viewing items depicting
3 the sexual exploitation or abuse of a child); section 8 of P.L.2017,
4 c.141 (C.2C:24-4.1) (Leader of a child pornography network);
5 N.J.S.2C:28-1 (Perjury); N.J.S.2C:28-2 (False Swearing); paragraph
6 (4) of subsection b. of N.J.S.2C:34-1 (Knowingly promoting the
7 prostitution of the actor's child); section 2 of P.L.2002, c.26 (C.2C:38-
8 2) (Terrorism); subsection a. of section 3 of P.L.2002, c.26 (C.2C:38-
9 3) (Producing or Possessing Chemical Weapons, Biological Agents or
10 Nuclear or Radiological Devices); and conspiracies or attempts to
11 commit such crimes.

12 Records of conviction for any crime committed by a person
13 holding any public office, position or employment, elective or
14 appointive, under the government of this State or any agency or
15 political subdivision thereof and any conspiracy or attempt to commit
16 such a crime shall not be subject to expungement if the crime involved
17 or touched such office, position or employment.

18 c. **【**In the case of conviction for the sale or distribution of a
19 controlled dangerous substance or possession thereof with intent to
20 sell, expungement shall be denied except where the crimes involve:

21 (1) Marijuana, where the total quantity sold, distributed or
22 possessed with intent to sell was less than one ounce;

23 (2) Hashish, where the total quantity sold, distributed or possessed
24 with intent to sell was less than five grams; or

25 (3) Any controlled dangerous substance provided that the
26 conviction is of the third or fourth degree, where the court finds that
27 expungement is consistent with the public interest, giving due
28 consideration to the nature of the offense and the petitioner's character
29 and conduct since conviction. **】** (Deleted by amendment, P.L. , c.)

30 d. In the case of a State licensed physician or podiatrist convicted
31 of an offense involving drugs or alcohol or pursuant to section 14 or
32 15 of P.L.1989, c.300 (C.2C:21-20 or 2C:21-4.1), the court shall notify
33 the State Board of Medical Examiners upon receipt of a petition for
34 expungement of the conviction and records and information pertaining
35 thereto.

36 (cf: P.L.2017, c.244, s.1)

37

38 47. N.J.S.2C:52-3 is amended to read as follows:

39 2C:52-3. Disorderly persons offenses and petty disorderly persons
40 offenses.

41 a. Any person who has been convicted of one or more disorderly
42 persons or petty disorderly persons offenses under the laws of this
43 State who has not been convicted of any crime, whether within this
44 State or any other jurisdiction, may present an expungement
45 application to the Superior Court pursuant to this section. Any person
46 who has been convicted of one or more disorderly persons or petty
47 disorderly persons offenses under the laws of this State who has also
48 been convicted of one or more crimes shall not be eligible to apply for

1 an expungement pursuant to this section, but may present an
2 expungement application to the Superior Court pursuant to
3 N.J.S.2C:52-2.

4 b. Any person who has been convicted of one or more disorderly
5 persons or petty disorderly persons offenses under the laws of this
6 State who has not been convicted of any crime, whether within this
7 State or any other jurisdiction, may present an expungement
8 application to the Superior Court pursuant to this section if:

9 the person has been convicted, under the laws of this State, on the
10 same or separate occasions of no more than four disorderly persons
11 offenses, no more than four petty disorderly persons offenses, or a
12 combination of no more than four disorderly persons and petty
13 disorderly persons offenses, and the person does not otherwise have
14 any prior or subsequent conviction for a disorderly persons or petty
15 disorderly persons offense, whether within this State or any other
16 jurisdiction, such that the total number of convictions for disorderly
17 persons and petty disorderly persons offenses would exceed four; or

18 the person has been convicted of multiple disorderly persons
19 offenses or multiple petty disorderly persons offenses under the laws
20 of this State, or a combination of multiple disorderly persons and petty
21 disorderly persons offenses under the laws of this State, which
22 convictions were entered on the same day, and does not otherwise
23 have any prior or subsequent conviction for another offense in addition
24 to those convictions included in the expungement application, whether
25 any such conviction was within this State or any other jurisdiction; or

26 the person has been convicted of multiple disorderly persons
27 offenses or multiple petty disorderly persons offenses under the laws
28 of this State, or a combination of multiple disorderly persons and petty
29 disorderly persons offenses under the laws of this State, which
30 offenses or combination of offenses were interdependent or closely
31 related in circumstances and were committed as part of a sequence of
32 events that took place within a comparatively short period of time,
33 regardless of the date of conviction or sentencing for each individual
34 offense, and the person does not otherwise have any prior or
35 subsequent conviction for another offense in addition to those
36 convictions included in the expungement application, whether within
37 this State or any other jurisdiction.

38 For purposes of determining eligibility to present an
39 expungement application to the Superior Court pursuant to this
40 section, a conviction for unlawful distribution of, or possessing or
41 having under control with intent to distribute, marijuana or hashish
42 in violation of paragraph (11) of subsection b. of N.J.S.2C:35-5, or a
43 lesser amount of marijuana or hashish in violation of paragraph (12) of
44 subsection b. of that section, or a violation of either of those
45 paragraphs and a violation of subsection a. of section 1 of P.L.1987,
46 c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327
47 (C.2C:35-7.1), for distributing, or possessing or having under control
48 with intent to distribute, on or within 1,000 feet of any school

1 property, or on or within 500 feet of the real property comprising a
2 public housing facility, public park, or public building, or for
3 obtaining or possessing marijuana or hashish in violation of
4 paragraph (3) of subsection a. of N.J.S.2C:35-10, or for an equivalent
5 crime in another jurisdiction, regardless of when the conviction
6 occurred, shall be not considered a conviction of a crime within this
7 State or any other jurisdiction but shall instead be considered a
8 conviction of a disorderly person offense within this State or an
9 equivalent category of offense within the other jurisdiction, and a
10 conviction for obtaining, possessing, using, being under the
11 influence of, or failing to make lawful disposition of marijuana or
12 hashish in violation of paragraph (4) of subsection a., or subsection
13 b., or subsection c. of N.J.S.2C:35-10, or a violation involving
14 marijuana or hashish as described herein and using or possessing with
15 intent to use drug paraphernalia with that marijuana or hashish in
16 violation of N.J.S.2C:36-2, or for an equivalent crime or offense in
17 another jurisdiction, regardless of when the conviction occurred, shall
18 not be considered a conviction within this State or any other
19 jurisdiction.

20 The person, if eligible, may present the expungement application
21 after the expiration of a period of five years from the date of his most
22 recent conviction, payment of fine, satisfactory completion of
23 probation or release from incarceration, whichever is later. The term
24 "fine" as used herein and throughout this section means and includes
25 any fine, restitution, and other court-ordered financial assessment
26 imposed by the court as part of the sentence for the conviction, for
27 which payment of restitution takes precedence in accordance with
28 chapter 46 of Title 2C of the New Jersey Statutes. The person shall
29 submit the expungement application to the Superior Court in the
30 county in which the most recent conviction for a disorderly persons or
31 petty disorderly persons offense was adjudged, which contains a
32 separate, duly verified petition as provided in N.J.S.2C:52-7 for each
33 conviction sought to be expunged, praying that the conviction, or
34 convictions if applicable, and all records and information pertaining
35 thereto be expunged. The petition for each conviction appended to an
36 application shall comply with the requirements of N.J.S.2C:52-1 et
37 seq.

38 Notwithstanding the provisions of the five-year time requirement,
39 an application may be filed and presented, and the court may grant an
40 expungement pursuant to this section, when the court finds:

41 (1) the fine is satisfied but less than five years have expired from
42 the date of satisfaction, and the five-year time requirement is otherwise
43 satisfied, and the court finds that the person substantially complied
44 with any payment plan ordered pursuant to N.J.S.2C:46-1 et seq., or
45 could not do so due to compelling circumstances affecting his ability
46 to satisfy the fine; or

47 (2) at least three but less than five years have expired from the
48 date of the most recent conviction, payment of fine, satisfactory

1 completion of probation or parole, or release from incarceration,
2 whichever is later; and

3 the person has not been otherwise convicted of a crime, disorderly
4 persons offense, or petty disorderly persons offense since the time of
5 the most recent conviction; and the court finds in its discretion that
6 expungement is in the public interest, giving due consideration to the
7 nature of the offense or offenses, and the applicant's character and
8 conduct since the conviction or convictions.

9 In determining whether compelling circumstances exist for the
10 purposes of paragraph (1) of this subsection, a court may consider the
11 amount of the fine or fines imposed, the person's age at the time of the
12 offense or offenses, the person's financial condition and other relevant
13 circumstances regarding the person's ability to pay.

14 (cf: P.L.2017, c.244, s.2)

15
16 48. (New section) a. Notwithstanding the requirements of
17 subsections a. and b. of N.J.S.2C:52-2 and N.J.S.2C:52-3 or any other
18 provision of law to the contrary, beginning on the effective date of
19 P.L. , c. (C.) (pending before the Legislature as this bill),
20 the following persons may file a petition for an expedited
21 expungement with the Superior Court at any time:

22 (1) any person who, prior to the effective date of P.L. , c.
23 (C.) (pending before the Legislature as this bill), was charged
24 with, convicted of, or adjudicated delinquent for any number of
25 offenses which if committed by an adult would constitute, unlawful
26 distribution of, or possessing or having under control with intent to
27 distribute, marijuana or hashish in violation of paragraph (11) of
28 subsection b. of N.J.S.2C:35-5, or a lesser amount of marijuana or
29 hashish in violation of paragraph (12) of subsection b. of that section,
30 or a violation of either of those paragraphs and a violation of
31 subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection
32 a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or
33 possessing or having under control with intent to distribute, on or
34 within 1,000 feet of any school property, or on or within 500 feet of
35 the real property comprising a public housing facility, public park, or
36 public building; or

37 (2) any person who, prior to the effective date of P.L. , c.
38 (C.) (pending before the Legislature as this bill), was charged
39 with, convicted of, or adjudicated delinquent for any number of
40 offenses which if committed by an adult would constitute,
41 obtaining, possessing, using, being under the influence of, or failing
42 to make lawful disposition of marijuana or hashish in violation of
43 paragraph (3) or (4) of subsection a., or subsection b., or subsection
44 c. of N.J.S.2C:35-10; or

45 (3) any person who, prior to the effective date of P.L. , c.
46 (C.) (pending before the Legislature as this bill), was charged
47 with, convicted of, or adjudicated delinquent for any number of
48 offenses which if committed by an adult would constitute, a

1 violation involving marijuana or hashish as described in paragraph (1)
2 or (2) of this subsection and using or possessing with intent to use
3 drug paraphernalia with that marijuana or hashish in violation of
4 N.J.S.2C:36-2.

5 b. (1) The provisions of N.J.S.2C:52-7 through N.J.S.2C:52-14
6 shall not apply to an expedited expungement as described in this
7 section, and no fee shall be charged to the person making the
8 expungement application.

9 (2) Upon review of the petition, the court shall immediately
10 grant an expedited expungement for each charge, conviction, or
11 adjudication of delinquency pursuant to this section. The court
12 shall provide copies of the expungement order to the person who is
13 the subject of the petition.

14 (3) A court order vacating an expedited expungement that is
15 granted to a person pursuant to this section may be issued upon an
16 action filed by a county prosecutor with the court that granted the
17 expungement, if filed no later than 30 days after the expungement
18 order was issued, with notice to the person, and a hearing is scheduled
19 at which the county prosecutor shows proof that the expedited
20 expungement was granted in error due to a statutory disqualification to
21 expungement that existed at the time the relief was initially granted.

22 c. Any public employee, or public agency that provides
23 information or records pursuant to this section shall be immune
24 from criminal and civil liability as a result of an act of commission
25 or omission by that person or entity arising out of and in the course
26 of participation in, or assistance with, in good faith, an expedited
27 expungement. The immunity shall be in addition to and not in
28 limitation of any other immunity provided by law.

29
30 49. (New section) a. The Administrative Director of the Courts
31 shall maintain and provide information to any person upon request
32 about the expungement process and legal services programs
33 Statewide and in each county which may be available to assist the
34 person with an expedited expungement pursuant to section 48 of
35 P.L. , c. (C.) (pending before the Legislature as this bill).

36
37 50. (New section) a. (1) The Administrative Director of the
38 Courts shall develop and maintain a multilingual public awareness
39 campaign to promote awareness of expedited expungements and the
40 expungement e-filing system established pursuant to sections 48
41 through 51 of P.L. , c. (C.) (pending before the Legislature
42 as this bill), as well as information on State, local, non-profit and
43 other private job training programs in consultation with the
44 Department of Labor and Workforce Development, with a focus on
45 connecting those persons eligible for the expedited expungement of
46 their records pursuant to section 48 of that act (C.) (pending
47 before the Legislature as this bill).

1 (2) The public awareness campaign shall, at a minimum, utilize
2 electronic and print media, and shall make available electronically
3 on an Internet website a petition form and a list of the supporting
4 information necessary for an expungement, including an expedited
5 expungement pursuant to section 48 of P.L. , c. (C.)
6 (pending before the Legislature as this bill), using the expungement
7 e-filing system once established pursuant to section 51 of that act
8 (C.).

9 (3) The petition and supporting information shall, at a minimum,
10 be made available in English and Spanish.

11 b. The Administrative Director of the Courts shall include in the
12 annual report on the activities of the Administrative Office of the
13 Courts, prepared pursuant to N.J.S.2A:12-5, information about the
14 activities and accomplishments of the public awareness campaign
15 developed and maintained pursuant to subsection a. of this section,
16 beginning no later than one year after the effective date of P.L. ,
17 c. (C.) (pending before the Legislature as this bill).

18
19 51. (New section) a. No later than nine months after the
20 effective date of P.L. , c. (C.) (pending before the
21 Legislature as this bill), the Administrative Office of the Courts
22 shall develop and maintain a system for petitioners to electronically
23 file expungement petitions pursuant to N.J.S.2C:52-1 et seq. The e-
24 filing system shall be available Statewide and include electronic
25 filing, electronic service of process, and electronic document
26 management.

27 (1) The court shall electronically compile and transmit a listing of
28 all possibly relevant Judiciary records to an expungement petitioner
29 and the appropriate criminal justice parties subject to notice of the
30 petition in accordance with N.J.S.2C:52-10 for review and
31 confirmation against the criminal history record background
32 information maintained by the Division of State Police.

33 (2) The court shall provide copies of an expungement order to the
34 person who is the subject of the petition and electronically transmit the
35 order to the previously noticed parties, or parties otherwise entitled to
36 notice, in accordance with N.J.S.2C:52-15.

37 b. Beginning no later than one year after the implementation of
38 the e-filing system established pursuant to this section, the
39 Administrative Director of the Courts shall include in the annual
40 report on the activities of the Administrative Office of the Courts,
41 prepared pursuant to N.J.S.2A:12-5, information on the operation,
42 maintenance, and administration of the e-filing system, and may
43 include any recommendations as to legislative changes or
44 improvements to effectuate the purposes of sections 48 through 51
45 of P.L. , c. (C.) (pending before the Legislature as this
46 bill). The report shall assist policymakers in determining whether
47 the e-filing system should be modified or expanded. The report
48 shall include statistics regarding the number of applicants; the

1 number of expungements processed; the number of expungement
2 orders issued; and any other relevant information at the discretion
3 of the Administrative Director of the Courts.

4
5 52. N.J.S.2B:12-31 is amended to read as follows:

6 2B:12-31. Suspension of driving privileges.

7 a. (1) If a defendant charged with a disorderly persons offense,
8 a petty disorderly persons offense, a violation of a municipal
9 ordinance, or a violation of any other law of this State for which a
10 penalty may be imposed fails to appear at any scheduled court
11 proceeding after written notice has been given to said defendant
12 pursuant to the Rules of Court, a municipal court may order the
13 suspension of the person's driving privileges or nonresident
14 reciprocity privilege or prohibit the person from receiving or
15 obtaining driving privileges until the pending matter is adjudicated
16 or otherwise disposed of, except by dismissal for failure of
17 defendant to appear.

18 (2) If a defendant sentenced to pay a fine or costs, make
19 restitution, perform community service, serve a term of probation,
20 or do any other act as a condition of that sentence fails to do so, a
21 municipal court may order the suspension of the person's driving
22 privileges or nonresident reciprocity privilege or prohibit the person
23 from receiving or obtaining driving privileges until the terms and
24 conditions of the sentence have been performed or modified.

25 b. Prior to any action being taken pursuant to the provisions of
26 this section, the defendant shall be given notice of the proposed
27 action and afforded an opportunity to appear before the court to
28 contest the validity of the proposed action.

29 c. The municipal court shall notify the **【Division of】** New
30 Jersey Motor **【Vehicles】** Vehicle Commission of any action taken
31 pursuant to the provisions of this section.

32 d. Any action taken by a municipal court pursuant to this
33 section shall be in addition to any other remedies which are
34 available to the court and in addition to any other penalties which
35 may be imposed by the court.

36 e. (1) When a defendant whose license has been suspended
37 pursuant to subsection a. of this section satisfies the requirements of
38 that subsection, the municipal court shall forward to the **【Division**
39 **of】** New Jersey Motor **【Vehicles】** Vehicle Commission a notice to
40 restore the defendant's driving privileges.

41 (2) There shall be included in the fines and penalties imposed by
42 a court on a defendant whose license has been suspended pursuant
43 to subsection a. of this section, the following:

44 (a) A fee of \$3.00 which shall be transferred to the **【Division**
45 **of】** New Jersey Motor **【Vehicles】** Vehicle Commission;

46 (b) A penalty of \$10.00 for the issuance of the failure to appear
47 notice; and

1 (c) A penalty of \$15.00 for the order of suspension of
2 defendant's driving privileges.
3 (cf: N.J.S.2B:12-31)
4

5 53. N.J.S.2C:35-16 is amended to read as follows:

6 2C:35-16. a. In addition to any disposition authorized by this
7 title, the provisions of section 24 of P.L.1982, c.77 (C.2A:4A-43),
8 or any other statute indicating the dispositions that can be ordered
9 for an adjudication of delinquency, and notwithstanding the
10 provisions of subsection c. of N.J.S.2C:43-2, a person convicted of
11 or adjudicated delinquent for a violation of any offense defined in
12 this chapter or chapter 36 of this title shall forthwith forfeit his right
13 to operate a motor vehicle over the highways of this State for a
14 period to be fixed by the court at not less than six months or more
15 than two years which shall commence on the day the sentence is
16 imposed unless the court finds compelling circumstances
17 warranting an exception or except as provided in subsection e. of
18 this section. For the purposes of this section, compelling
19 circumstances warranting an exception exist if the forfeiture of the
20 person's right to operate a motor vehicle over the highways of this
21 State will result in extreme hardship and alternative means of
22 transportation are not available. In the case of a person who at the
23 time of the imposition of sentence is less than 17 years of age, the
24 period of any suspension of driving privileges authorized herein,
25 including a suspension of the privilege of operating a motorized
26 bicycle, shall commence on the day the sentence is imposed and
27 shall run for a period as fixed by the court of not less than six
28 months or more than two years after the day the person reaches the
29 age of 17 years. If the driving privilege of any person is under
30 revocation, suspension, or postponement for a violation of any
31 provision of this title or Title 39 of the Revised Statutes at the time
32 of any conviction or adjudication of delinquency for a violation of
33 any offense defined in this chapter or chapter 36 of this title, any
34 revocation, suspension, or postponement period imposed herein
35 shall commence as of the date of termination of the existing
36 revocation, suspension, or postponement.

37 b. If forfeiture or postponement of driving privileges is ordered
38 by the court pursuant to subsection a. of this section, the court shall
39 collect forthwith the New Jersey driver's license or licenses of the
40 person and forward such license or licenses to the Chief
41 Administrator of the New Jersey Motor Vehicle Commission along
42 with a report indicating the first and last day of the suspension or
43 postponement period imposed by the court pursuant to this section.
44 If the court is for any reason unable to collect the license or licenses
45 of the person, the court shall cause a report of the conviction or
46 adjudication of delinquency to be filed with the Chief
47 Administrator. That report shall include the complete name,
48 address, date of birth, eye color, and sex of the person and shall

1 indicate the first and last day of the suspension or postponement
2 period imposed by the court pursuant to this section. The court shall
3 inform the person orally and in writing that if the person is
4 convicted of personally operating a motor vehicle during the period
5 of license suspension or postponement imposed pursuant to this
6 section, the person shall, upon conviction, be subject to the
7 penalties set forth in R.S.39:3-40. A person shall be required to
8 acknowledge receipt of the written notice in writing. Failure to
9 receive a written notice or failure to acknowledge in writing the
10 receipt of a written notice shall not be a defense to a subsequent
11 charge of a violation of R.S.39:3-40. If the person is the holder of a
12 driver's license from another jurisdiction, the court shall not collect
13 the license but shall notify forthwith the Chief Administrator who
14 shall notify the appropriate officials in the licensing jurisdiction.
15 The court shall, however, in accordance with the provisions of this
16 section, revoke the person's non-resident driving privilege in this
17 State.

18 c. In addition to any other condition imposed, a court may in
19 its discretion suspend, revoke or postpone in accordance with the
20 provisions of this section the driving privileges of a person admitted
21 to supervisory treatment under N.J.S.2C:36A-1 or N.J.S.2C:43-12
22 without a plea of guilty or finding of guilt.

23 d. After sentencing and upon notice to the prosecutor, a person
24 subject to suspension or postponement of driving privileges under
25 this section may seek revocation of the remaining portion of any
26 suspension or postponement based on compelling circumstances
27 warranting an exception that were not raised at the time of
28 sentencing. The court may revoke the suspension or postponement
29 if it finds compelling circumstances.

30 e. Provided that the person was not convicted of or adjudicated
31 delinquent for a violation of any offense defined in this chapter or
32 chapter 36 of this title other than those enumerated in this
33 subsection, the forfeiture or postponement of driving privileges set
34 forth in subsection a. of this section shall not apply to any person
35 convicted of or adjudicated delinquent for an offense which if
36 committed by an adult would constitute:

37 (1) distribution of, or possessing or having under control with
38 intent to distribute, marijuana or hashish in violation of paragraph
39 (11) of subsection b. of N.J.S.2C:35-5, or a lesser amount of
40 marijuana or hashish in violation of paragraph (12) of subsection b.
41 that section, or a violation of either of those paragraphs based on an
42 amount of marijuana or hashish described herein and a violation of
43 subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection
44 a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or
45 possessing or having under control with intent to distribute, on or
46 within 1,000 feet of any school property, or on or within 500 feet of
47 the real property comprising a public housing facility, public park, or
48 public building;

1 (2) using, being under the influence of, or failing to make lawful
2 disposition of marijuana or hashish in violation of paragraph (3) of
3 subsection a., or subsection b., subsection c. of N.J.S.2C:35-10; or

4 (3) a violation involving marijuana or hashish as described in
5 paragraph (1) or (2) of this subsection and using or possessing with
6 intent to use drug paraphernalia with that marijuana or hashish in
7 violation of N.J.S.2C:36-2.

8 (cf: P.L.2008, c.84, s.2)

9
10 54. The title of P.L.1981, c.197 is amended to read as follows:

11 **AN ACT** concerning the unauthorized bringing of alcoholic
12 beverages or cannabis items onto school premises, and
13 supplementing chapter 33 of Title 2C of the New Jersey Statutes.
14 (cf: P.L.1981, c.197, title)

15
16 55. Section 1 of P.L.1981, c.197 (C.2C:33-16) is amended to
17 read as follows:

18 1. Any person of legal age to purchase alcoholic beverages or
19 cannabis items, who, in the case of alcoholic beverages, knowingly
20 and without the express written permission of the school board, its
21 delegated authority, or any school principal, brings or possesses any
22 alcoholic beverages, or in the case of cannabis items, brings,
23 possesses, or consumes, including by smoking, any cannabis items, on
24 any property used for school purposes which is owned by any
25 school or school board, is guilty of a disorderly persons offense.
26 For purposes of this section, an alcoholic beverage includes
27 powdered alcohol as defined by R.S.33:1-1, and a cannabis item
28 includes any item available for lawful consumption pursuant to the
29 “New Jersey Cannabis Regulatory and Expungement Aid
30 Modernization Act,” P.L. , c. (C.) (pending before the
31 Legislature as this bill).

32 (cf: P.L.1981, c.197, s.1)

33
34 56. R.S.40:48-1 is amended to read as follows:

35 40:48-1. Ordinances; general purpose. The governing body of
36 every municipality may make, amend, repeal and enforce
37 ordinances to:

38 Finances and property. 1. Manage, regulate and control the
39 finances and property, real and personal, of the municipality;

40 Contracts and contractor's bonds. 2. Prescribe the form and
41 manner of execution and approval of all contracts to be executed by
42 the municipality and of all bonds to be given to it;

43 Officers and employees; duties, terms and salaries. 3. Prescribe
44 and define, except as otherwise provided by law, the duties and
45 terms of office or employment, of all officers and employees; and to
46 provide for the employment and compensation of such officials and
47 employees, in addition to those provided for by statute, as may be

1 deemed necessary for the efficient conduct of the affairs of the
2 municipality;

3 Fees. 4. Fix the fees of any officer or employee of the
4 municipality for any service rendered in connection with his office
5 or position, for which no specific fee or compensation is provided.
6 In the case of salaried officers or employees, such fee shall be paid
7 into the municipal treasury;

8 Salaries instead of fees; disposition of fees. 5. Provide that any
9 officer or employee receiving compensation for his services, in
10 whole or in part by fees, whether paid by the municipality or
11 otherwise, shall be paid a salary to be fixed in the ordinance, and
12 thereafter all fees received by such officer or employee shall be
13 paid into the municipal treasury;

14 Maintain order. 6. Prevent vice, drunkenness and immorality; to
15 preserve the public peace and order; to prevent and quell riots,
16 disturbances and disorderly assemblages; to prohibit the
17 consumption of alcoholic beverages or cannabis items by underage
18 persons on private property pursuant to section 1 of P.L.2000, c.33
19 (C.40:48-1.2);

20 Punish beggars; prevention of loitering. 7. Restrain and punish
21 drunkards, vagrants, mendicants and street beggars; to prevent
22 loitering, lounging or sleeping in the streets, parks or public places;

23 Auctions and noises. 8. Regulate the ringing of bells and the
24 crying of goods and other commodities for sale at auction or
25 otherwise, and to prevent disturbing noises;

26 Swimming; bathing costume; prohibition of public nudity. 9.
27 Regulate or prohibit swimming or bathing in the waters of, in, or
28 bounding the municipality, and to regulate or prohibit persons from
29 appearing upon the public streets, parks and places clad in bathing
30 costumes or robes, or costumes of a similar character; regulate or
31 prohibit persons from appearing in a state of nudity upon all lands
32 within its borders which are under the jurisdiction of the State
33 including, without limitation, all lands owned by, controlled by,
34 managed by or leased by the State;

35 Prohibit annoyance of persons or animals. 10. Regulate or
36 prohibit any practice tending to frighten animals, or to annoy or
37 injure persons in the public streets;

38 Animals; pounds; establishment and regulation. 11. Establish
39 and regulate one or more pounds, and to prohibit or regulate the
40 running at large of horses, cattle, dogs, swine, goats and other
41 animals, and to authorize their impounding and sale for the penalty
42 incurred, and the costs of impounding, keeping and sale; to regulate
43 or prohibit the keeping of cattle, goats or swine in any part of the
44 municipality; to authorize the destruction of dogs running at large
45 therein;

46 Hucksters. 12. Prescribe and regulate the place of vending or
47 exposing for sale articles of merchandise from vehicles;

- 1 Building regulations; wooden structures. 13. Regulate and
2 control the construction, erection, alteration and repair of buildings
3 and structures of every kind within the municipality; and to
4 prohibit, within certain limits, the construction, erection or
5 alteration of buildings or structures of wood or other combustible
6 material;
- 7 Inflammable materials; inspect docks and buildings. 14.
8 Regulate the use, storage, sale and disposal of inflammable or
9 combustible materials, and to provide for the protection of life and
10 property from fire, explosions and other dangers; to provide for
11 inspections of buildings, docks, wharves, warehouses and other
12 places, and of goods and materials contained therein, to secure the
13 proper enforcement of such ordinance;
- 14 Dangerous structures; removal or destruction; procedure. 15.
15 Provide for the removal or destruction of any building, wall or
16 structure which is or may become dangerous to life or health, or
17 might tend to extend a conflagration; and to assess the cost thereof
18 as a municipal lien against the premises;
- 19 Chimneys and boilers. 16. Regulate the construction and setting
20 up of chimneys, furnaces, stoves, boilers, ovens and other
21 contrivances in which fire is used;
- 22 Explosives. 17. Regulate, in conformity with the statutes of this
23 State, the manufacture, storage, sale, keeping or conveying of
24 gunpowder, nitroglycerine, dynamite and other explosives;
- 25 Firearms and fireworks. 18. Regulate and prohibit the sale and
26 use of guns, pistols, firearms, and fireworks of all descriptions;
- 27 Soft coal. 19. Regulate the use of soft coal in locomotives,
28 factories, power houses and other places;
- 29 Theaters, schools, churches and public places. 20. Regulate the
30 use of theaters, cinema houses, public halls, schools, churches, and
31 other places where numbers of people assemble, and the exits
32 therefrom, so that escape therefrom may be easily and safely made
33 in case of fire or panic; and to regulate any machinery, scenery,
34 lights, wires and other apparatus, equipment or appliances used in
35 all places of public amusement;
- 36 Excavations. 21. Regulate excavations below the established
37 grade or curb line of any street, not greater than eight feet, which
38 the owner of any land may make, in the erection of any building
39 upon his own property; and to provide for the giving of notice, in
40 writing, of such intended excavation to any adjoining owner or
41 owners, and that they will be required to protect and care for their
42 several foundation walls that may be endangered by such
43 excavation; and to provide that in case of the neglect or refusal, for
44 10 days, of such adjoining owner or owners to take proper action to
45 secure and protect the foundations of any adjacent building or other
46 structure, that the party or parties giving such notice, or their
47 agents, contractors or employees, may enter into and upon such
48 adjoining property and do all necessary work to make such

1 foundations secure, and may recover the cost of such work and
2 labor in so protecting such adjacent property; and to make such
3 further and other provisions in relation to the proper conduct and
4 performance of said work as the governing body or board of the
5 municipality may deem necessary and proper;

6 Sample medicines. 22. Regulate and prohibit the distribution,
7 depositing or leaving on the public streets or highways, public
8 places or private property, or at any private place or places within
9 any such municipality, any medicine, medicinal preparation or
10 preparations represented to cure ailments or diseases of the body or
11 mind, or any samples thereof, or any advertisements or circulars
12 relating thereto, but no ordinance shall prohibit a delivery of any
13 such article to any person above the age of 12 years willing to
14 receive the same;

15 Boating. 23. Regulate the use of motor and other boats upon
16 waters within or bounding the municipality;

17 Fire escapes. 24. Provide for the erection of fire escapes on
18 buildings in the municipality, and to provide rules and regulations
19 concerning the construction and maintenance of the same, and for
20 the prevention of any obstruction thereof or thereon;

21 Care of injured employees. 25. Provide for the payment of
22 compensation and for medical attendance to any officer or
23 employee of the municipality injured in the performance of his
24 duty;

25 Bulkheads and other structures. 26. Fix and determine the lines
26 of bulkheads or other works or structures to be erected, constructed
27 or maintained by the owners of lands facing upon any navigable
28 water in front of their lands, and in front of or along any highway or
29 public lands of said municipality, and to designate the materials to
30 be used, and the type, height and dimensions thereof;

31 Lifeguard. 27. Establish, maintain, regulate and control a
32 lifeguard upon any beach within or bordering on the municipality;

33 Appropriation for life-saving apparatus. 28. Appropriate
34 moneys to safeguard people from drowning within its borders, by
35 location of apparatus or conduct of educational work in harmony
36 with the plans of the United States volunteer life-saving corps in
37 this State;

38 Fences. 29. Regulate the size, height and dimensions of any
39 fences between the lands of adjoining owners, whether built or
40 erected as division or partition fences between such lands, and
41 whether the same exist or be erected entirely or only partly upon the
42 lands of any such adjoining owners, or along or immediately
43 adjacent to any division or partition line of such lands. To provide,
44 in such ordinance, the manner of securing, fastening or shoring such
45 fences, and for surveying the land when required by statute, and to
46 prohibit in any such ordinance the use at a height of under 10 feet
47 from the ground, of any device, such as wire or cable, that would be
48 dangerous to pedestrians, equestrians, bicyclists, or drivers of off-

1 the-road vehicles, unless that device is clearly visible to pedestrians,
2 equestrians, bicyclists or drivers of off-the-road vehicles. In the
3 case of fences thereafter erected contrary to the provisions thereof,
4 the governing body may provide for a penalty for the violation of
5 such ordinance, and in the case of such fence or fences erected or
6 existing at the time of the passage of any such ordinance, may
7 provide therein for the removal, change or alteration thereof, so as
8 to make such fence or fences comply with the provisions of any
9 such ordinance;

10 Advertise municipality. 30. Appropriate funds for advertising
11 the advantages of the municipality;

12 Government Energy Aggregation Programs. 31. Establish
13 programs and procedures pursuant to which the municipality may
14 act as a government aggregator pursuant to sections 40 through 43
15 of P.L.1999, c.23 (C.48:3-89 through C.48:3-92), section 45 of
16 P.L.1999, c.23 (C.48:3-94), and sections 1, 2 and 6 of P.L.2003,
17 c.24 (C.48:3-93.1 through C.48:3-93.3). Notwithstanding the
18 provisions of any other law, rule or regulation to the contrary, a
19 municipality acting as a government aggregator pursuant to
20 P.L.1999, c.23 (C.48:3-49 et al.) shall not be deemed to be a public
21 utility pursuant to R.S.40:62-24 or R.S.48:1-1 et seq. or be deemed
22 to be operating any form of public utility service pursuant to
23 R.S.40:62-1 et seq., to the extent such municipality is solely
24 engaged in the provision of such aggregation service and not
25 otherwise owning or operating any plant or facility for the
26 production or distribution of gas, electricity, steam or other product
27 as provided in R.S.40:62-12;

28 Joint municipal action on consent for the provision of cable
29 television service. 32. Establish programs and procedures pursuant
30 to which a municipality may act together with one or more
31 municipalities in granting municipal consent for the provision of
32 cable television service pursuant to the provisions of the "Cable
33 Television Act," P.L.1972, c.186 (C.48:5A-1 et seq.) as amended
34 and supplemented. Notwithstanding the provisions of any other
35 law, rule or regulation to the contrary, two or more municipalities
36 acting jointly pursuant to the provisions of P.L.1972, c.186
37 (C.48:5A-1 et seq.) shall not be deemed a public utility pursuant to
38 R.S.48:1-1 et seq., to the extent those municipalities are solely
39 engaged in granting municipal consent jointly and are not otherwise
40 owning or operating any facility for the provision of cable
41 television service as provided in P.L.1972, c.186 (C.48:5A-1 et
42 seq.);

43 Private cable television service aggregation programs. 33.
44 Establish programs and procedures pursuant to which a
45 municipality may employ the services of a private aggregator for
46 the purpose of facilitating the joint action of two or more
47 municipalities in granting municipal consent for the provision of
48 cable television service provided that any such municipality shall

1 adhere to the provisions of the "Cable Television Act," P.L.1972,
2 c.186 (C.48:5A-1 et seq.) as amended and supplemented, and to the
3 provisions of the "Local Public Contracts Law," P.L.1971, c.198
4 (C.40A:11-1 et seq.) as amended and supplemented.
5 Notwithstanding the provisions of any other law, rule or regulation
6 to the contrary, a municipality that employs the services of a private
7 aggregator pursuant to the provisions of P.L.1972, c.186 (C.48:5A-
8 1 et seq.) shall not be deemed a public utility pursuant to R.S.48:1-
9 1 et seq., to the extent that the municipality is solely engaged in
10 employing the services of a private aggregator for the purpose of
11 facilitating the joint action of two or more municipalities in
12 granting municipal consent and is not otherwise owning or
13 operating any facility for the provision of cable television service as
14 provided in P.L.1972, c.186 (C.48:5A-1 et seq.);

15 Protective Custody. 34. Provide protective custody to persons
16 arrested for operating a motor vehicle under the influence of
17 alcoholic beverages, cannabis items as defined in section 3 of
18 P.L. , c. (C.) (pending before the Legislature as this bill),
19 any chemical substance, or any controlled dangerous substance in
20 violation of R.S.39:4-50 as provided in section 1 of P.L.2003, c.164
21 (C.40:48-1.3);

22 Private Outdoor Video Surveillance Camera Registry. 35.
23 Establish a private outdoor video surveillance camera registry and
24 allow voluntary registration of private outdoor video surveillance
25 cameras as provided in P.L.2015, c.142 (C.40:48-1.6 et al.).
26 (cf: P.L.2015, c.142, s.3)

27
28 57. (New section) A municipality may enact an ordinance
29 making it unlawful for any person who is of legal age and
30 consumes, other than by smoking, a cannabis item available for
31 lawful consumption pursuant to the "New Jersey Cannabis
32 Regulatory and Expungement Aid Modernization Act," P.L. ,
33 c. (C.) (pending before the Legislature as this bill), in any
34 public place as defined in section 3 of that act (C.), other than
35 school property described in section 1 of P.L.1981, c.197 (C.2C:33-
36 16) for which unlawful consumption is a disorderly persons offense,
37 or alternatively as prohibited by the owner or person responsible for
38 the operation of that public place. A person may be subject to a
39 civil penalty of up to \$200, which shall be recovered in a civil
40 action by a summary proceeding in the name of the municipality
41 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999,
42 c.274 (C.2A:58-10 et seq.). The municipal court and the Superior
43 Court shall have jurisdiction of proceedings for the enforcement of
44 the penalty provided by this section.

45
46 58. The title of P.L.1979, c.264 is amended to read as follows:
47 **AN ACT** concerning certain alcoholic beverage and cannabis item
48 offenses by persons under the legal age to purchase alcoholic

1 beverages and cannabis items, and supplementing chapter 33 of
2 Title 2C of the New Jersey Statutes.
3 (cf: P.L.1979, c.264, title)
4

5 59. Section 1 of P.L.1979, c.264 (C.2C:33-15) is amended to
6 read as follows:

7 1. a. (1) Any person under the legal age to purchase alcoholic
8 beverages who knowingly possesses without legal authority or who
9 knowingly consumes any alcoholic beverage in any school, public
10 conveyance, public place, or place of public assembly, or motor
11 vehicle, is guilty of a petty disorderly persons offense, and shall be
12 fined not less than **["\$500"]** \$250.

13 (2) (a) Any person under the legal age to purchase cannabis
14 items who knowingly possesses without legal authority any
15 cannabis item, the amount of which may be lawfully possessed by a
16 person of the legal age to purchase cannabis items pursuant to
17 section 4 of P.L. , c. (C.) (pending before the Legislature as
18 this bill), in any school, public conveyance, public place, or place
19 of public assembly, or motor vehicle, is guilty of a petty disorderly
20 persons offense, and shall be fined not less than \$250.

21 (b) Any person under the legal age to purchase cannabis items
22 who knowingly possesses without legal authority any cannabis
23 item, the amount of which exceeds what may be lawfully possessed
24 by a person of the legal age to purchase cannabis items pursuant to
25 section 4 of P.L. , c. (C.) (pending before the Legislature as
26 this bill), or who knowingly consumes any cannabis item in any
27 school, public conveyance, public place, or place of public
28 assembly, or motor vehicle, is guilty of a disorderly persons
29 offense, and shall be fined not less than \$500.

30 b. Whenever this offense is committed in a motor vehicle, the
31 court shall, in addition to the sentence authorized for the offense,
32 suspend or postpone for six months the driving privilege of the
33 defendant. Upon the conviction of any person under this section,
34 the court shall forward a report to the New Jersey Motor Vehicle
35 Commission stating the first and last day of the suspension or
36 postponement period imposed by the court pursuant to this section.
37 If a person at the time of the imposition of a sentence is less than 17
38 years of age, the period of license postponement, including a
39 suspension or postponement of the privilege of operating a
40 motorized bicycle, shall commence on the day the sentence is
41 imposed and shall run for a period of six months after the person
42 reaches the age of 17 years.

43 If a person at the time of the imposition of a sentence has a valid
44 driver's license issued by this State, the court shall immediately
45 collect the license and forward it to the commission along with the
46 report. If for any reason the license cannot be collected, the court
47 shall include in the report the complete name, address, date of birth,

1 eye color, and sex of the person as well as the first and last date of
2 the license suspension period imposed by the court.

3 The court shall inform the person orally and in writing that if the
4 person is convicted of operating a motor vehicle during the period
5 of license suspension or postponement, the person shall be subject
6 to the penalties set forth in R.S.39:3-40. A person shall be required
7 to acknowledge receipt of the written notice in writing. Failure to
8 receive a written notice or failure to acknowledge in writing the
9 receipt of a written notice shall not be a defense to a subsequent
10 charge of a violation of R.S.39:3-40.

11 If the person convicted under this section is not a New Jersey
12 resident, the court shall suspend or postpone, as appropriate, the
13 non-resident driving privilege of the person based on the age of the
14 person and submit to the commission the required report. The court
15 shall not collect the license of a non-resident convicted under this
16 section. Upon receipt of a report by the court, the commission shall
17 notify the appropriate officials in the licensing jurisdiction of the
18 suspension or postponement.

19 c. In addition to the general penalty prescribed for a disorderly
20 persons offense, the court may require any person who violates this
21 act to participate in an alcohol or drug abuse education or treatment
22 program, authorized by the Division of Mental Health and
23 Addiction Services in the Department of **Human Services** Health,
24 for a period not to exceed the maximum period of confinement
25 prescribed by law for the offense for which the individual has been
26 convicted.

27 d. Nothing in this act shall apply to possession of alcoholic
28 beverages by any such person while actually engaged in the
29 performance of employment pursuant to an employment permit
30 issued by the Director of the Division of Alcoholic Beverage
31 Control, or for a bona fide hotel or restaurant, in accordance with
32 the provisions of R.S.33:1-26, or while actively engaged in the
33 preparation of food while enrolled in a culinary arts or hotel
34 management program at a county vocational school or **post**
35 **secondary** post-secondary educational institution; and nothing in
36 this section shall apply to possession of cannabis items by any such
37 person while actually engaged in the performance of employment
38 by a cannabis establishment as permitted pursuant to the “New
39 Jersey Cannabis Regulatory and Expungement Aid Modernization
40 Act,” P.L. , c. (C.) (pending before the Legislature as this
41 bill).

42 e. The provisions of section 3 of P.L.1991, c.169 (C.33:1-
43 81.1a) shall apply to a parent, guardian or other person with legal
44 custody of a person under 18 years of age who is found to be in
45 violation of this section.

46 f. An underage person and one or two other persons shall be
47 immune from prosecution under this section if:

1 (1) one of the underage persons called 9-1-1 and reported that
2 another underage person was in need of medical assistance due to
3 alcohol consumption or the consumption of a cannabis item;

4 (2) the underage person who called 9-1-1 and, if applicable, one
5 or two other persons acting in concert with the underage person
6 who called 9-1-1 provided each of their names to the 9-1-1
7 operator;

8 (3) the underage person was the first person to make the 9-1-1
9 report; and

10 (4) the underage person and, if applicable, one or two other
11 persons acting in concert with the underage person who made the 9-
12 1-1 call remained on the scene with the person under the legal age
13 in need of medical assistance until assistance arrived and
14 cooperated with medical assistance and law enforcement personnel
15 on the scene.

16 The underage person who received medical assistance also shall
17 be immune from prosecution under this section.

18 g. For purposes of this section, an alcoholic beverage includes
19 powdered alcohol as defined by R.S.33:1-1, and a cannabis item
20 includes any item available for lawful consumption pursuant to the
21 “New Jersey Cannabis Regulatory and Expungement Aid
22 Modernization Act,” P.L. , c. (C.) (pending before the
23 Legislature as this bill).

24 (cf: P.L.2015, c.137, s.3)

25
26 60. The title of P.L.2000, c.33 is amended to read as follows:
27 **AN ACT** concerning possession and consumption of alcoholic
28 beverages or cannabis items by underaged persons,
29 supplementing Title 40 of the Revised Statutes and amending
30 R.S.40:48-1.

31 (cf: P.L.2000, c.33, title)

32
33 61. Section 1 of P.L.2000, c.33 (C.40:48-1.2) is amended to read
34 as follows:

35 1. a. A municipality may enact an ordinance making it
36 unlawful for any person under the legal age who, without legal
37 authority, knowingly possesses or knowingly consumes an alcoholic
38 beverage or a cannabis item, other than by smoking, on private
39 property.

40 (1) The ordinance shall provide that a violation involving
41 alcoholic beverage activity shall be punished by a fine of \$250 for a
42 first offense and \$350 for any subsequent offense.

43 (2) The ordinance shall provide that a violation involving
44 cannabis activity shall be punished as follows:

45 (a) If the cannabis item possessed is an amount which may be
46 lawfully possessed by a person of the legal age to purchase cannabis
47 items pursuant to section 4 of P.L. , c. (C.) (pending before
48 the Legislature as this bill): for a first offense, a civil penalty of

1 \$100; for a second offense, a civil penalty of \$200; and for a third
2 or subsequent offense, a fine of \$350. The civil penalties provided
3 for in this subparagraph shall be collected pursuant to the “Penalty
4 Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.),
5 in a summary proceeding before the municipal court having
6 jurisdiction. A penalty recovered under the provisions of this
7 subparagraph shall be recovered by and in the name of the
8 municipality.

9 (b) If the cannabis item possessed is an amount that exceeds
10 what may be lawfully possessed by a person of the legal age to
11 purchase cannabis items pursuant to section 4 of P.L. _____,
12 c. (C. _____) (pending before the Legislature as this bill), or if any
13 cannabis item is consumed: for a first offense, a fine of \$250; and
14 for a second or subsequent offense, a fine of \$350.

15 b. The ordinance shall provide that the court may, in addition
16 to the fine authorized for this offense, suspend or postpone for six
17 months the driving privilege of the defendant. Upon the conviction
18 of any person and the suspension or postponement of that person's
19 driver's license, the court shall forward a report to the **【Division of】**
20 New Jersey Motor **【Vehicles】** Vehicle Commission stating the first
21 and last day of the suspension or postponement period imposed by
22 the court pursuant to this section. If a person at the time of the
23 imposition of a sentence is less than 17 years of age, the period of
24 license postponement, including a suspension or postponement of
25 the privilege of operating a motorized bicycle, shall commence on
26 the day the sentence is imposed and shall run for a period of six
27 months after the person reaches the age of 17 years.

28 If a person at the time of the imposition of a sentence has a valid
29 driver's license issued by this State, the court shall immediately
30 collect the license and forward it to the **【division】** commission
31 along with the report. If for any reason the license cannot be
32 collected, the court shall include in the report the complete name,
33 address, date of birth, eye color, and sex of the person, as well as
34 the first and last date of the license suspension period imposed by
35 the court.

36 The court shall inform the person orally and in writing that if the
37 person is convicted of operating a motor vehicle during the period
38 of license suspension or postponement, the person shall be subject
39 to the penalties set forth in R.S.39:3-40. A person shall be required
40 to acknowledge receipt of the written notice in writing. Failure to
41 receive a written notice or failure to acknowledge in writing the
42 receipt of a written notice shall not be a defense to a subsequent
43 charge of a violation of R.S.39:3-40.

44 If the person convicted under such an ordinance is not a New
45 Jersey resident, the court shall suspend or postpone, as appropriate,
46 the non-resident driving privilege of the person based on the age of
47 the person and submit to the **【division】** commission the required
48 report. The court shall not collect the license of a non-resident

1 convicted under this section. Upon receipt of a report by the court,
2 the **【division】** commission shall notify the appropriate officials in
3 the licensing jurisdiction of the suspension or postponement.

4 c. (1) No ordinance shall prohibit an underaged person from
5 consuming or possessing an alcoholic beverage in connection with a
6 religious observance, ceremony, or rite or consuming or possessing
7 an alcoholic beverage in the presence of and with the permission of
8 a parent, guardian or relative who has attained the legal age to
9 purchase and consume alcoholic beverages.

10 (2) As used in this section:

11 “Alcoholic beverage” includes powdered alcohol as defined by
12 R.S.33:1-1.

13 “Guardian” means a person who has qualified as a guardian of
14 the underaged person pursuant to testamentary or court
15 appointment.

16 “Cannabis items” includes any item available for lawful
17 consumption pursuant to the “New Jersey Cannabis Regulatory and
18 Expungement Aid Modernization Act,” P.L. , c. (C.)
19 (pending before the Legislature as this bill).

20 “Relative” means the underaged person's grandparent, aunt or
21 uncle, sibling, or any other person related by blood or affinity.

22 d. No ordinance shall prohibit possession of alcoholic
23 beverages by any such person while actually engaged in the
24 performance of employment by a person who is licensed under Title
25 33 of the Revised Statutes, or while actively engaged in the
26 preparation of food while enrolled in a culinary arts or hotel
27 management program at a county vocational school or **【post**
28 **secondary】** post-secondary educational institution, and no
29 ordinance shall prohibit possession of cannabis items by any such
30 person while actually engaged in the performance of employment
31 by a cannabis establishment as permitted pursuant to the “New
32 Jersey Cannabis Regulatory and Expungement Aid Modernization
33 Act,” P.L. , c. (C.) (pending before the Legislature as this
34 bill); however, no ordinance enacted pursuant to this section shall
35 be construed to preclude the imposition of a penalty under this
36 section, R.S.33:1-81, or any other section of law against a person
37 who is convicted of unlawful alcoholic beverage activity or
38 unlawful cannabis activity on or at premises licensed for the sale of
39 alcoholic beverages or cannabis items.

40 (cf: P.L.2000, c.33, s.1)

41
42 62. The title of P.L.2009, c.133 is amended to read as follows:
43 **AN ACT** concerning persons under the legal age to possess and
44 consume alcoholic beverages or cannabis items, amending
45 P.L.1979, c.264, and supplementing P.L.2000, c.33 (C.40:48-1.2
46 et al.).

47 (cf: P.L.2009, c.133, title)

1 63. Section 2 of P.L.2009, c.133 (C.40:48-1.2a) is amended to
2 read as follows:

3 2. a. An underage person and one or two other persons shall be
4 immune from prosecution under an ordinance authorized by section
5 1 of P.L.2000, c.33 (C.40:48-1.2) prohibiting any person under the
6 legal age who, without legal authority, knowingly possesses or
7 knowingly consumes an alcoholic beverage or cannabis item on
8 private property if:

9 (1) one of the underage persons called 9-1-1 and reported that
10 another underage person was in need of medical assistance due to
11 alcohol consumption or the consumption of a cannabis item;

12 (2) the underage person who called 9-1-1 and, if applicable, one
13 or two other persons acting in concert with the underage person
14 who called 9-1-1 provided each of their names to the 9-1-1
15 operator;

16 (3) the underage person was the first person to make the 9-1-1
17 report; and

18 (4) the underage person and, if applicable, one or two other
19 persons acting in concert with the underage person who made the 9-
20 1-1 call remained on the scene with the person under the legal age
21 in need of medical assistance until assistance arrived and
22 cooperated with medical assistance and law enforcement personnel
23 on the scene.

24 b. The underage person who received medical assistance as
25 provided in subsection a. of this section also shall be immune from
26 prosecution under an ordinance authorized by section 1 of P.L.2000,
27 c.33 (C.40:48-1.2).

28 (cf: P.L.2009, c.133, s.2)

29

30 64. Section 1 of P.L.1983, c.565 (C.2C:21-2.1) is amended to
31 read as follows:

32 1. a. A person who knowingly sells, offers or exposes for sale,
33 or otherwise transfers, or possesses with the intent to sell, offer or
34 expose for sale, or otherwise transfer, a document, printed form or
35 other writing which falsely purports to be a driver's license, birth
36 certificate or other document issued by a governmental agency and
37 which could be used as a means of verifying a person's identity or
38 age or any other personal identifying information is guilty of a
39 crime of the second degree.

40 b. A person who knowingly makes, or possesses devices or
41 materials to make, a document or other writing which falsely
42 purports to be a driver's license, birth certificate or other document
43 issued by a governmental agency and which could be used as a
44 means of verifying a person's identity or age or any other personal
45 identifying information is guilty of a crime of the second degree.

46 c. A person who knowingly exhibits, displays or utters a
47 document or other writing which falsely purports to be a driver's
48 license, birth certificate or other document issued by a

1 governmental agency and which could be used as a means of
2 verifying a person's identity or age or any other personal identifying
3 information is guilty of a crime of the third degree. A violation of
4 N.J.S.2C:28-7, constituting a disorderly persons offense, section 1
5 of P.L.1979, c.264 (C.2C:33-15), R.S.33:1-81 or section 6 of
6 P.L.1968, c.313 (C.33:1-81.7) in a case where the person uses the
7 personal identifying information of another to illegally purchase an
8 alcoholic beverage or for using the personal identifying information
9 of another to misrepresent **his** the person's age for the purpose of
10 obtaining tobacco or other consumer product denied to persons
11 under **18** 21 years of age shall not, except as otherwise set forth
12 in this subsection, constitute an offense under this subsection if the
13 actor received only that benefit or service and did not perpetrate or
14 attempt to perpetrate any additional injury or fraud on another. If a
15 person used the personal identifying information of another to
16 misrepresent the person's age for the purpose of illegally obtaining
17 any cannabis item available for lawful consumption pursuant to the
18 "New Jersey Cannabis Regulatory and Expungement Aid
19 Modernization Act," P.L. , c. (C.) (pending before the
20 Legislature as this bill), the person shall be subject to a civil penalty
21 of \$50. The civil penalty provided for in this subsection shall be
22 collected pursuant to the "Penalty Enforcement Law of 1999,"
23 P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding
24 before the municipal court having jurisdiction. A civil penalty
25 recovered under the provisions of this subsection shall be recovered
26 by and in the name of the State by the local municipality. The
27 penalty shall be paid into the treasury of the municipality in which
28 the violation occurred for the general use of the municipality.

29 d. A person who knowingly possesses a document or other
30 writing which falsely purports to be a driver's license, birth
31 certificate or other document issued by a governmental agency and
32 which could be used as a means of verifying a person's identity or
33 age or any other personal identifying information is guilty of a
34 crime of the fourth degree. A violation of N.J.S.2C:28-7,
35 constituting a disorderly persons offense, section 1 of P.L.1979,
36 c.264 (C.2C:33-15), R.S.33:1-81 or section 6 of P.L.1968, c.313
37 (C.33:1-81.7) in a case where the person uses the personal
38 identifying information of another to illegally purchase an alcoholic
39 beverage or for using the personal identifying information of
40 another to misrepresent his age for the purpose of obtaining tobacco
41 or other consumer product denied to persons under **18** 21 years of
42 age shall not, except as otherwise set forth in this subsection,
43 constitute an offense under this subsection if the actor received only
44 that benefit or service and did not perpetrate or attempt to perpetrate
45 any additional injury or fraud on another. If the personal
46 identifying information of another is used to obtain any cannabis
47 item available for lawful consumption pursuant to the "New Jersey
48 Cannabis Regulatory and Expungement Aid Modernization Act,"

1 P.L. , c. (C.) (pending before the Legislature as this bill),
2 the person shall be subject to a civil penalty of \$50. The penalty
3 provided for in this subsection shall be collected pursuant to the
4 “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10
5 et seq.), in a summary proceeding before the municipal court having
6 jurisdiction. A penalty recovered under the provisions of this
7 subsection shall be recovered by and in the name of the State by the
8 local municipality. The penalty shall be paid into the treasury of
9 the municipality in which the violation occurred for the general use
10 of the municipality.

11 e. In addition to any other disposition authorized by this Title,
12 the provisions of section 24 of P.L.1982, c.77 (C.2A:4A-43), or any
13 other statute indicating the dispositions that may be ordered for an
14 adjudication of delinquency, and, notwithstanding the provisions of
15 subsection c. of N.J.S.2C:43-2, every person convicted of, or
16 adjudicated delinquent or penalized for a violation of any offense
17 defined in this section shall forthwith forfeit his right to operate a
18 motor vehicle over the highways of this State for a period to be
19 fixed by the court at not less than six months or more than two
20 years which shall commence on the day the sentence is imposed. In
21 the case of any person who at the time of the imposition of the
22 sentence is less than 17 years of age, the period of the suspension of
23 driving privileges authorized herein, including a suspension of the
24 privilege of operating a motorized bicycle, shall commence on the
25 day the sentence is imposed and shall run for a period as fixed by
26 the court of not less than six months or more than two years after
27 the day the person reaches the age of 17 years. If the driving
28 privilege of any person is under revocation, suspension, or
29 postponement for a violation of any provision of this Title or Title
30 39 of the Revised Statutes at the time of any conviction or
31 adjudication of delinquency for a violation of any offense defined in
32 this chapter or chapter 36 of this Title, the revocation, suspension,
33 or postponement period imposed herein shall commence as of the
34 date of termination of the existing revocation, suspension or
35 postponement.

36 The court before whom any person is convicted of, or
37 adjudicated delinquent or penalized for a violation of any offense
38 defined in this section shall collect forthwith the New Jersey
39 driver's license or licenses of that person and forward the license or
40 licenses to the Chief Administrator of the New Jersey Motor
41 Vehicle Commission along with a report indicating the first and last
42 day of the suspension or postponement period imposed by the court
43 pursuant to this section. If the court is for any reason unable to
44 collect the license or licenses of the person, the court shall cause a
45 report of the conviction or adjudication of delinquency to be filed
46 with the director. The report shall include the complete name,
47 address, date of birth, eye color and sex of the person and shall
48 indicate the first and last day of the suspension or postponement

1 period imposed by the court pursuant to this section. The court
2 shall inform the person orally and in writing that if the person is
3 convicted of personally operating a motor vehicle during the period
4 of license suspension or postponement imposed pursuant to this
5 section, the person shall, upon conviction, be subject to the
6 penalties set forth in R.S.39:3-40. A person shall be required to
7 acknowledge receipt of the written notice in writing. Failure to
8 receive a written notice or failure to acknowledge in writing the
9 receipt of a written notice shall not be a defense to a subsequent
10 charge of a violation of R.S.39:3-40. If the person is the holder of a
11 driver's license from another jurisdiction, the court shall not collect
12 the license, but shall notify forthwith the director who shall notify
13 the appropriate officials in that licensing jurisdiction. The court
14 shall, however, in accordance with the provisions of this section,
15 revoke the person's non-resident driving privileges in this State.

16 In addition to any other condition imposed, a court, in its
17 discretion, may suspend, revoke or postpone the driving privileges
18 of a person admitted to supervisory treatment under N.J.S.2C:36A-1
19 or N.J.S.2C:43-12 without a plea of guilty or finding of guilt.

20 (cf: P.L.2005, c.224, s.1)

21
22 65. N.J.S.2C:21-17 is amended to read as follows:

23 2C:21-17. Impersonation; Theft of identity; crime.

24 a. A person is guilty of a crime if the person engages in one or
25 more of the following actions by any means including, but not
26 limited to, the use of electronic communications or an Internet
27 website:

28 (1) Impersonates another or assumes a false identity and does an
29 act in such assumed character or false identity for the purpose of
30 obtaining a benefit for himself or another or to injure or defraud
31 another;

32 (2) Pretends to be a representative of some person or
33 organization and does an act in such pretended capacity for the
34 purpose of obtaining a benefit for himself or another or to injure or
35 defraud another;

36 (3) Impersonates another, assumes a false identity or makes a
37 false or misleading statement regarding the identity of any person,
38 in an oral or written application for services, for the purpose of
39 obtaining services;

40 (4) Obtains any personal identifying information pertaining to
41 another person and uses that information, or assists another person
42 in using the information, in order to assume the identity of or
43 represent himself as another person, without that person's
44 authorization and with the purpose to fraudulently obtain or attempt
45 to obtain a benefit or services, or avoid the payment of debt or other
46 legal obligation or avoid prosecution for a crime by using the name
47 of the other person; or

(5) Impersonates another, assumes a false identity or makes a false or misleading statement, in the course of making an oral or written application for services, with the purpose of avoiding payment for prior services. Purpose to avoid payment for prior services may be presumed upon proof that the person has not made full payment for prior services and has impersonated another, assumed a false identity or made a false or misleading statement regarding the identity of any person in the course of making oral or written application for services.

As used in this section:

"Benefit" means, but is not limited to, any property, any pecuniary amount, any services, any pecuniary amount sought to be avoided or any injury or harm perpetrated on another where there is no pecuniary value.

b. (Deleted by amendment, P.L.2005, c.224).

c. A person who violates subsection a. of this section is guilty of a crime as follows:

(1) If the actor obtains a benefit or deprives another of a benefit in an amount less than \$500 and the offense involves the identity of one victim, the actor shall be guilty of a crime of the fourth degree except that a second or subsequent conviction for such an offense constitutes a crime of the third degree; or

(2) If the actor obtains a benefit or deprives another of a benefit in an amount of at least \$500 but less than \$75,000, or the offense involves the identity of at least two but less than five victims, the actor shall be guilty of a crime of the third degree; or

(3) If the actor obtains a benefit or deprives another of a benefit in the amount of \$75,000 or more, or the offense involves the identity of five or more victims, the actor shall be guilty of a crime of the second degree.

d. A violation of N.J.S.2C:28-7, constituting a disorderly persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15), R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case where the person uses the personal identifying information of another to illegally purchase an alcoholic beverage or for using the personal identifying information of another to misrepresent **[his]** the person's age for the purpose of obtaining tobacco or other consumer product denied to persons under **[19]** 21 years of age shall not, except as otherwise set forth in this subsection, constitute an offense under this section if the actor received only that benefit or service and did not perpetrate or attempt to perpetrate any additional injury or fraud on another. If a person used the personal identifying information of another to misrepresent the person's age for the purpose of illegally obtaining any cannabis item available for lawful consumption pursuant to the "New Jersey Cannabis Regulatory and Expungement Aid Modernization Act," P.L. _____, c. (C. _____) (pending before the Legislature as this bill), the person shall be subject to a civil penalty of \$50. The civil penalty provided

1 for in this subsection shall be collected pursuant to the “Penalty
2 Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.),
3 in a summary proceeding before the municipal court having
4 jurisdiction. A civil penalty recovered under the provisions of this
5 subsection shall be recovered by and in the name of the State by the
6 local municipality. The penalty shall be paid into the treasury of
7 the municipality in which the violation occurred for the general use
8 of the municipality.

9 e. The sentencing court shall issue such orders as are necessary
10 to correct any public record or government document that contains
11 false information as a result of a theft of identity. The sentencing
12 court may provide restitution to the victim in accordance with the
13 provisions of section 4 of P.L.2002, c.85 (C.2C:21-17.1).
14 (cf: P.L.2013, c.241, s.1)

15
16 66. Section 5 of P.L.2003, c.184 (C.2C:21-17.2) is amended to
17 read as follows:

18 5. a. A person is guilty of a crime of the second degree if, in
19 obtaining or attempting to obtain a driver's license, birth certificate
20 or other document issued by a governmental agency which could be
21 used as a means of verifying a person's identity, age or any other
22 personal identifying information, that person knowingly exhibits,
23 displays or utters a document or other writing which falsely
24 purports to be a driver's license, birth certificate or other document
25 issued by a governmental agency or which belongs or pertains to a
26 person other than the person who possesses the document.

27 b. Notwithstanding the provisions of N.J.S.2C:1-8 or any other
28 law, a conviction under this section shall not merge with a
29 conviction of any other criminal offense, nor shall such other
30 conviction merge with a conviction under this section, and the court
31 shall impose separate sentences upon each violation of this section
32 and any other criminal offense.

33 c. A violation of N.J.S.2C:28-7, constituting a disorderly
34 persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15),
35 R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case
36 where the person uses the personal identifying information of
37 another to illegally purchase an alcoholic beverage or for using the
38 personal identifying information of another to misrepresent his age
39 for the purpose of obtaining tobacco or other consumer product
40 denied to persons under **[18]** 21 years of age shall not, except as
41 otherwise set forth in this subsection, constitute an offense under
42 this section if the actor received only that benefit or service and did
43 not perpetrate or attempt to perpetrate any additional injury or fraud
44 on another. If the personal identifying information of another is
45 used to obtain any cannabis item available for lawful consumption
46 pursuant to the “New Jersey Cannabis Regulatory and Expungement
47 Aid Modernization Act,” P.L. , c. (C.) (pending before the
48 Legislature as this bill), the person shall be subject to a civil penalty

1 of \$50. The civil penalty provided for in this subsection shall be
2 collected pursuant to the “Penalty Enforcement Law of 1999,”
3 P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding
4 before the municipal court having jurisdiction. A civil penalty
5 recovered under the provisions of this subsection shall be recovered
6 by and in the name of the State by the local municipality. The
7 penalty shall be paid into the treasury of the municipality in which
8 the violation occurred for the general use of the municipality.
9 (cf: P.L.2005, c.224, s.4)

10
11 67. The title of P.L.1968, c.313 is amended to read as follows:
12 **AN ACT** relating to the establishing of proof of age for purposes of
13 purchasing alcoholic beverages or cannabis items in certain
14 cases.
15 (cf: P.L.1968, c.313, title)

16
17 68. Section 6 of P.L.1968, c.313 (C.33:1-81.7) is amended to
18 read as follows:

19 6. It shall be unlawful for the owner of an identification card,
20 as defined by this act, to transfer said card to any other person for
21 the purpose of aiding such person to secure alcoholic beverages or
22 cannabis items available for lawful consumption pursuant to the
23 “New Jersey Cannabis Regulatory and Expungement Aid
24 Modernization Act,” P.L. _____, c. _____ (C. _____) (pending before the
25 Legislature as this bill). Any person who shall transfer such
26 identification card for the purpose of aiding such transferee to
27 obtain alcoholic beverages shall be guilty of a **【misdemeanor】**
28 disorderly persons offense and, upon conviction thereof, shall be
29 sentenced to pay a fine of not more than \$300.00, or undergo
30 imprisonment for not more than 60 days. Any person not entitled
31 thereto who shall have unlawfully procured or have issued or
32 transferred to him, as aforesaid, identification card or any person
33 who shall make any false statement on any card required by
34 subsection (c) hereof to be signed by him shall be guilty of a
35 **【misdemeanor】** disorderly persons offense and, upon conviction
36 thereof, shall be sentenced to pay a fine of not more than \$300.00,
37 or undergo imprisonment for not more than 60 days.
38 (cf: P.L.1968, c.313, s.6)

39
40 69. The title of P.L.1991, c.169 is amended to read as follows:
41 **AN ACT** concerning the retail sale of alcoholic beverages or
42 cannabis items, amending R.S.33:1-81 and P.L.1979, c.264 and
43 supplementing chapter 1 of Title 33 of the Revised Statutes.
44 (cf: P.L.1991, c.169, title)

45
46 70. Section 3 of P.L.1991, c.169 (C.33:1-81.1a) is amended to
47 read as follows:

1 3. A parent, guardian or other person having legal custody of a
2 person under 18 years of age found in violation of R.S.33:1-81 or
3 section 1 of P.L.1979, c.264 (C.2C:33-15) with respect to
4 purchasing, possessing, or consuming any alcoholic beverage or
5 cannabis item available for lawful consumption pursuant to the
6 “New Jersey Cannabis Regulatory and Expungement Aid
7 Modernization Act,” P.L. , c. (C.) (pending before the
8 Legislature as this bill) shall be notified of the violation in writing.
9 The parent, guardian or other person having legal custody of a
10 person under 18 years of age shall be subject to a fine in the amount
11 of \$500.00 upon any subsequent violation of R.S.33:1-81 or section
12 1 of P.L.1979, c.264 (C.2C:33-15) on the part of such person if it is
13 shown that the parent, guardian or other person having legal
14 custody failed or neglected to exercise reasonable supervision or
15 control over the conduct of the person under 18 years of age.
16 (cf: P.L.1991, c.169, s.3)

17
18 71. 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:

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 practitioner's
25 lawfully authorized agent), or (2) the patient or research subject at
26 the lawful direction and in the presence of the practitioner.

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

31 "Commissioner" means the Commissioner of Health.

32 "Controlled dangerous substance" means a drug, substance, or
33 immediate precursor in Schedules I through V of article 2 of
34 P.L.1970, c.226 (C.24:21-1 et seq.). The term shall not include
35 distilled spirits, wine, malt beverages, as those terms are defined or
36 used in R.S.33:1-1 et seq., or tobacco and tobacco products.

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

46 "Deliver" or "delivery" means the actual, constructive, or
47 attempted transfer from one person to another of a controlled
48 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.

17 "Drugs" means (a) substances recognized in the official United
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
23 structure or any function of the body of man or other animals; and
24 (d) substances intended for use as a component of any article
25 specified in subsections (a), (b), and (c) of this section; but does not
26 include devices or their components, parts or accessories.

27 "Hashish" means the resin extracted from any part of the plant
28 **【genus】 Genus Cannabis L.** and any compound, manufacture, salt,
29 derivative, mixture, or preparation of such resin. "Hashish" does
30 not include cannabis resin as defined in section 3 of P.L. ,
31 c. (C.) (pending before the Legislature as this bill) which is
32 extracted in accordance with the "New Jersey Cannabis Regulatory
33 and Expungement Aid Modernization Act," P.L. , c. (C.)
34 (pending before the Legislature as this bill), for use in a cannabis
35 item as defined in that section.

36 "Marihuana" means all parts of the plant **【genus】 Genus**
37 **Cannabis L.**, whether growing or not; the seeds thereof; and every
38 compound, manufacture, salt, derivative, mixture, or preparation of
39 the plant or its seeds, except those containing resin extracted from
40 the plant; but shall not include the mature stalks of the plant, fiber
41 produced from the stalks, oil or cake made from the seeds of the
42 plant, any other compound, manufacture, salt, derivative, mixture,
43 or preparation of such mature stalks, fiber, oil, or cake, or the
44 sterilized seed of the plant which is incapable of germination.
45 "Marihuana" does not include cannabis as defined in section 3 of
46 P.L. , c. (C.) (pending before the Legislature as this bill)
47 which is cultivated and processed in accordance with the "New
48 Jersey Cannabis Regulatory and Expungement Aid Modernization

1 Act,” P.L. , c. (C.) (pending before the Legislature as this
2 bill), for use in a cannabis item as defined in that section.

3 "Manufacture" means the production, preparation, propagation,
4 compounding, conversion, or processing of a controlled dangerous
5 substance, either directly or by extraction from substances of
6 natural origin, or independently by means of chemical synthesis, or
7 by a combination of extraction and chemical synthesis, and includes
8 any packaging or repackaging of the substance or labeling or
9 relabeling of its container, except that this term does not include the
10 preparation or compounding of a controlled dangerous substance by
11 an individual for the individual's own use or the preparation,
12 compounding, packaging, or labeling of a controlled dangerous
13 substance: (1) by a practitioner as an incident to the practitioner's
14 administering or dispensing of a controlled dangerous substance in
15 the course of the practitioner's professional practice, or (2) by a
16 practitioner (or under the practitioner's supervision) for the purpose
17 of, or as an incident to, research, teaching, or chemical analysis and
18 not for sale.

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

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

24 (b) A compound, manufacture, salt, derivative, or preparation of
25 opium, coca leaves, or opiates;

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

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

41 "Opiate" means any dangerous substance having an addiction-
42 forming or addiction-sustaining liability similar to morphine or
43 being capable of conversion into a drug having such addiction-
44 forming or addiction-sustaining liability. It does not include, unless
45 specifically designated as controlled under section 3 of this act, the
46 dextrorotatory isomer of 3-methoxy-n-methylmorphinan and its
47 salts (dextromethorphan). It does include its racemic and
48 levorotatory forms.

- 1 "Opium poppy" means the plant of the species *Papaver*
2 *somniferum* L., except the seeds thereof.
- 3 "Person" means any corporation, association, partnership, trust,
4 other institution or entity, or one or more individuals.
- 5 "Pharmacist" means a registered pharmacist of this State.
- 6 "Pharmacy owner" means the owner of a store or other place of
7 business where controlled dangerous substances are compounded or
8 dispensed by a registered pharmacist; but nothing in this chapter
9 contained shall be construed as conferring on a person who is not
10 registered or licensed as a pharmacist any authority, right, or
11 privilege that is not granted to the person by the pharmacy laws of
12 this State.
- 13 "Poppy straw" means all parts, except the seeds, of the opium
14 poppy, after mowing.
- 15 "Practitioner" means a physician, dentist, veterinarian, scientific
16 investigator, laboratory, pharmacy, hospital, or other person
17 licensed, registered, or otherwise permitted to distribute, dispense,
18 conduct research with respect to, or administer a controlled
19 dangerous substance in the course of professional practice or
20 research in this State.
- 21 (a) "Physician" means a physician authorized by law to practice
22 medicine in this or any other state.
- 23 (b) "Veterinarian" means a veterinarian authorized by law to
24 practice veterinary medicine in this State.
- 25 (c) "Dentist" means a dentist authorized by law to practice
26 dentistry in this State.
- 27 (d) "Hospital" means any federal institution, or any institution
28 for the care and treatment of the sick and injured, operated or
29 approved by the appropriate State department as proper to be
30 entrusted with the custody and professional use of controlled
31 dangerous substances.
- 32 (e) "Laboratory" means a laboratory to be entrusted with the
33 custody of narcotic drugs and the use of controlled dangerous
34 substances for scientific, experimental, and medical purposes and
35 for purposes of instruction approved by the Department of Health.
- 36 "Production" includes the manufacture, planting, cultivation,
37 growing, or harvesting of a controlled dangerous substance.
- 38 "Immediate precursor" means a substance which the division has
39 found to be and by regulation designates as being the principal
40 compound commonly used or produced primarily for use, and
41 which is an immediate chemical intermediary used or likely to be
42 used in the manufacture of a controlled dangerous substance, the
43 control of which is necessary to prevent, curtail, or limit such
44 manufacture.
- 45 "Substance use disorder involving drugs" means taking or using
46 a drug or controlled dangerous substance, as defined in this chapter,
47 in association with a state of psychic or physical dependence, or
48 both, arising from the use of that drug or controlled dangerous

1 substance on a continuous basis. A substance use disorder is
2 characterized by behavioral and other responses, including, but not
3 limited to, a strong compulsion to take the substance on a recurring
4 basis in order to experience its psychic effects, or to avoid the
5 discomfort of its absence.

6 "Ultimate user" means a person who lawfully possesses a
7 controlled dangerous substance for the person's own use or for the
8 use of a member of the person's household or for administration to
9 an animal owned by the person or by a member of the person's
10 household.

11 (cf: P.L.2017, c.131, s.65)

12
13 72. Section 5 of P.L.1970, c.226 (C.24:21-5) is amended to read as
14 follows:

15 5. Schedule I.

16 a. Tests. The director shall place a substance in Schedule I if he
17 finds that the substance: (1) has high potential for abuse; and (2) has
18 no accepted medical use in treatment in the United States; or lacks
19 accepted safety for use in treatment under medical supervision.

20 b. The controlled dangerous substances listed in this section are
21 included in Schedule I, subject to any revision and republishing by the
22 director pursuant to subsection d. of section 3 of P.L.1970, c.226
23 (C.24:21-3), and except to the extent provided in any other schedule.

24 c. Any of the following opiates, including their isomers, esters,
25 and ethers, unless specifically excepted, whenever the existence of
26 such isomers, esters, ethers and salts is possible within the specific
27 chemical designation:

- 28 (1) Acetylmethadol
- 29 (2) Allylprodine
- 30 (3) Alphacetylmethadol
- 31 (4) Alphameprodine
- 32 (5) Alphamethadol
- 33 (6) Benzethidine
- 34 (7) Betacetylmethadol
- 35 (8) Betameprodine
- 36 (9) Betamethadol
- 37 (10) Betaprodine
- 38 (11) Clonitazene
- 39 (12) Dextromoramide
- 40 (13) Dextrophan
- 41 (14) Diampromide
- 42 (15) Diethylthiambutene
- 43 (16) Dimenoxadol
- 44 (17) Dimepheptanol
- 45 (18) Dimethylthiambutene
- 46 (19) Dioxaphetyl butyrate
- 47 (20) Dipipanone
- 48 (21) Ethylmethylthiambutene

- 1 (22) Etonitazene
- 2 (23) Etoxidine
- 3 (24) Furethidine
- 4 (25) Hydroxypethidine
- 5 (26) Ketobemidone
- 6 (27) Levomoramide
- 7 (28) Levophenacymorphan
- 8 (29) Morpheridine
- 9 (30) Noracymethadol
- 10 (31) Norlevorphanol
- 11 (32) Normethadone
- 12 (33) Norpipanone
- 13 (34) Phenadoxone
- 14 (35) Phenampromide
- 15 (36) Phenomorphan
- 16 (37) Phenoperidine
- 17 (38) Piritramide
- 18 (39) Proheptazine
- 19 (40) Properidine
- 20 (41) Racemoramide
- 21 (42) Trimeperidine.

22 d. Any of the following narcotic substances, their salts, isomers
23 and salts of isomers, unless specifically excepted, whenever the
24 existence of such salts, isomers and salts of isomers is possible within
25 the specific chemical designation:

- 26 (1) Acetorphine
- 27 (2) Acetylcodeine
- 28 (3) Acetyldihydrocodeine
- 29 (4) Benzylmorphine
- 30 (5) Codeine methylbromide
- 31 (6) Codeine-N-Oxide
- 32 (7) Cyprenorphine
- 33 (8) Desomorphine
- 34 (9) Dihydromorphine
- 35 (10) Etorphine
- 36 (11) Heroin
- 37 (12) Hydromorphanol
- 38 (13) Methyldesorphine
- 39 (14) Methylhydromorphine
- 40 (15) Morphine methylbromide
- 41 (16) Morphine methylsulfonate
- 42 (17) Morphine-N-Oxide
- 43 (18) Myorphine
- 44 (19) Nicocodeine
- 45 (20) Nicomorphine
- 46 (21) Normorphine
- 47 (22) Phoclodine
- 48 (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 isomers is possible within the specific chemical designation:

(1) 3,4-methylenedioxy amphetamine

(2) 5-methoxy-3,4-methylenedioxy amphetamine

(3) 3,4,5-trimethoxy amphetamine

(4) Bufotenine

(5) Diethyltryptamine

(6) Dimethyltryptamine

(7) 4-methyl-2,5-dimethoxylamphetamine

(8) Ibogaine

(9) Lysergic acid diethylamide

(10) Marihuana; however, on and after the effective date of the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill), marihuana shall no longer be included in Schedule I, and shall not be designated or rescheduled and included in any other schedule by the director pursuant to the director’s designation and rescheduling authority set forth in section 3 of P.L.1970, c.226 (C.24:21-3).

(11) Mescaline

(12) Peyote

(13) N-ethyl-3-piperidyl benzilate

(14) N-methyl-3-piperidyl benzilate

(15) Psilocybin

(16) Psilocyn

(17) Tetrahydrocannabinols, except when found in industrial hemp cultivated pursuant to the New Jersey Industrial Hemp Pilot Program established by P.L.2018, c.139 (C.4:28-1 et al.).

(cf: P.L.2018, c.139, s.8)

73. R.S.24:5-18 is amended to read as follows:

24:5-18. For the purposes of this subtitle a drug or device shall also be deemed to be misbranded:

a. If its labeling is false or misleading in any particular.

b. If in package form unless it bears a label containing the name and place of business of the manufacturer, packer, or distributor.

c. If any word, statement or other information required by or under authority of this subtitle to appear on the label or labeling is not prominently placed thereon with such conspicuousness (as compared with other words, statements or designs in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

1 d. If it is for use by man and contains any quantity of the
2 narcotic or hypnotic substance alpha-eucaine, barbituric acid, beta-
3 eucaine, bromal, cannabis other than as defined in section 3 of
4 P.L. , c. (C.) (pending before the Legislature as this bill),
5 carbromal, chloral, coca, cocaine, codeine, heroin, marihuana,
6 morphine, opium, paraldehyde, peyote, or sulphonmethane; or any
7 chemical derivative of such substance, which derivative has been by
8 the Department of Health of the State of New Jersey after
9 investigation found to be, and by regulations under this subtitle
10 designated as, habit forming; unless its label bears the name and
11 quantity or proportion of such substance, or derivative and in
12 juxtaposition therewith, the statement "Warning--May be habit
13 forming."

14 e. If it is a drug and is not designated solely by a name
15 recognized in an official compendium, unless its label bears (1) the
16 common or usual name of the drug, if such there be; and (2) in case
17 it is fabricated from 2 or more ingredients, the common or usual
18 name of each active ingredient, including the kind and quantity or
19 proportion of any alcohol, and also including, whether active or not,
20 the name and quantity or proportion of any bromides, ether,
21 chloroform, acetanilid, acetphanetidin, amidopyrine, antipyrine,
22 atropine, hyoscine, hyoscyamine, arsenic, digitalis, digitalis
23 glucosides, mercury, ouabain, strophanthin, strychnine, thyroid, or
24 any derivative or preparation of any such substances, contained
25 therein; provided, that to the extent that compliance with the
26 requirements of clause (2) of this paragraph is impracticable,
27 exemptions may be established by regulations promulgated by the
28 State department.

29 f. Unless its labeling bears (1) adequate directions for use; and
30 (2) such adequate warnings against use in those pathological
31 conditions or by children where its use may be dangerous to health,
32 or against unsafe dosage or methods or duration of administration
33 or application, in such manner and form, as are necessary for the
34 protection of users; provided, that where any requirement of clause
35 (1) of this paragraph, as applied to any drug or device, is not
36 necessary for the protection of the public health, the Department of
37 Health of the State of New Jersey may promulgate regulations
38 exempting such drug or device from such requirement.

39 g. If it purports to be a drug the name of which is recognized in
40 an official compendium, unless it is packaged and labeled as
41 prescribed therein; provided, that the method of packing may be
42 modified with the consent of the State department. Whenever a
43 drug is recognized in both the United States Pharmacopoeia and the
44 Homeopathic Pharmacopoeia of the United States it shall be subject
45 to the requirements of the United States Pharmacopoeia unless it is
46 labeled and offered for sale as a homeopathic drug, in which case it
47 shall be subject to the provisions of the Homeopathic

1 Pharmacopoeia of the United States and not to those of the United
2 States Pharmacopoeia.

3 h. If it has been found by the Department of Health of the State
4 of New Jersey to be a drug liable to deterioration, unless it is
5 packaged in such form and manner, and its label bears a statement
6 of such precautions, as the Department of Health of the State of
7 New Jersey may by regulations require as necessary for the
8 protection of the public health. No such regulation shall be
9 established for any drug recognized in an official compendium until
10 the State department shall have informed the appropriate body
11 charged with the revision of such compendium of the need for such
12 packaging or labeling requirements and such body shall have failed
13 within a reasonable time to prescribe such requirements.

14 i. (1) If it is a drug and its container is so made, formed or
15 filled as to be misleading; or (2) if it is an imitation of another drug;
16 or (3) if it is offered for sale under the name of another drug.

17 j. If it is dangerous to health when used in the dosage, or with
18 the frequency or duration prescribed, recommended, or suggested in
19 the labeling thereof.

20 k. If it is a depressant or stimulant drug as defined pursuant to
21 law and not in the possession or control of a person specified by
22 law as entitled to possession or control of such depressant or
23 stimulant drug. Any depressant or stimulant drug misbranded under
24 the preceding sentence shall be deemed dangerous or fraudulent for
25 purposes of marking and detaining under the provisions of section
26 24:4-12 of this Title.

27 (cf: P.L.1966, c.314, s.8)

28
29 74. (New section) Consumer Protections.

30 a. Individuals and licensed cannabis establishments shall not be
31 subject to arrest, prosecution, or penalty in any manner, or denied
32 any right or privilege, including but not limited to civil liability or
33 disciplinary action by a business, occupational, or professional
34 licensing board or bureau, solely for conduct permitted under
35 P.L. , c. (C.) (pending before the Legislature as this bill).

36 b. The presence of cannabinoid metabolites in the bodily fluids
37 of a person engaged in conduct permitted under P.L. , c. (C.)
38 (pending before the Legislature as this bill):

39 (1) with respect to a student, employee, or tenant, shall not form
40 the basis for refusal to enroll or employ or lease to or otherwise
41 penalize that person, unless failing to do so would put the school,
42 employer, or landlord in violation of a federal contract or cause it to
43 lose federal funding;

44 (2) with respect to a patient shall not constitute the use of an
45 illicit substance resulting in denial of medical care, including organ
46 transplant, and a patient's use of cannabis items may only be
47 considered with respect to evidence-based clinical criteria; and

1 (3) with respect to a parent or legal guardian of a child or
2 newborn infant, or a pregnant woman shall not form the sole or
3 primary basis for any action or proceeding by the Division of Child
4 Protection and Permanency, or any successor agencies; provided,
5 however, that nothing in this paragraph shall preclude any action or
6 proceeding by the division based on harm or risk of harm to a child or
7 the use of information on the presence of cannabinoid metabolites in
8 the bodily fluids of any person in any action or proceeding.

9
10 75. (New section) Federal and Interstate Relations.

11 a. Law enforcement agencies in this State shall not cooperate
12 with or provide assistance to the government of the United States or
13 any agency thereof in enforcing the “Controlled Substances Act,”
14 21 U.S.C. 801 et seq., solely for actions consistent with P.L. , c.
15 (C.) (pending before the Legislature as this bill), except pursuant
16 to a valid court order.

17 b. No agency or subdivision of an agency of this State may
18 refuse to perform any duty under P.L. , c. (C.) (pending
19 before the Legislature as this bill) on the basis that manufacturing,
20 distributing, dispensing, possessing, or using any cannabis item or
21 marijuana is prohibited by federal law.

22 c. The commission may not revoke or refuse to issue or renew
23 a license pursuant to section 24, 26, 27 or 28 of P.L. , c. (C.)
24 (pending before the Legislature as this bill) on the basis that
25 manufacturing, distributing, dispensing, possessing, or using any
26 cannabis item or marijuana is prohibited by federal law.

27 d. Nothing in this section shall be construed to limit the authority
28 of an agency or subdivision of any agency of this State to cooperate
29 with or assist the government of the United States or any agency
30 thereof, or the government of another state or agency thereof, in
31 matters pertaining to illegal interstate trafficking of marijuana, hashish,
32 or cannabis items.

33
34 76. (New section) Contract Enforceability.

35 No contract shall be unenforceable on the basis that
36 manufacturing, distributing, dispensing, possessing, or using any
37 cannabis item or marijuana is prohibited by federal law. No contract
38 entered into by a licensee, its employees, or its agents as permitted
39 pursuant to a valid license issued by the commission, or by those
40 who allow property to be used by a licensee, its employees, or its
41 agents as permitted pursuant to a valid license issued by the
42 commission, shall be deemed unenforceable on the basis that the
43 actions or conduct permitted pursuant to the license are prohibited
44 by federal law.

45
46 77. (New section) Criminal Investigation.

47 a. None of the following shall, individually or collectively,
48 constitute reasonable articulable suspicion of a crime, unless on

1 property used for school purposes which is owned by a school or
2 school board, or at any detention facility, adult correctional facility, or
3 youth correction facility:

4 (1) The odor of cannabis or burnt cannabis;

5 (2) The possession of or the suspicion of possession of
6 marijuana or hashish without evidence of quantity in excess of any
7 amount that would exceed the amount of cannabis or cannabis resin
8 which may be lawfully possessed pursuant to section 4 of P.L. ,
9 c. (C.) (pending before the Legislature as this bill), as the
10 possession of that amount is presumed, pursuant to paragraph (4) of
11 subsection a. of N.J.S.2C:35-10, to be the lawful possession of
12 cannabis or cannabis resin in accordance with the “New Jersey
13 Cannabis Regulatory and Expungement Aid Modernization Act,”
14 P.L. , c. (C.) (pending before the Legislature as this bill); or

15 (3) The possession of marijuana or hashish without evidence of
16 quantity in excess of any amount that would exceed the amount of
17 cannabis or cannabis resin which may be lawfully possessed
18 pursuant to section 4 of P.L. , c. (C.) (pending before the
19 Legislature as this bill), in proximity to any amount of cash or
20 currency, as the possession of that amount is presumed, pursuant to
21 paragraph (4) of subsection a. of N.J.S.2C:35-10, to be the lawful
22 possession of cannabis or cannabis resin in accordance with the
23 “New Jersey Cannabis Regulatory and Expungement Aid
24 Modernization Act,” P.L. , c. (C.) (pending before the
25 Legislature as this bill).

26 b. Subsection a. of this section shall not apply when a law
27 enforcement officer is investigating whether a person is driving
28 under the influence of a cannabis item or marijuana or driving while
29 impaired by a cannabis item or marijuana in violation of R.S.39:4-
30 50, or section 5 of P.L.1990, c.103 (C.39:3-10.13) concerning
31 operators of commercial motor vehicles.

32
33 78. Section 2 of P.L.1981, c.512 (C.39:4-50.4a) is amended to
34 read as follows:

35 2. a. Except as provided in subsection b. of this section, the
36 municipal court shall revoke the right to operate a motor vehicle of
37 any operator who, after being arrested for a violation of R.S.39:4-50
38 or section 1 of P.L.1992, c.189 (C.39:4-50.14), shall refuse to
39 submit to a test provided for in section 2 of P.L.1966, c.142
40 (C.39:4-50.2) when requested to do so, for not less than seven
41 months or more than one year unless the refusal was in connection
42 with a second offense under this section, in which case the
43 revocation period shall be for two years or unless the refusal was in
44 connection with a third or subsequent offense under this section in
45 which case the revocation shall be for ten years. A conviction or
46 administrative determination of a violation of a law of a
47 substantially similar nature in another jurisdiction, regardless of
48 whether that jurisdiction is a signatory to the Interstate Driver

1 License Compact pursuant to P.L.1966, c.73 (C.39:5D-1 et seq.),
2 shall constitute a prior conviction under this section.

3 The municipal court shall determine by a preponderance of the
4 evidence whether the arresting officer had probable cause to believe
5 that the person had been driving or was in actual physical control of
6 a motor vehicle on the public highways or quasi-public areas of this
7 State while the person was under the influence of intoxicating
8 liquor or a narcotic, hallucinogenic, or habit-producing drug, or
9 cannabis item as defined in section 3 of P.L. , c. (C.)
10 (pending before the Legislature as this bill) or marijuana; whether
11 the person was placed under arrest, if appropriate, and whether he
12 refused to submit to the test upon request of the officer; and if these
13 elements of the violation are not established, no conviction shall
14 issue. In addition to any other requirements provided by law, a
15 person whose operator's license is revoked for refusing to submit to
16 a test shall be referred to an Intoxicated Driver Resource Center
17 established by subsection (f) of R.S.39:4-50 and shall satisfy the
18 same requirements of the center for refusal to submit to a test as
19 provided for in section 2 of P.L.1966, c.142 (C.39:4-50.2) in
20 connection with a first, second, third or subsequent offense under
21 this section that must be satisfied by a person convicted of a
22 commensurate violation of this section, or be subject to the same
23 penalties as such a person for failure to do so. For a first offense,
24 the revocation may be concurrent with or consecutive to any
25 revocation imposed for a conviction under the provisions of
26 R.S.39:4-50 arising out of the same incident. For a second or
27 subsequent offense, the revocation shall be consecutive to any
28 revocation imposed for a conviction under the provisions of
29 R.S.39:4-50. In addition to issuing a revocation, except as provided
30 in subsection b. of this section, the municipal court shall fine a
31 person convicted under this section, a fine of not less than \$300 or
32 more than \$500 for a first offense; a fine of not less than \$500 or
33 more than \$1,000 for a second offense; and a fine of \$1,000 for a
34 third or subsequent offense. The person also shall be required to
35 install an ignition interlock device pursuant to the provisions of
36 P.L.1999, c.417 (C.39:4-50.16 et al.).

37 b. For a first offense, the fine imposed upon the convicted
38 person shall be not less than \$600 or more than \$1,000 and the
39 period of license suspension shall be not less than one year or more
40 than two years; for a second offense, a fine of not less than \$1,000
41 or more than \$2,000 and a license suspension for a period of four
42 years; and for a third or subsequent offense, a fine of \$2,000 and a
43 license suspension for a period of 20 years when a violation of this
44 section occurs while:

45 (1) on any school property used for school purposes which is
46 owned by or leased to any elementary or secondary school or school
47 board, or within 1,000 feet of such school property;

1 (2) driving through a school crossing as defined in R.S.39:1-1 if
2 the municipality, by ordinance or resolution, has designated the
3 school crossing as such; or

4 (3) driving through a school crossing as defined in R.S.39:1-1
5 knowing that juveniles are present if the municipality has not
6 designated the school crossing as such by ordinance or resolution.

7 A map or true copy of a map depicting the location and
8 boundaries of the area on or within 1,000 feet of any property used
9 for school purposes which is owned by or leased to any elementary
10 or secondary school or school board produced pursuant to section 1
11 of P.L.1987, c.101 (C.2C:35-7) may be used in a prosecution under
12 paragraph (1) of this subsection.

13 It shall not be relevant to the imposition of sentence pursuant to
14 paragraph (1) or (2) of this subsection that the defendant was
15 unaware that the prohibited conduct took place while on or within
16 1,000 feet of any school property or while driving through a school
17 crossing. Nor shall it be relevant to the imposition of sentence that
18 no juveniles were present on the school property or crossing zone at
19 the time of the offense or that the school was not in session.

20 (cf: P.L.2009, c.201, s.5)

21
22 79. Section 1 of P.L.1983, c.307 (C.39:4-51a) is amended to
23 read as follows:

24 1. a. A person shall not consume an alcoholic beverage or
25 cannabis item as defined in section 3 of P.L. , c. (C.)
26 (pending before the Legislature as this bill) while operating a motor
27 vehicle. A passenger in a motor vehicle shall not consume an
28 alcoholic beverage or cannabis item while the motor vehicle is
29 being operated. This subsection shall not apply, with respect to the
30 consumption of an alcoholic beverage, to a passenger of a charter or
31 special bus operated as defined under R.S.48:4-1 or a limousine
32 service.

33 b. A person shall be presumed to have consumed an alcoholic
34 beverage or cannabis item in violation of this section if an unsealed
35 container or package of an alcoholic beverage or cannabis item is
36 located in the passenger compartment of the motor vehicle, the
37 contents of the alcoholic beverage or cannabis item have been
38 partially consumed and the physical appearance or conduct of the
39 operator of the motor vehicle or a passenger may be associated with
40 the consumption of an alcoholic beverage or cannabis item. For the
41 purposes of this section, the term "unsealed" shall mean a container
42 or package with its original seal broken, or a container or package
43 that is not the original container or package such as a glass **【or】** ,
44 cup , box, bag, or wrapping.

45 c. For the first offense, a person convicted of violating this
46 section shall be fined **【\$200.00】** \$200 and shall be informed by the
47 court of the penalties for a second or subsequent violation of this
48 section. For a second or subsequent offense, a person convicted of

1 violating this section shall be fined **【\$250.00】** \$250 or shall be
2 ordered by the court to perform community service for a period of
3 10 days in such form and on such terms as the court shall deem
4 appropriate under the circumstances.

5 (cf: P.L.1999, c.356, s.20)

6
7 80. Section 6 of P.L.2000, c.83 (C.39:4-51b) is amended to read
8 as follows:

9 6. a. All occupants of a motor vehicle located on a public
10 highway, or the right-of-way of a public highway, shall be
11 prohibited from possessing any open or unsealed container or
12 package of an alcoholic beverage **【container】** or cannabis item as
13 defined in section 3 of P.L. , c. (C.) (pending before the
14 Legislature as this bill). This subsection shall not apply, with
15 respect to the possession of an alcoholic beverage, to a passenger of
16 a charter or special bus operated as defined under R.S.48:4-1 or a
17 limousine service.

18 b. A person shall not be deemed to be in possession of an
19 opened or unsealed container or package of an alcoholic beverage
20 **【container】** or cannabis item pursuant to this section if such
21 container or package is located in the trunk of a motor vehicle,
22 behind the last upright seat in a trunkless vehicle, or in the living
23 quarters of a motor home or house trailer. For the purposes of this
24 section, the term "open or unsealed" shall mean a container or
25 package with its original seal broken, or a container or package that
26 is not the original container or package such as a glass **【or】** , cup,
27 box, bag, or wrapping.

28 c. For a first offense, a person convicted of violating this
29 section shall be fined \$200 and shall be informed by the court of the
30 penalties for a second or subsequent violation of this section. For a
31 second or subsequent offense, a person convicted of violating this
32 section shall be fined \$250 or shall be ordered by the court to
33 perform community service for a period of 10 days in such form
34 and on such terms as the court shall deem appropriate under the
35 circumstances.

36 (cf: P.L.2000, c.83, s.6)

37
38 81. (New section) Cannabis Regulatory and Expungement Aid
39 Modernization Fund.

40 a. All fees and penalties collected by the commission, and all
41 tax revenues collected by the Director of the Division of Taxation
42 pursuant to the provisions of P.L. , c. (C.) (pending before the
43 Legislature as this bill) and the "Jake Honig Compassionate Use
44 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), shall be
45 deposited in a special nonlapsing fund which shall be known as the
46 "Cannabis Regulatory and Expungement Aid Modernization Fund."

47 b. Monies in the fund shall be used by the commission to:

1 (1) oversee the development, regulation, and enforcement of
2 activities associated with the personal use of cannabis pursuant to
3 P.L. , c. (C.), and assume responsibility from the
4 Department of Health for the further development and expansion,
5 regulation, and enforcement of activities associated with the
6 medical use of cannabis pursuant to the “Jake Honig Compassionate
7 Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and
8 P.L.2015, c.158 (C.18A:40-12.22 et al.);

9 (2) defray costs, in an amount determined by the Legislature in the
10 annual appropriations act or any other act, associated with the filing
11 and review of applications for persons seeking expedited expungement
12 relief pursuant to section 47 of P.L. , c. (C.) (pending
13 before the Legislature as this bill) for being charged with, convicted
14 of, or adjudicated delinquent for offenses associated with marijuana or
15 hashish as set forth in that section, which occurred prior to the
16 effective date of the “New Jersey Cannabis Regulatory and
17 Expungement Aid Modernization Act,” P.L. , c. (C.)
18 (pending before the Legislature as this bill); and

19 (3) reimburse the expenses incurred by any county or municipality
20 for the training costs associated with the attendance and participation
21 of a police officer from its law enforcement unit, as those terms are
22 defined in section 2 of P.L.1961, c.56 (C.52:17B-67), in a program
23 provided by an approved school, also defined in that section, which
24 trains and certifies the police officer, including a police officer with a
25 working dog as that term is defined in section 1 of P.L.2006, c.88
26 (C.10:5-29.7), as a Drug Recognition Expert for detecting, identifying,
27 and apprehending drug-impaired motor vehicle operators, and pay for
28 costs incurred by the State Police in furnishing additional program
29 instructors to provide Drug Recognition Expert training to police
30 officers and working dogs. A municipality or county seeking
31 reimbursement shall apply to the commission, itemizing the costs, with
32 appropriate proofs, for which reimbursement is requested and provide
33 a copy of the certificate issued to the police officer to indicate the
34 successful completion of the program by the police officer, and that
35 officer’s working dog, if applicable.

36 c. Any remaining monies, after the commission uses the monies
37 in the fund in accordance with subsection b. of this section, shall be
38 deposited in the State’s General Fund.

39
40 82. (New section) Cannabis Consumption Area.

41 a. (1) A local governmental entity may authorize, through the
42 enactment of an ordinance, the operation of locally endorsed
43 cannabis consumption areas by cannabis retailers and alternative
44 treatment centers within its jurisdiction, at which areas the on-
45 premises consumption of personal use, medical use, or both
46 personal use and medical use cannabis may occur.

47 (2) As further specified in subsection h. of this section, an
48 endorsed cannabis consumption area shall be either: (a) an indoor,

1 structurally enclosed area of a cannabis retailer or alternative
2 treatment center that is separate from the area in which retail sales
3 of cannabis items or the dispensing of medical cannabis occurs; or
4 (b) an exterior structure on the same premises as the cannabis
5 retailer or alternative treatment center, either separate from or
6 connected to the retailer or center.

7 b. (1) If a local governmental entity authorizes the operation of
8 cannabis consumption areas, it may adopt an approval requirement
9 that complies with the requirements of P.L. , c. (C.) (pending
10 before the Legislature as this bill).

11 (2) Notwithstanding the provisions of this subsection, a local
12 governmental entity shall not allow a cannabis consumption area
13 endorsement to a cannabis retailer or alternative treatment center
14 that is within 1,000 feet of a boundary with an adjoining jurisdiction
15 that does not permit retail cannabis establishments in its boundaries.

16 c. The commission may issue a cannabis consumption area
17 endorsement only to a cannabis retailer or an alternative treatment
18 center that has a permit to dispense medical cannabis to registered
19 qualifying patients in accordance with the “Jake Honig
20 Compassionate Use Medical Cannabis Act,” P.L.2009, c.307
21 (C.24:6I-1 et al.), or is also deemed to have, pursuant to section 7 of
22 P.L.2009, c.307 (C.24:6I-7) one or more Class 4 Cannabis Retailer
23 licenses, and has been issued a license by the commission following
24 receipt of written approval of the local governmental entity for
25 operation of a cannabis retailer pursuant to subparagraph (a) of
26 paragraph (3) of subsection a. of section 30 of P.L. , c. (C.)
27 (pending before the Legislature as this bill), or has otherwise been
28 issued one or more such licenses by the commission pursuant to
29 P.L. , c. (C.) (pending before the Legislature as this bill).
30 An endorsement to a cannabis retailer shall only permit the
31 consumption of personal use cannabis at the retailer’s consumption
32 area. An endorsement to an alternative treatment center shall only
33 permit the consumption of medical cannabis at the center’s
34 consumption area, unless the alternative treatment center is also
35 issued a Class 4 Cannabis Retailer license, in which case that
36 alternative treatment center may permit the consumption of both
37 personal use and medical use cannabis at the center’s consumption
38 area.

39 d. Applications for an endorsement pursuant to this section
40 shall be made to the commission on forms prepared and furnished
41 by the commission and shall set forth such information as the
42 commission may require. Each application shall be verified by the
43 oath or affirmation of such person or persons as the commission
44 may prescribe. The endorsement is conditioned upon approval by a
45 local governmental entity. An applicant is prohibited from
46 operating a cannabis consumption area without State and local
47 approval. If the applicant does not receive approval from the local
48 governmental entity within one year from the date of State

1 approval, the State endorsement expires and may not be renewed.
2 If an application is denied by the local governmental entity or the
3 approval of the local governmental entity is revoked, the
4 commission shall revoke the State endorsement. Any person
5 aggrieved by the local denial of an endorsement application may
6 request a hearing in the Superior Court of the county in which the
7 person's application was filed. The request for a hearing shall be
8 filed within 30 days of the denial of the endorsement application.
9 The person shall serve a copy of his request for a hearing upon the
10 appropriate officer for the local governmental entity that denied the
11 application. The hearing shall be held and a record made thereof
12 within 30 days of the receipt of the application for a hearing. No
13 formal pleading and no filing fee shall be required for the hearing.

14 e. (1) The commission shall deny a State endorsement if the
15 premises on which the applicant proposes to conduct its business
16 does not meet the requirements of P.L. , c. (C.) (pending
17 before the Legislature as this bill) or the "Jake Honig
18 Compassionate Use Medical Cannabis Act," P.L.2009, c.307
19 (C.24:6I-1 et al.), as applicable, or for reasons set forth in this
20 section. The commission may revoke or deny an endorsement
21 renewal, or reinstatement, or an initial endorsement for good cause.

22 (2) For purposes of this subsection "good cause" means:

23 (a) the endorsed licensee or applicant has violated, does not
24 meet, or has failed to comply with any of the terms, conditions, or
25 provisions of this section, any rules promulgated pursuant to this
26 section, or any supplemental local law, rules, or regulations;

27 (b) the endorsed licensee or applicant has failed to comply with
28 any special terms or conditions that were placed on its endorsement
29 pursuant to an order of the commission or local governmental
30 entity; or

31 (c) the premises have been operated in a manner that adversely
32 affects the public health or the safety of the immediate
33 neighborhood in which the establishment is located.

34 (3) Any commission decision made pursuant to this subsection
35 shall be considered a final agency action for the purposes of the
36 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
37 seq.) and shall be subject only to judicial review as provided in the
38 Rules of Court.

39 f. The cannabis consumption area endorsement is valid for one
40 year and may be renewed annually, subject to the approval of the
41 commission and local governmental entity as set forth in this section,
42 upon the renewal of the cannabis retail licensee's license or the
43 alternative treatment center's permit or retail license. The
44 commission shall establish by rule the amount of the application fee
45 and renewal fee for the endorsement which shall not exceed the
46 administrative cost for processing and reviewing the application.

1 g. The commission shall maintain a list of all cannabis
2 consumption areas in the State and shall make the list available on
3 its website.

4 h. A cannabis consumption area on the premises of a cannabis
5 retailer or alternative treatment center may be indoors or outdoors,
6 and shall be designated by conspicuous signage indicating whether
7 it may be used for the on-premises consumption of personal use or
8 medical use cannabis, or both.

9 (1) An indoor consumption area shall be a structurally enclosed
10 area within a cannabis retailer or alternative treatment center that is
11 separated by solid walls or windows from the area in which retail
12 sales of cannabis or the dispensing of medical cannabis occurs,
13 shall only be accessible through an interior door after first entering
14 the retailer or center, and shall comply with all ventilation
15 requirements applicable to cigar lounges, as that term is defined in
16 section 3 of P.L.2005, c.383 (C.26:3D-57), in order to permit indoor
17 smoking that is the equivalent of smoking tobacco not in violation
18 of the "New Jersey Smoke-Free Air Act," P.L.2005, c.383
19 (C.26:3D-55 et seq.). Any consumption of cannabis items or
20 medical cannabis shall not be visible from outside the cannabis
21 retailer or alternative treatment center.

22 (2) An outdoor consumption area shall be an exterior structure
23 on the same premises as the cannabis retailer or alternative
24 treatment center, that is either separate from or connected to the
25 retailer or center and that is not required to be completely enclosed,
26 but shall have enough walls, fences, or other barriers to prevent any
27 view of persons consuming personal use cannabis items or medical
28 cannabis from any sidewalk or other pedestrian or non-motorist
29 right-of-way, as the case may be, within the consumption area, and
30 with respect to any consumption by smoking, the cannabis retailer
31 or alternative treatment center operating the outdoor consumption
32 area shall ensure that any smoking does not result in migration,
33 seepage, or recirculation of smoke to any indoor public place or
34 workplace, as those terms are defined in section 3 of P.L.2005,
35 c.383 (C.26:3D-57).

36 i. An endorsed cannabis retail licensee or alternative treatment
37 center and its employees, subject to any regulations for cannabis
38 consumption areas promulgated by the commission, may:

39 (1) permit a person to bring medical or retail cannabis, medical
40 or retail cannabis concentrate, a medical cannabis-infused product,
41 or a retail cannabis-infused product into a cannabis consumption
42 area; and

43 (2) distribute free samples of medical or retail cannabis, medical
44 or retail cannabis concentrate, medical cannabis-infused products,
45 or retail cannabis-infused products in the consumption area.

46 An endorsed cannabis retail licensee or alternative treatment
47 center and its employees shall not sell alcohol, including fermented
48 malt beverages or malt, vinous, or spirituous liquor, sell tobacco or

1 nicotine products, or allow the consumption of alcohol or tobacco
2 or nicotine products on premises, or operate as a retail food
3 establishment. An endorsed cannabis retail licensee or alternative
4 treatment center shall also not allow on-duty employees of the
5 establishment to consume any medical or retail cannabis, medical or
6 retail cannabis concentrate, medical cannabis-infused products, or
7 retail cannabis-infused products in the establishment.

8 j. A cannabis consumption area and its employees shall admit
9 into the cannabis retailer or alternative treatment center only
10 patrons who are at least 21 years of age, and shall require each
11 patron to produce a form of government-issued identification that
12 may be accepted, pursuant to subparagraph (a) of paragraph (6) of
13 subsection a. of section 17 of P.L. , c. (C.) (pending before
14 the Legislature as this bill), in order to enter and be sold or served
15 cannabis items or medical cannabis.

16 k. (1) A cannabis retailer or alternative treatment center
17 operating a cannabis consumption area shall limit a patron to no
18 more than the sales limit set by the commission. A cannabis retailer
19 or alternative treatment center operating a cannabis consumption
20 area shall not engage in multiple sales transactions to the same
21 patron during the same business day when the establishment's
22 employee knows or reasonably should have known that the sales
23 transaction would result in the patron possessing more than the
24 sales limit established by the commission. A patron may leave the
25 consumption area with any product that he does not consume.

26 (2) When a patron leaves a cannabis consumption area, the
27 establishment shall destroy any remaining unconsumed retail
28 cannabis, retail cannabis concentrate, retail cannabis-infused
29 products, or medical cannabis that is not taken by a patron pursuant
30 to paragraph (1) of this subsection.

31 l. A cannabis consumption area and its employees:

32 (1) shall operate the establishment in a decent, orderly, and
33 respectable manner and shall not serve any patron who displays any
34 visible signs of intoxication;

35 (2) may remove an individual from the establishment for any
36 reason, including a patron who displays any visible signs of
37 intoxication;

38 (3) shall not knowingly permit any activity or acts of disorderly
39 conduct; and

40 (4) shall not permit rowdiness, undue noise, or other
41 disturbances or activity offensive to the average citizen or to the
42 residents of the neighborhood in which the consumption area is
43 located.

44 m. A cannabis consumption area and all of its employees who
45 work at the endorsed premises shall successfully complete any
46 responsible vendor training program established in regulation by the
47 commission.

1 n. A cannabis consumption area shall provide, if required by
2 the commission, information regarding the safe consumption of
3 cannabis at the point of sale to all patrons who make a purchase.

4 o. The information required by this section shall be maintained
5 on the endorsed premises for inspection by State and local
6 endorsing authorities and law enforcement.

7 p. If an emergency requires law enforcement, firefighters,
8 emergency medical services providers, or other public safety
9 personnel to enter a cannabis consumption area, employees of the
10 establishment shall cease all on-site sales and prohibit on-site
11 consumption until such personnel have completed their
12 investigation or services and have left the premises.

13
14 83. (New section) Consuming, including by smoking, any
15 cannabis item available for lawful consumption pursuant to the
16 “New Jersey Cannabis Regulatory and Expungement Aid
17 Modernization Act,” P.L. , c. (C.) (pending before the
18 Legislature as this bill), is prohibited in any area of any building of,
19 on the grounds of, or in any facility owned, leased, or controlled by,
20 any public or private institution of higher education or a related
21 entity thereof, regardless of whether the area or facility is an indoor
22 place or is outdoors. As used in this subsection “related entity”
23 includes, but is not limited to, the foundation, auxiliary services
24 corporation, or alumni association, or any subsidiary thereof, of an
25 institution of higher learning. Any penalties that may be assessed
26 for the smoking of tobacco where prohibited under the “New Jersey
27 Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.), shall
28 be applicable to the consumption of cannabis items where
29 prohibited by this section.

30
31 84. (New section) Severability.

32 If any clause, sentence, paragraph, section, or part of P.L. ,
33 c. (C.) (pending before the Legislature as this bill) shall be
34 adjudged by any court of competent jurisdiction to be
35 unconstitutional or otherwise invalid, that judgment shall not affect,
36 impair, or invalidate the remainder thereof, but shall be confined in
37 its operation to the clause, sentence, paragraph, section, or part
38 thereof directly involved in the controversy in which the judgment
39 shall have been rendered.

40
41 85. This act shall take effect as follows:

42 a. Sections 1 through 3, 7 through 22, 31 through 36, 39
43 through 53, 56 and 57, 60 through 63, 71 through 73, 77, 81 and 82,
44 and 84 shall take effect immediately;

45 b. Sections 4 through 6, 23 through 30, 37 and 38, 54 and 55,
46 58 and 59, 64 through 70, 74 through 76, 78 through 80, and 83
47 shall take effect immediately, but shall only become operative upon
48 adoption of the commission’s initial rules and regulations pursuant

1 to subparagraph (a) of paragraph (1) of subsection d. of section 8 of
2 P.L. , c. (C.) (pending before the Legislature as this bill);
3 and
4 c. The Attorney General, State Treasurer, Commissioner of
5 Health, Commissioner of Banking and Insurance, and the
6 Administrative Director of the Courts, and once constituted and
7 organized, the Cannabis Regulatory Commission, may take such
8 anticipatory administrative action as may be necessary to effectuate
9 the provisions of P.L. , c. (C.) (pending before the
10 Legislature as this bill).