

CHAPTER 16
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AN ACT concerning the regulation and use of cannabis, and amending and supplementing various parts of the statutory law.

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

C.24:6I-31 Short title.

1. This act shall be known and may be cited as the “New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act.”

C.24:6I-32 Findings, declarations relative to the regulation and use of cannabis.

2. The Legislature finds and declares that:

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

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

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

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

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

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

g. Controlling and legalizing cannabis for adults in a similar fashion to alcohol will free up precious resources to allow our criminal justice system to focus on serious criminal activities and public safety issues;

h. Controlling and legalizing cannabis for adults in a similar fashion to alcohol will strike a blow at the illegal enterprises that profit from New Jersey’s current, unregulated illegal marijuana market;

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

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

k. Controlling and regulating the manufacturing, distribution, and sales of cannabis will strengthen our ability to keep it along with illegal marijuana away from minors;

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

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

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

o. New Jersey cannot afford to sacrifice public safety and individuals’ civil rights by continuing its ineffective and wasteful past marijuana enforcement policies.

C.24:6I-33 Definitions relative to the regulation and use of cannabis.

3. Definitions.

As used in P.L.2021, c.16 (C.24:6I-31 et al.) regarding the personal use of cannabis, unless the context otherwise requires:

“Alternative treatment center” means an organization issued a permit pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) to operate as a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant, as well as any alternative treatment center deemed pursuant to section 7 of that act (C.24:6I-7) to concurrently hold a medical cannabis cultivator permit, a medical cannabis manufacturer permit, and a medical cannabis dispensary permit.

“Cannabis” means all parts of the plant *Cannabis sativa* L., whether growing or not, the seeds thereof, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds, except those containing resin extracted from the plant, which are cultivated and, when applicable, manufactured in accordance with P.L.2021, c.16 (C.24:6I-31 et al.) for use in cannabis products as set forth in this act, but shall not include the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other product. “Cannabis” does not include: medical cannabis dispensed to registered qualifying patients pursuant to 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.); marijuana as defined in N.J.S.2C:35-2 and applied to any offense set forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or marihuana as defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense set forth in the “New Jersey Controlled Dangerous Substances Act,” P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product cultivated, handled, processed, transported, or sold pursuant to the “New Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.).

“Cannabis consumption area” means, as further described in section 28 of P.L.2019, c.153 (C.24:6I-21), a designated location operated by a licensed cannabis retailer or permit holder for dispensing medical cannabis, for which both a State and local endorsement has been obtained, that is either: (1) an indoor, structurally enclosed area of the cannabis retailer or permit holder that is separate from the area in which retail sales of cannabis items or the dispensing of medical cannabis occurs; or (2) an exterior structure on the same premises as the cannabis retailer or permit holder, either separate from or connected to the cannabis retailer or permit holder, at which cannabis items or medical cannabis either obtained from the retailer or permit holder, or brought by a person to the consumption area, may be consumed.

“Cannabis cultivator” means any licensed person or entity that grows, cultivates, or produces cannabis in this State, and sells, and may transport, this cannabis to other cannabis cultivators, or usable cannabis to cannabis manufacturers, cannabis wholesalers, or cannabis retailers, but not to consumers. This person or entity shall hold a Class 1 Cannabis Cultivator license.

“Cannabis delivery service” means any licensed person or entity that provides courier services for consumer purchases of cannabis items and related supplies fulfilled by a cannabis retailer in order to make deliveries of the cannabis items and related supplies to that consumer, and which services include the ability of a consumer to purchase the cannabis items directly through the cannabis delivery service, which after presenting the purchase order to the cannabis retailer for fulfillment, is delivered to that consumer. This person or entity shall hold a Class 6 Cannabis Delivery license.

“Cannabis distributor” means any licensed person or entity that transports cannabis in bulk intrastate from one licensed cannabis cultivator to another licensed cannabis cultivator, or transports cannabis items in bulk intrastate from any one class of licensed cannabis establishment to another class of licensed cannabis establishment, and may engage in the temporary storage of cannabis or cannabis items as necessary to carry out transportation activities. This person or entity shall hold a Class 4 Cannabis Distributor license.

“Cannabis establishment” means a cannabis cultivator, a cannabis manufacturer, a cannabis wholesaler, or a cannabis retailer.

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

“Cannabis flower” means the flower of the plant *Cannabis sativa* L. within the plant family Cannabaceae.

“Cannabis item” means any usable cannabis, cannabis product, cannabis extract, and any other cannabis resin. “Cannabis item” does not include: any form of medical cannabis dispensed to registered qualifying patients pursuant to 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.); or hemp or a hemp product cultivated, handled, processed, transported, or sold pursuant to the “New Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.).

“Cannabis leaf” means the leaf of the plant *Cannabis sativa* L. within the plant family Cannabaceae.

“Cannabis manufacturer” means any licensed person or entity that processes cannabis items in this State by purchasing or otherwise obtaining usable cannabis, manufacturing, preparing, and packaging cannabis items, and selling, and optionally transporting, these items to other cannabis manufacturers, cannabis wholesalers, or cannabis retailers, but not to consumers. This person or entity shall hold a Class 2 Cannabis Manufacturer license.”

“Cannabis paraphernalia” means any equipment, products, or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, composting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing a cannabis item into the human body. “Cannabis paraphernalia” does not include drug paraphernalia as defined in N.J.S.2C:36-1 and which is used or intended for use to commit a violation of chapter 35 or 36 of Title 2C of the New Jersey Statutes.

“Cannabis product” means a product containing usable cannabis, cannabis extract, or any other cannabis resin and other ingredients intended for human consumption or use, including a product intended to be applied to the skin or hair, edible cannabis products, ointments, and tinctures. “Cannabis product” does not include: (1) usable cannabis by itself; or (2) cannabis extract by itself; or (3) any other cannabis resin by itself.

“Cannabis resin” means the resin extracted from any part of the plant *Cannabis sativa* L., including cannabis extract and resin extracted using non-chemical processes, processed and used in accordance with P.L.2021, c.16 (C.24:6I-31 et al.). “Cannabis resin” does not include: any form of medical cannabis dispensed to registered qualifying patients pursuant to 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.); hashish as defined in N.J.S.2C:35-2 and applied to any offense set forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey

Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or as defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense of the “New Jersey Controlled Dangerous Substances Act,” P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product cultivated, handled, processed, transported, or sold pursuant to the “New Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.).

“Cannabis retailer” means any licensed person or entity that purchases or otherwise obtains usable cannabis from cannabis cultivators and cannabis items from cannabis manufacturers or cannabis wholesalers, and sells these to consumers from a retail store, and may use a cannabis delivery service or a certified cannabis handler for the off-premises delivery of cannabis items and related supplies to consumers. A cannabis retailer shall also accept consumer purchases to be fulfilled from its retail store that are presented by a cannabis delivery service which will be delivered by the cannabis delivery service to that consumer. This person or entity shall hold a Class 5 Cannabis Retailer license.

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

“Cannabis wholesaler” means any licensed person or entity that purchases or otherwise obtains, stores, sells or otherwise transfers, and may transport, cannabis items for the purpose of resale or other transfer to either another cannabis wholesaler or to a cannabis retailer, but not to consumers. This person or entity shall hold a Class 3 Cannabis Wholesaler license.

“Commission” means the Cannabis Regulatory Commission established pursuant to section 31 of P.L.2019, c.153 (C.24:6I-24).

“Conditional license” means a temporary license designated as either a Class 1 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer license, a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis Distributor license, a Class 5 Cannabis Retailer license, or a Class 6 Cannabis Delivery license that allows the holder to lawfully act as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service as the case may be, which is issued pursuant to an abbreviated application process, after which the conditional license holder shall have a limited period of time in which to become fully licensed by satisfying all of the remaining conditions for licensure which were not required for the issuance of the conditional license.

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

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

“Delivery” means the transportation of cannabis items and related supplies to a consumer. “Delivery” also includes the use by a licensed cannabis retailer of any third party technology platform to receive, process, and fulfill orders by consumers, which third party shall not be required to be a licensed cannabis establishment, distributor, or delivery service, provided that any physical acts in connection with fulfilling the order and delivery shall be accomplished by a certified cannabis handler performing work for or on behalf of the licensed cannabis retailer, which includes a certified cannabis handler employed or otherwise working on behalf of a cannabis delivery service making off-premises deliveries of consumer purchases fulfilled by that cannabis retailer.

“Department” means the Department of Health.

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

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

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

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

“Impact zone” means any municipality, based on past criminal marijuana enterprises contributing to higher concentrations of law enforcement activity, unemployment, and poverty, or any combination thereof, within parts of or throughout the municipality, that:

(1) has a population of 120,000 or more according to the most recently compiled federal decennial census as of the effective date of P.L.2021, c.16 (C.24:6I-31 et al.);

(2) based upon data for calendar year 2019, ranks in the top 40 percent of municipalities in the State for marijuana- or hashish-related arrests for violation of paragraph (4) of subsection a. of N.J.S.2C:35-10; has a crime index total of 825 or higher based upon the indexes listed in the annual Uniform Crime Report by the Division of State Police; and has a local average annual unemployment rate that ranks in the top 15 percent of all municipalities, based upon average annual unemployment rates estimated for the relevant calendar year by the Office of Research and Information in the Department of Labor and Workforce Development;

(3) is a municipality located in a county of the third class, based upon the county’s population according to the most recently compiled federal decennial census as of the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), that meets all of the criteria set forth in paragraph (2) other than having a crime index total of 825 or higher; or

(4) is a municipality located in a county of the second class, based upon the county’s population according to the most recently compiled federal decennial census as of the effective date of P.L.2021, c.16 (C.24:6I-31 et al.):

(a) with a population of less than 60,000 according to the most recently compiled federal decennial census, that for calendar year 2019 ranks in the top 40 percent of municipalities in the State for marijuana- or hashish-related arrests for violation of paragraph (4) of subsection a. of N.J.S.2C:35-10; has a crime index total of 1,000 or higher based upon the indexes listed in the 2019 annual Uniform Crime Report by the Division of State Police; but for calendar year 2019 does not have a local average annual unemployment rate that ranks in the top 15 percent of all municipalities, based upon average annual unemployment rates estimated for the relevant calendar year by the Office of Research and Information in the Department of Labor and Workforce Development; or

(b) with a population of not less than 60,000 or more than 80,000 according to the most recently compiled federal decennial census; has a crime index total of 650 or higher based upon the indexes listed in the 2019 annual Uniform Crime Report; and for calendar year 2019 has a local average annual unemployment rate of 3.0 percent or higher using the same estimated annual unemployment rates.

“License” means a license issued under P.L.2021, c.16 (C.24:6I-31 et al.), including a license that is designated as either a Class 1 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer license, a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis Distributor license, a Class 5 Cannabis Retailer license, or a Class 6 Cannabis Delivery license. The term includes a conditional license for a designated class, except when the context of the provisions of P.L.2021, c.16 (C.24:6I-31 et al.) otherwise intend to only apply to a license and not a conditional license.

“Licensee” means a person or entity that holds a license issued under P.L.2021, c.16 (C.24:6I-31 et al.), including a license that is designated as either a Class 1 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer license, a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis Distributor license, a Class 5 Cannabis Retailer license, or a Class 6 Cannabis Delivery license, and includes a person or entity that holds a conditional license for a designated class, except when the context of the provisions of P.L.2021, c.16 (C.24:6I-31 et al.) otherwise intend to only apply to a person or entity that holds a license and not a conditional license.

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

“Manufacture” means the drying, processing, compounding, or conversion of usable cannabis into cannabis products or cannabis resins. “Manufacture” does not include packaging or labeling.

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

“Medical cannabis” means cannabis dispensed to registered qualifying patients pursuant to 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.). “Medical cannabis” does not include any cannabis or cannabis item which is cultivated, produced, processed, and consumed in accordance with P.L.2021, c.16 (C.24:6I-31 et al.).

“Microbusiness” means a person or entity licensed under P.L.2021, c.16 (C.24:6I-31 et al.) as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service that may only, with respect to its business operations, and capacity and quantity of product: (1) employ no more than 10 employees; (2) operate a cannabis establishment occupying an area of no more than 2,500 square feet, and in the case of a cannabis cultivator, grow cannabis on an area no more than 2,500 square feet measured on a horizontal plane and grow above that plane not higher than 24 feet; (3) possess no more than 1,000 cannabis plants each month, except that a cannabis distributor’s possession of cannabis plants for transportation shall not be subject to this limit; (4) acquire each month, in the case of a cannabis manufacturer, no more than 1,000 pounds of usable cannabis; (5) acquire for resale each month, in the case of a cannabis wholesaler, no more than 1,000 pounds of usable cannabis, or the equivalent amount in any form of manufactured cannabis product or cannabis resin, or any combination thereof; and (6) acquire for retail sale each month, in the case of a cannabis retailer, no more than 1,000 pounds of usable cannabis, or the equivalent amount in any form of manufactured cannabis product or cannabis resin, or any combination thereof.

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

“Premises” or “licensed premises” includes the following areas of a location licensed under P.L.2021, c.16 (C.24:6I-31 et al.): all public and private enclosed areas at the location that are used in the business operated at the location, including offices, kitchens, rest rooms, and storerooms; all areas outside a building that the Cannabis Regulatory Commission has specifically licensed for the production, manufacturing, wholesaling, distributing, retail sale, or delivery of cannabis items; and, for a location that the commission has specifically licensed for the production of cannabis outside a building, the entire lot or parcel that the licensee owns, leases, or has a right to occupy.

“Produce” means the planting, cultivation, growing or harvesting of cannabis. “Produce” does not include the drying of cannabis by a cannabis manufacturer, if the cannabis manufacturer is not otherwise manufacturing cannabis.

“Public place” means any place to which the public has access that is not privately owned; or any place to which the public has access where alcohol consumption is not allowed, including, but not limited to, a public street, road, thoroughfare, sidewalk, bridge, alley, plaza, park, playground, swimming pool, shopping area, public transportation facility, vehicle used for public transportation, parking lot, public library, or any other public building, structure, or area.

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

“Significantly involved person” means a person or entity who holds at least a five percent investment interest in a proposed or licensed cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service, or who is a decision making member of a group that holds at least a 20 percent investment interest in a proposed or licensed cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service, in which no member of that group holds more than a five percent interest in the total group investment interest, and the person or entity makes controlling decisions regarding the proposed or licensed cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service operations.

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

“THC” means delta-9-tetrahydrocannabinol and its precursor, tetrahydrocannabinolic acid, the main psychoactive chemicals contained in the cannabis plant.

“Usable cannabis” means the dried leaves and flowers of the female plant *Cannabis sativa* L., and does not include the seedlings, seeds, stems, stalks, or roots of the plant.

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

C.24:6I-3 Definitions relative to the medical use of cannabis.

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

"Academic medical center" means (1) an entity located in New Jersey that, on the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), has an addiction medicine faculty practice or is in the same health care system as another facility located in New Jersey that offers outpatient medical detoxification services or inpatient treatment services for substance use disorder; has a pain management faculty practice or a facility-based pain management service located in New Jersey; has graduate medical training programs accredited, or pending accreditation, by the Accreditation Council for Graduate Medical Education or the American Osteopathic Association in primary care and medical specialties; is the principal teaching affiliate of a medical school based in the State; and has the ability to conduct research related to medical cannabis. If the entity is part of a system of health care facilities, the entity shall not qualify as an academic medical center unless the health care system is principally located within the State; or

(2) an accredited school of osteopathic medicine that: is located in a state that shares a common border with this State; has an articulation agreement or similar memorandum of understanding, plus an agreement to establish and maintain an apprenticeship program in this State to train workers in the cannabis industry, which training would earn college credit, with any State college or university located in a county of the first class with a college of nursing or nursing degree program accredited by the Commission on Collegiate Nursing Education on the effective date of P.L.2021, c.16 (C.24:6I-31 et al.); and has an institutional review board that has, on the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), previously approved a clinical research study in this State involving medical cannabis; and has the ability and will conduct all research and development in the county in which the partner State college or university is located.

"Adverse employment action" means refusing to hire or employ an individual, barring or discharging an individual from employment, requiring an individual to retire from employment, or discriminating against an individual in compensation or in any terms, conditions, or privileges of employment.

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

"Clinical registrant" means an entity that has a written contractual relationship with an academic medical center in the region in which it has its principal place of business, which includes provisions whereby the parties will engage in clinical research related to the use of medical cannabis and the academic medical center or its affiliate will provide advice to the entity regarding patient health and safety, medical applications, and dispensing and managing controlled dangerous substances, among other areas.

"Commission" means the Cannabis Regulatory Commission established pursuant to section 31 of P.L.2019, c.153 (C.24:6I-24).

"Commissioner" means the Commissioner of Health.

"Common ownership or control" means:

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

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

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

"Department" means the Department of Health.

"Designated caregiver" means a resident of the State who:

(1) is at least 18 years old;

(2) has agreed to assist with a registered qualifying patient's medical use of cannabis, is not currently serving as a designated caregiver for more than one other qualifying patient, and is not the qualifying patient's health care practitioner;

(3) subject to the provisions of paragraph (2) of subsection c. of section 4 of P.L.2009, c.307 (C.24:6I-4), has never been convicted of possession or sale of a controlled dangerous substance, unless such conviction occurred after the effective date of P.L.2009, c.307 (C.24:6I-1 et al.) and was for a violation of federal law related to possession or sale of cannabis that is authorized under P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.);

(4) has registered with the commission pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4), and, except in the case of a designated caregiver who is an immediate family member of the patient, has satisfied the criminal history record background check requirement of section 4 of P.L.2009, c.307 (C.24:6I-4); and

(5) has been designated as a designated caregiver by the patient when registering or renewing a registration with the commission or in other written notification to the commission.

"Dispense" means the furnishing of medical cannabis to a registered qualifying patient, designated caregiver, or institutional caregiver by a medical cannabis dispensary or clinical registrant pursuant to written instructions issued by a health care practitioner pursuant to the requirements of P.L.2009, c.307 (C.24:6I-1 et al.). The term shall include the act of furnishing medical cannabis to a medical cannabis handler for delivery to a registered qualifying patient, designated caregiver, or institutional caregiver, consistent with the requirements of subsection i. of section 27 of P.L.2019, c.153 (C.24:6I-20).

"Health care facility" means a general acute care hospital, nursing home, long term care facility, hospice care facility, group home, facility that provides services to persons with developmental disabilities, behavioral health care facility, or rehabilitation center.

"Health care practitioner" means a physician, advanced practice nurse, or physician assistant licensed or certified pursuant to Title 45 of the Revised Statutes who:

(1) possesses active registrations to prescribe controlled dangerous substances issued by the United States Drug Enforcement Administration and the Division of Consumer Affairs in the Department of Law and Public Safety;

(2) is the health care practitioner responsible for the ongoing treatment of a patient's qualifying medical condition, the symptoms of that condition, or the symptoms associated with the treatment of that condition, provided, however, that the ongoing treatment shall not be limited to the provision of authorization for a patient to use medical cannabis or consultation solely for that purpose; and

(3) if the patient is a minor, is a pediatric specialist.

"Immediate family" means the spouse, domestic partner, civil union partner, child, sibling, or parent of an individual, and shall include the siblings, parents, and children of the individual's spouse, domestic partner, or civil union partner, and the parents, spouses, domestic partners, or civil union partners of the individual's parents, siblings, and children.

"Institutional caregiver" means a resident of the State who:

(1) is at least 18 years old;

(2) is an employee of a health care facility;

(3) is authorized, within the scope of the individual's professional duties, to possess and administer controlled dangerous substances in connection with the care and treatment of patients and residents pursuant to applicable State and federal laws;

(4) is authorized by the health care facility employing the person to assist registered qualifying patients who are patients or residents of the facility with the medical use of cannabis, including, but not limited to, obtaining medical cannabis for registered qualifying patients and assisting registered qualifying patients with the administration of medical cannabis;

(5) subject to the provisions of paragraph (2) of subsection c. of section 4 of P.L.2009, c.307 (C.24:6I-4), has never been convicted of possession or sale of a controlled dangerous substance, unless such conviction occurred after the effective date of P.L.2009, c.307 (C.24:6I-1 et al.) and was for a violation of federal law related to possession or sale of

cannabis that is authorized under P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.); and

(6) has registered with the commission pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4).

"Integrated curriculum" means an academic, clinical, or research program at an institution of higher education that is coordinated with a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary to apply theoretical principles, practical experience, or both involving the cultivation, manufacturing, dispensing, delivery, or medical use of cannabis to a specific area of study, including, but not limited to, agriculture, biology, business, chemistry, culinary studies, ecology, environmental studies, health care, horticulture, technology, or any other appropriate area of study or combined areas of study. Integrated curricula shall be subject to approval by the commission and the Office of the Secretary of Higher Education.

"Integrated curriculum permit" or "IC permit" means a permit issued to a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary that includes an integrated curriculum approved by the commission and the Office of the Secretary of Higher Education.

"Medical cannabis alternative treatment center" or "alternative treatment center" means an organization issued a permit, including a conditional permit, by the commission to operate as a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant. This term shall include the organization's officers, directors, board members, and employees.

"Medical cannabis cultivator" means an organization holding a permit issued by the commission that authorizes the organization to: possess and cultivate cannabis and deliver, transfer, transport, distribute, supply, and sell medical cannabis and related supplies to other medical cannabis cultivators and to medical cannabis manufacturers, clinical registrants, and medical cannabis dispensaries, as well as to plant, cultivate, grow, and harvest medical cannabis for research purposes. A medical cannabis cultivator permit shall not authorize the permit holder to manufacture, produce, or otherwise create medical cannabis products, or to deliver, transfer, transport, distribute, supply, sell, or dispense medical cannabis, medical cannabis products, paraphernalia, or related supplies to qualifying patients, designated caregivers, or institutional caregivers.

"Medical cannabis dispensary" means an organization issued a permit by the commission that authorizes the organization to: purchase or obtain medical cannabis and related supplies from medical cannabis cultivators; purchase or obtain medical cannabis products and related supplies from medical cannabis manufacturers; purchase or obtain medical cannabis, medical cannabis products, and related supplies and paraphernalia from other medical cannabis dispensaries and from clinical registrants; deliver, transfer, transport, distribute, supply, and sell medical cannabis and medical cannabis products to other medical cannabis dispensaries; furnish medical cannabis, including medical cannabis products, to a medical cannabis handler for delivery to a registered qualifying patient, designated caregiver, or institutional caregiver consistent with the requirements of subsection i. of section 27 of P.L.2019, c.153 (C.24:6I-20); and possess, display, deliver, transfer, transport, distribute, supply, sell, and dispense medical cannabis, medical cannabis products, paraphernalia, and related supplies to qualifying patients, designated caregivers, and institutional caregivers. A medical cannabis dispensary permit shall not authorize the permit holder to cultivate medical cannabis, to produce, manufacture, or otherwise create medical cannabis products.

"Medical cannabis manufacturer" means an organization issued a permit by the commission that authorizes the organization to: purchase or obtain medical cannabis and related supplies from a medical cannabis cultivator or a clinical registrant; purchase or obtain medical cannabis products from another medical cannabis manufacturer or a clinical registrant; produce, manufacture, or otherwise create medical cannabis products; and possess, deliver, transfer, transport, distribute, supply, and sell medical cannabis products and related supplies to other medical cannabis manufacturers and to medical cannabis dispensaries and clinical registrants. A medical cannabis manufacturer permit shall not authorize the permit holder to cultivate medical cannabis or to deliver, transfer, transport, distribute, supply, sell, or dispense medical cannabis, medical cannabis products, paraphernalia, or related supplies to registered qualifying patients, designated caregivers, or institutional caregivers.

"Medical use of cannabis" means the acquisition, possession, transport, or use of cannabis or paraphernalia by a registered qualifying patient as authorized by P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.).

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

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

"Pediatric specialist" means a physician who is a board-certified pediatrician or pediatric specialist, or an advanced practice nurse or physician assistant who is certified as a pediatric specialist by an appropriate professional certification or licensing entity.

"Primary care" means the practice of family medicine, general internal medicine, general pediatrics, general obstetrics, or gynecology.

"Qualifying medical condition" means seizure disorder, including epilepsy; intractable skeletal muscular spasticity; post-traumatic stress disorder; glaucoma; positive status for human immunodeficiency virus; acquired immune deficiency syndrome; cancer; amyotrophic lateral sclerosis; multiple sclerosis; muscular dystrophy; inflammatory bowel disease, including Crohn's disease; terminal illness, if the patient has a prognosis of less than 12 months of life; anxiety; migraine; Tourette's syndrome; dysmenorrhea; chronic pain; opioid use disorder; or any other medical condition or its treatment that is approved by the commission.

"Qualifying patient" or "patient" means a resident of the State who has been authorized for the medical use of cannabis by a health care practitioner.

"Registration with the commission" means a person has met the qualification requirements for, and has been registered by the commission as, a registered qualifying patient, designated caregiver, or institutional caregiver. The commission shall establish appropriate means for health care practitioners, health care facilities, medical cannabis dispensaries, law enforcement, schools, facilities providing behavioral health services or services for persons with developmental disabilities, and other appropriate entities to verify an individual's status as a registrant with the commission.

"Significantly involved person" means a person or entity who holds at least a five percent investment interest in an entity issued, or applying for a permit to operate as, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant, or who is a decision making member of a group that holds at least a 20 percent investment interest in an entity issued, or applying for a permit to operate as, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant, in which no member of that group holds more than a five percent interest in the total group investment interest, and the person or entity makes controlling decisions

regarding the operations of the entity issued, or applying for a permit to operate as, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant.

"Terminally ill" means having an illness or condition with a prognosis of less than 12 months of life.

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

5. Section 31 of P.L.2019, c.153 (C.24:6I-24) is amended to read as follows:

C.24:6I-24 Cannabis Regulatory Commission.

31. a. The Cannabis Regulatory Commission is hereby created in, but not of, the Department of the Treasury, to:

(1) assume all powers, duties, and responsibilities with regard to the regulation and oversight of activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health for the further development, expansion, regulation, and enforcement of activities associated with the medical use of cannabis pursuant to P.L.2009, c.307 (C.24:6I-1 et al.). All powers, duties, and responsibilities with regard to the regulation and oversight of activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) shall be transferred from the Department of Health to the Cannabis Regulatory Commission at such time as the members of the commission are appointed as provided in subsection b. of this section and the commission first organizes. Thereafter, any reference to the Department of Health or the Commissioner of Health in any statute or regulation pertaining to the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) shall be deemed to refer to the Cannabis Regulatory Commission. The provisions of this paragraph shall be carried out in accordance with the "State Agency Transfer Act," P.L.1971, c.375 (C.52:14D-1 et seq.); and

(2) oversee the development, regulation, and enforcement of activities associated with the personal use of cannabis pursuant to P.L.2021, c.16 (C.24:6I-31 et al.).

b. (1) The commission shall consist of five members, one of whom shall be designated by the Governor as the chair, and one of whom shall be designated the vice-chair in accordance with the appointment process set forth in paragraph (7) of this subsection.

(2) The members of the commission shall be appointed by the Governor as follows:

(a) One member shall be appointed upon recommendation of the Senate President;

(b) One member shall be appointed upon recommendation of the Speaker of the General Assembly;

(c) Three members, including the chair, shall be appointed without any needed recommendation.

(3) Initial appointments of commission members pursuant to paragraph (2) of this subsection shall not require the advice and consent of the Senate. Subsequent appointments made pursuant to subparagraph (c) of paragraph (2) of this subsection, including reappointments of members initially appointed, shall be made with the advice and consent of the Senate. Subsequent appointments made pursuant to subparagraphs (a) and (b) of paragraph (2) of this subsection shall be made in the same manner as the original appointment.

(4) All five members shall be residents of this State. At least one member shall be a State representative of a national organization or State branch of a national organization with a stated mission of studying, advocating, or adjudicating against minority historical oppression, past and present discrimination, unemployment, poverty and income inequality,

and other forms of social injustice or inequality, and all five members shall possess education, training, or experience with legal, policy, or criminal justice issues, corporate or industry management, finance, securities, or production or distribution, medicine or pharmacology, or public health, mental health, or substance use disorders.

(5) The chair and the other members shall serve for terms of five years; provided that, for the two other members initially appointed by the Governor without any needed recommendation, one shall be appointed for a term of four years, and one shall be appointed for a term of three years. The chair and the other members shall serve in their respective capacities throughout their entire term and until their successors shall have been duly appointed and qualified. Any vacancy in the commission occurring for any reason other than the expiration of a term, including a vacancy occurring during the term of the initial chair or another initial member, shall be filled in accordance with the requirements for subsequent appointments set forth in paragraph (3) of this subsection for the remainder of the unexpired term only.

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

(7) The members of the commission, at the commission's first meeting when called by the chair, shall elect, by a majority of the total authorized membership of the commission, one of the members who is appointed based upon the recommendation of the Senate President or Speaker of the General Assembly as set forth in paragraph (2) of this subsection to serve as vice-chair during that member's term. A new vice-chair shall be elected upon the expiration of the current vice-chair's term, even if that member remains on the commission until that member's successor is duly appointed and qualified. The vice-chair shall be empowered to carry out all of the responsibilities of the chair during the chair's absence, disqualification, or inability to serve.

(8) A majority of the total authorized membership of the commission shall be required to establish a quorum, and a majority of the total authorized membership of the commission shall be required to exercise its powers at any meeting thereof. However, only if all five commissioners have been duly appointed in accordance with the appointment process set forth in paragraph (2) of this subsection, and five appointed commissioners are present at a meeting, may a majority of the total authorized membership act to assume the powers, duties, and responsibilities with regard to the regulation and oversight of activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health; and similarly, only if all five appointed commissioners are present at a meeting, may a majority of the total authorized membership act to adopt the commission's initial rules and regulations concerning personal use cannabis pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34), by which the licensing of cannabis establishments, distributors, and delivery services, and the lawfully permitted licensing activities of those establishments, distributors, and delivery services may begin.

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

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

c. (1) The commission shall establish, and from time to time alter, a plan of organization, and employ personnel as it deems necessary under the direct supervision of a full-time executive director for the commission. The plan of organization shall include the Office of Minority, Disabled Veterans, and Women Cannabis Business Development established by section 32 of P.L.2019, c.153 (C.24:6I-25).

(a) The initial executive director shall be appointed by the Governor, and thereafter every subsequent executive director shall be appointed by the Governor with the advice and consent of the Senate. The executive director shall serve at the pleasure of the appointing Governor during the Governor's term of office and until a successor has been duly appointed and qualified. Any vacancy in the office occurring for any reason other than the expiration of a term, including a vacancy occurring during the term of the initial executive director, shall be filled for the unexpired term only in the same manner as the appointment of any subsequent executive director as set forth herein. The executive director shall receive an annual salary to be fixed and established by the Governor, which shall not exceed \$141,000.

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

(ii) If, as a result of transferring powers, duties, and responsibilities with regard to the regulation and oversight of activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health to the commission pursuant to subsection a. of this section, 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 funds available to it in order to carry out its duties, functions, and powers under P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2021, c.16 (C.24:6I-31 et al.).

d. With respect to the activities of the commission, neither the President of the Senate or the 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 civil union partner, 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 the spouse, domestic partner, or civil union partner residing in the same household as the Governor, President of the Senate, or Speaker of the General Assembly.

e. The commission may designate its powers and authority as it deems necessary and appropriate to carry out its duties and implement the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2021, c.16 (C.24:6I-31 et al.).

f. The commission shall, no later than three years after the date it first organizes, contract with a public research university, as defined in section 3 of P.L.1994, c.48 (C.18A:3B-3), to conduct an independent study to review:

- (1) the commission's organization;
- (2) the commission's regulation and enforcement activities;
- (3) the overall effectiveness of the commission as a full time entity; and
- (4) whether the regulation and oversight of medical cannabis or personal use cannabis could be more effectively and efficiently managed through a reorganization of the commission, consolidation of the commission within the Department of Health or another Executive Branch department, conversion to a part-time commission, or the transfer of some or all of the commission's operations elsewhere within the Executive Branch.

The commission shall submit the findings of the independent study, along with the commission's recommendations for appropriate executive, administrative, or legislative action, to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature.

C.24:6I-34 Commission activities associated with the personal use of cannabis.

6. Commission Activities Associated with the Personal Use of Cannabis.

a. The Cannabis Regulatory Commission shall have all powers necessary or proper to enable it to carry out the commission's duties, functions, and powers under P.L.2021, c.16 (C.24:6I-31 et al.). The jurisdiction, supervision, duties, functions, and powers of the commission extend to any person who buys, sells, cultivates, produces, manufactures, transports, or delivers any cannabis or cannabis items within this State.

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

(1) To regulate the purchase, sale, cultivation, production, manufacturing, transportation, and delivery of cannabis or cannabis items in accordance with the provisions of P.L.2021, c.16 (C.24:6I-31 et al.);

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

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

(4) To adopt, amend, or repeal regulations as necessary to carry out the intent and provisions of P.L.2021, c.16 (C.24:6I-31 et al.);

(5) To exercise all powers incidental, convenient, or necessary to enable the commission to administer or carry out the provisions of P.L.2021, c.16 (C.24:6I-31 et al.), or any other law of this State that charges the commission with a duty, function, or power related to personal use cannabis. Powers described in this paragraph include, but are not limited to:

- (a) Issuing subpoenas;

- (b) Compelling attendance of witnesses;
- (c) Administering oaths;
- (d) Certifying official acts;
- (e) Taking depositions as provided by law;
- (f) Compelling the production of books, payrolls, accounts, papers, records, documents, and testimony; and
- (g) Establishing fees in addition to the application, licensing, and renewal fees, provided that any fee established by the commission is reasonably calculated not to exceed the cost of the activity for which the fee is charged;

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

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

c. The powers of the commission further include the power to purchase, seize, possess, and dispose of cannabis and cannabis items. The commission may purchase, possess, seize, or dispose of cannabis and cannabis items as is necessary to ensure compliance with and enforcement of the provisions of P.L.2021, c.16 (C.24:6I-31 et al.), and any rule adopted pursuant thereto. Any State officer, board, commission, corporation, institution, department, or other State body, and any local officer, board, commission, institution, department, or other local government body, that is permitted by the statutory laws of this State to perform a duty, function, or power with respect to cannabis or a cannabis item, may purchase, possess, seize, or dispose of the cannabis or cannabis item as the State officer, board, commission, corporation, institution, department or other State body, or the local officer, board, commission, institution, department, or other local government body, considers necessary to ensure compliance with and enforce the applicable statutory law or any rule adopted under the applicable statutory law.

d. (1) (a) Within 180 days after the effective date of this section, which takes effect immediately upon enactment of P.L.2021, c.16 (C.24:6I-31 et al.), or within 45 days of all five members of the commission being duly appointed in accordance with the appointment process set forth in paragraph (2) of subsection b. of section 31 of P.L.2019, c.153 (C.24:6I-24), whichever date is later, and notwithstanding the provisions of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, the commission, after consultation with the Attorney General, State Treasurer, Commissioner of Health, and Commissioner of Banking and Insurance, shall, immediately upon filing proper notice with the Office of Administrative Law, adopt rules and regulations prepared by the commission necessary or proper to enable it to carry out the commission’s duties, functions, and powers with respect to overseeing the development, regulation, and enforcement of activities associated with the personal use of cannabis pursuant to P.L.2021, c.16 (C.24:6I-31 et al.).

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

(2) On the date of adoption of the initial rules and regulations pursuant to subparagraph (a) of paragraph (1) of this subsection, the provisions of P.L.2021, c.16 (C.24:6I-31 et al.)

shall become operative, other than those provisions which were operative immediately upon enactment. Subsequent to the date of adoption of the initial rules and regulations, the commission shall determine the first date thereafter on which cannabis retailers issued licenses and conditional licenses may begin retail sales of personal use cannabis items, which latter date shall not be more than 180 days after the commission's adoption of its initial rules and regulations. The commission shall provide every person or entity issued licenses or conditional licenses by the commission with at least 30 days' notice of this date, and shall also provide this notice to every alternative treatment center deemed to be licensed for personal use cannabis activities pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), as amended by P.L.2021, c.16 (C.24:6I-31 et al.), whether or not already engaged in retail sales of personal use cannabis items as permitted prior to the retail sales date established pursuant to this paragraph, as set forth in paragraph (3) of subsection a. of section 33 of P.L.2021, c.16 (C.24:6I-46).

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

C.24:6I-12 Reports to Governor, Legislature.

14. a. The commissioner, or after the effective dates of P.L.2019, c.153 (C.24:6I-5.1 et al.) and P.L.2021, c.16 (C.24:6I-31 et al.), the commission, shall report to the Governor, and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1):

(1) no later than one year after the effective date of P.L.2009, c.307 (C.24:6I-1 et al.), on the actions taken to implement the provisions of P.L.2009, c.307 (C.24:6I-1 et al.); and

(2) annually thereafter on the number of applications for registration with the commission, the number of qualifying patients registered, the number of designated and institutional caregivers registered, the nature of the qualifying medical conditions of the patients, the number of registrations revoked, the number of medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits issued and revoked, the number and type of integrated curricula approved, established, and maintained in connection with an IC permit, the number of testing laboratories licensed, the number of clinical registrant permits issued and the nature of the clinical research conducted by each clinical registrant, any incidents of diversion of medical cannabis, information concerning racial, ethnic, disabled veteran, and gender diversity in the individuals issued and currently holding permits issued by the commission, the number of permit applications received from businesses owned by minorities, disabled veterans, and women and the number of such applications that were approved, the business development initiatives undertaken by the Office of Minority, Disabled Veterans, and Women Cannabis Business Development pursuant to section 32 of P.L.2019, c.153 (C.24:6I-25) and the outcomes or effects of those initiatives, statistics concerning arrests for drug offenses throughout the State and in areas where medical cannabis dispensaries are located, including information concerning racial disparities in arrest rates for drug offenses generally and cannabis offenses in particular, the number of motor vehicle stops by law enforcement involving violations of R.S.39:4-50, or section 5 of P.L.1990, c.103 (C.39:3-10.13) concerning operators of commercial motor vehicles, for driving under the influence of medical cannabis, or suspicion thereof, cataloged by the jurisdictions in which the stop occurred, and the race, ethnicity, gender, and age of the vehicle driver and any other vehicle occupants, the number of deliveries of medical cannabis performed and the percentage of total medical cannabis dispensations that were completed by

delivery, and the number of health care practitioners authorizing patients for the medical use of cannabis, including the types of license or certification held by those practitioners; and

(3) beginning no later than one year after the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), and annually thereafter in the same report concerning information on medical cannabis activities or a separate report, information on:

(a) the number of citations, arrests, or charges for manufacturing, distributing, or possessing or having under control with the intent to distribute marijuana or hashish in violation of paragraph (12) of subsection b. of N.J.S.2C:35-5, or for obtaining or possessing marijuana or hashish in violation of paragraph (3) of subsection a. of N.J.S.2C:35-10, cataloged by the jurisdictions in which the acts resulting in the citations, arrests, or charges occurred, and the race, ethnicity, gender, and age of the persons cited, arrested, or charged;

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

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

(d) the data compiled by the Office of Minority, Disabled Veterans, and Women Cannabis Business Development pursuant to section 32 of P.L.2019, c.153 (C.24:6I-25) about participation in the lawful operation of cannabis establishments, distributors, and delivery services by persons from socially and economically disadvantaged communities, including minority, disabled veterans', and women's business licensing and business development in the personal use cannabis marketplace, and the data shall include the office's analysis of the total number of licenses applied for and issued since the distribution of the previous report to the Governor and Legislature compared with the total number of minority businesses and women's businesses, as these terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled veterans' businesses, as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), that submitted applications for licenses and whether they were approved, reapproved, or denied.

b. The reports shall not contain any identifying information of patients, caregivers, or health care practitioners.

c. (1) Within two years after the effective date of P.L.2009, c.307 (C.24:6I-1 et al.) and every two years thereafter, the commissioner or, after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), the commission, shall: evaluate whether there are sufficient numbers of medical cannabis cultivators, medical cannabis manufacturers, medical cannabis dispensaries, and clinical registrants to meet the needs of registered qualifying patients throughout the State; evaluate whether the maximum amount of medical cannabis allowed pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) is sufficient to meet the medical needs of qualifying patients; and determine whether any medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant has charged excessive prices in connection with medical cannabis.

The commissioner or, after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), the commission, shall report all such findings no later than two years after the effective date of

P.L.2009, c.307 (C.24:6I-1 et al.), and every two years thereafter, to the Governor, and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1).

(2) The commission, beginning no later than one year after the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), may also include in its reports information concerning its periodic evaluation of whether the existing numbers of cannabis cultivators, cannabis manufacturers, cannabis wholesalers, cannabis distributors, cannabis retailers, and cannabis delivery services are sufficient to meet the personal use cannabis market demands of the State, and actions the commission may take to issue additional cannabis licenses as authorized by paragraph (1) of subsection a. of section 18 of P.L.2021, c.16 (C.24:6I-35), or if there is an oversupply of licenses, as well as information about any increase in the rates of use of marijuana and cannabis by persons under 21 years of age.

8. Section 33 of P.L.2019, c.153 (C.24:6I-26) is amended to read as follows:

C.24:6I-26 Criteria for eligibility as employee.

33. a. No person shall be appointed to or employed by the commission if, during the period commencing three years prior to appointment or employment, the person held any direct or indirect interest in, or any employment by, any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or otherwise employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license pursuant to P.L.2021, c.16 (C.24:6I-31 et al.), or an entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service; provided, however, that notwithstanding any other provision of law to the contrary, any such person may be appointed to or employed by the commission if the person's prior interest in any such permit holder, license holder, entity, or applicant would not, in the opinion of the commission, interfere with the objective discharge of the person's obligations of appointment or employment, but in no instance shall any person be appointed to or employed by the commission if the person's prior interest in such permit holder, license holder, entity, or applicant constituted a controlling interest in that permit holder, license holder, entity, or applicant; and provided further, however, that notwithstanding any other provision of law to the contrary, any such person may be employed by the commission in a secretarial or clerical position if, in the opinion of the commission, the person's previous employment by, or interest in, any permit holder, license holder, entity, or applicant would not interfere with the objective discharge of the person's employment obligations.

b. Prior to appointment or employment, each member of the commission and each employee of the commission shall swear or affirm that the member or employee, as applicable, possesses no interest in any business or organization issued a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit, or cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license by the commission, or in any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service.

c. (1) Each member of the commission shall file with the State Ethics Commission a financial disclosure statement listing all assets and liabilities, property and business interests, and sources of income of the member and the member's spouse, domestic partner, or partner in a civil union couple, as the case may be, and shall also provide to the State Ethics Commission in the same financial disclosure statement a list of all assets and liabilities, property and business interests, and sources of income of each dependent child or stepchild, recognized by blood or by law, of the member, or of the spouse, domestic partner, or partner in a civil union couple residing in the same household as the member. Each statement shall be under oath and shall be filed at the time of appointment and annually thereafter.

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

9. Section 34 of P.L.2019, c.153 (C.24:6I-27) is amended to read as follows:

C.24:6I-27 Applicability of C.52:13D-12 et seq.; Code of Ethics.

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

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

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

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

(1) No commission member or employee shall be permitted to enter and engage in any activities, nor have any interest, directly or indirectly, in any medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant issued a permit by the commission in accordance with P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or any cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service issued a license by the commission in accordance with P.L.2021, c.16 (C.24:6I-31 et al.) or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, except in the course of the member's or employee's duties; provided that nothing in this paragraph shall be construed to prohibit a member or employee who is a registered qualifying patient, or who is serving as a

designated caregiver or institutional caregiver for a registered qualifying patient, from being dispensed medical cannabis consistent with the requirements of P.L.2009, c.307 (C.24:6I-1 et al.); and further provided that nothing in this paragraph shall be construed to prohibit a member or employee from being sold cannabis items by a cannabis retailer as a consumer as authorized by P.L.2021, c.16 (C.24:6I-31 et al.).

(2) No commission member or employee shall solicit or accept employment from any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, for a period of two years after termination of service with the commission, except as otherwise provided in section 35 of P.L.2019, c.153 (C.24:6I-28).

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

(4) No commission member or employee shall act in the member's or employee's official capacity in a matter concerning any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, who is the employer of a spouse, domestic partner, or partner in a civil union couple, or child, parent, or sibling of the commission member or employee when the fact of the employment of the spouse, domestic partner, or partner in a civil union couple, or child, parent, or sibling might reasonably be expected to impair the objectivity and independence of judgment of the commission member or employee.

(5) No spouse, domestic partner, or partner in a civil union couple, or child, parent, or sibling of a commission member shall be employed in any capacity by any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, nor by any holding, intermediary, or subsidiary company thereof.

(6) No commission member shall meet with any person, except for any other member of the commission or employee of the commission, or discuss any issues involving any pending or proposed application or any matter whatsoever which may reasonably be expected to come

before the commission, or any member thereof, for determination unless the meeting or discussion takes place on the business premises of the commission, provided, however, that commission members may meet to consider matters requiring the physical inspection of equipment or premises at the location of the equipment or premises. All meetings or discussions subject to this paragraph shall be noted in a log maintained for this purpose and available for inspection pursuant to the provisions of P.L.1963, c.73 (C.47:1A-1 et seq.).

d. No commission member or employee shall have any interest, direct or indirect, in any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, during the member's term of office or employee's term of employment.

e. Each commission member and employee shall devote the member's or employee's entire time and attention to the member's or employee's duties, as applicable, and shall not pursue any other business or occupation or other gainful employment; provided, however, that secretarial and clerical personnel may engage in such other gainful employment as shall not interfere with their duties to the commission, unless otherwise directed; and provided further, however, that other employees of the commission may engage in such other gainful employment as shall not interfere or be in conflict with their duties to the commission upon approval by the commission.

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

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

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

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

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

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

10. Section 35 of P.L.2019, c.153 (C.24:6I-28) is amended to read as follows:

C.24:6I-28 Restrictions for commission members, employees.

35. a. No member of the commission shall hold any direct or indirect interest in, or be employed by, any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license issued pursuant to P.L.2021, c.16 (C.24:6I-31 et al.) or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, for a period of two years commencing on the date that membership on the commission terminates.

b. (1) No employee of the commission may acquire any direct or indirect interest in, or accept employment with, any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, for a period of two years commencing at the termination of employment with the commission, except that a secretarial or clerical employee of the commission may accept such employment at any time after the termination of employment with the commission. At the end of two years and for a period of two years thereafter, a former employee who held a policy-making management position at any time during the five years prior to termination of employment may acquire an interest in, or accept employment with, any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, upon application to, and the approval of, the commission, upon a finding that the interest to be acquired or the employment will not create the appearance of a conflict of interest and does not evidence a conflict of interest in fact.

(2) Notwithstanding the provisions of this subsection, if the employment of a commission employee, other than an employee who held a policy-making management position at any time during the five years prior to termination of employment, is terminated as a result of a reduction in the workforce at the commission, the employee may, at any time prior to the end of the two-year period, accept employment with any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, upon application to, and the approval of, the commission, upon a finding that the employment will not create the appearance of a conflict of interest and does not

evidence a conflict of interest in fact. The commission shall take action on an application within 30 days of receipt and an application may be submitted to the commission prior to or after the commencement of the employment.

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

d. No partnership, firm, or corporation in which a former commission member or employee has an interest, nor any partner, officer, or employee of any such partnership, firm, or corporation shall make any appearance or representation which is prohibited to the former member or employee.

11. Section 36 of P.L.2019, c.153 (C.24:6I-29) is amended to read as follows:

C.24:6I-29 Certain persons prohibited from association with medical cannabis.

36. a. (1) No holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license issued pursuant to P.L.2021, c.16 (C.24:6I-31 et al.) or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, shall employ or offer to employ, or provide, transfer, or sell, or offer to provide, transfer, or sell any interest, direct or indirect, in any medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit holder, or any cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license holder, to any person restricted from such transactions by the provisions of sections 33 through 35 of P.L.2019, c.153 (C.24:6I-26 through C.24:6I-28).

(2) In addition to any civil penalty imposed pursuant to subsection c. of this section, the commission may deny an application, or revoke or suspend a permit holder's permit or license holder's license, for committing a violation of this subsection.

b. (1) A member or employee of the commission who makes or causes to be made a political contribution prohibited under subsection f. of section 34 of P.L.2019, c.153 (C.24:6I-27) is guilty of a crime of the fourth degree, but notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine not to exceed \$200,000 may be imposed.

(2) A member or employee of the commission who willfully violates any other provisions in sections 33 through 35 of P.L.2019, c.153 (C.24:6I-26 through C.24:6I-28) is guilty of a disorderly persons offense.

c. The State Ethics Commission, established pursuant to the "New Jersey Conflicts of Interest Law," P.L.1971, c.182 (C.52:13D-12 et seq.), shall enforce the provisions of sections 33 through 36 of P.L.2019, c.153 (C.24:6I-26 through C.24:6I-29), and upon a finding of a violation, impose a civil penalty of not less than \$500 nor more than \$10,000, which penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). If a violation also represents a crime or disorderly persons offense as set forth in subsection b. of this section, the State Ethics

Commission shall also refer the matter to the Attorney General or appropriate county prosecutor for further investigation and prosecution.

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

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

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

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

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

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

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

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

g. "Interest" means: (1) the ownership or control of more than 10 percent of the profits or assets of a firm, association, or partnership, or more than 10 percent of the stock in a corporation for profit other than a professional service corporation organized under the "Professional Service Corporation Act," P.L.1969, c.232 (C.14A:17-1 et seq.); or (2) the ownership or control of more than one percent of the profits of a firm, association, or partnership, or more than one percent of the stock in any corporation, (a) which is the holder of, or an applicant for, a casino license or in any holding or intermediary company with respect thereto, as defined by the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.), (b) which is the holder of, or an applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), or any holding or intermediary company with respect thereto, or (c) which is the holder of, or an applicant for, a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or

cannabis delivery service license issued pursuant to P.L.2021, c.16 (C.24:6I-31 et al.), or which is an entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, or any holding or intermediary company with respect thereto. The provisions of this act governing the conduct of individuals are applicable to shareholders, associates or professional employees of a professional service corporation regardless of the extent or amount of their shareholder interest in such a corporation.

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

i. "Member of the immediate family" of any person means the person's spouse, domestic partner, civil union partner, child, parent, or sibling residing in the same household.

Title amended.

13. The title of P.L.1981, c.142 is amended to read as follows:

AN ACT concerning casino activity, and personal use and medical cannabis activities, and the conduct of certain elected and appointed public officers and employees as it relates thereto, amending and supplementing P.L.1971, c.182, amending P.L.1977, c.110, P.L.1980, c.28 and P.L.1980, c.69, and repealing section 2 of P.L.1980, c.79.

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

C.52:13D-17.2 Definitions; violations; penalties.

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

(1) (a) with respect to casino activity, activity related to medical cannabis authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), and activity related to personal use cannabis authorized pursuant to P.L.2021, c.16 (C.24:6I-31 et al.): the Governor; the President of the Senate; the Speaker of the General Assembly; any full-time member of the Judiciary; any full-time professional employee of the Office of the Governor; the head of a principal department; the assistant or deputy heads of a principal department, including all assistant and deputy commissioners; the head of any division of a principal department;

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

(c) with respect to activity related to medical cannabis authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) and activity related to personal use cannabis authorized pursuant to P.L.2021, c.16 (C.24:6I-31 et al.): any State officer or employee subject to financial disclosure by law or executive order and any other State officer or employee with responsibility for matters affecting medical cannabis activity or personal use cannabis activity; any special State officer or employee with responsibility for matters affecting medical cannabis activity or personal use cannabis activity; members of the Cannabis Regulatory Commission; or

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

(b) any member of the governing body or the municipal judge of a municipality, any member of the planning board or zoning board of adjustment, or any professional planner, or consultant regularly employed or retained by such planning board or zoning board of adjustment, of a municipality wherein a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant issued a permit pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), or wherein a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service issued a license pursuant to P.L.2021, c.16 (C.24:6I-31 et al.), is located.

b. (1) No State officer or employee, nor any person, nor any member of the immediate family of any State officer or employee, or person, nor any partnership, firm, or corporation with which any such State officer or employee or person is associated or in which he has an interest, nor any partner, officer, director, or employee while he is associated with such partnership, firm, or corporation, shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, in connection with any cause, application, or matter, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State officer or employee other than a State officer or employee included in the definition of person, and (b) a member of the immediate family of a State officer or employee, or of a person, may hold employment with the holder of, or applicant for, a casino license if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the State officer or employee, or person, and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the State officer or employee, or person. No special State officer or employee without responsibility for matters affecting casino activity, excluding those serving in the Departments of Education, Health, and Human Services and the Office of the Secretary of Higher Education, shall hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, in connection with any cause, application, or matter. However, a special State officer or employee without responsibility for matters affecting casino activity may hold employment directly with any holder of or applicant for a casino license or any holding or intermediary company thereof and if so employed may hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, that employer, except as otherwise prohibited by law.

(2) No State officer or employee, nor any person, nor any member of the immediate family of any State officer or employee, or person, nor any partnership, firm, or corporation with which any such State officer or employee or person is associated or in which he has an interest, nor any partner, officer, director, or employee while he is associated with such partnership, firm, or corporation, shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, or derive any

remuneration, payment, benefit, or any other thing of value for any services, including but not limited to consulting or similar services, from any holder of, or applicant for, a license, permit, or other approval to conduct Internet gaming, or any holding or intermediary company with respect thereto, or any Internet gaming affiliate of any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, or any business, association, enterprise, or other entity that is organized, in whole or in part, for the purpose of promoting, advocating for, or advancing the interests of the Internet gaming industry generally or any Internet gaming-related business or businesses in connection with any cause, application, or matter, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State officer or employee other than a State officer or employee included in the definition of person, and (b) a member of the immediate family of a State officer or employee, or of a person, may hold employment with the holder of, or applicant for, a license, permit, or other approval to conduct Internet gaming, or any holding or intermediary company with respect thereto, or any Internet gaming affiliate of any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the State officer or employee, or person, and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the State officer or employee, or person.

(3) No State officer or employee, nor any person, nor any member of the immediate family of any State officer or employee, or person, nor any partnership, firm, or corporation with which any such State officer or employee or person is associated or in which he has an interest, nor any partner, officer, director, or employee while he is associated with such partnership, firm, or corporation, shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or any holding or intermediary company with respect thereto, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license issued pursuant to P.L.2021, c.16 (C.24:6I-31 et al.), or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, or any holding or intermediary company with respect thereto, in connection with any cause, application, or matter, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State officer or employee other than a State officer or employee included in the definition of person, and (b) a member of the immediate family of a State officer or employee, or of a person, may hold employment with the holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, if, in the judgment of the State Ethics

Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the State officer or employee, or person, and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the State officer or employee, or person. No special State officer or employee without responsibility for matters affecting medical cannabis activity or personal use cannabis activity, excluding those serving in the Departments of Education, Health, and Human Services and the Office of the Secretary of Higher Education, shall hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or any holding or intermediary company with respect thereto, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, or any holding or intermediary company with respect thereto, in connection with any cause, application, or matter. However, a special State officer or employee without responsibility for matters affecting medical cannabis activity or personal use cannabis activity may hold employment directly with any holder of or applicant for a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit, or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or any holding or intermediary company thereof, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, or any holding or intermediary company with respect thereto, and if so employed may hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, that employer, except as otherwise prohibited by law.

c. (1) No person or any member of his immediate family, nor any partnership, firm, or corporation with which such person is associated or in which he has an interest, nor any partner, officer, director, or employee while he is associated with such partnership, firm or corporation, shall, within two years next subsequent to the termination of the office or employment of such person, hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license in connection with any cause, application or matter, or any holding or intermediary company with respect to such holder of, or applicant for, a casino license in connection with any phase of casino development, permitting, licensure, or any other matter whatsoever related to casino activity, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that:

(a) a member of the immediate family of a person may hold employment with the holder of, or applicant for, a casino license if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the person and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the person;

(b) an employee who is terminated as a result of a reduction in the workforce at the agency where employed, other than an employee who held a policy-making management position at any time during the five years prior to termination of employment, may, at any time prior to the end of the two-year period, accept employment with the holder of, or applicant for, a casino license if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the employee. In no case shall the restrictions of this subsection apply to a secretarial or clerical employee.

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

(c) any partnership, firm, or corporation engaged in the practice of law or in providing any other professional services with which any person included in subparagraphs (a) and (b) of paragraph (1) of subsection a. of this section, or a member of the immediate family of that person, is associated, and any partner, officer, director, or employee thereof, other than that person, or immediate family member, may represent, appear for or negotiate on behalf of any holder of, or applicant for, a casino license in connection with any cause, application or matter or any holding company or intermediary company with respect to such holder of, or applicant for, a casino license in connection with any phase of casino development, permitting, licensure or any other matter whatsoever related to casino activity, and that person or immediate family member shall not be barred from association with such partnership, firm or corporation, if for a period of two years next subsequent to the termination of the person's office or employment, the person or immediate family member (i) is screened from personal participation in any such representation, appearance or negotiation; and (ii) is associated with the partnership, firm or corporation in a position which does not entail any equity interest in the partnership, firm or corporation. The exception provided in this subparagraph shall not apply to a former Governor, Lieutenant Governor, Attorney General, member of the Legislature, person included in subparagraph (a) of paragraph (2) of subsection a. of this section, or to the members of their immediate families.

(2) No person or any member of the person's immediate family, nor any partnership, firm, or corporation with which such person is associated or in which the person has an interest, nor any partner, officer, director, or employee while the person is associated with such partnership, firm, or corporation, shall, within two years next subsequent to the termination of the office or employment of such person, hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license issued pursuant to P.L.2021, c.16 (C.24:6I-31 et al.) or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service in connection with any cause, application, or matter, or any holding or intermediary company with respect

to such holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service in connection with any phase of development, permitting, licensure, or any other matter whatsoever related to medical cannabis activity or personal use cannabis activity, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that:

(a) a member of the immediate family of a person may hold employment with the holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license issued pursuant to P.L.2021, c.16 (C.24:6I-31 et al.) or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the person and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the person;

(b) an employee who is terminated as a result of a reduction in the workforce at the agency where employed, other than an employee who held a policy-making management position at any time during the five years prior to termination of employment, may, at any time prior to the end of the two-year period, accept employment with the holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the employee. In no case shall the restrictions of this subsection apply to a secretarial or clerical employee. Nothing herein contained shall alter or amend the post-service or post-employment restrictions applicable to members and employees of the Cannabis Regulatory Commission pursuant to paragraph (2) of subsection c. of section 34 and section 35 of P.L.2019, c.153 (C.24:6I-27 and C.24:6I-28); and

(c) any partnership, firm, or corporation engaged in the practice of law or in providing any other professional services with which any person included in subparagraphs (a) and (c) of paragraph (1) of subsection a. of this section, or a member of the immediate family of that person, is associated, and any partner, officer, director, or employee thereof, other than that

person, or immediate family member, may represent, appear for, or negotiate on behalf of any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service in connection with any cause, application, or matter or any holding company or intermediary company with respect to such holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service in connection with any phase of development, permitting, licensing, or any other matter whatsoever related to medical cannabis activity or personal use cannabis activity, and that person or immediate family member shall not be barred from association with such partnership, firm, or corporation, if for a period of two years next subsequent to the termination of the person's office or employment, the person or immediate family member (i) is screened from personal participation in any such representation, appearance or negotiation; and (ii) is associated with the partnership, firm, or corporation in a position which does not entail any equity interest in the partnership, firm, or corporation. The exception provided in this subparagraph shall not apply to a former Governor, Lieutenant Governor, Attorney General, the President of the Senate, the Speaker of the General Assembly, to a person included in subparagraph (b) of paragraph (2) of subsection a. of this section, or to the members of their immediate families.

d. This section shall not apply to the spouse of a State officer or employee, which State officer or employee is without responsibility for matters affecting casino, medical cannabis, or personal use cannabis activity, who becomes the spouse subsequent to the State officer's or employee's appointment or employment as a State officer or employee and who is not individually or directly employed by a holder of, or applicant for, a casino license, medical cannabis permit, personal use cannabis license, or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service, or any holding or intermediary company thereof.

e. The Joint Legislative Committee on Ethical Standards and the State Ethics Commission, as appropriate, shall forthwith determine and publish, and periodically update, a list of those positions in State government with responsibility for matters affecting casino, medical cannabis activity, or personal use cannabis activity.

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

(2) No person shall solicit or accept, directly or indirectly, any complimentary service or discount from any holder of, or applicant for, a medical cannabis cultivator, medical cannabis

manufacturer, medical cannabis dispensary, or clinical registrant permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license issued pursuant to P.L.2021, c.16 (C.24:6I-31 et al.) or any entity that employs or uses a certified personal use cannabis handler to perform work for or on behalf of a licensed cannabis establishment, distributor, or delivery service which the person knows or has reason to know is other than a service or discount that is offered to members of the general public in like circumstance.

g. (1) No person shall influence, or attempt to influence, by use of his official authority, the decision of the Casino Control Commission or the investigation of the Division of Gaming Enforcement in any application for casino licensure or in any proceeding to enforce the provisions of this act or the regulations of the commission. Any such attempt shall be promptly reported to the Attorney General; provided, however, that nothing in this section shall be deemed to proscribe a request for information by any person concerning the status of any application for licensure or any proceeding to enforce the provisions of this act or the regulations of the commission.

(2) No person shall influence, or attempt to influence, by use of the person's official authority, the decision of the Cannabis Regulatory Commission in any application for a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit, or a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service license, or in any proceeding to enforce the provisions of P.L.1981, c.142 (C.52:13D-17.2 et al.), P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2021, c.16 (C.24:6I-31 et al.), or the regulations of the Cannabis Regulatory Commission. Any such attempt shall be promptly reported to the Attorney General; provided, however, that nothing in this section shall be deemed to proscribe a request for information by any person concerning the status of any permit or license application, or any proceeding to enforce the provisions of P.L.1981, c.142 (C.52:13D-17.2 et al.), P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2021, c.16 (C.24:6I-31 et al.), or the regulations of the Cannabis Regulatory Commission.

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

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

15. Section 32 of P.L.2019, c.153 (C.24:6I-25) is amended to read as follows:

C.24:6I-25 Office of Minority, Disabled Veterans, and Women Cannabis Business Development.

32. a. There is hereby established in the commission an Office of Minority, Disabled Veterans, and Women Cannabis Business Development. The office shall be under the immediate supervision of a director. The director of the office shall be appointed by the

Governor, and shall serve at the pleasure of the appointing Governor during the Governor's term of office and until a successor has been duly appointed and qualified. Any vacancy in the directorship occurring for any reason other than the expiration of the director's term of office shall be filled for the unexpired term only in the same manner as the original appointment. The director shall receive an annual salary as provided by law which shall be at an amount not to exceed the annual salary of the executive director of the commission.

b. (1) The office shall establish and administer, under the direction of the commission, unified practices and procedures for promoting participation in the medical cannabis and personal use cannabis industries by persons from socially and economically disadvantaged communities, including by prospective and existing ownership of minority businesses and women's businesses, as these terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled veterans' businesses as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), to be issued medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, and clinical registrant permits, or cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, and cannabis delivery service licenses. These unified practices and procedures shall include the certification and subsequent recertification at regular intervals of a business as a minority or women's business, or a disabled veterans' business, in accordance with eligibility criteria and a certification application process established by the commission through regulation in consultation with the office.

(2) The office shall conduct advertising and promotional campaigns, and shall disseminate information to the public, to increase awareness for participation in the medical cannabis and personal use cannabis industries by persons from socially and economically disadvantaged communities. To this end, the office shall sponsor seminars and informational programs, and shall provide information on the commission's Internet website, providing practical information concerning the medical cannabis and personal use cannabis industries, including information on business management, marketing, and other related matters.

c. (1) The office shall develop, recommend, and implement policies, practices, protocols, standards, and criteria designed to promote the formulation of medical cannabis business entities and personal use cannabis establishments, distributors, and delivery services and participation in the medical cannabis and personal use cannabis industries by persons from socially and economically disadvantaged communities, including by promoting applications for, and the issuance of, medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, and clinical registrant permits, and cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, and cannabis delivery services licenses, to certified minority, women's, and disabled veterans' businesses.

(a) The office shall evaluate the effectiveness of the measures designed to promote participation in the medical cannabis industry by considering whether the measures have resulted in new medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits being issued in accordance with the provisions of subsection g. of section 12 of P.L.2019, c.153 (C.24:6I-7.2).

(b) The effectiveness of the office's measures designed to promote participation in the personal use cannabis industry shall be assessed by considering whether the measures have resulted in not less than 30 percent of the total number of licenses issued by the commission for personal use cannabis establishments, distributors, and delivery services under P.L.2021, c.16 (C.24:6I-31 et al.) being issued to minority, women's, and disabled veterans' businesses

certified in accordance with the certification process established by the office pursuant to paragraph (1) of subsection b. of this section. Of the resulting total number of licenses issued for personal use cannabis establishments, distributors, and delivery services, the effectiveness of the office's measures shall be further assessed by considering whether those measures have resulted in not less than 15 percent of the licenses being issued to certified minority businesses, and not less than 15 percent of the licenses being issued to certified women's and disabled veterans' businesses.

(2) The office shall periodically analyze the total number of permits and licenses issued by the commission as compared with the number of certified minority, women's, and disabled veterans' businesses that submitted applications for, and that were awarded, such permits and licenses. The office shall make good faith efforts to establish, maintain, and enhance the measures designed to promote the formulation and participation in the operation of medical cannabis entities and personal use cannabis establishments, distributors, and delivery services by persons from socially and economically disadvantaged communities consistent with the standards set forth in paragraph (1) of this subsection, and to coordinate and assist the commission with respect to its incorporation of these permitting and licensing measures into the application and review process for issuing permits and licenses under P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2021, c.16 (C.24:6I-31 et al.).

d. The office may review the commission's measures regarding participation in the medical cannabis and personal use cannabis industries by persons from socially and economically disadvantaged communities, and minority, women's, and disabled veterans' businesses, and make recommendations on relevant policy and implementation matters for the improvement thereof. The office may consult with experts or other knowledgeable individuals in the public or private sector on any aspect of its mission.

e. The office shall prepare information regarding its activities pursuant to this section concerning participation in the medical cannabis and personal use cannabis industries by persons from socially and economically disadvantaged communities, including medical cannabis and personal use cannabis business development initiatives for minority, women's, and disabled veterans' businesses participating in the medical and person use cannabis marketplaces, to be incorporated by the commission into its annual report submitted to the Governor and to the Legislature pursuant to section 14 of P.L.2009, c.307 (C.24:6I-12).

16. Section 12 of P.L.2019, c.153 (C.24:6I-7.2) is amended to read as follows:

C.24:6I-7.2 Submission of applications to commission.

12. a. Each application for a medical cannabis cultivator permit, medical cannabis manufacturer permit, and medical cannabis dispensary permit, and each application for annual renewal of such permit, including permit and renewal applications for microbusinesses that meet the requirements of subsection e. of section 11 of P.L.2019, c.153 (C.24:6I-7.1), shall be submitted to the commission. A full, separate application shall be required for each initial permit requested by the applicant and for each location at which an applicant seeks to operate, regardless of whether the applicant was previously issued a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit, and regardless of whether the applicant currently holds a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary permit. Renewal applications shall be submitted to the commission on a form and in a manner as

shall be specified by the commission no later than 90 days before the date the current permit will expire.

b. An initial permit application shall be evaluated according to criteria to be developed by the commission. The commission shall determine the point values to be assigned to each criterion, which shall include bonus points for applicants who are residents of New Jersey.

c. The criteria to be developed by the commission pursuant to subsection b. of this section shall include, in addition to the criteria set forth in subsections d. and e. of this section and any other criteria developed by the commission, an analysis of the applicant's operating plan, excluding safety and security criteria, which shall include the following:

(1) In the case of an applicant for a medical cannabis cultivator permit, the operating plan summary shall include a written description concerning the applicant's qualifications for, experience in, and knowledge of each of the following topics:

- (a) State-authorized cultivation of medical cannabis;
- (b) conventional horticulture or agriculture, familiarity with good agricultural practices, and any relevant certifications or degrees;
- (c) quality control and quality assurance;
- (d) recall plans;
- (e) packaging and labeling;
- (f) inventory control and tracking software or systems for the production of medical cannabis;
- (g) analytical chemistry and testing of medical cannabis;
- (h) water management practices;
- (i) odor mitigation practices;
- (j) onsite and offsite recordkeeping;
- (k) strain variety and plant genetics;
- (l) pest control and disease management practices, including plans for the use of pesticides, nutrients, and additives;
- (m) waste disposal plans; and
- (n) compliance with applicable laws and regulations.

(2) In the case of an applicant for a medical cannabis manufacturer permit, the operating plan summary shall include a written description concerning the applicant's qualifications for, experience in, and knowledge of each of the following topics:

- (a) State-authorized manufacture and creation of cannabis products using appropriate extraction methods, including intended use and sourcing of extraction equipment and associated solvents or intended methods and equipment for non-solvent extraction;
- (b) pharmaceutical manufacturing, good manufacturing practices, and good laboratory practices;
- (c) quality control and quality assurance;
- (d) recall plans;
- (e) packaging and labeling;
- (f) inventory control and tracking software or systems for the production of medical cannabis;
- (g) analytical chemistry and testing of medical cannabis and medical cannabis products and formulations;
- (h) water management practices;
- (i) odor mitigation practices;

- (j) onsite and offsite recordkeeping;
 - (k) a list of product formulations or products proposed to be manufactured with estimated cannabinoid profiles, if known, including varieties with high cannabidiol content;
 - (l) intended use and sourcing of all non-cannabis ingredients used in the manufacture and creation of cannabis products, including methods to verify or ensure the safety and integrity of those ingredients and their potential to be or contain allergens;
 - (m) waste disposal plans; and
 - (n) compliance with applicable laws and regulations.
- (3) In the case of an applicant for a medical cannabis dispensary permit, the operating plan summary shall include a written description concerning the applicant's qualifications for, experience in, and knowledge of each of the following topics:
- (a) State-authorized dispensation of medical cannabis to qualifying patients;
 - (b) healthcare, medicine, and treatment of patients with qualifying medical conditions;
 - (c) medical cannabis product evaluation procedures;
 - (d) recall plans;
 - (e) packaging and labeling;
 - (f) inventory control and point-of-sale software or systems for the sale of medical cannabis;
 - (g) patient counseling procedures;
 - (h) the routes of administration, strains, varieties, and cannabinoid profiles of medical cannabis and medical cannabis products;
 - (i) odor mitigation practices;
 - (j) onsite and offsite recordkeeping;
 - (k) compliance with State and federal patient privacy rules;
 - (l) waste disposal plans; and
 - (m) compliance with applicable laws and regulations.
- d. The criteria to be developed by the commission pursuant to subsection b. of this section shall include, in addition to the criteria set forth in subsections c. and e. of this section and any other criteria developed by the commission, an analysis of the following factors, if applicable:
- (1) The applicant's environmental impact plan.
 - (2) A summary of the applicant's safety and security plans and procedures, which shall include descriptions of the following:
 - (a) plans for the use of security personnel, including contractors;
 - (b) the experience or qualifications of security personnel and proposed contractors;
 - (c) security and surveillance features, including descriptions of any alarm systems, video surveillance systems, and access and visitor management systems, along with drawings identifying the proposed locations for surveillance cameras and other security features;
 - (d) plans for the storage of medical cannabis and medical cannabis products, including any safes, vaults, and climate control systems that will be utilized for this purpose;
 - (e) a diversion prevention plan;
 - (f) an emergency management plan;
 - (g) procedures for screening, monitoring, and performing criminal history record background checks of employees;

(h) cybersecurity procedures, including, in the case of an applicant for a medical cannabis dispensary permit, procedures for collecting, processing, and storing patient data, and the applicant's familiarity with State and federal privacy laws;

(i) workplace safety plans and the applicant's familiarity with federal Occupational Safety and Health Administration regulations;

(j) the applicant's history of workers' compensation claims and safety assessments;

(k) procedures for reporting adverse events; and

(l) a sanitation practices plan.

(3) A summary of the applicant's business experience, including the following, if applicable:

(a) the applicant's experience operating businesses in highly-regulated industries;

(b) the applicant's experience in operating alternative treatment centers and related medical cannabis production and dispensation entities under the laws of New Jersey or any other state or jurisdiction within the United States; and

(c) the applicant's plan to comply with and mitigate the effects of 26 U.S.C. s.280E on cannabis businesses, and for evidence that the applicant is not in arrears with respect to any tax obligation to the State.

In evaluating the experience described under subparagraphs (a), (b), and (c) of this paragraph, the commission shall afford the greatest weight to the experience of the applicant itself, controlling owners, and entities with common ownership or control with the applicant; followed by the experience of those with a 15 percent or greater ownership interest in the applicant's organization; followed by significantly involved persons in the applicant's organization; followed by other officers, directors, and current and prospective employees of the applicant who have a bona fide relationship with the applicant's organization as of the date of the application.

(4) A description of the proposed location for the applicant's site, including the following, if applicable:

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

(b) the submission of zoning approvals for the proposed location, which shall consist of a letter or affidavit from appropriate municipal officials that the location will conform to municipal zoning requirements allowing for such activities related to the cultivation, manufacturing, or dispensing of medical cannabis, cannabis products, and related supplies as will be conducted at the proposed facility; and

(c) the submission of proof of local support for the suitability of the location, which may be demonstrated by a resolution adopted by the municipality's governing body indicating that the intended location is appropriately located or otherwise suitable for such activities related to the cultivation, manufacturing, or dispensing of medical cannabis, cannabis products, and related supplies as will be conducted at the proposed facility.

Notwithstanding any other provision of this subsection, an application shall be disqualified from consideration unless it includes documentation demonstrating that the applicant will have final control of the premises upon approval of the application, including, but not limited to, a lease agreement, contract for sale, title, deed, or similar documentation. In addition, if the applicant will lease the premises, the application will be disqualified from consideration unless it includes certification from the landlord that the landlord is aware that

the tenant's use of the premises will involve activities related to the cultivation, manufacturing, or dispensing of medical cannabis and medical cannabis products. An application shall not be disqualified from consideration if the application does not include the materials described in subparagraph (b) or (c) of this paragraph.

(5) A community impact, social responsibility, and research statement, which shall include, but shall not be limited to, the following:

(a) a community impact plan summarizing how the applicant intends to have a positive impact on the community in which the proposed entity is to be located, which shall include an economic impact plan, a description of outreach activities, and any financial assistance or discount plans the applicant will provide to qualifying patients and designated caregivers;

(b) a written description of the applicant's record of social responsibility, philanthropy, and ties to the proposed host community;

(c) a written description of any research the applicant has conducted on the medical efficacy or adverse effects of cannabis use and the applicant's participation in or support of cannabis-related research and educational activities; and

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

In evaluating the information submitted pursuant to subparagraphs (b) and (c) of this paragraph, the commission shall afford the greatest weight to responses pertaining to the applicant itself, controlling owners, and entities with common ownership or control with the applicant; followed by responses pertaining to those with a 15 percent or greater ownership interest in the applicant's organization; followed by significantly involved persons in the applicant's organization; followed by other officers, directors, and current and prospective employees of the applicant who have a bona fide relationship with the applicant's organization as of the date of the application.

(6) A workforce development and job creation plan, which may include information on the applicant's history of job creation and planned job creation at the proposed facility; education, training, and resources to be made available for employees; any relevant certifications; and a diversity plan.

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

(a) an executive summary of the applicant's business plan;

(b) a demonstration of the applicant's financial ability to implement its business plan, which may include, but shall not be limited to, bank statements, business and individual financial statements, net worth statements, and debt and equity financing statements; and

(c) a description of the applicant's plan to comply with guidance pertaining to cannabis issued by the Financial Crimes Enforcement Network under 31 U.S.C. s.5311 et seq., the federal "Bank Secrecy Act", which may be demonstrated by submitting letters regarding the applicant's banking history from banks or credit unions that certify they are aware of the business activities of the applicant, or entities with common ownership or control with the applicant, in any state where the applicant has operated a business related to medical cannabis. For the purposes of this subparagraph, the commission shall consider only bank references involving accounts in the name of the applicant or of an entity with common ownership or control with the applicant. An applicant who does not submit the information described in this subparagraph shall not be disqualified from consideration.

(8) Whether any of the applicant's majority or controlling owners were previously approved by the commission to serve as an officer, director, principal, or key employee of an alternative treatment center, or personal use cannabis establishment, distributor, or delivery service, provided any such individual served in that capacity at the alternative treatment center for six or more months.

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

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

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

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

(10) The proposed composition of the applicant's medical advisory board established pursuant to section 15 of P.L.2019, c.153 (C.24:6I-7.5), if any.

(11) Whether the applicant intends to or has entered into a partnership with a prisoner re-entry program for the purpose of identifying and promoting employment opportunities at the applicant's organization for former inmates and current inmates leaving the corrections system. If so, the applicant shall provide details concerning the name of the re-entry program, the employment opportunities at the applicant's organization that will be made available to the re-entry population, and any other initiatives the applicant's organization will undertake to provide support and assistance to the re-entry population.

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

e. In addition to the information to be submitted pursuant to subsections c. and d. of this section, the commission shall require all permit applicants, other than applicants for a conditional permit, or for an entity that is a microbusiness pursuant to subsection e. of section 11 of P.L.2019, c.153 (C.24:6I-7.1), to submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement with such bona fide labor organization. Except in the case of an entity holding an unconverted conditional permit, the maintenance of a labor peace agreement with a bona fide labor organization shall be an ongoing material condition of maintaining a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary permit. The submission of an attestation and maintenance of a labor peace agreement with a bona fide labor organization by an applicant issued a conditional permit pursuant to subsection d. of section 11 of P.L.2019, c.153 (C.24:6I-7.1) shall be a requirement for conversion of a conditional permit into a full permit. The failure to enter into a collective bargaining agreement within 200 days after the date that a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary first opens shall result in the suspension or revocation of such permit or conditional permit.

In reviewing initial permit applications, the commission shall give priority to the following, regardless of whether there is any competition among applicants for a particular type of permit:

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

(2) Applicants that are party to a collective bargaining agreement with a bona fide labor organization that currently represents cannabis workers in another state.

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

(4) Applicants that submit a signed project labor agreement with a bona fide building trades labor organization, which is a form of pre-hire collective bargaining agreement covering terms and conditions of a specific project, including labor issues and worker grievances associated with that project, for the construction or retrofit of the facilities associated with the permitted entity.

(5) Applicants that submit a signed project labor agreement with a bona fide labor organization for any other applicable project associated with the permitted entity.

As used in this subsection, “bona fide labor organization” means a labor organization of any kind or employee representation committee, group, or association, in which employees participate and which exists and is constituted for the purpose, in whole or in part, of collective bargaining or otherwise dealing with medical or personal use cannabis employers concerning grievances, labor disputes, terms or conditions of employment, including wages and rates of pay, or other mutual aid or protection in connection with employment, and may be characterized by: it being a party to one or more executed collective bargaining agreements with medical or personal use cannabis employers, in this State or another state; it having a written constitution or bylaws in the three immediately preceding years; it filing the annual financial report required of labor organizations pursuant to subsection (b) of 29 U.S.C. s.431, or it having at least one audited financial report in the three immediately preceding years; it being affiliated with any regional or national association of unions, including but not limited to state and federal labor councils; or it being a member of a national labor organization that has at least 500 general members in a majority of the 50 states of the United States. A bona fide labor organization includes a bona fide building trades labor organization.

f. In reviewing an initial permit application, unless the information is otherwise solicited by the commission in a specific application question, the commission’s evaluation of the application shall be limited to the experience and qualifications of the applicant’s organization, including controlling owners, any entities with common ownership or control with the applicant, those with a 15 percent or greater interest in the applicant’s organization, significantly involved persons in the applicant’s organization, the other officers, directors, and current or prospective employees of the applicant’s organization who have a bona fide relationship with the applicant’s organization as of the date of the application, and consultants and independent contractors who have a bona fide relationship with the applicant as of the date of the application. Responses pertaining to applicants who are exempt from the criminal history record background check requirements of section 7 of P.L.2009, c.307 (C.24:6I-7) shall not be considered. Each applicant shall certify as to the status of the individuals and entities included in the application.

g. The commission shall conduct a disparity study to determine whether race-based measures should be considered when issuing permits pursuant to this section, and shall incorporate the policies, practices, protocols, standards, and criteria developed by the Office of Minority, Disabled Veterans, and Women Cannabis Business Development pursuant to section 32 of P.L.2019, c.153 (C.24:6I-25) to promote participation in the medical cannabis industry by persons from socially and economically disadvantaged communities, including promoting applications for, and the issuance of, medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits to certified minority, women's, and disabled veterans' businesses. To this end, the commission shall seek to issue at least 30 percent of the total number of new medical cannabis cultivator permits, medical cannabis manufacturer permits, and medical cannabis dispensary permits issued on or after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) as follows:

(1) at least 15 percent of the total number of new medical cannabis cultivator permits, medical cannabis manufacturer permits, and medical cannabis dispensary permits are issued to a qualified applicant that has been certified as a minority business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.); and

(2) at least 15 percent of the total number of new medical cannabis cultivator permits, medical cannabis manufacturer permits, and medical cannabis dispensary permits are issued to a qualified applicant that has been certified as a women's business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.) or as a disabled-veterans' business, as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2).

In selecting among applicants who meet these criteria, the commission shall grant a higher preference to applicants with up to two of the certifications described in this subsection.

h. The commission shall give special consideration to any applicant that has entered into an agreement with an institution of higher education to create an integrated curriculum involving the cultivation, manufacturing, dispensing or delivery of medical cannabis, provided that the curriculum is approved by both the commission and the Office of the Secretary of Higher Education and the applicant agrees to maintain the integrated curriculum in perpetuity. An integrated curriculum permit shall be subject to revocation if the IC permit holder fails to maintain or continue the integrated curriculum. In the event that, because of circumstances outside an IC permit holder's control, the IC permit holder will no longer be able to continue an integrated curriculum, the IC permit holder shall notify the commission and shall make reasonable efforts to establish a new integrated curriculum with an institution of higher education, subject to approval by the commission and the Office of the Secretary of Higher Education. If the IC permit holder is unable to establish a new integrated curriculum within six months after the date the current integrated curriculum arrangement ends, the commission shall revoke the entity's IC permit, unless the commission finds there are extraordinary circumstances that justify allowing the permit holder to retain the permit without an integrated curriculum and the commission finds that allowing the permit holder to retain the permit would be consistent with the purposes of P.L.2009, c.307 (C.24:6I-1 et al.), in which case the IC permit shall convert to a regular permit of the same type. The commission may revise the application and permit fees or other conditions for an IC permit as may be necessary to encourage applications for IC permits.

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

j. If the commission notifies an applicant that it has performed sufficiently well on multiple applications to be awarded more than one permit, the applicant shall notify the commission, within seven business days after receiving such notice, as to which permit type it will accept. For any permit award declined by an applicant pursuant to this subsection, the commission shall, upon receiving notice from the applicant of the declination, award the permit to the applicant for that permit type who, in the determination of the commission, best satisfies the commission's criteria while meeting the commission's determination of Statewide need. If an applicant fails to notify the commission as to which permit it will accept, the commission shall have the discretion to determine which permit it will award to the applicant, based on the commission's determination of Statewide need and other applications submitted for facilities to be located in the affected regions.

k. The provisions of this section shall not apply to any permit applications submitted pursuant to a request for applications published in the New Jersey Register prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.).

17. Section 13 of P.L.2019, c.153 (C.24:6I-7.3) is amended to read as follows:

C.24:6I-7.3 Clinical registrant permits.

13. a. The commission shall issue clinical registrant permits to qualified applicants that meet the requirements of this section. In addition to any other requirements as the commission establishes by regulation regarding application for and issuance of a clinical registrant permit, each clinical registrant applicant shall:

(1) complete a criminal history record background check that meets the requirements of subsection d. of section 7 of P.L.2009, c.307 (C.24:6I-7);

(2) submit to the commission any required application and permit fees;

(3) submit to the commission written documentation of an existing contract with an academic medical center that meets the requirements of subsection c. of this section; and

(4) submit to the commission documentation that the applicant has a minimum of \$15 million in capital.

b. The commission shall, no later than 90 days after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) or upon adoption of rules and regulations as provided in subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-16), whichever occurs first, begin accepting and processing applications for five clinical registrant permits. Thereafter, the commission shall accept applications for and issue such additional clinical registrant permits as it determines to be necessary and consistent with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.). The commission shall make a determination as to a clinical registrant permit application no later than 90 days after receiving the application, which may include a determination that the commission reasonably requires more time to adequately review the application. In reviewing and approving applications for clinical registrant permits, the commission shall seek to incorporate the policies, practices, protocols, standards, and criteria developed by the Office of Minority, Disabled Veterans, and Women Cannabis Business Development pursuant to section 32 of P.L.2019, c.153 (C.24:6I-25) to promote participation in the medical cannabis industry by persons from socially and economically disadvantaged communities. In no case shall the commission accept, process, or approve an application submitted by an applicant that has contracted with an academic medical center that is part of a health care system that includes another academic medical center that has contracted with an applicant for, or a holder of, a clinical registrant permit.

c. A contract between a clinical registrant and an academic medical center shall include a commitment by the academic medical center, or its affiliate, to engage in or oversee clinical research related to the use or adverse effects of cannabis in order to advise the clinical registrant concerning patient health and safety, medical applications, dispensing and management of controlled substances, and ways to mitigate adverse health or societal effects of adult, personal use legalization, among other areas. A clinical registrant issued a permit pursuant to this section shall have a written contractual relationship with no more than one academic medical center.

d. A clinical registrant issued a permit pursuant to this section shall be authorized to engage in all conduct involving the cultivation, manufacturing, and dispensing of medical cannabis as is authorized for an entity holding medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), including dispensing medical cannabis and medical cannabis products to qualifying patients and designated and institutional caregivers. The clinical registrant shall additionally be authorized to engage in clinical research involving medical cannabis using qualifying patients who consent to being part of such research, subject to any restrictions established by the commission.

e. (1) A clinical registrant issued a permit pursuant to this section may conduct authorized activities related to medical cannabis at more than one physical location, provided that each location is approved by the commission and is in the same region in which the academic medical center with which the clinical registrant has a contract is located.

(2) A clinical registrant may apply to the commission for approval to relocate an approved facility to another location in the same region, which application shall be approved unless the commission makes a specific determination that the proposed relocation would be inconsistent with the purposes of P.L.2009, c.307 (C.24:6I-1 et al.). The denial of an application for relocation submitted pursuant to this paragraph shall be considered a final agency decision, subject to review by the Appellate Division of the Superior Court.

(3) The commission may authorize a clinical registrant to dispense medical cannabis and medical cannabis products from more than one physical location if the commission determines that authorizing additional dispensing locations is necessary for the clinical registrant to best serve and treat qualifying patients and clinical trial participants.

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

f. A clinical registrant permit shall not be sold or transferred to any other entity.

g. Clinical registrant permits shall be valid for the term of the contractual relationship between the academic medical center and the clinical registrant. The commission may renew a clinical registrant permit to correspond to any renewal of the contractual relationship between the academic medical center and the clinical registrant.

h. Each clinical registrant shall submit the results of the clinical research obtained through an approved clinical registrant permit to the commission no later than one year following the conclusion of the research study or publication of the research study in a peer-reviewed medical journal. Nothing in this subsection shall be deemed to require the disclosure of any clinical research that would infringe on the intellectual property of the clinical registrant or on the confidentiality of patient information.

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

C.24:6I-35 Regulation of cannabis.

18. Regulation of Cannabis.

a. The commission shall adopt rules and regulations, pursuant to subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34), which shall be consistent with the intent of P.L.2021, c.16 (C.24:6I-31 et al.). The commission may create an expert task force to make recommendations to the commission about the content of such regulations. Such regulations shall include:

(1) Procedures for the application, issuance, denial, renewal, suspension, and revocation of a license or conditional license to operate as a cannabis establishment, distributor, or delivery service. Such procedures shall include a periodic evaluation of whether the number of each class of cannabis establishment, or cannabis distributors or cannabis delivery services, is sufficient to meet the market demands of the State, a result of which is the commission's authority to accept new applications and issue additional licenses as it deems necessary to meet those demands, except as otherwise provided in section 33 of P.L.2021, c.16 (C.24:6I-46) regarding an initial period during which the number of Class 1 Cannabis Cultivator licenses is capped, which limit shall not apply to cannabis cultivator licenses issued to microbusinesses as set forth in that section;

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

(3) Incorporation of the licensing goals for applicants for licensure who are New Jersey residents established in P.L.2021, c.16 (C.24:6I-31 et al.). The commission shall make good faith efforts to meet these goals. Qualifications for licensure shall be directly and demonstrably related to the operation of a cannabis establishment, distributor, or delivery service, provided that the commission shall make licenses available to as diverse a group as reasonably practicable, however no license of any kind shall be issued to a person under the legal age to purchase cannabis items;

(4) (a) Incorporation of the licensing measures established by the Office of Minority, Disabled Veterans, and Women Cannabis Business Development pursuant to subparagraph (b) of paragraph (1) of subsection c. of section 32 of P.L.2019, c.153 (C.24:6I-25) to promote the licensing of persons from socially and economically disadvantaged communities, and minority businesses and women's businesses, as these terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled veterans' businesses as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2). The commission shall coordinate with the office with respect to the incorporation of these licensing measures;

(b) Procedures, to monitor the incorporated licensing measures established by the Office of Minority, Disabled Veterans, and Women Cannabis Business Development, which shall include a verification, as part of the application process for licensure or license renewal, of a minority, women's, or disabled veterans' business certification provided to that business by the office pursuant to paragraph (1) of subsection b. of section 32 of P.L.2019, c.153 (C.24:6I-25), or verification of an application for certification under review by the office pursuant to that paragraph, which review is occurring simultaneous to the application for licensure or license renewal;

(5) Security requirements for cannabis establishments and transportation of cannabis and cannabis items;

(6) Requirements to prevent the sale or diversion of cannabis items to persons under the legal age to purchase cannabis items, including, but not limited to, requirements that:

(a) All licensees and licensee representatives, before permitting entrance to a cannabis establishment and selling or serving cannabis items to any person, shall require such person to produce one of the following pieces of identification:

(i) The person's United States passport, or other country's passport or proper government-issued documentation for international travel if a citizen or other lawfully recognized resident of that country, who is lawfully permitted to possess and use that country's passport or government-issued documentation for purposes of identification in the United States;

(ii) The person's motor vehicle driver's license, whether issued by New Jersey or by any other state, territory, or possession of the United States, or the District of Columbia, provided the license displays a picture of the person;

(iii) A New Jersey identification card issued by the New Jersey Motor Vehicle Commission; or

(iv) Any other identification card issued by a state, territory, or possession of the United States, the District of Columbia, or the United States that bears a picture of the person, the name of the person, the person's date of birth, and a physical description of the person;

(b) No cannabis establishment, distributor, or delivery service shall employ persons under 18 years of age nor shall any cannabis retailer allow persons under the legal age to purchase cannabis items, other than a person employed by the retailer, to enter or remain on the premises of a cannabis retailer unless accompanied by a parent or legal guardian;

(c) Packaging and branding regulations to prevent the marketing of cannabis items and cannabis paraphernalia to people under the legal age to purchase cannabis items;

(d) No edible cannabis products shall be manufactured, marketed, or sold that are in the shape of, or a shape bearing the likeness or containing characteristics of, a realistic or fictional human, animal, or fruit, or part thereof, including artistic, caricature, or cartoon renderings;

(7) Labeling and packaging requirements for cannabis items sold or distributed by a cannabis establishment, including, but not limited to, the affixing of a tracking stamp to containers or packaging as set forth in section 29 of P.L.2019, c.153 (C.24:6I-22) and requirements that:

(a) Cannabis items and cannabis paraphernalia are not packaged, branded, or marketed using any statement, illustration, or image that:

(i) Includes false, deceptive, or misleading statements;

(ii) Promotes over-consumption;

(iii) Depicts a child or other person under legal age consuming cannabis items; or

(iv) Includes objects, such as toys, characters, or cartoon characters suggesting the presence of a person under the legal age to purchase cannabis items, or any other depiction designed in any manner to be especially appealing to persons under the legal age to purchase cannabis items;

(b) Ensure cannabis items are packaged in opaque, child-resistant special packaging, or if applicable to a particular cannabis item, child resistant special packaging for liquid nicotine containers, in accordance with the "Poison Prevention Packaging Act of 1970," 15 U.S.C. s.1471 et seq., and the associated regulations promulgated thereunder, except that these child-resistant packaging requirements shall not apply to any cannabis item obtained from a cannabis retailer or alternative treatment center for immediate, on-premises consumption at

that retailer's or center's cannabis consumption area as permitted pursuant to section 28 of P.L.2019, c.153 (C.24:6I-21);

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

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

(i) Net weight;

(ii) Production date and expiration date;

(iii) For a cannabis product, cannabis extract, or other cannabis resin, an ingredient list that includes, but is not limited to, all ingredients used to manufacture the cannabis product, any other inactive or excipient ingredients besides cannabis, and a list of all potential allergens contained within the product;

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

(v) Whether the product requires refrigeration;

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

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

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

-- "This product contains cannabis";

-- "This product is infused with cannabis";

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

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

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

-- "Do not drive a motor vehicle or operate heavy machinery while using this product";

(e) Labeling rules that mandate the source of a cannabis item, including, but not limited to, the license number of the cannabis cultivator where the usable cannabis used for the cannabis item was grown, the license number of the cannabis manufacturer that manufactured the cannabis item, and the license number of the cannabis retailer that sold the cannabis item and the production batch and lot number of the cannabis item;

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

(a) Establish accreditation and licensure criteria for cannabis testing facilities, which shall include, as a condition for licensure, the maintenance of a labor peace agreement and entrance into, or good faith effort to enter into, a collective bargaining agreement in accordance with subsection c. of section 19 of P.L.2021, c.16 (C.24:6I-36). The commission shall also incorporate the licensing measures established by the Office of Minority, Disabled Veterans, and Women Cannabis Business Development, and the assessment of their effectiveness, pursuant to subparagraph (b) of paragraph (1) of subsection c. of section 32 of

P.L.2019, c.153 (C.24:6I-25), and apply them to the licensing of cannabis testing facilities in order to promote the licensing of persons from socially and economically disadvantaged communities, and minority businesses and women's businesses, as these terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled veterans' businesses as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2). The license shall permit a cannabis testing facility to test cannabis items in accordance with the provisions set forth in P.L.2021, c.16 (C.24:6I-31 et al.), as well as test medical cannabis and medical cannabis products in accordance with the provisions of the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.);

(b) The commission issue licenses for a sufficient number of cannabis testing facilities, if those facilities:

(i) Meet the requirements for licensure, in order to ensure that the testing of representative samples of cannabis items in accordance with the procedures set forth in paragraph (13) of this subsection can be completed in not more than 14 days following their submission to any facility. Other factors that may be considered by the commission in determining whether a sufficient number of cannabis testing facilities are currently licensed include the current licensees' experience or expertise in testing highly regulated products, demonstrated testing efficiency and effectiveness, existing research partnerships or capability to form and maintain research partnerships focusing on cannabis or cannabis items, and any other factors established in regulation by the commission; and

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

(c) Every licensed cannabis cultivator and cannabis manufacturer shall permit representatives of cannabis testing facilities to make scheduled and unscheduled visits to their premises in order to obtain random samples of cannabis items, in a quantity established by the commission, to be transported to cannabis testing facilities for inspection and testing to certify compliance with health, safety, and potency standards adopted by the commission;

(d) Prescribe methods of producing cannabis, and manufacturing and packaging cannabis items; conditions of sanitation; safe handling requirements; approved pesticides and pesticide testing requirements, to the extent not inconsistent with approved pesticides and requirements otherwise established under federal and State law; and standards of ingredients, quality, and identity of cannabis items manufactured, packaged, or sold by cannabis establishments;

(e) Establish accreditation criteria for responsible cannabis server and seller training and certification programs for cannabis retailer employees;

(f) Provide that no licensed cannabis establishment, distributor, or delivery service, or employee of a cannabis establishment, distributor, or delivery service, shall consume, or allow to be consumed, any cannabis items on the establishment's, distributor's, or delivery service's premises, except as permitted in a cannabis consumption area or premises' private area for employees as set forth in section 28 of P.L.2019, c.153 (C.24:6I-21);

(g) (i) Set appropriate dosage, potency, and serving size limits for cannabis items, provided that a standardized serving of a cannabis product shall be no more than 10 milligrams of active THC and no individual edible cannabis product for sale shall contain more than 100 milligrams of active THC;

(ii) Require that each single standardized serving of a cannabis product in a multiple-serving edible product is physically demarked in a way that enables a reasonable person to

determine how much of the product constitutes a single serving of active THC, and that each standardized serving of the cannabis product shall be easily separable to allow an average person 21 years of age or older to physically separate, with minimal effort, individual servings of the product;

(iii) Require that, if it is impracticable to clearly demark every standardized serving of cannabis product or to make each standardized serving easily separable in an edible cannabis product, the product shall contain no more than 10 milligrams of active THC per unit of sale;

(h) Establish a universal symbol to indicate that a cannabis item contains cannabis, which shall be marked, stamped, or imprinted directly on an edible retail cannabis product, or on each single standardized serving in a multiple-serving edible cannabis product, unless the item is a loose bulk good such as granola or cereal, a powder, a liquid-infused item, or another form too impractical to be marked, stamped, or imprinted;

(i) Prohibit the use of a commercially manufactured or trademarked food product as an edible retail cannabis product, provided that a commercially manufactured or trademarked food product may be used as a component of an edible retail cannabis product or part of a product's recipe so long as the commercially manufactured or trademarked food product is used in a way that renders it unrecognizable in the final edible cannabis product and the product is not advertised as containing the commercially manufactured or trademarked food product;

(j) Establish screening, hiring, training, and supervising requirements for cannabis retailer employees and others who manufacture or handle cannabis items;

(k) Promote general sanitary requirements for the handling, storage, and disposal of cannabis items, and the maintenance of cannabis establishments, and cannabis distribution and cannabis delivery service premises;

(l) Provide for rigorous auditing, inspection, and monitoring of cannabis establishments, distributors, and delivery services for compliance with health and safety rules and regulations;

(m) Require the implementation of security requirements for cannabis retailers and premises where cannabis items are manufactured, and safety protocols for cannabis establishments, distributors, and delivery services, and their employees;

(n) Prescribe reasonable restrictions on the manner, methods, and means by which cannabis cultivators and cannabis distributors shall transport cannabis within the State, and all licensees shall transport cannabis items within the State; and

(o) Establish procedures for identification, seizure, confiscation, destruction, or donation to law enforcement for training purposes of cannabis or cannabis items produced, manufactured, sold, or offered for sale within this State which do not conform in all respects to the standards prescribed by P.L.2021, c.16 (C.24:6I-31 et al.);

(9) Restrictions on the advertising and display of cannabis items and cannabis paraphernalia, including, but not limited to, requirements that:

(a) Restrict advertising of cannabis items and cannabis paraphernalia in ways that target or are designed to appeal to individuals under the legal age to purchase cannabis items, including, but not limited to depictions of a person under 21 years of age consuming cannabis items, or, includes objects, such as toys, characters, or cartoon characters suggesting the presence of a person under 21 years of age, or any other depiction designed in any manner to be especially appealing to a person under 21 years of age;

(b) Prohibit advertising of any cannabis items or cannabis paraphernalia on television, or on radio between the hours of 6:00 a.m. and 10:00 p.m.;

(c) Prohibit engaging in advertising unless the advertiser has reliable evidence that at least 71.6 percent of the audience for the advertisement is reasonably expected to be 21 years of age or older;

(d) Prohibit engaging in advertising or marketing directed towards location-based devices, including but not limited to cellular phones, unless the marketing is a mobile device application installed on the device by the owner of the device who is 21 years of age or older and includes a permanent and easy opt-out feature and warnings that the use of cannabis items is restricted to persons 21 years of age or older;

(e) Prohibit the sponsoring of a charitable, sports, musical, artistic, cultural, social, or other similar event or advertising at or in connection with such an event unless the sponsor or advertiser has reliable evidence that no more than 20 percent of the audience at the event is reasonably expected to be under the legal age to purchase cannabis items;

(f) Require all advertisements to contain the following warning: “This product contains cannabis. For use only by adults 21 years of age or older. Keep out of the reach of children.”;

(g) Prohibit the advertising of cannabis items or cannabis paraphernalia in any form or through any medium whatsoever within 200 feet of any elementary or secondary school grounds. This subparagraph shall not apply to advertisements within the premises of a cannabis retailer.

For the purposes of this section, a noncommercial message shall not be considered an advertisement.

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

(11) Procedures for the commission to conduct announced and unannounced visits to cannabis establishments, distributors, and delivery services, to make, or cause to be made, such investigations as it shall deem proper in the administration of P.L.2021, c.16 (C.24:6I-31 et al.) and any other laws which may hereafter be enacted concerning cannabis, or the production, manufacture, distribution, sale, or delivery thereof, including the inspection and search of any premises for which the license is sought or has been issued, of any building containing the same, of licensed buildings, examination of the books, records, accounts, documents and papers of the licensees or on the licensed premises;

(a) The commission shall be authorized and may at any time make an examination of the premises of any person or entity licensed under P.L.2021, c.16 (C.24:6I-31 et al.) for the purpose of determining compliance with P.L.2021, c.16 (C.24:6I-31 et al.) and the rules of the commission;

(b) The commission may require licensee compliance with P.L.2021, c.16 (C.24:6I-31 et al.), and may appoint auditors, investigators and other employees that the commission considers necessary to enforce its powers and perform its duties;

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

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

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

(a) The obligation of every cannabis cultivator to keep a complete and accurate record of all sales of cannabis flowers, cannabis leaves, and immature cannabis plants, and a complete

and accurate record of the number of cannabis flowers produced, the number of ounces of cannabis leaves produced, the number of immature cannabis plants produced, and the dates of production; the obligation of every cannabis establishment to keep a complete and accurate record of all sales of cannabis items, and a complete and accurate record of the number of ounces of usable cannabis sold; the obligation of every cannabis distributor to keep a complete and accurate record of all cannabis and cannabis items transported in bulk, and the sending and receiving cannabis establishments involved in each transportation of the cannabis or cannabis items; and the obligation of every cannabis delivery service to keep a complete and accurate record of all cannabis item deliveries made to consumers based on orders fulfilled by of cannabis retailers;

(b) Such records shall be kept and maintained for four years, however there shall not be a requirement that the records be maintained on the premises of a licensee, and the records shall be in such form and contain such other information as the commission may require; and

(c) The commission may, at any time, with adequate notice, examine the books and records of any cannabis establishment, distributor, or delivery service, and may appoint auditors, investigators, and other employees that the commission considers necessary to enforce its powers and its duties;

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

(a) On a schedule determined by the commission, every licensed cannabis cultivator and manufacturer shall submit representative samples of cannabis items produced or manufactured by the licensee to an independent, third-party licensed testing facility meeting the accreditation requirements established by the commission, or random samples may be obtained by representatives of the facility making a scheduled or unscheduled visit to the licensee's premises, for inspection and testing to certify compliance with standards adopted by the commission. Any sample remaining after testing shall be destroyed by the facility or returned to the licensee, unless that sample does not meet the applicable standards adopted by the commission, in which case it may be retained for purposes of retesting upon request of a licensee in accordance with subparagraph (c) of this paragraph;

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

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

(14) Establishing the number of cannabis retailers, and permissible business arrangements with respect to other types of retailing businesses:

(a) (i) Assuming there are sufficient qualified applicants for licensure, the commission shall, subject to periodic evaluation as described in paragraph (1) of this subsection, issue a sufficient number of Class 5 Retailer licenses to meet the market demands of the State, giving regard to geographical and population distribution throughout the State; and

(ii) the provision of adequate access to licensed sources of cannabis items to discourage purchases from the illegal market; and

(b) A cannabis retailer's premises shall not be located in or upon any premises in which operates a grocery store, delicatessen, indoor food market, or other store engaging in retail sales of food, or in or upon any premises in which operates a store that engages in licensed retail sales of alcoholic beverages, as defined by subsection b. of R.S.33:1-1; and

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

b. In order to ensure that individual privacy is protected, the commission shall not require a consumer to provide a cannabis retailer with personal information other than government-issued identification as set forth in subparagraph (a) of paragraph (6) of subsection a. of this section in order to determine the consumer's identity and age, and a cannabis retailer shall not collect and retain any personal information about consumers other than information typically acquired in a financial transaction conducted by the holder of a Class C retail license concerning alcoholic beverages as set forth in R.S.33:1-12.

c. Once regulations are adopted by the commission pursuant to subsection a. of this section, but prior to the commencement of the application process, the commission shall conduct a series of information sessions in every county in New Jersey to educate residents of New Jersey about the responsibilities, opportunities, requirements, obligations, and processes for application for a license to operate a cannabis establishment, distributor, or delivery service. The commission shall conduct an appropriate number of information sessions in each county considering the population of each county, but no fewer than one information session in each county. The commission shall publicize the day, time, location, and agenda of each information session broadly through television, radio, Internet, print, and local agencies.

d. The commission shall:

(1) Examine available research, and may conduct or commission new research or convene an expert task force, to investigate the influence of cannabis and marijuana on the ability of a person to drive a vehicle, on methods for determining whether a person is under the influence of cannabis or marijuana, and on the concentration of active THC, as defined in section 3 of P.L.2021, c.16 (C.24:6I-33), in a person's blood, in each case taking into account all relevant factors; and

(2) Report the results of the research to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), the Legislature and make recommendations regarding both administrative and legislative action as the commission deems necessary.

C.24:6I-36 Application for license of conditional license.

19. Application For License or Conditional License.

a. Each application for an annual license to operate a cannabis establishment, distributor, or delivery service, or conditional license for a proposed cannabis establishment, distributor, or delivery service, shall be submitted to the commission. A separate license or conditional license shall be required for each location at which a cannabis establishment seeks to operate, or for the location of each premises from which a cannabis distributor or delivery service seeks to operate. Renewal applications for another annual license shall be filed no later than 90 days prior to the expiration of the establishment's, distributor's, or delivery service's license. A conditional license shall not be renewed, but replaced with an annual license upon the commission's determination of qualification for the annual license, or otherwise expire, as set forth in paragraph (2) of subsection b. of this section.

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

(a) begin accepting and processing applications within 30 days after the commission's initial rules and regulations have been adopted pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34);

(b) forward, within 14 days of receipt, a copy of each application to the municipality in which the applicant desires to operate the cannabis establishment, distributor, or delivery service; and

(c) verify the information contained in the application and review the qualifications for the applicable license class, set forth in section 20, 22, 23, 24, 25, or 26 of P.L.2021, c.16 (C.24:6I-37, C.24:6I-39, C.24:6I-40, C.24:6I-41, C.24:6I-42, or C.24:6I-43), and regulations concerning qualifications for licensure promulgated by the commission for which the applicant seeks licensure, and not more than 90 days after the receipt of an application, make a determination as to whether the application is approved or denied, or that the commission requires more time to adequately review the application.

The commission shall deny a license application to any applicant who fails to provide information, documentation and assurances as required by P.L.2021, c.16 (C.24:6I-31 et al.) or as requested by the commission, or who fails to reveal any material fact to qualification, or who supplies information which is untrue or misleading as to a material fact pertaining to the qualification criteria for licensure. The commission shall approve a license application that meets the requirements of this section unless the commission finds by clear and convincing evidence that the applicant would be manifestly unsuitable to perform the activities for the applicable license class for which licensure is sought.

(i) If the application is approved, upon collection of the license fee, the commission shall issue an annual license to the applicant no later than 30 days after giving notice of approval of the application unless the commission finds the applicant is not in compliance with regulations for annual licenses enacted pursuant to the provisions of paragraph (1) of subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34) or the commission is notified by the relevant municipality that the applicant is not in compliance with ordinances and regulations made pursuant to the provisions of section 31 of P.L.2021, c.16 (C.24:6I-45) and in effect at the time of application, provided, if a municipality has enacted a numerical limit on the number of cannabis establishments, distributors, or delivery services and a greater number of applicants seek licenses, the commission shall solicit and consider input from the municipality as to the municipality's preference or preferences for licensure.

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

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

(a) begin accepting and processing applications from applicants within 30 days after the commission's initial rules and regulations have been adopted pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34), and ensure that at least 35 percent of the total licenses issued for each class of cannabis establishment, and for cannabis distributors and delivery services, are conditional licenses, which 35 percent figure shall also include any conditional license issued to an applicant which is subsequently replaced by the commission with an annual license due to that applicant's compliance for the annual license pursuant to subparagraph (i) of subparagraph (d) of this paragraph;

(b) forward, within 14 days of receipt, a copy of each application to the municipality in which the applicant desires to operate a proposed cannabis establishment, or to the

municipality in which the premises is located from which the applicant desires to operate a proposed cannabis distributor or delivery service; and

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

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

(ii) a listing included with the application, showing all persons with a financial interest who also have decision making authority for the proposed cannabis establishment, distributor, or delivery service detailed in the application;

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

(iv) the name, address, date of birth, and resumes of each executive officer, all significantly involved persons, and persons with a financial interest who also have decision making authority for the proposed cannabis establishment, distributor, or delivery service, as well as a photocopy of their driver's licenses or other government-issued form of identification, plus background check information in a form and manner determined by the commission in consultation with the Superintendent of State Police; concerning the background check, an application shall be denied if any person has any disqualifying conviction pursuant to subparagraph (c) of paragraph (4) of subsection a. of section 20, 22, 23, 24, 25 or 26 of P.L.2021, c.16 (C.24:6I-37, C.24:6I-39, C.24:6I-40, C.24:6I-41, C.24:6I-42, or C.24:6I-43), based upon the applicable class of cannabis establishment for which the application was submitted, or based upon the application being for a cannabis distributor or delivery service, unless the commission determines pursuant to subsubparagraph (ii) of those subparagraphs that the conviction should not disqualify the application;

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

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

(vii) the federal and State tax identification numbers for the proposed cannabis establishment, distributor, or delivery service, and proof of business registration with the Division of Revenue in the Department of the Treasury;

(viii) information about the proposed cannabis establishment, distributor, or delivery service including its legal name, any registered alternate name under which it may conduct business, and a copy of its articles of organization and bylaws;

(ix) the business plan and management operation profile for the proposed cannabis establishment, distributor, or delivery service;

(x) the plan by which the applicant intends to obtain appropriate liability insurance coverage for the proposed cannabis establishment, distributor, or delivery service; and

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

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

The commission shall deny a conditional license application to any applicant who fails to provide information, documentation and assurances as required by P.L.2021, c.16 (C.24:6I-31 et al.) or as requested by the commission, or who fails to reveal any material fact to qualification, or who supplies information which is untrue or misleading as to a material fact pertaining to the qualification criteria for licensure. The commission shall approve a license application that meets the requirements of this section unless the commission finds by clear and convincing evidence that the applicant would be manifestly unsuitable to perform the activities for the applicable license class for which conditional licensure is sought.

(i) If the application is approved, upon collection of the conditional license fee, the commission shall issue a conditional license to the applicant, which is non-transferable for its duration, no later than 30 days after giving notice of approval of the application, unless the commission finds the applicant is not in compliance with regulations for conditional licenses enacted pursuant to the provisions of paragraph (1) of subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34) or the commission is notified by the relevant municipality that the applicant is not in compliance with ordinances and regulations made pursuant to the provisions of section 31 of P.L.2021, c.16 (C.24:6I-45) and in effect at the time of application, provided, if a municipality has enacted a numerical limit on the number of marijuana cannabis establishments, distributors, or delivery services and a greater number of applicants seek licenses, the commission shall solicit and consider input from the municipality as to the municipality's preference or preferences for licensure. For each license issued, the commission shall also provide the approved licensee with documentation setting forth the remaining conditions to be satisfied under section 20, 22, 23, 24, 25, or 26 of P.L.2021, c.16 (C.24:6I-37, C.24:6I-39, C.24:6I-40, C.24:6I-41, C.24:6I-42, or C.24:6I-43), or relevant regulations, based upon the applicable class of cannabis establishment for which the conditional license was issued, or based upon the conditional license issued for a cannabis distributor or delivery service, and which were not already required for the issuance of that license, to be completed within 120 days of issuance of the conditional license, which period may be extended upon request to the commission for an additional period of up to 45 days at the discretion of the commission. If the commission subsequently determines during that 120-day period, or during any additional period granted, that the conditional licensee is in compliance with all applicable conditions and is implementing the plans, procedures, protocols, actions, or other measures set forth in its application, the commission shall replace the conditional license by issuing an annual license, which will expire one year from its date of issuance; if the conditional licensee is not in compliance with all applicable conditions or not implementing the plans, procedures, protocols, actions, or other measures set forth in its application, the conditional license shall automatically expire at the end of the 120-day period, or at the end of any additional period granted by the commission;

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

c. The commission shall require all applicants for cannabis licenses, other than applicants for a conditional license for any class of cannabis establishment, or for a cannabis distributor or delivery service, or for either a conditional or annual license for an establishment, distributor, or delivery service that is a microbusiness pursuant to subsection f. of this section, to submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement with such bona fide labor

organization. The maintenance of a labor peace agreement with a bona fide labor organization by a licensed cannabis establishment, distributor, or delivery service, other than an establishment that is a microbusiness, shall be an ongoing material condition of the establishment's, distributor's, or delivery service's license. The submission of an attestation and maintenance of a labor peace agreement with a bona fide labor organization by an applicant issued a conditional license for a cannabis establishment, distributor, or delivery service, other than an establishment that is a microbusiness, shall be a requirement for final approval for an annual license. Failure to enter, or to make a good faith effort to enter, into a collective bargaining agreement within 200 days of the opening of a licensed cannabis establishment, distributor, or delivery service, other than an establishment that is a microbusiness, shall result in the suspension or revocation of the establishment's, distributor's, or delivery service's license.

As used in this subsection, "bona fide labor organization" means a labor organization of any kind or employee representation committee, group, or association, in which employees participate and which exists and is constituted for the purpose, in whole or in part, of collective bargaining or otherwise dealing with medical or personal use cannabis employers concerning grievances, labor disputes, terms or conditions of employment, including wages and rates of pay, or other mutual aid or protection in connection with employment, and may be characterized by: it being a party to one or more executed collective bargaining agreements with medical or personal use cannabis employers, in this State or another state; it having a written constitution or bylaws in the three immediately preceding years; it filing the annual financial report required of labor organizations pursuant to subsection (b) of 29 U.S.C. s.431, or it having at least one audited financial report in the three immediately preceding years; it being affiliated with any regional or national association of unions, including but not limited to state and federal labor councils; or it being a member of a national labor organization that has at least 500 general members in a majority of the 50 states of the United States.

d. (1) Each license application shall be scored and reviewed based upon a point scale with the commission determining the amount of points, the point categories, and the system of point distribution by regulation. The commission shall assign points and rank applicants according to the point system. The commission may, pursuant to a process set forth in regulation and consistent with this subsection, adjust the point system or utilize a separate point system and rankings with respect to the review of an application for which a conditional license is sought, or for which a microbusiness license is sought. If two or more eligible applicants have the same number of points, those applicants shall be grouped together and, if there are more eligible applicants in this group than the remaining number of licenses available, the commission shall utilize a public lottery to determine which applicants receive a license or conditional license, as the case may be.

(a) An initial application for licensure shall be evaluated according to criteria to be developed by the commission. There shall be included bonus points for applicants who are residents of New Jersey.

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

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

- cultivation of cannabis;
- conventional horticulture or agriculture, familiarity with good agricultural practices, and any relevant certifications or degrees;
- quality control and quality assurance;
- recall plans;
- packaging and labeling;
- inventory control and tracking software or systems for the production of personal use cannabis;
- analytical chemistry and testing of cannabis;
- water management practices;
- odor mitigation practices;
- onsite and offsite recordkeeping;
- strain variety and plant genetics;
- pest control and disease management practices, including plans for the use of pesticides, nutrients, and additives;
- waste disposal plans; and
- compliance with applicable laws and regulations.

(ii) In the case of an applicant for a cannabis manufacturer license, or, as applicable, a cannabis wholesaler license, cannabis distributor license, or cannabis delivery service license, the operating plan summary shall include a written description concerning the applicant's qualifications for, experience in, and knowledge of each of the following topics:

- manufacture and creation of cannabis products using appropriate extraction methods, including intended use and sourcing of extraction equipment and associated solvents or intended methods and equipment for non-solvent extraction;
- quality control and quality assurance;
- recall plans;
- packaging and labeling;
- inventory control and tracking software or systems for the manufacturing, warehousing, transportation, or delivery of cannabis and cannabis items;
- analytical chemistry and testing of cannabis items;
- water management practices;
- odor mitigation practices;
- onsite and offsite recordkeeping;
- a list of product formulations or products proposed to be manufactured with estimated cannabinoid profiles, if known, including varieties with high cannabidiol content;
- intended use and sourcing of all non-cannabis ingredients used in the manufacture and creation of cannabis products, including methods to verify or ensure the safety and integrity of those ingredients and their potential to be or contain allergens;
- waste disposal plans; and
- compliance with applicable laws and regulations.

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

- sales of cannabis items to consumers;
- cannabis product evaluation procedures;

- recall plans;
- packaging and labeling;
- inventory control and point-of-sale software or systems for the sale of cannabis items;
- the routes of administration, strains, varieties, and cannabinoid profiles of cannabis and cannabis items;
- odor mitigation practices;
- onsite and offsite recordkeeping;
- waste disposal plans; and
- compliance with applicable laws and regulations.

(c) The criteria to be developed by the commission pursuant to subparagraph (a) of this paragraph shall include, in addition to the criteria set forth in subparagraphs (b) and (d) of this paragraph and any other criteria developed by the commission, an analysis of the following factors, if applicable:

- (i) The applicant's environmental impact plan.
- (ii) A summary of the applicant's safety and security plans and procedures, which shall include descriptions of the following:
 - plans for the use of security personnel, including contractors;
 - the experience or qualifications of security personnel and proposed contractors;
 - security and surveillance features, including descriptions of any alarm systems, video surveillance systems, and access and visitor management systems, along with drawings identifying the proposed locations for surveillance cameras and other security features;
 - plans for the storage of cannabis and cannabis items, including any safes, vaults, and climate control systems that will be utilized for this purpose;
 - a diversion prevention plan;
 - an emergency management plan;
 - procedures for screening, monitoring, and performing criminal history record background checks of employees;
 - cybersecurity procedures;
 - workplace safety plans and the applicant's familiarity with federal Occupational Safety and Health Administration regulations;
 - the applicant's history of workers' compensation claims and safety assessments;
 - procedures for reporting adverse events; and
 - a sanitation practices plan.
- (iii) A summary of the applicant's business experience, including the following, if applicable:
 - the applicant's experience operating businesses in highly-regulated industries;
 - the applicant's experience in operating cannabis establishments or alternative treatment centers and related cannabis production, manufacturing, warehousing, or retail entities, or experience in operating cannabis distributors or delivery services, under the laws of New Jersey or any other state or jurisdiction within the United States; and
 - the applicant's plan to comply with and mitigate the effects of 26 U.S.C. s.280E on cannabis businesses, and for evidence that the applicant is not in arrears with respect to any tax obligation to the State.

In evaluating the experience described under this subparagraph, the commission shall afford the greatest weight to the experience of the applicant itself, controlling owners, and entities with common ownership or control with the applicant; followed by the experience of those with a 15 percent or greater ownership interest in the applicant's organization; followed by significantly involved persons in the applicant's organization; followed by other

officers, directors, and current and prospective employees of the applicant who have a bona fide relationship with the applicant's organization as of the date of the application.

(iv) A description of the proposed location for the applicant's site, including the following, if applicable:

- the proposed location, the surrounding area, and the suitability or advantages of the proposed location, along with a floor plan and optional renderings or architectural or engineering plans;

- the submission of zoning approvals for the proposed location, which shall consist of a letter or affidavit from appropriate officials of the municipality that the location will conform to local zoning requirements allowing for activities related to the operations of the proposed cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service as will be conducted at the proposed facility; and

- the submission of proof of local support for the suitability of the location, which may be demonstrated by a resolution adopted by the municipality's governing body indicating that the intended location is appropriately located or otherwise suitable for activities related to the operations of the proposed cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service.

An application for a cannabis retailer shall not include in that application a proposed site that would place the retailer's premises in or upon any premises in which operates a grocery store, delicatessen, indoor food market, or other store engaging in retail sales of food, or in or upon any premises in which operates a store that engages in licensed retail sales of alcoholic beverages, as defined by subsection b. of R.S.33:1-1; any application presented to the commission shall be denied if it includes that form of proposed site.

Notwithstanding any other provision of this subparagraph, an application shall be disqualified from consideration unless it includes documentation demonstrating that the applicant will have final control of the premises upon approval of the application, including, but not limited to, a lease agreement, contract for sale, title, deed, or similar documentation. In addition, if the applicant will lease the premises, the application will be disqualified from consideration unless it includes certification from the landlord that the landlord is aware that the tenant's use of the premises will involve activities associated with operations as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service.

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

- a community impact plan summarizing how the applicant intends to have a positive impact on the community in which the proposed cannabis establishment, distributor, or delivery service is to be located, which shall include an economic impact plan and a description of outreach activities;

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

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

- a written plan describing any research and development regarding the adverse effects of cannabis, and any cannabis-related educational and outreach activities, which the applicant intends to conduct if issued a license by the commission.

In evaluating the information submitted pursuant to this subparagraph, the commission shall afford the greatest weight to responses pertaining to the applicant itself, controlling owners, and entities with common ownership or control with the applicant; followed by those with a 15 percent or greater ownership interest in the applicant's organization; followed by significantly involved persons in the applicant's organization; followed by other officers, directors, and current and prospective employees of the applicant who have a bona fide relationship with the applicant's organization as of the date of the application.

(vi) A workforce development and job creation plan, which may include information on the applicant's history of job creation and planned job creation at the proposed cannabis establishment, distributor, or delivery service; education, training, and resources to be made available for employees; any relevant certifications; and an optional diversity plan.

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

- an executive summary of the applicant's business plan;
- a demonstration of the applicant's financial ability to implement its business plan, which may include, but shall not be limited to, bank statements, business and individual financial statements, net worth statements, and debt and equity financing statements; and
- a description of the applicant's plan to comply with guidance pertaining to cannabis issued by the Financial Crimes Enforcement Network under 31 U.S.C. s.5311 et seq., the federal "Bank Secrecy Act," which may be demonstrated by submitting letters regarding the applicant's banking history from banks or credit unions that certify they are aware of the business activities of the applicant, or entities with common ownership or control with the applicant, in any state where the applicant has operated a business related to personal use or medical cannabis. For the purposes of this subparagraph, the commission shall consider only bank references involving accounts in the name of the applicant or of an entity with common ownership or control with the applicant. An applicant who does not submit the information about a plan of compliance with the federal "Bank Secrecy Act" shall not be disqualified from consideration.

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

(ix) Any other information the commission deems relevant in determining whether to grant a license to the applicant.

(2) In ranking applications, in addition to the awarding of points as set forth in paragraph (1) of this subsection, the commission shall give priority to the following, regardless of whether there is any competition among applications for a particular class of license:

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

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

(c) Applicants that are party to a collective bargaining agreement with a bona fide labor organization that currently represents cannabis workers in another state.

(d) Applicants that submit a signed project labor agreement with a bona fide building trades labor organization, which is a form of pre-hire collective bargaining agreement covering terms and conditions of a specific project, including labor issues and worker

grievances associated with that project, for the construction or retrofit of the facilities associated with the licensed entity.

(e) Applicants that submit a signed project labor agreement with a bona fide labor organization for any other applicable project associated with the licensed entity.

As used in this paragraph, “bona fide labor organization” means “bona fide labor organization” as defined in subsection c. of this section, and includes a bona fide building trades labor organization.

(3) In reviewing an initial license application, unless the information is otherwise solicited by the commission in a specific application question, the commission’s evaluation of the application shall be limited to the experience and qualifications of the applicant’s organization, including controlling owners, any entities with common ownership or control with the applicant, those with a 15 percent or greater ownership interest in the applicant’s organization, significantly involved persons in the applicant’s organization, the other officers, directors, and current or prospective employees of the applicant who have a bona fide relationship with the applicant’s organization as of the date of the application, and consultants and independent contractors who have a bona fide relationship with the applicant as of the date of the application. Responses pertaining to applicants who are exempt from the criminal history record background check requirements of P.L.2021, c.16 (C.24:6I-31 et al.) shall not be considered. Each applicant shall certify as to the status of the individuals and entities included in the application.

(4) The commission shall give special consideration to any applicant that has entered into an agreement with an institution of higher education to create an integrated curriculum involving the cultivation, manufacturing, wholesaling, distributing, retail sales, or delivery of personal use cannabis or cannabis items, provided that the curriculum is approved by both the commission and the Office of the Secretary of Higher Education and the applicant agrees to maintain the integrated curriculum in perpetuity. An integrated curriculum license shall be subject to revocation if the license holder fails to maintain or continue the integrated curriculum. In the event that, because of circumstances outside a license holder’s control, the license holder will no longer be able to continue an integrated curriculum, the license holder shall notify the commission and shall make reasonable efforts to establish a new integrated curriculum with an institution of higher education, subject to approval by the commission and the Office of the Secretary of Higher Education. If the license holder is unable to establish a new integrated curriculum within six months after the date the current integrated curriculum arrangement ends, the commission shall revoke the entity’s license, unless the commission finds there are extraordinary circumstances that justify allowing the license holder to retain the license without an integrated curriculum and the commission finds that allowing the license holder to retain the license would be consistent with the purposes of P.L.2021, c.16 (C.24:6I-31 et al.). The commission may revise the application and license fees or other conditions for a license pursuant to this paragraph as may be necessary to encourage applications for licensure which involves an integrated curriculum.

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

(6) If the commission notifies an applicant that it has performed sufficiently well on multiple applications to be awarded more than one license, the applicant shall notify the commission, within seven business days after receiving such notice, as to which class of license it will accept. For any license award that is declined by an applicant pursuant to this paragraph, the commission shall, upon receiving notice from the applicant of the declination,

award the license to the applicant for that license class who, in the determination of the commission, best satisfies the commission's criteria while meeting the commission's determination of Statewide marketplace need. If an applicant fails to notify the commission as to which license it will accept, the commission shall have the discretion to determine which license it will award to the applicant, based on the commission's determination of Statewide marketplace need and other applications submitted for cannabis establishments, distributors, or delivery services to be located in the affected regions.

e. (1) The commission shall also prioritize applications on the basis of impact zones, for which past criminal marijuana enterprises contributed to higher concentrations of law enforcement activity, unemployment, and poverty, or any combination thereof, within parts of or throughout these zones, regardless of whether there is any competition among applications for a particular class of license. An "impact zone" means any municipality that:

(a) has a population of 120,000 or more according to the most recently compiled federal decennial census as of the effective date of P.L.2021, c.16 (C.24:6I-31 et al.);

(b) based upon data for calendar year 2019:

(i) ranks in the top 40 percent of municipalities in the State for marijuana- or hashish-related arrests for violation of paragraph (4) of subsection a. of N.J.S.2C:35-10;

(ii) has a crime index total of 825 or higher based upon the indexes listed in the annual Uniform Crime Report by the Division of State Police; and

(iii) has a local average annual unemployment rate that ranks in the top 15 percent of all municipalities in the State, based upon average annual unemployment rates estimated for the relevant calendar year by the Office of Research and Information in the Department of Labor and Workforce Development;

(c) is a municipality located in a county of the third class, based upon the county's population according to the most recently compiled federal decennial census as of the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), that meets all of the criteria set forth in subparagraph (b) other than having a crime index total of 825 or higher; or

(d) is a municipality located in a county of the second class, based upon the county's population according to the most recently compiled federal decennial census as of the effective date of P.L.2021, c.16 (C.24:6I-31 et al.):

(i) with a population of less than 60,000 according to the most recently compiled federal decennial census, that for calendar year 2019 ranks in the top 40 percent of municipalities in the State for marijuana- or hashish-related arrests for violation of paragraph (4) of subsection a. of N.J.S.2C:35-10; has a crime index total of 1,000 or higher based upon the indexes listed in the 2019 annual Uniform Crime Report by the Division of State Police; but for calendar year 2019 does not have a local average annual unemployment rate that ranks in the top 15 percent of all municipalities, based upon average annual unemployment rates estimated for the relevant calendar year by the Office of Research and Information in the Department of Labor and Workforce Development; or

(ii) with a population of not less than 60,000 or more than 80,000 according to the most recently compiled federal decennial census; has a crime index total of 650 or higher based upon the indexes listed in the 2019 annual Uniform Crime Report; and for calendar year 2019 has a local average annual unemployment rate of 3.0 percent or higher using the same estimated annual unemployment rates.

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

(a) An application for a cannabis establishment, distributor, or delivery service that is located, or is intended to be located, within an impact zone, and that impact zone has less

than two licensees, so that there will be a prioritized distribution of licenses to at least two licensees within each impact zone.

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

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

f. (1) The commission shall ensure that at least 10 percent of the total licenses issued for each class of cannabis establishment, or for cannabis distributors and cannabis delivery services, are designated for and only issued to microbusinesses, and that at least 25 percent of the total licenses issued be issued to microbusinesses. The determination of the percentage for each class of license issued to microbusinesses shall include the number of conditional licenses issued to microbusinesses for each class, as the percentage of conditional licenses issued for each class pursuant to subparagraph (a) of paragraph (2) of subsection b. of this section shall not be mutually exclusive of the percentage of licenses issued to microbusinesses pursuant to this subsection. There shall not be any cap or other numerical restriction on the number of licenses issued to microbusinesses pursuant to P.L.2021, c.16 (C.24:6I-31 et al.), and this prohibition on a cap or other numerical restriction shall apply to every class of license issued. The maximum fee assessed by the commission for issuance or renewal of a license designated and issued to a microbusiness shall be no more than half the fee applicable to a license of the same class issued to a person or entity that is not a microbusiness.

(2) A microbusiness shall meet the following requirements:

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

(b) at least 51 percent of the owners, directors, officers, or employees of the microbusiness shall be residents of the municipality in which the microbusiness is located, or to be located, or a municipality bordering the municipality in which the microbusiness is located, or to be located;

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

(i) employ no more than 10 employees;

(ii) operate a cannabis establishment occupying an area of no more than 2,500 square feet, and in the case of a cannabis cultivator, grow cannabis on an area no more than 2,500 square feet measured on a horizontal plane and grow above that plane not higher than 24 feet; provided, that a cannabis cultivator's grow space may, if approved by the commission, be part of a larger premises that is owned or operated by a cannabis cultivator that is not a licensed microbusiness, allowing for the sharing of a physical premises and certain business

operations, but only the microbusiness cannabis cultivator shall grow cannabis on and above the cultivator's grow space;

(iii) possess no more than 1,000 cannabis plants each month, except that a cannabis distributor's possession of cannabis plants for transportation shall not be subject to this limit;

(iv) in the case of a cannabis manufacturer, acquire no more than 1,000 pounds of usable cannabis each month;

(v) in the case of a cannabis wholesaler, acquire for resale no more than 1,000 pounds of usable cannabis, or the equivalent amount in any form of manufactured cannabis product or cannabis resin, or any combination thereof, each month; and

(vi) in the case of a cannabis retailer, acquire for retail sale no more than 1,000 pounds of usable cannabis, or the equivalent amount in any form of manufactured cannabis product or cannabis resin, or any combination thereof, each month;

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

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

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

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

(3) A license designated and issued to a microbusiness shall be valid for one year and may be renewed annually, or alternatively replaced, while still valid, with an annual license allowing the microbusiness to convert and continue its operations as a licensed person or entity that is not a microbusiness subject to the provisions of this subsection, based upon a process and criteria established by the commission in regulation for the conversion.

(a) Any microbusiness that meets the criteria established by the commission for conversion may submit an application to convert its operations. Upon review of the application to confirm the commission's criteria have been met, the commission shall issue a new annual license to the person or entity, and the previously issued license for the microbusiness shall be deemed expired as of the date of issuance of the new annual license. If the commission determines that the criteria have not been met, the conversion application shall be denied, and the commission shall notify the microbusiness applicant of the specific reason for its denial, and provide the applicant with the opportunity for a hearing in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

(b) Any new annual license issued pursuant to this paragraph allowing a microbusiness to convert and continue its operations as a licensed person or entity that is not a microbusiness subject to the provisions of this subsection shall be counted towards the percentages of licenses that are designated for and only issued to microbusinesses as set forth in paragraph (1) of this subsection, notwithstanding the microbusiness' converted operations.

C.24:6I-37 Class I Cannabis Cultivator license.

20. Class 1 Cannabis Cultivator license.

A cannabis cultivator shall have a Class 1 Cannabis Cultivator license issued by the commission for the premises at which the cannabis is grown or cultivated. Except for an initial period during which the number of licenses is capped pursuant to section 33 of P.L.2021, c.16 (C.24:6I-46), except as otherwise provided therein concerning cannabis

cultivator licenses issued to microbusinesses, 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 19 of P.L.2021, c.16 (C.24:6I-36), and at least 10 percent of the total number of licenses and conditional licenses shall be designated for and only issued to microbusinesses pursuant to subsection f. of that section. After the initial period during which the number of licenses is capped pursuant to section 33 of P.L.2021, c.16 (C.24:6I-46), except as otherwise provided therein concerning cannabis cultivator licenses issued to microbusinesses, the commission shall review the current number of licenses issued and, provided 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 18 of P.L.2021, c.16 (C.24:6I-35), accept new applications for additional licenses as it deems necessary to meet those demands.

a. To hold a Class 1 Cannabis Cultivator license under this section, an applicant:

(1) Shall apply for a license in the manner described in section 18 of P.L.2021, c.16 (C.24:6I-35);

(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 financial interest who also has decision making authority for the cannabis cultivator listed on an application submitted under section 18 of P.L.2021, c.16 (C.24:6I-35.) is 21 years of age or older;

(3) Shall meet the requirements of any rule or regulation 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 cultivator or who is a member of a group that holds less than a 20 percent investment interest in the cannabis cultivator and no member of that group holds more than a five percent interest in the total group investment, and who lacks the authority to make controlling decisions regarding the cannabis cultivator's operations; any director; any officer; and any employee.

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

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

(c) (i) With respect to determining whether any conviction of a person contained in the criminal history record background check should disqualify an applicant for a Class 1 Cannabis Cultivator license, the commission shall not take into consideration any conviction for a crime or offense that occurred prior to the effective date of P.L.2021, c.16 (C.24:6I-31

et al.) involving a controlled dangerous substance or controlled substance analog as set forth in paragraph (11) or (12) of subsection b., or subparagraph (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar indictable offense under federal law, this State's law, or any other state's law, or for any conviction under federal law for conduct involving cannabis or a cannabis item that is authorized by P.L.2021, c.16 (C.24:6I-31 et al.). Additionally, the commission shall not take into consideration any other prior conviction, unless that conviction is for an indictable offense under federal law, other than a conviction for conduct involving cannabis or a cannabis item that is authorized by P.L.2021, c.16 (C.24:6I-31 et al.), or under this State's law, or any other state's law that is substantially related to the qualifications, functions, or duties for which the license is required, and not more than five years have passed since the date of that conviction, satisfactory completion of probation or parole, or release from incarceration, whichever is later. In determining which indictable offenses are substantially related to the qualifications, functions, or duties for which the license is required, the commission shall at least consider any conviction involving fraud, deceit, or embezzlement, and any conviction for N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or similar indictable offense in this or another jurisdiction involving the use of a minor to dispense or distribute a controlled dangerous substance or controlled substance analog;

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

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

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

(e) The Division of State Police shall promptly notify the commission in the event that a person 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 1 Cannabis Cultivator license.

b. The commission shall adopt rules and regulations that:

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

(2) Establish application, licensure, and renewal of licensure fees for cannabis cultivators in accordance with paragraph (2) of subsection a. of section 18 of P.L.2021, c.16 (C.24:6I-35);

(3) Require usable cannabis produced by cannabis cultivators to be tested in accordance with P.L.2021, c.16 (C.24:6I-31 et al.);

(4) Require cannabis cultivators to submit, at the time of applying for or renewing a license under P.L.2021, c.16 (C.24:6I-31 et al.), a report describing the applicant's or licensee's electrical and water usage; and

(5) Require a cannabis cultivator to meet any public health and safety standards, industry best practices, and all applicable regulations established by the commission related to the production of cannabis or the propagation of immature cannabis plants and the seeds of the plant *Cannabis sativa* L. within the plant family *Cannabaceae*. The commission may regulate the number of immature cannabis plants that may be possessed by a cannabis cultivator licensed under this section, and the size of the grow canopy a cannabis cultivator licensed under this section uses to grow immature cannabis plants.

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 or on which more mature cannabis plants are grown; and

(2) Shall be deposited in the "Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund" established under section 41 of P.L.2021, c.16 (C.24:6I-50).

d. (1) The commission shall issue or deny issuance of a Class 1 Cannabis Cultivator license or conditional license in accordance with the procedures set forth in section 18 of P.L.2021, c.16 (C.24:6I-35).

(2) The commission may suspend or revoke a Class 1 Cannabis Cultivator license or conditional license to operate as a cannabis cultivator 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 produced.

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.

C.24:6I-38 Grow canopies for licensed cannabis cultivators.

21. Grow Canopies for Licensed Cannabis Cultivators.

a. Subject to subsection b. of this section, the commission shall adopt rules or regulations restricting the size of mature cannabis plant grow canopies at premises for which a license has been issued to a cannabis cultivator pursuant to P.L.2021, c.16 (C.24:6I-31 et al.).

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

(1) Limit the size of mature cannabis plant grow canopies for premises where cannabis is grown outdoors and for premises where cannabis is grown indoors in a manner calculated to result in premises that produce the same amount of harvested cannabis leaves and harvested cannabis flowers, regardless of whether the cannabis is grown outdoors or indoors;

(2) Adopt a tiered system under which the permitted size of a cannabis cultivators' mature cannabis plant grow canopy may increase or decrease at the time of licensure renewal in accordance with that tiered system, except that the permitted size of a cannabis cultivator's mature cannabis plant grow canopy may not increase following any year during which the commission disciplined the cannabis cultivator for violating a provision of, or a rule or regulation adopted under, a provision of P.L.2021, c.16 (C.24:6I-31 et al.); provided,

that at the time of adoption, any growing or cultivation square footage previously approved or authorized for an alternative treatment center that was issued a permit prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was issued a permit on or after that effective date pursuant to an application submitted prior to that effective date, shall not be reduced, but the commission's adopted tiered system shall apply to the growing or cultivation square footage of that alternative treatment center thereafter;

(3) Take into consideration the market demand for cannabis items in this State, the number of persons applying for a license pursuant to sections 20, 22, 23, 24, 25, and 26 of P.L.2021, c.16 (C.24:6I-37, C.24:6I-39, C.24:6I-40, C.24:6I-41, C.24:6I-42, and C.24:6I-43), and to whom a license has been issued pursuant to those sections, and whether the availability of cannabis items in this State is commensurate with the market demand.

c. This section shall not apply to premises for which a license has been issued to a cannabis cultivator pursuant to section 20 of P.L.2021, c.16 (C.24:6I-37), if the premises is used only to propagate immature cannabis plants.

C.24:6I-39 Class 2 cannabis manufacturer license.

22. Class 2 Cannabis Manufacturer license.

A cannabis manufacturer shall have a Class 2 Cannabis Manufacturer license issued by the commission for the premises at which the cannabis items are manufactured. 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 19 of P.L.2021, c.16 (C.24:6I-36), and at least 10 percent of the total number of licenses and conditional licenses shall be designated for and only issued to microbusinesses pursuant to 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 18 of P.L.2021, c.16 (C.24:6I-35), accept new applications for additional licenses as it deems necessary to meet those demands.

a. To hold a Class 2 Cannabis Manufacturer license under this section, an applicant:

(1) Shall apply for a license in the manner described in section 18 of P.L.2021, c.16 (C.24:6I-35);

(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 a financial interest who also has decision making authority for the cannabis manufacturer listed on an application submitted under section 18 of P.L.2021, c.16 (C.24:6I-35) is 21 years of age or older;

(3) Shall meet the requirements of any rule or regulation 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 manufacturer or who is a member of a group that holds less than a 20 percent investment interest in the cannabis manufacturer and no member of that group holds more than a five percent interest in the total group investment, and who lacks the authority to make controlling decisions regarding the cannabis manufacturer's operations; any director; any officer; and any employee.

(a) Pursuant to this provision, the commission is authorized to exchange fingerprint data with and receive criminal history record background information from the Division of State Police and the Federal Bureau of Investigation consistent with the provisions of applicable

State and federal laws, rules, and regulations. The Division of State Police shall forward criminal history record background information to the commission in a timely manner when requested pursuant to the provisions of this section;

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

(c) (i) With respect to determining whether any conviction of a person contained in the criminal history record background check should disqualify an applicant for a Class 2 Cannabis Manufacturer license, the commission shall not take into consideration any conviction for a crime or offense that occurred prior to the effective date of P.L.2021, c.16 (C.24:6I-31 et al.) involving a controlled dangerous substance or controlled substance analog as set forth in paragraph (11) or (12) of subsection b., or subparagraph (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar indictable offense under federal law, this State's law, or any other state's law, or for any conviction under federal law for conduct involving cannabis or a cannabis item that is authorized by P.L.2021, c.16 (C.24:6I-31 et al.). Additionally, the commission shall not take into consideration any other prior conviction, unless that conviction is for an indictable offense under federal law, other than a conviction for conduct involving cannabis or a cannabis item that is authorized by P.L.2021, c.16 (C.24:6I-31 et al.), or under this State's law, or any other state's law that is substantially related to the qualifications, functions, or duties for which the license is required, and not more than five years have passed since the date of that conviction, satisfactory completion of probation or parole, or release from incarceration, whichever is later. In determining which indictable offenses are substantially related to the qualifications, functions, or duties for which the license is required, the commission shall at least consider any conviction involving fraud, deceit, or embezzlement, and any conviction for N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or similar indictable offense in this or another jurisdiction involving the use of a minor to dispense or distribute a controlled dangerous substance or controlled substance analog;

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

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

If the applicant is disqualified because the commission determined that a person has a disqualifying conviction pursuant to the provisions of this section, the conviction that constitutes the basis for the disqualification shall be identified in the written 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 Manufacturer license.

b. The commission shall adopt rules that:

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

(2) Establish application, licensure, and renewal of licensure fees for cannabis manufacturers in accordance with paragraph (2) of subsection a. of section 18 of P.L.2021, c.16 (C.24:6I-35);

(3) Require cannabis items manufactured by cannabis manufacturers to be tested in accordance with P.L.2021, c.16 (C.24:6I-31 et al.); and

(4) Require a cannabis manufacturer to meet any public health and safety standards, industry best practices, and all applicable regulations established by the commission related to the manufacturing of cannabis items.

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, Enforcement Assistance, and Marketplace Modernization Fund" established under section 41 of P.L.2021, c.16 (C.24:6I-50).

d. (1) The commission shall issue or deny issuance of a Class 2 Cannabis Manufacturer license or conditional license in accordance with the procedures set forth in section 18 of P.L.2021, c.16 (C.24:6I-35).

(2) The commission may suspend or revoke a Class 2 Cannabis Manufacturer license or conditional license to operate as a cannabis manufacturer 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 items are being manufactured.

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.

C.24:6I-40 Class 3 cannabis wholesaler license.

23. Class 3 Cannabis Wholesaler license.

A cannabis wholesaler shall have a Class 3 Cannabis Wholesaler license issued by the commission for the premises at which cannabis items are warehoused. 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 19 of P.L.2021, c.16 (C.24:6I-36), and at least 10 percent of the total number of licenses and conditional licenses shall be designated for and only issued to microbusinesses pursuant to

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 18 of P.L.2021, c.16 (C.24:6I-35), accept new applications for additional licenses as it deems necessary to meet those demands.

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

(1) Shall apply for a license in the manner described in section 18 of P.L.2021, c.16 (C.24:6I-35);

(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 a financial interest who also has decision making authority for the cannabis wholesaler listed on an application submitted under section 18 of P.L.2021, c.16 (C.24:6I-35) is 21 years of age or older;

(3) Shall meet the requirements of any rule or regulation 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 wholesaler or who is a member of a group that holds less than a 20 percent investment interest in the cannabis wholesaler and no member of that group holds more than a five percent interest in the total group investment, and who lacks the authority to make controlling decisions regarding the cannabis wholesaler's operations; any director; any officer; and any employee.

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

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

(c) (i) With respect to determining whether any conviction of a person contained in the criminal history record background check should disqualify an applicant for a Class 3 Cannabis Wholesaler license, the commission shall not take into consideration any conviction for a crime or offense that occurred prior to the effective date of P.L.2021, c.16 (C.24:6I-31 et al.) involving a controlled dangerous substance or controlled substance analog as set forth in paragraph (11) or (12) of subsection b., or subparagraph (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar indictable offense under federal law, this State's law, or any other state's law, or for any conviction under federal law for conduct involving cannabis or a cannabis item that is authorized by P.L.2021, c.16 (C.24:6I-31 et al.). Additionally, the commission shall not take into consideration any other prior conviction, unless that conviction is for an indictable offense under federal law, other than a conviction for conduct involving cannabis or a cannabis item that is authorized by P.L.2021, c.16 (C.24:6I-31 et al.), or under this

State's law, or any other state's law that is substantially related to the qualifications, functions, or duties for which the license is required, and not more than five years have passed since the date of that conviction, satisfactory completion of probation or parole, or release from incarceration, whichever is later. In determining which indictable offenses are substantially related to the qualifications, functions, or duties for which the license is required, the commission shall at least consider any conviction involving fraud, deceit, or embezzlement, and any conviction for N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or similar indictable offense in this or another jurisdiction involving the use of a minor to dispense or distribute a controlled dangerous substance or controlled substance analog;

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

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

If the applicant is disqualified because the commission determined that a person has a disqualifying conviction pursuant to the provisions of this section, the conviction that constitutes the basis for the disqualification shall be identified in the written 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 3 Cannabis Wholesaler license.

b. The commission shall adopt rules that:

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

(2) Establish application, licensure, and renewal of licensure fees for cannabis wholesalers in accordance with paragraph (2) of subsection a. of section 18 of P.L.2021, c.16 (C.24:6I-35); and

(3) Require a cannabis wholesaler to meet any public health and safety standards, industry best practices, and all applicable regulations established by the commission related to the warehousing of cannabis items.

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, Enforcement Assistance, and Marketplace Modernization Fund" established under section 41 of P.L.2021, c.16 (C.24:6I-50).

d. (1) The commission shall issue or deny issuance of a Class 3 Cannabis Wholesaler license or conditional license in accordance with the procedures set forth in section 18 of P.L.2021, c.16 (C.24:6I-35).

(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.

C.24:6I-41 Class 4 cannabis distributor license.

24. Class 4 Cannabis Distributor license.

A cannabis distributor shall have a Class 4 Cannabis Distributor license issued by the commission for the premises from which the cannabis distributor will conduct operations to transport cannabis items in bulk. 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 19 of P.L.2021, c.16 (C.24:6I-36), and at least 10 percent of the total number of licenses and conditional licenses shall be designated for and only issued to microbusinesses pursuant to 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 18 P.L.2021, c.16 (C.24:6I-35), accept new applications for additional licenses as it deems necessary to meet those demands.

a. To hold a Class 4 Cannabis Distributor license under this section, an applicant:

(1) Shall apply for a license in the manner described in section 18 of P.L.2021, c.16 (C.24:6I-35);

(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 a financial interest who also has decision making authority for the cannabis distributor listed on an application submitted under section 18 of P.L.2021, c.16 (C.24:6I-35) is 21 years of age or older;

(3) Shall meet the requirements of any rule or regulation 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 distributor or who is a member of a group that holds less than a 20 percent investment interest in the cannabis distributor and no member of that group holds more than a five percent interest in the total group investment, and who lacks the authority to make controlling decisions regarding the cannabis distributor's operations; any director; any officer; and any employee.

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

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

(c) (i) With respect to determining whether any conviction of a person contained in the criminal history record background check should disqualify an applicant for a Class 4 Cannabis Distributor license, the commission shall not take into consideration any conviction for a crime or offense that occurred prior to the effective date of P.L.2021, c.16 (C.24:6I-31 et al.) involving a controlled dangerous substance or controlled substance analog as set forth in paragraph (11) or (12) of subsection b., or subparagraph (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar indictable offense under federal law, this State's law, or any other state's law, or for any conviction under federal law for conduct involving cannabis or a cannabis item that is authorized by P.L.2021, c.16 (C.24:6I-31 et al.). Additionally, the commission shall not take into consideration any other prior conviction, unless that conviction is for an indictable offense under federal law, other than a conviction for conduct involving cannabis or a cannabis item that is authorized by P.L.2021, c.16 (C.24:6I-31 et al.), or under this State's law, or any other state's law that is substantially related to the qualifications, functions, or duties for which the license is required, and not more than five years have passed since the date of that conviction, satisfactory completion of probation or parole, or release from incarceration, whichever is later. In determining which indictable offenses are substantially related to the qualifications, functions, or duties for which the license is required, the commission shall at least consider any conviction involving fraud, deceit, or embezzlement, and any conviction for N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or similar indictable offense in this or another jurisdiction involving the use of a minor to dispense or distribute a controlled dangerous substance or controlled substance analog;

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

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

If the applicant is disqualified because the commission determined that a person has a disqualifying conviction pursuant to the provisions of this section, the conviction that constitutes the basis for the disqualification shall be identified in the written 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 4 Cannabis Distributor license.

b. The commission shall adopt rules that:

(1) Provide for the annual renewal of the Class 4 Cannabis Distributor license;

(2) Establish application, licensure, and renewal of licensure fees for cannabis distributors in accordance with paragraph (2) of subsection a. of section 18 of P.L.2021, c.16 (C.24:6I-35); and

(3) Require a cannabis distributor to meet any public health and safety standards, industry best practices, and all applicable regulations established by the commission related to the bulk transportation of cannabis items.

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

(1) Shall be in the form of a schedule that imposes a greater fee for larger transportation operations; and

(2) Shall be deposited in the "Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund" established under section 41 of P.L.2021, c.16 (C.24:6I-50).

d. (1) The commission shall issue or deny issuance of a Class 4 Cannabis Distributor license or conditional license in accordance with the procedures set forth in section 18 of P.L.2021, c.16 (C.24:6I-35).

(2) The commission may suspend or revoke a Class 4 Cannabis Distributor license or conditional license to operate as a cannabis distributor 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 distributor's premises at all times when cannabis is being transported.

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.

C.24:6I-42 Class 5 cannabis retailer license.

25. Class 5 Cannabis Retailer license. A cannabis retailer shall have a Class 5 Cannabis Retailer license issued by the commission for the premises at which cannabis items are retailed, which may include purchase orders for off-premises delivery by a certified cannabis handler working for or on behalf of the cannabis retailer, or consumer purchases to be fulfilled from the retail premises that are presented by a cannabis delivery service with a Class 6 Cannabis Delivery Service license and which will be delivered by the cannabis delivery service to that consumer. 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 19 of P.L.2021, c.16 (C.24:6I-36), and at least 10 percent of the total number of licenses and conditional licenses shall be designated for and only issued to microbusinesses pursuant to 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 18 of P.L.2021, c.16 (C.24:6I-35), accept new applications for additional licenses as it deems necessary to meet those demands.

a. To hold a Class 5 Cannabis Retailer license under this section, a cannabis retailer:

(1) Shall apply for a license in the manner described in section 18 of P.L.2021, c.16 (C.24:6I-35);

(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 a financial interest who also has decision making authority for the cannabis retailer listed on an application submitted under section 18 of P.L.2021, c.16 (C.24:6I-35) 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 a 20 percent investment interest in the cannabis retailer and no member of that group holds more than a five percent interest in the total group investment, and who lacks the authority to make controlling decisions regarding the cannabis retailer's operations; any director; any officer; and any employee.

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

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

(c) (i) With respect to determining whether any conviction of a person contained in the criminal history record background check should disqualify an applicant for a Class 5 Cannabis Retailer license, the commission shall not take into consideration any conviction for a crime or offense that occurred prior to the effective date of P.L.2021, c.16 (C.24:6I-31 et al.) involving a controlled dangerous substance or controlled substance analog as set forth in paragraph (11) or (12) of subsection b., or subparagraph (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar indictable offense under federal law, this State's law, or any other state's law, or for any conviction under federal law for conduct involving cannabis or a cannabis item that is authorized by P.L.2021, c.16 (C.24:6I-31 et al.). Additionally, the commission shall not take into consideration any other prior conviction, unless that conviction is for an indictable offense under federal law, other than a conviction for conduct involving cannabis or a cannabis item that is authorized by P.L.2021, c.16 (C.24:6I-31 et al.), or under this State's law, or any other state's law that is substantially related to the qualifications, functions, or duties for which the license is required, and not more than five years have passed since the date of that conviction, satisfactory completion of probation or parole, or release from incarceration, whichever is later. In determining which indictable offenses are substantially related to the qualifications, functions, or duties for which the license is required, the

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

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

(d) Upon receipt and review of the criminal history record background information from the Division of State Police and the Federal Bureau of Investigation, the commission shall provide written notification to the applicant of the qualification or disqualification for a Class 5 Cannabis Retailer license.

If the applicant is disqualified because the commission determined that a person has a disqualifying conviction pursuant to the provisions of this section, the conviction that constitutes the basis for the disqualification shall be identified in the written 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 5 Cannabis Retailer license.

b. The commission shall adopt rules that:

(1) Provide for the annual renewal of the Class 5 Cannabis Retailer license;

(2) Establish application, licensure, and renewal of licensure fees for a cannabis retailer in accordance with paragraph (2) of subsection a. of section 18 of P.L.2021, c.16 (C.24:6I-35); and

(3) Require a cannabis retailer to meet any public health and safety standards, industry best practices, and all applicable regulations established by the commission related to the retailing of cannabis items.

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, Enforcement Assistance, and Marketplace Modernization Fund" established under section 41 of P.L.2021, c.16 (C.24:6I-50).

d. (1) The commission shall issue or deny issuance of a Class 5 Cannabis Retailer license or conditional license in accordance with the procedures set forth in section 18 of P.L.2021, c.16 (C.24:6I-35).

(2) The commission may suspend or revoke a Class 5 Cannabis Retailer license or conditional license to operate as a cannabis retailer 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 retailed.

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.

g. Subject to receiving an endorsement pursuant to section 28 of P.L.2019, c.153 (C.24:6I-21):

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

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

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

(4) A Class 5 Cannabis Retailer licensee that has been approved for a cannabis consumption area endorsement may transfer cannabis items purchased by a consumer in its retail establishment to that consumer in its cannabis consumption area. The Class 5 Cannabis Retailer licensee shall not transfer to the consumption area an amount of cannabis items that exceed the limits established by the commission.

C.24:6I-43 Class 6 cannabis delivery license.

26. Class 6 Cannabis Delivery license.

A cannabis delivery service shall have a Class 6 Cannabis Delivery license issued by the commission for the premises from which the cannabis delivery service will conduct operations to provide courier services for consumer purchases of cannabis items and related supplies fulfilled by a cannabis retailer in order to make deliveries of the cannabis items and related supplies to that consumer, and which services include the ability of a consumer to purchase the cannabis items directly through the cannabis delivery service, which after presenting the purchase order to the cannabis retailer for fulfillment, is delivered to that consumer. 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 19 of P.L.2021, c.16 (C.24:6I-36), and at least 10 percent of the total number of licenses and conditional licenses shall be designated for and only issued to microbusinesses pursuant to 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 18 of P.L.2021, c.16 (C.24:6I-35), accept new applications for additional licenses as it deems necessary to meet those demands.

a. To hold a Class 6 Cannabis Delivery license under this section, an applicant:

(1) Shall apply for a license in the manner described in section 18 of P.L.2021, c.16 (C.24:6I-35);

(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 delivery service listed on an application submitted under section 18 of P.L.2021, c.16 (C.24:6I-35) is 21 years of age or older;

(3) Shall meet the requirements of any rule or regulation 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 delivery service or who is a member of a group that holds less than a 20 percent investment interest in the cannabis delivery service and no member of that group holds more than a five percent interest in the total group investment, and who lacks the authority to make controlling decisions regarding the cannabis delivery service's operations; any director; any officer; and any employee.

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

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

(c) (i) With respect to determining whether any conviction of a person contained in the criminal history record background check should disqualify an applicant for a Class 6 Cannabis Delivery license, the commission shall not take into consideration any conviction for a crime or offense that occurred prior to the effective date of P.L.2021, c.16 (C.24:6I-31 et al.) involving a controlled dangerous substance or controlled substance analog as set forth in paragraph (11) or (12) of subsection b., or subparagraph (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar indictable offense under federal law, this State's law, or any other state's law, or for any conviction under federal law for conduct involving cannabis or a cannabis item that is authorized by P.L.2021, c.16 (C.24:6I-31 et al.). Additionally, the commission shall not take into consideration any other prior conviction, unless that conviction is for an indictable offense under federal law, other than a conviction for conduct involving cannabis or a cannabis item that is authorized by P.L.2021, c.16 (C.24:6I-31 et al.), or under this State's law, or any other state's law that is substantially related to the qualifications, functions, or duties for which the license is required, and not more than five years have passed since the date of that conviction, satisfactory completion of probation or parole, or release from incarceration, whichever is later. In determining which indictable offenses are substantially related to the qualifications, functions, or duties for which the license is required, the commission shall at least consider any conviction involving fraud, deceit, or embezzlement, and any conviction for N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or similar indictable offense in this or another jurisdiction involving the use of a minor to dispense or distribute a controlled dangerous substance or controlled substance analog;

(ii) The commission may approve an applicant for a Class 6 Cannabis Delivery license after conducting a thorough review of any previous conviction of a person that substantially related to the qualifications, functions, or duties for which the license is required that is

contained in the criminal history record background information, and this review shall include examining the nature of the indictable offense, the circumstances at the time of committing the offense, and evidence of rehabilitation since conviction. If the commission determines that the reviewed conviction should not disqualify the applicant, the applicant may be approved so long as the applicant is otherwise qualified to be issued the license; and

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

If the applicant is disqualified because the commission determined that a person has a disqualifying conviction pursuant to the provisions of this section, the conviction that constitutes the basis for the disqualification shall be identified in the written 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 6 Cannabis Delivery license.

b. The commission shall adopt rules that:

(1) Provide for the annual renewal of the Class 6 Cannabis Delivery license;

(2) Establish application, licensure, and renewal of licensure fees for cannabis delivery services in accordance with paragraph (2) of subsection a. of section 18 of P.L.2021, c.16 (C.24:6I-35); and

(3) Require a cannabis delivery service 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 delivery of cannabis items and related supplies to a consumer.

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

(1) Shall be in the form of a schedule that imposes a greater fee for larger delivery operations; and

(2) Shall be deposited in the "Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund" established under section 41 of P.L.2021, c.16 (C.24:6I-50).

d. (1) The commission shall issue or deny issuance of a Class 6 Cannabis Delivery license or conditional license in accordance with the procedures set forth in section 18 of P.L.2021, c.16 (C.24:6I-35).

(2) The commission may suspend or revoke a Class 6 Cannabis Delivery license or conditional license to operate as a cannabis distributor 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 delivery service's premises at all times when cannabis is being transported.

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.

C.24:6I-44 Personal use cannabis handlers, transportation and delivery of cannabis and cannabis items.

27. Personal Use Cannabis Handlers; Transportation and Delivery of Cannabis and Cannabis Items.

a. (1) An individual who performs work for or on behalf of a person who holds a license classified pursuant to section 20, 22, 23, 24, 25, or 26 of P.L.2021, c.16 (C.24:6I-37, C.24:6I-39, C.24:6I-40, C.24:6I-41, C.24:6I-42, or C.24:6I-43) shall have a valid certification issued by the commission under this section if the individual participates in:

(a) the possession, securing, or selling of cannabis or cannabis items at the premises for which the license has been issued; (b) the recording of the possession, securing, or selling of cannabis or cannabis items at the premises for which the license has been issued; or

(c) the transportation of cannabis or cannabis items between licensed cannabis establishments or testing facilities, or delivery of cannabis items to consumers.

(2) An individual who has a valid certification as a personal use cannabis handler issued under this section may also simultaneously have a valid certification as a medical cannabis handler issued under section 27 of P.L.2019, c.153 (C.24:6I-20) to perform work for or on behalf of entities issued medical cannabis permits or licenses as described in subsection a. of that section.

b. A person who holds a license classified pursuant to section 20, 22, 23, 24, 25, or 26 of P.L.2021, c.16 (C.24:6I-37, C.24:6I-39, C.24:6I-40, C.24:6I-41, C.24:6I-42, or C.24:6I-43) shall verify that an individual has a valid certification issued under this section before allowing the individual to perform any work described in this section for which the license has been issued pursuant to those sections.

c. The commission shall issue certifications to qualified applicants to perform work described in this section. The commission shall adopt rules and regulations establishing: the qualifications for performing work described in this section; the terms of a certification issued under this section; procedures for applying for and renewing a certification issued under this section; and reasonable application, issuance, and renewal fees for a certification issued under this section.

d. (1) (a) The commission may require an individual applying for a certification under this section to successfully complete a course, made available by or through the commission, in which the individual receives training on: checking identification; detecting intoxication; handling cannabis and cannabis items; statutory and regulatory provisions relating to cannabis; and any matter deemed necessary by the commission to protect the public health and safety. The commission or other provider may charge a reasonable fee for the course.

(b) The commission shall not require an individual to successfully complete the course more than once, except that the commission may adopt regulations directing continuing education training on a prescribed schedule.

(2) As part of a final order suspending a certification issued under this section, the commission may require a holder of a certification to successfully complete the course as a condition of lifting the suspension, and as part of a final order revoking a certification issued under this section the commission shall require an individual to successfully complete the course prior to applying for a new certification.

e. (1) Each individual applying for a certification under this section shall undergo a criminal history record background check. The commission is authorized to exchange fingerprint data with and receive criminal history record background information from the Division of State Police and the Federal Bureau of Investigation consistent with the

provisions of applicable State and federal laws, rules, and regulations. The Division of State Police shall forward criminal history record background information to the commission in a timely manner when requested pursuant to the provisions of this subsection.

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

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

(4) 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 subsection is convicted of a crime 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 to hold a certification.

f. (1) (a) With respect to determining whether any conviction of an individual contained in the criminal history record background check should disqualify an applicant for a certification, the commission shall not take into consideration any conviction for a crime or offense that occurred prior to the effective date of P.L.2021, c.16 (C.24:6I-31 et al.) involving a controlled dangerous substance or controlled substance analog as set forth in paragraph (11) or (12) of subsection b., or subparagraph (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar indictable offense under federal law, this State's law, or any other state's law, or for any conviction under federal law for conduct involving cannabis or a cannabis item that is authorized by P.L.2021, c.16 (C.24:6I-31 et al.). Additionally, the commission shall not take into consideration any other prior conviction, unless that conviction is for an indictable offense under federal law, other than a conviction for conduct involving cannabis or a cannabis item that is authorized by P.L.2021, c.16 (C.24:6I-31 et al.), or under this State's law, or any other state's law that is substantially related to the qualifications, functions, or duties for which certification is required, and not more than five years have passed since the date of that conviction, satisfactory completion of probation or parole, or release from incarceration, whichever is later. In determining which indictable offenses are substantially related to the qualifications, functions, or duties for which certification is required, the commission shall at least consider any conviction involving fraud, deceit, or embezzlement, and any conviction for N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or similar indictable offense in this or another jurisdiction involving the use of a minor to dispense or distribute a controlled dangerous substance or controlled substance analog;

(b) The commission may approve an applicant for a certification after conducting a thorough review of any previous conviction of a person that substantially related to the qualifications, functions, or duties for which certification is required that is contained in the criminal history record background information, and this review shall include examining the

nature of the indictable offense, the circumstances at the time of committing the offense, and evidence of rehabilitation since conviction. If the commission determines that the reviewed conviction should not disqualify the applicant, the applicant may be approved so long as the applicant is otherwise qualified to be issued the certification.

g. The commission shall deny an application to any applicant who fails to provide information, documentation and assurances as required by P.L.2021, c.16 (C.24:6I-31 et al.) or as requested by the commission, or who fails to reveal any material fact to qualification, or who supplies information which is untrue or misleading as to a material fact pertaining to the qualification criteria for certification.

h. The commission may suspend, revoke, or refuse to renew a certification if the individual who is applying for or who holds the certification: violates any provision of P.L.2021, c.16 (C.24:6I-31 et al.) or any rule or regulation adopted under P.L.2021, c.16 (C.24:6I-31 et al.); makes a false statement to the commission; or refuses to cooperate in any investigation by the commission.

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

j. In addition to the requirements for regulations set forth in paragraph (1) of subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34) the commission shall promulgate regulations to allow for a cannabis retailer's customer orders of cannabis items and related supplies to be delivered off-premises by a certified cannabis handler performing work for or on behalf of a cannabis retailer, as well as a certified cannabis handler employed by a cannabis delivery service providing courier services for consumer purchases of cannabis items and related supplies fulfilled by the cannabis retailer, and which regulations shall include, but not be limited to, the following requirements:

(1) Deliveries shall be made only to a residence, including a temporary residence, in this State.

(2) Deliveries shall be made only to a legal consumer by a certified cannabis handler who is an employee of a cannabis retailer, cannabis delivery service, or an approved contractor vendor for a cannabis retailer.

(3) Deliveries shall not be made to a residence located on land owned by the federal government or any residence on land or in a building leased by the federal government.

(4) Each delivery vehicle shall be staffed by a certified cannabis handler who is an employee of the cannabis retailer or cannabis delivery service who shall be at least 18 years of age, or use an approved contract vendor whose certified cannabis handler delivery employees shall be at least 18 years of age.

(5) All deliveries of cannabis items shall be made in person. A delivery of cannabis items shall not be made through the use of an unmanned vehicle.

(6) Each certified cannabis handler shall carry a cannabis employee, cannabis delivery service, or contract vendor identification card. The cannabis handler shall present the identification card upon request to State and local law enforcement, and State and local regulatory authorities and agencies.

(7) Each certified cannabis handler shall have access to a secure form of communication with the cannabis retailer or cannabis delivery service making a customer delivery of a purchase order fulfilled by the cannabis retailer, such as a cellular telephone, at all times that a delivery vehicle contains cannabis items.

(8) During delivery, the certified cannabis handler shall maintain a physical or electronic copy of the customer's delivery request and shall make it available upon request to State and local law enforcement, and State and local regulatory authorities and agencies.

(9) Delivery vehicles shall be equipped with a secure lockbox in a secured cargo area, which shall be used for the sanitary and secure transport of cannabis items.

(10) A certified cannabis handler shall not leave cannabis items in an unattended delivery vehicle unless the vehicle is locked and equipped with an active vehicle alarm system.

(11) A delivery vehicle shall contain a Global Positioning System (GPS) device for identifying the geographic location of the delivery vehicle. The device shall be either permanently or temporarily affixed to the delivery vehicle while the delivery vehicle is in operation, and the device shall remain active and in the possession of the certified cannabis handler at all times during delivery. At all times, the cannabis retailer or cannabis delivery service shall be able to identify the geographic location of all delivery vehicles that are making deliveries for the cannabis retailer, or for the cannabis delivery service making deliveries of customer purchase orders fulfilled by the cannabis retailer, as the case may be, and shall provide that information to the commission upon request.

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

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

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

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

(16) While making residential deliveries, a certified cannabis handler shall only travel from the cannabis retailer's licensed premises, or as part of a cannabis delivery service or contract vendor deliveries, between multiple cannabis retailers, then to a residence for delivery; from one residential delivery to another residence for residential delivery; or from a residential delivery back to the cannabis retailer's or cannabis delivery services' licensed premises. A cannabis handler shall not deviate from the delivery path described in this paragraph, except in the event of emergency or as necessary for rest, fuel, or vehicle repair stops, or because road conditions make continued use of the route or operation of the vehicle unsafe, impossible, or impracticable.

(17) The process of delivery begins when the certified cannabis handler leaves the cannabis retailer's licensed premises with the customer's purchase order of a cannabis item for delivery. The process of delivering ends when the cannabis handler returns to the cannabis retailer's licensed premises, or delivery service's or contract vendor's premises, after delivering the cannabis item to the consumer.

(18) Each cannabis retailer and cannabis delivery service shall maintain a record of each cannabis item delivery in a delivery log, which may be written or electronic. For each delivery, the log shall record:

- (a) The date and time that the delivery began and ended;
- (b) The name of the certified cannabis handler;

- (c) The cannabis item delivered;
- (d) The batch or lot number of the cannabis item; and
- (e) The signature of the consumer who accepted delivery.

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

k. Any cannabis or cannabis item may be transported or delivered, consistent with the requirements set forth in this section and regulations promulgated by the commission, to any location in the State. As set forth in section 33 of P.L.2021, c.16 (C.24:6I-46), in no case may a municipality restrict the transportation or deliveries of cannabis items to consumers within that municipality by adoption of a municipal ordinance or any other measure, and any restriction to the contrary shall be deemed void and unenforceable.

l. The commission may authorize the use of an Internet-based web service developed and maintained by an independent third party entity that does not hold any license or certificate issued pursuant to P.L.2021, c.16 (C.24:6I-31 et al.), and is not a significantly involved person or other investor in any licensee, which may be used by cannabis retailers to receive, process, and fulfill orders by consumers, or used by consumers to request or schedule deliveries of cannabis items pursuant to subsection j. of this section.

28. Section 24 of P.L.2019, c.153 (C.24:6I-17) is amended to read as follows:

C.24:6I-17 Testing of cannabis.

24. a. (1) Each batch of medical cannabis cultivated by a medical cannabis cultivator or a clinical registrant and each batch of a medical cannabis product manufactured by a medical cannabis manufacturer or a clinical registrant shall be tested in accordance with the requirements of section 26 of P.L.2019, c.153 (C.24:6I-19) by a laboratory licensed pursuant to section 25 of P.L.2019, c.153 (C.24:6I-18) or cannabis testing facility licensed pursuant to section 18 of P.L.2021, c.16 (C.24:6I-35). The laboratory or facility performing the testing shall produce a written report detailing the results of the testing, a summary of which shall be included in any packaging materials for medical cannabis and medical cannabis products dispensed to qualifying patients and their designated and institutional caregivers. The laboratory or facility may charge a reasonable fee for any test performed pursuant to this section.

(2) Each sample of usable cannabis, cannabis products, cannabis extracts, or other cannabis resins from a cannabis cultivator or cannabis manufacturer may be tested in accordance with the provisions of section 18 of P.L.2021, c.16 (C.24:6I-35) by a laboratory licensed pursuant to section 25 of P.L.2019, c.153 (C.24:6I-18).

b. The requirements of paragraph (1) of subsection a. of this section shall take effect at such time as the commission certifies that a sufficient number of laboratories have been licensed pursuant to section 25 of P.L.2019, c.153 (C.24:6I-18), or pursuant to section 18 of P.L.2021, c.16 (C.24:6I-35), to ensure that all medical cannabis and medical cannabis products can be promptly tested consistent with the requirements of this section without disrupting patient access to medical cannabis. Once the requirements of that paragraph have taken effect, a laboratory licensed pursuant to section 25 of P.L.2019, c.153 (C.24:6I-18) shall not make operational changes that reduce the prompt testing of medical cannabis and medical cannabis products, thereby disrupting patient access to medical cannabis, in order to test samples of usable cannabis, cannabis products, cannabis extracts, or any other cannabis resins in accordance with section 18 of P.L.2021, c.16 (C.24:6I-35).

29. Section 25 of P.L.2019, c.153 (C.24:6I-18) is amended to read as follows:

C.24:6I-18 Licensing of testing laboratories.

25. a. (1) A laboratory that performs testing services pursuant to section 24 of P.L.2019, c.153 (C.24:6I-17) shall be licensed by the commission and may be subject to inspection by the commission to determine the condition and calibration of any equipment used for testing purposes and to ensure that testing of medical cannabis and medical cannabis products is being performed in accordance with the requirements of section 26 of P.L.2019, c.153 (C.24:6I-19), and the testing of usable cannabis, cannabis products, cannabis extracts, or any other cannabis resins is being performed in accordance with the requirements of section 18 of P.L.2021, c.16 (C.24:6I-35). Each applicant for licensure pursuant to this section shall submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement with such bona fide labor organization. The maintenance of a labor peace agreement with a bona fide labor organization shall be an ongoing material condition of maintaining a license to test all forms of cannabis.

As used in this paragraph, “bona fide labor organization” means a labor organization of any kind or employee representation committee, group, or association, in which employees participate and which exists and is constituted for the purpose, in whole or in part, of collective bargaining or otherwise dealing with medical or personal use cannabis employers concerning grievances, labor disputes, terms or conditions of employment, including wages and rates of pay, or other mutual aid or protection in connection with employment, and may be characterized by: it being a party to one or more executed collective bargaining agreements with medical or personal use cannabis employers, in this State or another state; it having a written constitution or bylaws in the three immediately preceding years; it filing the annual financial report required of labor organizations pursuant to subsection (b) of 29 U.S.C. s.431, or it having at least one audited financial report in the three immediately preceding years; it being affiliated with any regional or national association of unions, including but not limited to state and federal labor councils; or it being a member of a national labor organization that has at least 500 general members in a majority of the 50 states of the United States.

(2) Any laboratory licensed pursuant to this section prior to the effective date of P.L.2021, c.16 (C.24:6I-31 et al.) to only test medical cannabis and medical cannabis products shall be authorized to test usable cannabis, cannabis products, cannabis extracts, or any other cannabis resins under an existing license in good standing, if the laboratory certifies to the commission that its facility, and the condition and calibration of any equipment used for testing meet the commission’s accreditation requirements for licensure as a cannabis testing facility, its testing procedures will be performed in accordance with the requirements of section 18 of P.L.2021, c.16 (C.24:6I-35), and it will not make operational changes that reduce the prompt testing of medical cannabis and medical cannabis products as required by subsection b. of section 24 of P.L.2019, c.153 (C.24:6I-17). The commission shall acknowledge receipt of the laboratory’s certification in writing to that laboratory, which shall serve as notice and recognition that the laboratory may test usable cannabis, cannabis product, cannabis extract, or any other cannabis resin under the existing license.

b. There shall be no upper limit on the number of laboratories that may be licensed to perform testing services.

c. A person who has been convicted of a crime involving any controlled dangerous substance or controlled substance analog as set forth in chapter 35 of Title 2C of the New Jersey Statutes except paragraph (4) of subsection a. of N.J.S.2C:35-10, or any similar law of

the United States or any other state shall not be issued a license to operate as or be a director, officer, or employee of a medical cannabis testing laboratory, unless such conviction occurred after the effective date of P.L.2009, c.307 (C.24:6I-1 et al.) and was for a violation of federal law relating to possession or sale of cannabis for conduct that is authorized under P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

d. (1) The commission shall require each applicant for licensure as a medical cannabis testing laboratory to undergo a criminal history record background check, except that no criminal history record background check shall be required for an applicant who completed a criminal history record background check as a condition of professional licensure or certification.

For purposes of this section, the term "applicant" shall include any owner, director, officer, or employee of a medical cannabis testing laboratory. The commission is authorized to exchange fingerprint data with and receive criminal history record background information from the Division of State Police and the Federal Bureau of Investigation consistent with the provisions of applicable federal and State laws, rules, and regulations. The Division of State Police shall forward criminal history record background information to the commission in a timely manner when requested pursuant to the provisions of this section.

An applicant who is required to undergo a criminal history record background check pursuant to this section shall submit to being fingerprinted in accordance with applicable State and federal laws, rules, and regulations. No check of criminal history record background information shall be performed pursuant to this section unless the applicant has furnished the applicant's written consent to that check. An applicant who is required to undergo a criminal history record background check pursuant to this section who refuses to consent to, or cooperate in, the securing of a check of criminal history record background information shall not be considered for a license to operate, or authorization to be employed at, a medical cannabis testing laboratory. An applicant shall bear the cost for the criminal history record background check, including all costs of administering and processing the check.

(2) The commission shall not approve an applicant for a license to operate, or authorization to be employed at, a medical cannabis testing laboratory if the criminal history record background information of the applicant reveals a disqualifying conviction as set forth in subsection c. of this section.

(3) Upon receipt of the criminal history record background information from the Division of State Police and the Federal Bureau of Investigation, the commission shall provide written notification to the applicant of the applicant's qualification or disqualification for a license to operate or be a director, officer, or employee of a medical cannabis testing laboratory.

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

(4) 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 to operate or be a director, officer, or employee of a medical cannabis testing laboratory.

(5) Notwithstanding the provisions of subsection c. of this section to the contrary, the commission may offer provisional authority for an applicant to be an owner, director, officer, or employee of a medical cannabis testing laboratory for a period not to exceed three months

if the applicant submits to the commission a sworn statement attesting that the person has not been convicted of any disqualifying conviction pursuant to this section.

(6) Notwithstanding the provisions of subsection c. of this section to the contrary, no applicant to be an owner, director, officer, or employee of a medical cannabis testing laboratory shall be disqualified on the basis of any conviction disclosed by a criminal history record background check conducted pursuant to this section if the individual has affirmatively demonstrated to the commission clear and convincing evidence of rehabilitation. In determining whether clear and convincing evidence of rehabilitation has been demonstrated, the following factors shall be considered:

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

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

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

(d) the date of the crime or offense;

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

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

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

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

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

C.24:6I-13 Exchange of data, information.

15. a. The Cannabis Regulatory Commission is authorized to exchange fingerprint data with, and receive information from, the Division of State Police in the Department of Law and Public Safety and the Federal Bureau of Investigation for use in reviewing applications for individuals who are required to complete a criminal history record background check in connection with applications:

(1) to serve as designated caregivers or institutional caregivers pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4), for licenses to operate as, or to be a director, officer, or employee of, medical cannabis testing laboratories pursuant to section 25 of P.L.2019, c.153 (C.24:6I-18), for permits to operate as, or to be a director, officer, or employee of, or a significantly involved person in, clinical registrants pursuant to section 13 of P.L.2019, c.153 (C.24:6I-7.3), and for permits to operate as, or to be a director, officer, or employee of, or a significantly involved person in, medical cannabis cultivators, medical cannabis manufacturers, and medical cannabis dispensaries pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7); or

(2) for licenses to operate as, or to be owner, director, officer, or employee of, or a significantly involved person in, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, cannabis distributors, cannabis retailers, cannabis delivery services, and personal use cannabis testing facilities pursuant to sections 18, 20, 22, 23, 24, 25, and 26 of P.L.2021, c.16 (C.24:6I-35, C.24:6I-37, C.24:6I-39, C.24:6I-40, C.24:6I-41, C.24:6I-42, and C.24:6I-43).

b. The Division of State Police shall promptly notify the Cannabis Regulatory Commission in the event an applicant, who was the subject of a criminal history record background check conducted pursuant to subsection a. of this section, is convicted of a crime involving possession or sale of a controlled dangerous substance.

C.24:6I-45 Municipal regulations or ordinances.

31. Municipal Regulations or Ordinances.

a. A municipality may enact ordinances or regulations, not in conflict with the provisions of P.L.2021, c.16 (C.24:6I-31 et al.):

(1) governing the number of cannabis establishments, distributors, or delivery services, as well as the location, manner, and times of operation of establishments and distributors, but the time of operation of delivery services shall be subject only to regulation by the commission; and

(2) establishing civil penalties for violation of an ordinance or regulation governing the number of cannabis establishments, distributors, or delivery services that may operate in such municipality, or their location, manner, or the times of operations.

b. A municipality may prohibit the operation of any one or more classes of cannabis establishment, or cannabis distributors or cannabis delivery services, but not the delivery of cannabis items and related supplies by a delivery service, within the jurisdiction of the municipality through the enactment of an ordinance, and this prohibiting ordinance shall apply throughout the municipality, even if that municipality or parts thereof fall within any district, area, or other geographical jurisdiction for which land use planning, site planning, zoning requirements or other development authority is exercised by an independent State authority, commission, instrumentality, or agency pursuant to the enabling legislation that governs its duties, functions, and powers, even if this development authority is expressly stated or interpreted to be exclusive thereunder; the local prohibiting ordinance applies, notwithstanding the provisions of any independent State authority law to the contrary. Only an ordinance to prohibit one or more classes of cannabis establishment, or cannabis distributors or cannabis delivery services enacted pursuant to the specific authority to do so by this section shall be valid and enforceable; any ordinance enacted by a municipality prior to the effective date of this section addressing the issue of prohibiting one or more types of cannabis-related activities within the jurisdiction of the municipality is null and void, and that entity may only prohibit the operation of one or more classes of cannabis establishment, or cannabis distributors or cannabis delivery services by enactment of a new ordinance based upon the specific authority to do so by this section. The failure of a municipality to enact an ordinance prohibiting the operation of one or more classes of cannabis establishment, or cannabis distributors or cannabis delivery services within 180 days after the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), shall result in any class of cannabis establishment, or a cannabis distributor or cannabis delivery service that is not prohibited from operating within the municipality as being permitted to operate therein as follows: the growing, cultivating, manufacturing, and selling and reselling of cannabis and cannabis items, and operations to transport in bulk cannabis items by a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, or as a cannabis distributor or cannabis delivery service shall be permitted uses in all industrial zones of the municipality; and the selling of cannabis items to consumers from a retail store by a cannabis retailer shall be a conditional use in all commercial zones or retail zones, subject to meeting the conditions set forth in any applicable zoning ordinance or receiving a variance from one or more of those conditions in accordance with the “Municipal Land Use Law,” P.L.1975, c.291 (C.40:55D-1 et seq.). At the end of a five-year period

following the initial failure of a municipality to enact an ordinance prohibiting the operation of one or more classes of cannabis establishment, or cannabis distributors or cannabis delivery services, and every five-year period thereafter following a failure to enact a prohibiting ordinance, the municipality shall again be permitted to prohibit the future operation of any one or more classes of cannabis establishment, or cannabis distributors or cannabis delivery services through the enactment of an ordinance during a new 180-day period, but this ordinance shall be prospective only and not apply to any cannabis establishment, distributor or delivery service operating in the municipality prior to the enactment of the ordinance.

c. (1) When the commission receives an application for initial licensing or renewal of an existing license for any cannabis establishment, distributor, or delivery service pursuant to section 19 of P.L.2021, c.16 (C.24:6I-36), or endorsement for a cannabis consumption area pursuant to section 28 of P.L.2019, c.153 (C.24:6I-21), the commission shall provide, within 14 days, a copy of the application to the municipality in which the establishment, distributor, delivery service, or consumption area is to be located, unless the municipality has prohibited the operation of the particular class of business for which licensure is sought pursuant to subsection b. of this section, or in the case of an application seeking a consumption area endorsement, prohibited the operation of cannabis retailers. The municipality shall determine whether the application complies with its local restrictions on the number of cannabis establishments, distributors, or delivery services, or their location, manner, or times of operation, and the municipality shall inform the commission whether the application complies with its local restrictions.

(2) A municipality may impose a separate local licensing or endorsement requirement as a part of its restrictions on the number of cannabis establishments, distributors, or delivery services, or their location, manner, or times of operation. A municipality may decline to impose any local licensing or endorsement requirements, but a local jurisdiction shall notify the commission that it either approves or denies each application forwarded to it.

32. Section 28 of P.L.2019, c.153 (C.24:6I-21) is amended to read as follows:

C.24:6I-21 Municipalities may authorize consumption areas.

28. a. A municipality may authorize, through the enactment of an ordinance, the operation of locally endorsed cannabis consumption areas:

(1) operated by medical cannabis dispensaries, including any alternative treatment centers deemed to hold a medical cannabis dispensary permit pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), and clinical registrants within its jurisdiction, at which areas the on-premises consumption of medical cannabis may occur;

(2) operated by cannabis retailers within its jurisdiction, at which areas the on-premises consumption of personal use cannabis may occur; and (3) operated by medical cannabis dispensaries, including any alternative treatment centers deemed to hold a medical cannabis dispensary permit pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), within its jurisdiction that are also deemed to have, pursuant to that section, one or more Class 5 Cannabis Retailer licenses and for which the commission has correspondingly issued one or more licenses following receipt of the municipality's and commission's approval to operate as a cannabis retailer pursuant to subparagraph (a) of paragraph (3) of subsection a. of section 33 of P.L.2021, c.16 (C.24:6I-46), or medical cannabis dispensaries and alternative treatment centers otherwise issued a license by the commission pursuant to P.L.2021, c.16 (C.24:6I-31

et al.), to simultaneously operate as a cannabis retailer, at which areas the on-premises consumption of both medical cannabis and personal use cannabis items may occur.

b. Applications for an endorsement pursuant to this section shall be made to the commission in a form and manner as shall be prescribed by the commission and shall set forth such information as the commission may require. Each application shall be verified by the oath or affirmation of such persons as the commission may prescribe. The endorsement shall be conditioned upon approval by a municipality. An applicant is prohibited from operating a cannabis consumption area without State and local approval. If the applicant does not receive approval from the municipality within one year after the date of State approval, the State endorsement shall expire and may not be renewed. If an application is denied by the municipality or the approval of the municipality is revoked, the commission shall revoke the State endorsement. Any person aggrieved by the local denial of an endorsement application may request a hearing in the Superior Court of the county in which the application was filed. The request for a hearing shall be filed within 30 days after the date the application was denied. The person shall serve a copy of the person's request for a hearing upon the appropriate officer for the municipality that denied the application. The hearing shall be held and a record made thereof within 30 days after the receipt of the application for a hearing. No formal pleading and no filing fee shall be required for the hearing.

c. (1) The commission shall deny a State endorsement if the premises on which the applicant proposes to conduct its business does not meet the requirements of P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2021, c.16 (C.24:6I-31 et al.), as applicable, or for reasons set forth in this section. The commission may revoke or deny an initial endorsement, an endorsement renewal, or reinstatement, for good cause.

(2) For purposes of this subsection "good cause" means:

(a) the endorsed permit holder, license holder, or applicant has violated, does not meet, or has failed to comply with, any of the terms, conditions, or provisions of this section, any rules or regulations promulgated pursuant to this section, or any supplemental local laws, rules, or regulations;

(b) the endorsed permit holder, license holder, or applicant has failed to comply with any special terms or conditions that were placed on its endorsement by the commission or municipality; or

(c) the premises have been operated in a manner that adversely affects the public health or the safety of the immediate neighborhood in which the consumption area is located.

(3) Any commission decision made pursuant to this subsection shall be considered a final agency decision for the purposes of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) and may be subject to judicial review as provided in the Rules of Court.

d. A cannabis consumption area endorsement shall be valid for one year and may be renewed annually, subject to the approval of the commission and the municipality as set forth in this section. The commission shall establish by regulation the amount of the application fee and renewal fee for the endorsement, which shall not exceed the administrative cost for processing and reviewing the application.

e. The commission shall maintain a list of all cannabis consumption areas in the State and shall make the list available on its Internet website.

f. A cannabis consumption area shall be located on the premises of a medical cannabis dispensary, clinical registrant, or cannabis retailer, may be indoors or outdoors, and shall be

designated by conspicuous signage. The signage shall also indicate whether the cannabis consumption area may be used for the on-premises consumption of medical cannabis, personal use cannabis items, or both.

(1) (a) An indoor cannabis consumption area in which medical cannabis may be consumed, or both medical cannabis and personal use cannabis may be consumed, shall be a structurally enclosed area within a medical cannabis dispensary or clinical registrant facility that is separated by solid walls or windows from the area in which medical cannabis is dispensed, or in which retail sales of cannabis items occur if the dispensary or facility is also licensed as a cannabis retailer, shall only be accessible through an interior door after first entering the dispensary or facility, and for a dispensary or facility that is also licensed as a cannabis retailer, with respect to any smoking, vaping, or aerosolizing of personal use cannabis items, the consumption area shall comply with all ventilation requirements applicable to cigar lounges, as that term is defined in section 3 of P.L.2005, c.383 (C.26:3D-57), in order to permit indoor smoking, vaping, or aerosolizing that is the equivalent of smoking tobacco not in violation of the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.). Nothing in this subparagraph shall be construed to authorize the consumption of medical cannabis by smoking, vaping, or aerosolizing in this or any other indoor public place or workplace, as those terms are defined in section 3 of P.L.2005, c.383 (C.26:3D-57).

(b) An indoor cannabis consumption area in which only personal use cannabis items may be consumed shall be a structurally enclosed area within a cannabis retailer that is separated by solid walls or windows from the area in which retail sales of cannabis items occur, shall only be accessible through an interior door after first entering the retailer, and shall comply with all ventilation requirements applicable to cigar lounges, as that term is defined in section 3 of P.L.2005, c.383 (C.26:3D-57), in order to permit indoor smoking, vaping, or aerosolizing that is the equivalent of smoking tobacco not in violation of the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.).

(2) An outdoor cannabis consumption area shall be an exterior structure on the same premises as the medical cannabis dispensary, clinical registrant facility, or cannabis retailer, that is either separate from or connected to the dispensary, facility, or retailer, and that is not required to be completely enclosed, but shall have sufficient walls, fences, or other barriers to prevent any view of patients consuming medical cannabis or persons consuming personal use cannabis items within the consumption area from any sidewalk or other pedestrian or non-motorist right-of-way, as the case may be.

A medical cannabis dispensary, clinical registrant, or cannabis retailer operating a consumption area shall ensure that any smoking, vaping, or aerosolizing of medical cannabis or personal use cannabis items that occurs in an outdoor cannabis consumption area does not result in migration, seepage, or recirculation of smoke or other exhaled material to any indoor public place or workplace as those terms are defined in section 3 of P.L.2005, c.383 (C.26:3D-57). The commission may require an outdoor consumption area to include any ventilation features as the commission deems necessary and appropriate.

g. (1) A medical cannabis dispensary, clinical registrant, or cannabis retailer holding a cannabis consumption area endorsement, and the employees thereof, subject to any regulations for cannabis consumption areas promulgated by the commission, may permit a person to bring medical cannabis or personal use cannabis items into a cannabis consumption

area, so long as the on-premises consumption of that cannabis is authorized by the endorsement.

(2) A medical cannabis dispensary, clinical registrant, or cannabis retailer holding a cannabis consumption area endorsement shall not sell alcohol, including fermented malt beverages or malt, vinous, or spirituous liquor, sell tobacco or nicotine products, or allow the consumption of alcohol, tobacco, or nicotine products on the premises, or operate as a retail food establishment.

(3) A medical cannabis dispensary, clinical registrant, or cannabis retailer holding a cannabis consumption area endorsement shall not allow on-duty employees of the establishment to consume any medical cannabis or personal use cannabis items in the consumption area, other than an on-duty employee who is a registered qualifying patient with a valid authorization for the use of medical cannabis, if the medical cannabis dispensary, clinical registrant, or cannabis retailer does not otherwise provide a private area, that is separate from the area in which medical cannabis is dispensed or in which retail sales of cannabis items occur, for that employee to use medical cannabis.

(4) (a) A cannabis retailer, or medical cannabis dispensary or clinical registrant that is also licensed to simultaneously operate as a cannabis retailer, shall limit the amount of personal use cannabis items sold to a person to be consumed in its consumption area, or brought into its consumption area if permitted pursuant to paragraph (1) of this subsection, to no more than the sales limit set by the commission. The cannabis retailer, medical cannabis dispensary, or clinical registrant shall not engage in multiple sales transactions of personal use cannabis items to the same person during the same business day when a retailer's, dispensary's, or registrant's employee knows or reasonably should have known that the sales transaction would result in the person possessing more than the sales limit established by the commission. The cannabis retailer, medical cannabis dispensary, or clinical registrant shall provide, if required by the commission, information regarding the safe consumption of personal use cannabis items at the point of sale to all persons who make a purchase.

(b) All employees of a cannabis retailer, or medical cannabis dispensary or clinical registrant that is also licensed to simultaneously operate as a cannabis retailer, shall complete any responsible vendor training program established in regulation by the commission concerning consumption areas in which personal use cannabis items may be consumed.

h. (1) Access to a cannabis consumption area in which medical cannabis may be consumed shall be restricted to employees of the medical cannabis dispensary or clinical registrant and to registered qualifying patients and their designated caregivers.

(2) Access to a cannabis consumption area in which personal use cannabis items may be consumed, or both medical cannabis and personal use cannabis items may be consumed, shall be restricted to employees of the cannabis retailer, or medical cannabis dispensary or clinical registrant that is also licensed to simultaneously operate as a cannabis retailer, and to registered qualifying patients, their designated caregivers, and other persons who are at least 21 years of age. Each person shall be required to produce a form of government-issued identification that may be accepted, pursuant to subparagraph (a) of paragraph (6) of subsection a. of section 18 of P.L.2021, c.16 (C.24:6I-35), in order to enter the consumption area for purposes of consuming any medical cannabis or personal use cannabis items.

i. When a patient or other person leaves a cannabis consumption area, the medical cannabis dispensary, clinical registrant, or cannabis retailer shall ensure any remaining

unconsumed medical cannabis or personal use cannabis item that is not taken by the patient, the patient's designated caregiver, or other person is destroyed.

j. A medical cannabis dispensary, clinical registrant, or cannabis retailer operating a cannabis consumption area and its employees:

(1) shall operate the dispensary, registrant, or retailer in a decent, orderly, and respectable manner;

(2) may remove an individual from its premises for any reason;

(3) shall not knowingly permit any activity or acts of disorderly conduct; and

(4) shall not permit rowdiness, undue noise, or other disturbances or activity offensive to the average citizen or to the residents of the neighborhood in which the consumption area is located.

k. If an emergency requires law enforcement, firefighters, emergency medical services providers, or other public safety personnel to enter a cannabis consumption area, employees of the medical cannabis dispensary, clinical registrant, or cannabis retailer shall prohibit on-site consumption of medical cannabis, personal use cannabis items, or both, as the case may be, until such personnel have completed their investigation or services and have left the premises.

C.24:6I-46 Marketplace regulation.

33. Marketplace Regulation.

a. (1) (a) For a period of 24 months after the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), it shall be unlawful for any owner, part owner, stockholder, officer, or director of any corporation, or any other person interested in any cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis delivery service, or cannabis testing facility to engage in the retailing of any cannabis items in this State, or to own, either in whole or in part, or be directly or indirectly interested in a cannabis retailer, and such interest shall include any payments or delivery of money or property by way of loan or otherwise accompanied by an agreement to sell the product of said cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, or cannabis testing facility, but does not include any arrangement between a cannabis delivery service and a cannabis retailer for making deliveries of cannabis items to consumers. During this 24-month period, the holder of a Class 1 Cannabis Cultivator license to operate as a cannabis cultivator or a Class 2 Cannabis Manufacturer license to operate as a cannabis manufacturer may hold one other license to operate another cannabis establishment, other than a Class 3 Cannabis Wholesaler license to operate as a cannabis wholesaler or a Class 5 Cannabis Retailer license to operate as a cannabis retailer; and the holder of a Class 3 Cannabis Wholesaler license to operate as a cannabis wholesaler may hold one other Class 4 Cannabis Distributor license to operate as a cannabis distributor.

(b) Throughout the 24-month period set forth in subparagraph (a) of this paragraph, the commission, except as authorized by paragraph (2) of subsection b. of this section, shall not allow, providing there exist qualified applicants, more than 37 cannabis cultivators to be simultaneously licensed and engaging in cannabis production, which number shall include any alternative treatment centers deemed to be licensed as cannabis cultivators who are issued licenses by the commission pursuant to paragraph (3) of this subsection; provided that cannabis cultivator licenses issued to microbusinesses pursuant to subsection f. of section 19 of P.L.2021, c.16 (C.24:6I-36) shall not count towards this limit.

(2) For a period of 24 months after the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), it shall be unlawful for any owner, part owner, stockholder, officer, or director of any

corporation, or any other person engaged in any retailing of any cannabis items to engage in the growing of, testing of, manufacturing of, wholesaling of, or transporting in bulk any cannabis items, or to own either whole or in part, or to be a shareholder, officer or director of a corporation or association, directly or indirectly, interested in any cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis delivery service, or cannabis testing facility.

(3) (a) (i) Except with respect to the cap on the number of cannabis cultivator licenses set forth in subparagraph (b) of paragraph (1) of this subsection, the provisions of paragraphs (1) and (2) of this subsection shall not apply to any alternative treatment center that was issued a permit prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or to any alternative treatment center that was issued a permit subsequent to that effective date pursuant to an application submitted prior to that effective date,

to the one alternative treatment center, out of four, issued a permit pursuant to an application submitted after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to a request for applications published in the New Jersey Register prior to that effective date, that is expressly exempt, pursuant to subsection a. of section 11 of P.L.2019, c.153 (C.24:6I-7.1), from the provisions of subparagraph (i) of subparagraph (a) of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7), which exemption permits the alternative treatment center to concurrently hold more than one medical cannabis permit, and that one alternative treatment center is deemed pursuant to that section 7 (C.24:6I-7) to concurrently hold more than one permit, and

to the one alternative treatment center, out of three, issued a permit pursuant to an application submitted on or after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that is expressly exempt, pursuant to subsection a. of section 11 of P.L.2019, c.153 (C.24:6I-7.1), from the provisions of subparagraph (i) of subparagraph (a) of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7), which exemption permits the alternative treatment center to concurrently hold more than one medical cannabis permit, and that one alternative treatment center is deemed pursuant to that section 7 (C.24:6I-7) to concurrently hold more than one permit,

and which alternative treatment center is also deemed, pursuant to subparagraph (ii) of subparagraph (c) of paragraph (2) of section 7 of P.L.2009, c.307 (C.24:6I-7), to either concurrently hold a Class 1 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer license, a Class 5 Cannabis Retailer license, plus an additional Class 5 Cannabis Retailer license for each satellite dispensary authorized and established by an alternative treatment center pursuant to subparagraph (d) of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7), and a Class 6 Cannabis Delivery license, or alternatively to hold a Class 3 Cannabis Wholesaler license, and may also be deemed to hold a Class 4 Cannabis Distributor license.

(ii) For each alternative treatment center deemed to have licenses pursuant to subparagraph (i) of this subparagraph, the commission shall not require the submission of an application for licensure, as the application requirement is deemed satisfied by the alternative treatment center's previously approved permit application that was submitted to the Department of Health or to the commission pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), but the alternative treatment center shall not begin to operate as any class of cannabis establishment distributor, or delivery service until the alternative treatment center has submitted a written approval for a proposed cannabis establishment distributor, or delivery service from the municipality in which the proposed establishment distributor, or delivery service is to be located, which approval is based on a determination that the

proposed establishment distributor, or delivery service complies with the municipality's restrictions on the number of establishments distributor, or delivery services, as well as the location, manner, and times of operation of establishments or distributors enacted pursuant to section 31 of P.L.2021, c.16 (C.24:6I-45). The commission shall thereafter only issue the initial license to the alternative treatment center for a cannabis establishment of the appropriate class, or for a cannabis distributor or delivery service, once the commission certifies that it has sufficient quantities of medical cannabis and medical cannabis products available to meet the reasonably anticipated needs of registered qualifying patients in accordance with subparagraph (iii) of this subparagraph. The commission shall begin accepting municipal approvals from alternative treatment centers beginning on the date of adoption of the commission's initial rules and regulations pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34).

(iii) An alternative treatment center with approval from a municipality pursuant to subparagraph (ii) of this subparagraph shall not engage in activities related to the growing, manufacturing, wholesaling, transporting or delivering of cannabis or cannabis items until it has certified to the commission that that it has sufficient quantities of medical cannabis and medical cannabis products available to meet the reasonably anticipated needs of registered qualifying patients, and the commission has accepted the alternative treatment center's certification, which acceptance is conditioned on the commission's review of the alternative treatment center as set forth in subparagraph (iv) of this subparagraph. Upon acceptance of the certification, the commission shall issue the initial license to the alternative treatment center for a cannabis establishment of the appropriate class or for a cannabis distributor or delivery service.

Notwithstanding the date determined by the commission pursuant to paragraph (2) of subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34) to be the first date on which cannabis retailers issued licenses and conditional licenses begin retail sales of personal use cannabis items, an alternate treatment center, if approved by the commission to operate as a cannabis retailer, may begin to engage in the retail sale of cannabis items on any date after the date that the commission adopts its initial rules and regulations pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 6 of that act P.L.2021, c.16 (C.24:6I-34), so long as it has certified to the commission that it has sufficient quantities of medical cannabis and, if applicable, medical cannabis products available to meet the reasonably anticipated needs of registered qualifying patients, and the commission has accepted the alternative treatment center's certification, which acceptance is conditioned on the commission's review of the alternative treatment center as set forth in subparagraph (iv) of this subparagraph. Upon acceptance of the certification, the commission shall issue the initial cannabis retailer license to the alternative treatment center for engaging in the retail sale of cannabis items.

(iv) An alternative treatment center issued a license for a cannabis establishment or delivery service shall be authorized to use the same premises for all activities authorized under P.L.2021, c.16 (C.24:6I-31 et al.) and the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), without being required to establish or maintain any physical barriers or separations between operations related to the medical use of cannabis and operations related to personal use of cannabis items, provided that the alternative treatment center shall be required to certify that it has sufficient quantities of medical cannabis and, if applicable, medical cannabis products available to meet the reasonably anticipated needs of registered qualifying patients, as set forth in subparagraph (ii) or (iii) of this subparagraph, and only if accepted by the commission,

which is a condition for licensure as a cannabis establishment of the appropriate class or as a cannabis delivery service.

In determining whether to accept, pursuant to this subparagraph, an alternative treatment center's certification that it has sufficient quantities of medical cannabis or medical cannabis products available to meet the reasonably anticipated needs of registered qualifying patients, the commission shall assess patient enrollment, inventory, sales of medical cannabis and medical cannabis products, and any other factors determined by the commission through regulation.

As a condition of licensure following acceptance of a certification, an alternative treatment center shall meet the anticipated treatment needs of registered qualifying patients before meeting the retail requests of cannabis consumers, and the alternative treatment center shall not make operational changes that reduce access to medical cannabis for registered qualifying patients in order to operate a cannabis establishment or delivery service. If an alternative treatment center is found by the commission to not have sufficient quantities of medical cannabis or medical cannabis products available to meet the reasonably anticipated needs of qualified patients, the commission may issue fines, limit retail or other sales, temporarily suspend the alternative treatment center's cannabis establishment, distributor, or delivery service license, or issue any other penalties determined by the commission through regulation.

(b) Beginning on a date determined by the commission, to be not later than one year from the date determined by the commission pursuant to paragraph (2) of subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34) to be the first date on which cannabis retailers issued licenses and conditional licenses begin retail sales of personal use cannabis items, an alternative treatment center deemed to have licenses and issued initial licenses pursuant to subparagraph (a) of this paragraph shall certify to the commission, within a period of time, as determined by the commission, prior to the date on which a license issued to the alternative treatment center is set to expire, the continued material accuracy of the alternative treatment center's previously approved permit application to the Department of Health or to the commission pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), and its compliance with the provisions of P.L.2021, c.16 (C.24:6I-31 et al.) as required by the commission for its operations concerning cannabis or cannabis items, and this certification shall be supplemented with a new written approval from the municipality in which the alternative treatment center is operating as a cannabis establishment or delivery service for which the initial license was issued, approving the continued operations as a cannabis establishment distributor, or delivery service. The commission shall renew the license of the alternative treatment center based upon a review of the certification and supporting municipality's continued approval. This license renewal process shall thereafter be followed for each expiring license issued to the alternative treatment center.

b. Following the 24-month period set forth in subparagraph (a) of paragraph (1) of subsection a. of this section, a cannabis license holder shall be authorized to hold:

(1) (a) a Class 1 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer license, a Class 5 Cannabis Retailer license, and a Class 6 Cannabis Delivery license concurrently, provided that no license holder shall be authorized to concurrently hold more than one license of each class, except for an alternative treatment center that was deemed, during the 24-month period, to have an additional Class 5 Cannabis Retailer license for each satellite dispensary that was authorized and established by the alternative treatment center pursuant to subparagraph (d) of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7). These additional retailer licenses only permit the retail operation of each satellite

dispensary, and shall not be replaced by any other class of cannabis establishment distributor, or delivery service license; or

(b) a Class 3 Cannabis Wholesaler license and a Class 4 Cannabis Distributor license. In no case may a holder of a Class 3 Cannabis Wholesaler license concurrently hold a license of any other class of cannabis establishment, or concurrently hold a license as a cannabis delivery service.

(2) The commission, pursuant to its authority under paragraph (1) of subsection a. of section 18 of P.L.2021, c.16 (C.24:6I-35) for making periodic evaluations of whether the number of each class of cannabis establishment, or number of cannabis distributors or delivery services, is sufficient to meet the market demands of the State, shall review the limit on the number of cannabis cultivator licenses set forth in subparagraph (b) of paragraph (1) of subsection a. of this section, and providing there exist qualified applicants, accept new applications for additional licenses as it deems necessary.

(3) A license holder may submit an application for a license of any type that the license holder does not currently hold prior to the expiration of the 24-month period set forth in subparagraph (a) of paragraph (1) of subsection a. of this section, or thereafter, does not currently hold pursuant to paragraph (1) of this subsection, provided that no license shall be awarded to the license holder during the 24-month period, or thereafter, if issuance of the license would violate the restrictions set forth in subsection a. of this section concerning the classes of licenses that may be concurrently held during that 24-month period, or the restrictions set forth in paragraph (1) of this subsection.

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

C.24:6I-7 Applications for permits.

7. a. (1) The commission shall accept applications from entities for permits to operate as medical cannabis cultivators, medical cannabis manufacturers, and medical cannabis dispensaries. For the purposes of this section, the term “permit” shall be deemed to include a conditional permit issued pursuant to subsection d. of section 11 of P.L.2019, c.153 (C.24:6I-7.1) and any permit issued to a microbusiness pursuant to subsection e. of section 11 of P.L.2019, c.153 (C.24:6I-7.1).

(2) (a) For a period of 18 months after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.):

(i) no applicant may concurrently hold more than one permit issued by the commission pursuant to this section, regardless of type; and

(ii) there shall be no more than 28 active medical cannabis cultivator permits, including medical cannabis cultivator permits deemed to be held by alternative treatment centers issued a permit prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) and medical cannabis cultivator permits deemed to be held by alternative treatment centers issued a permit subsequent to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an application submitted prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.); provided that medical cannabis cultivator permits issued to microbusinesses pursuant to subsection e. of section 11 of P.L.2019, c.153 (C.24:6I-7.1) shall not count toward this limit.

(b) Commencing 18 months after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), a permit holder shall be authorized to concurrently hold a medical cannabis cultivator permit, a medical cannabis manufacturer permit, and a medical cannabis dispensary permit, provided that no permit holder shall be authorized to concurrently hold more than one permit

of each type. The permit holder may submit an application for a permit of any type that the permit holder does not currently hold prior to the expiration of the 18-month period described in subparagraph (a) of this paragraph, provided that no additional permit shall be awarded to the permit holder during the 18-month period.

(c) (i) The provisions of subparagraph (a) of this paragraph shall not apply to any alternative treatment center that was issued a permit prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), to any alternative treatment center that was issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an application submitted prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), to one of the four alternative treatment centers issued a permit pursuant to an application submitted after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to a request for applications published in the New Jersey Register prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) that are expressly exempt from the provisions of subparagraph (i) of subparagraph (a) of this paragraph, or to one of the three alternative treatment centers issued a permit pursuant to section 11 of P.L.2019, c.153 (C.24:6I-7.1) that are expressly exempt from the provisions of subparagraph (i) of subparagraph (a) of this paragraph, which alternative treatment centers shall be deemed to concurrently hold a medical cannabis cultivator permit, a medical cannabis manufacturer permit, and a medical cannabis dispensary permit, and shall be authorized to engage in any conduct authorized pursuant to those permits in relation to the cultivation, manufacturing, and dispensing of medical cannabis.

(ii) In addition, each of the alternative treatment centers described in subparagraph (i) of this subparagraph, to which the provisions of subparagraph (a) of this paragraph shall not apply, shall, upon the adoption of the initial rules and regulations by the commission pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34), be deemed to either concurrently hold a Class 1 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer License, a Class 5 Cannabis Retailer license, plus an additional Class 5 Cannabis Retailer license for each satellite dispensary authorized and established by the alternative treatment center pursuant to subparagraph (d) of this paragraph, and a Class 6 Cannabis Delivery license, or hold a Class 3 Cannabis Wholesaler license, and may also be deemed to hold a Class 4 Cannabis Distributor license. Any alternative treatment center deemed to hold one or more licenses as described in this subparagraph may begin to operate as any authorized class of cannabis establishment, or establishment and delivery service, or as a cannabis wholesaler and distributor, upon receipt of written approval from the municipality in which the proposed establishment or delivery service, or distributor is to be located and obtaining an initial license or licenses, as applicable, issued by the commission pursuant to paragraph (3) of subsection a. of section 33 of P.L.2021, c.16 (C.24:6I-46).

(d) No entity may be issued or concurrently hold more than one medical cannabis cultivator permit, one medical cannabis manufacturer permit, or one medical cannabis dispensary permit at one time, and no medical cannabis dispensary shall be authorized to establish a satellite location on or after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), except that an alternative treatment center that was issued a permit prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) or that was issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an application submitted prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) shall be authorized to maintain up to

two satellite dispensaries, including any satellite dispensary that was approved pursuant to an application submitted prior to or within 18 months after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.). The three alternative treatment centers issued permits pursuant to section 11 of P.L.2019, c.153 (C.24:6I-7.1) that are expressly exempt from the provisions of subparagraph (i) of subparagraph (a) of this paragraph shall be authorized to establish and maintain up to one satellite dispensary location, provided that the satellite dispensary was approved pursuant to an application submitted within 18 months after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.).

(e) No entity issued a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary permit may concurrently hold a clinical registrant permit issued pursuant to section 13 of P.L.2019, c.153 (C.24:6I-7.3), and no entity issued a clinical registrant permit pursuant to section 13 of P.L.2019, c.153 (C.24:6I-7.3) may concurrently hold a medical cannabis cultivator permit, a medical cannabis manufacturer permit, or a medical cannabis dispensary permit.

(f) Any medical cannabis dispensary permit holder may be approved by the commission to operate a cannabis consumption area, provided that the permit holder otherwise meets the requirements of section 28 of P.L.2019, c.153 (C.24:6I-21).

(g) An alternative treatment center that was issued a permit prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that was issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an application submitted pursuant to a request for applications published in the New Jersey Register prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an application submitted prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), shall be required to submit an attestation signed by a bona fide labor organization stating that the alternative treatment center has entered into a labor peace agreement with such bona fide labor organization no later than 100 days after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) or no later than 100 days after the date the alternative treatment center first opens, whichever date is later. The maintenance of a labor peace agreement with a bona fide labor organization shall be an ongoing material condition of maintaining the alternative treatment center's permit. The failure to submit an attestation as required pursuant to this subparagraph within 100 days after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) or within 100 days after the alternative treatment center first opens, as applicable, shall result in the suspension or revocation of the alternative treatment center's permit, provided that the commission may grant an extension to this deadline to the alternative treatment center based upon extenuating circumstances or for good cause shown.

As used in this subparagraph, "bona fide labor organization" means a labor organization of any kind or employee representation committee, group, or association, in which employees participate and which exists and is constituted for the purpose, in whole or in part, of collective bargaining or otherwise dealing with medical or personal use cannabis employers concerning grievances, labor disputes, terms or conditions of employment, including wages and rates of pay, or other mutual aid or protection in connection with employment, and may be characterized by: it being a party to one or more executed collective bargaining agreements with medical or personal use cannabis employers, in this State or another state; it having a written constitution or bylaws in the three immediately preceding years; it filing the annual financial report required of labor organizations pursuant

to subsection (b) of 29 U.S.C. s.431, or it having at least one audited financial report in the three immediately preceding years; it being affiliated with any regional or national association of unions, including but not limited to state and federal labor councils; or it being a member of a national labor organization that has at least 500 general members in a majority of the 50 states of the United States.

(h) An alternative treatment center that was issued a permit prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that was issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an application submitted pursuant to a request for applications published in the New Jersey Register prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an application submitted prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), shall be permitted to cultivate from up to two physical locations, provided that the alternative treatment center's combined mature cannabis plant grow canopy between both locations shall not exceed 150,000 square feet of bloom space or the square footage of canopy permitted under the largest tier in the tiered system adopted by the commission pursuant to paragraph (2) of subsection b. of section 21 of P.L.2021, c.16 (C.24:6I-38).

(3) The commission shall seek to ensure the availability of a sufficient number of medical cannabis cultivators, medical cannabis manufacturers, and medical cannabis dispensaries throughout the State, pursuant to need, including at least two each in the northern, central, and southern regions of the State. Medical cannabis cultivators, medical cannabis manufacturers, and medical cannabis dispensaries issued permits pursuant to this section may be nonprofit or for-profit entities.

(4) The commission shall periodically evaluate whether the number of medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits issued are sufficient to meet the needs of qualifying patients in the State, and shall accept new applications and issue such additional permits as shall be necessary to meet those needs. The types of permits requested and issued, and the locations of any additional permits that are authorized, shall be in the discretion of the commission based on the needs of qualifying patients in the State.

(5) (a) A medical cannabis cultivator shall be authorized to: acquire a reasonable initial and ongoing inventory, as determined by the commission, of cannabis seeds or seedlings and paraphernalia; possess, cultivate, plant, grow, harvest, and package medical cannabis, including prerolled forms, for any authorized purpose, including, but not limited to, research purposes; and deliver, transfer, transport, distribute, supply, or sell medical cannabis and related supplies to any medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant in the State. In no case shall a medical cannabis cultivator operate or be located on land that is valued, assessed or taxed as an agricultural or horticultural use pursuant to the "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

(b) A medical cannabis manufacturer shall be authorized to: purchase or acquire medical cannabis from any medical cannabis cultivator, medical cannabis manufacturer, or clinical registrant in the State; possess and utilize medical cannabis in the manufacture and creation of medical cannabis products; and deliver, transfer, transport, supply, or sell medical cannabis products and related supplies to any medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant in the State.

(c) A medical cannabis dispensary shall be authorized to: purchase or acquire medical cannabis from any medical cannabis cultivator, medical cannabis dispensary, or clinical registrant in the State and medical cannabis products and related supplies from any medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant in the State; purchase or acquire paraphernalia from any legal source; and distribute, supply, sell, or dispense medical cannabis, medical cannabis products, paraphernalia, and related supplies to qualifying patients or their designated or institutional caregivers who are registered with the commission pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4). A medical cannabis dispensary may furnish medical cannabis, medical cannabis products, paraphernalia, and related supplies to a medical cannabis handler for delivery to a registered qualifying patient, designated caregiver, or institutional caregiver consistent with the requirements of subsection i. of section 27 of P.L.2019, c.153 (C.24:6I-20).

(6) A medical cannabis cultivator shall not be limited in the number of strains of medical cannabis cultivated, and a medical cannabis manufacturer shall not be limited in the number or type of medical cannabis products manufactured or created. A medical cannabis manufacturer may package, and a medical cannabis dispensary may directly dispense medical cannabis and medical cannabis products to qualifying patients and their designated and institutional caregivers in any authorized form. Authorized forms shall include dried form, oral lozenges, topical formulations, transdermal form, sublingual form, tincture form, or edible form, or any other form as authorized by the commission. Edible form shall include pills, tablets, capsules, drops or syrups, oils, chewable forms, and any other form as authorized by the commission, except that the edible forms made available to minor patients shall be limited to forms that are medically appropriate for children, including pills, tablets, capsules, chewable forms, and drops, oils, syrups, and other liquids.

(7) Nonprofit medical cannabis cultivators, medical cannabis manufacturers, and medical cannabis dispensaries need not be recognized as a 501(c)(3) organization by the federal Internal Revenue Service.

b. The commission shall require that an applicant provide such information as the commission determines to be necessary pursuant to regulations adopted pursuant to P.L.2009, c.307 (C.24:6I-1 et al.).

c. A person who has been convicted of a crime of the first, second, or third degree under New Jersey law or of a crime involving any controlled dangerous substance or controlled substance analog as set forth in chapter 35 of Title 2C of the New Jersey Statutes except paragraph (11) or (12) of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar law of the United States or any other state shall not be issued a permit to operate as a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant or be a director, officer, or employee of a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant, unless such conviction occurred after the effective date of P.L.2009, c.307 (C.24:6I-1 et al.) and was for a violation of federal law relating to possession or sale of cannabis for conduct that is authorized under P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

d. (1) The commission shall require each applicant seeking a permit to operate as, to be a director, officer, or employee of, or to be a significantly involved person in, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant to undergo a criminal history record background check.

Any individual seeking to become a director, officer, or employee of a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant, after issuance of an initial permit shall notify the commission and shall complete a criminal history record background check and provide all information as may be required by the commission as a condition of assuming a position as director, officer, or employee of the permitted entity. An individual who secures an investment interest or gains the authority to make controlling decisions in a permitted entity that makes the individual a significantly involved person shall notify the commission, complete a criminal history record background check, and provide all information as may be required by the commission no later than 30 days after the date the individual becomes a significantly involved person, or any permit issued to the individual or group of which the significantly involved person is a member shall be revoked and the individual or group shall be deemed ineligible to hold any ownership or investment interest in a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant for a period of at least two years, commencing from the date of revocation, and for such additional period of time as the commission deems appropriate, based on the duration of the nondisclosure, the size of the individual's or group's investment interest in the permitted entity, the amount of profits, revenue, or income realized by the individual or group from the permitted entity during the period of nondisclosure, and whether the individual had a disqualifying conviction or would otherwise have been deemed ineligible to be a significantly involved person in a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant.

For purposes of this section, the term "applicant" shall include any owner, director, officer, or employee of, and any significantly involved person in, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant. The commission is authorized to exchange fingerprint data with and receive criminal history record background information from the Division of State Police and the Federal Bureau of Investigation consistent with the provisions of applicable State and federal laws, rules, and regulations. The Division of State Police shall forward criminal history record background information to the commission in a timely manner when requested pursuant to the provisions of this section.

An applicant who is required to undergo a criminal history record background check pursuant to this section shall submit to being fingerprinted in accordance with applicable State and federal laws, rules, and regulations. No check of criminal history record background information shall be performed pursuant to this section unless the applicant has furnished the applicant's written consent to that check. An applicant who is required to undergo a criminal history record background check pursuant to this section who refuses to consent to, or cooperate in, the securing of a check of criminal history record background information shall not be considered for a permit to operate, or authorization to be employed at or to be a significantly involved person in, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant. An applicant shall bear the cost for the criminal history record background check, including all costs of administering and processing the check.

(2) The commission shall not approve an applicant for a permit to operate, or authorization to be employed at or to be a significantly involved person in, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical

registrant if the criminal history record background information of the applicant reveals a disqualifying conviction as set forth in subsection c. of this section.

(3) Upon receipt of the criminal history record background information from the Division of State Police and the Federal Bureau of Investigation, the commission shall provide written notification to the applicant of the applicant's qualification or disqualification for a permit to operate or be a director, officer, or employee of, or a significantly involved person in, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant.

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

(4) 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 to operate or be a director, officer, or employee of, or a significantly involved person in, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant.

(5) Notwithstanding the provisions of subsection c. of this section to the contrary, the commission may offer provisional authority for an applicant to be an owner, director, officer, or employee of, or a significantly involved person in, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant for a period not to exceed three months if the applicant submits to the commission a sworn statement attesting that the person has not been convicted of any disqualifying conviction pursuant to this section.

(6) Notwithstanding the provisions of subsection c. of this section to the contrary, no applicant to be an owner, director, officer, or employee of, or a significantly involved person in, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant shall be disqualified on the basis of any conviction disclosed by a criminal history record background check conducted pursuant to this section if the individual has affirmatively demonstrated to the commission clear and convincing evidence of rehabilitation. In determining whether clear and convincing evidence of rehabilitation has been demonstrated, the following factors shall be considered:

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

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

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

(d) the date of the crime or offense;

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

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

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

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

e. The commission shall issue a permit to operate or be an owner, director, officer, or employee of, or a significantly involved person in, a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary if the commission finds that issuing such a permit would be consistent with the purposes of P.L.2009, c.307 (C.24:6I-1 et al.) and the requirements of this section and section 11 of P.L.2019, c.153 (C.24:6I-7.1) are met. The denial of an application shall be considered a final agency decision, subject to review by the Appellate Division of the Superior Court. A permit to operate a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary issued on or after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) shall be valid for one year and shall be renewable annually.

f. A person who has been issued a permit pursuant to this section or a clinical registrant permit pursuant to section 13 of P.L.2019, c.153 (C.24:6I-7.3) shall display the permit at the front entrance to the premises of the permitted facility at all times when the facility is engaged in conduct authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) involving medical cannabis, including, but not limited to, the cultivating, manufacturing, or dispensing of medical cannabis.

g. A medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant shall report any change in information to the commission not later than 10 days after such change, or the permit shall be deemed null and void.

h. Each medical cannabis dispensary and clinical registrant shall maintain and make available on its Internet website, if any, a standard price list that shall apply to all medical cannabis, medical cannabis products, and related supplies and paraphernalia sold or dispensed by the medical cannabis dispensary or clinical registrant, which prices shall be reasonable and consistent with the actual costs incurred by the medical cannabis dispensary or clinical registrant in connection with acquiring and selling, transferring, or dispensing the medical cannabis or medical cannabis product and related supplies and paraphernalia. The prices charged by the medical cannabis dispensary or clinical registrant shall not deviate from the prices indicated on the entity's current price list, provided that a price list maintained by a medical cannabis dispensary or clinical registrant may allow for medical cannabis to be made available at a reduced price or without charge to qualifying patients who have a demonstrated financial hardship, as that term shall be defined by the commission by regulation. A price list required pursuant to this subsection may be revised no more than once per month, and each medical cannabis dispensary and clinical registrant shall be responsible for ensuring that the commission has a copy of the facility's current price list. A medical cannabis dispensary or clinical registrant shall be liable to a civil penalty of \$1,000 for each sale that occurs at a price that deviates from the entity's current price list, and to a civil penalty of \$10,000 for each week during which the entity's current price list is not on file with the commission. Any civil penalties collected by the commission pursuant to this section shall be deposited in the "Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund" established under section 41 of P.L.2021, c.16 (C.24:6I-50), and used by the commission for the purposes of administering the State medical cannabis program.

i. The commission shall adopt regulations to:

(1) require such written documentation of each delivery or dispensation of cannabis to, and pickup of cannabis for, a registered qualifying patient, including the date and amount dispensed, and, in the case of delivery, the date and times the delivery commenced and was completed, the address where the medical cannabis was delivered, the name of the patient or

caregiver to whom the medical cannabis was delivered, and the name, handler certification number, and delivery certification number of the medical cannabis handler who performed the delivery, to be maintained in the records of the medical cannabis dispensary or clinical registrant, as the commission determines necessary to ensure effective documentation of the operations of each medical cannabis dispensary or clinical registrant;

(2) monitor, oversee, and investigate all activities performed by medical cannabis cultivators, medical cannabis manufacturers, medical cannabis dispensaries, and clinical registrants;

(3) ensure adequate security of all facilities 24 hours per day and security of all delivery methods to registered qualifying patients; and

(4) establish thresholds for administrative action to be taken against a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant and its employees, officers, investors, directors, or governing board pursuant to subsection m. of this section, including, but not limited to, specific penalties or disciplinary actions that may be imposed in a summary proceeding.

j. (1) Each medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, and clinical registrant shall require the owners, directors, officers, and employees at the permitted facility to complete at least eight hours of ongoing training each calendar year. The training shall be tailored to the roles and responsibilities of the individual's job function, and shall include training on confidentiality and such other topics as shall be required by the commission.

(2) Each medical cannabis dispensary and clinical registrant shall consider whether to make interpreter services available to the population served, including for individuals with a visual or hearing impairment. The commission shall provide assistance to any medical cannabis dispensary or clinical registrant that seeks to provide such services in locating appropriate interpreter resources. A medical cannabis dispensary or clinical registrant shall assume the cost of providing interpreter services pursuant to this subsection.

k. (1) The first six alternative treatment centers issued permits following the effective date of P.L.2009, c.307 (C.24:6I-1 et al.) shall be authorized to sell or transfer such permit and other assets to a for-profit entity, provided that: the sale or transfer is approved by the commission; each owner, director, officer, and employee of, and significantly involved person in, the entity seeking to purchase or receive the transfer of the permit, undergoes a criminal history record background check pursuant to subsection d. of this section, provided that nothing in this subsection shall be construed to require any individual to undergo a criminal history record background check if the individual would otherwise be exempt from undergoing a criminal history record background check pursuant to subsection d. of this section; the commission finds that the sale or transfer of the permit would be consistent with the purposes of P.L.2009, c.307 (C.24:6I-1 et al.); and no such sale or transfer shall be authorized more than one year after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.). The sale or transfer of a permit pursuant to this subsection shall not be subject to the requirements of the "New Jersey Nonprofit Corporation Act," N.J.S.15A:1-1 et seq., provided that, prior to or at the time of the sale or transfer, all debts and obligations of the nonprofit entity are either paid in full or assumed by the for-profit entity purchasing or acquiring the permit, or a reserve fund is established for the purpose of paying in full the debts and obligations of the nonprofit entity, and the for-profit entity pays the full value of all assets held by the nonprofit entity, as reflected on the nonprofit entity's balance sheet, in

addition to the agreed-upon price for the sale or transfer of the entity's alternative treatment center permit. Until such time as the members of the Cannabis Regulatory Commission are appointed and the commission first organizes, the Department of Health shall have full authority to approve a sale or transfer pursuant to this paragraph.

(2) The sale or transfer of any interest of five percent or more in a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit shall be subject to approval by the commission and conditioned on the entity that is purchasing or receiving transfer of the interest in the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit completing a criminal history record background check pursuant to the requirements of subsection d. of this section.

l. No employee of any department, division, agency, board, or other State, county, or local government entity involved in the process of reviewing, processing, or making determinations with regard to medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit applications shall have any direct or indirect financial interest in the cultivating, manufacturing, or dispensing of medical cannabis or related paraphernalia, or otherwise receive anything of value from an applicant for a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit in exchange for reviewing, processing, or making any recommendations with respect to a permit application.

m. In the event that a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant fails to comply with any requirements set forth in P.L.2009, c.307 (C.24:6I-1 et al.) or any related law or regulation, the commission may invoke penalties or take administrative action against the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant and its employees, officers, investors, directors, or governing board, including, but not limited to, assessing fines, referring matters to another State agency, and suspending or terminating any permit held by the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant. Any penalties imposed or administrative actions taken by the commission pursuant to this subsection may be imposed in a summary proceeding.

C.24:6I-47 Medical cannabis provisions.

35. Medical Cannabis Provisions.

Nothing in P.L.2021, c.16 (C.24:6I-31 et al.) shall be construed:

a. to limit any privileges or rights of a registered qualifying patient, designated caregiver, institutional caregiver, or alternative treatment center as provided in the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), or P.L.2015, c.158 (C.18A:40-12.22 et al.) concerning the use of medical cannabis and medical cannabis products;

b. to authorize an alternative treatment center to provide cannabis items to or on behalf of a person who is not a registered qualifying patient, unless that alternative treatment center is deemed to be licensed to engage in the retail sale of cannabis items pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a license by the commission following receipt of a municipality's written approval for a cannabis retailer pursuant to subparagraph (a) of paragraph (3) of subsection a. of section 33 of P.L.2021, c.16 (C.24:6I-46), or otherwise has applied for a license, and been approved and issued a license by the commission pursuant to

P.L.2021, c.16 (C.24:6I-31 et al.) to simultaneously operate as a cannabis retailer, and the alternative treatment center has certified to the commission pursuant to paragraph (3) of subsection a. of that section 33 (C.24:6I-46), that it has sufficient quantities of medical cannabis and medical cannabis products available to meet the reasonably anticipated needs of registered qualifying patients, and the commission has accepted the alternative treatment center's certification;

c. to authorize an alternative treatment center to purchase or acquire cannabis or cannabis items in a manner or from a source not permitted under the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.), unless that alternative treatment center is deemed to be a licensed cannabis establishment or delivery service pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a license by the commission following receipt of a municipality's written approval for the cannabis establishment or delivery service pursuant to subparagraph (a) of paragraph (3) of subsection a. of section 33 of P.L.2021, c.16 (C.24:6I-46), or otherwise has applied for a license, and been approved and issued a license by the commission pursuant to P.L.2021, c.16 (C.24:6I-31 et al.) to simultaneously operate as a cannabis establishment or delivery service, and the alternative treatment center has certified to the commission pursuant to paragraph (3) of subsection a. of that section 33 (C.24:6I-46), that it has sufficient quantities of medical cannabis and, if applicable, medical cannabis products available to meet the reasonably anticipated needs of registered qualifying patients, and the commission has accepted the alternative treatment center's certification;

d. to authorize an alternative treatment center issued a permit under section 7 of P.L.2009, c.307 (C.24:6I-7) to operate on the same premises as a cannabis license holder or applicant for a license, unless that alternative treatment center is deemed to be a licensed cannabis establishment or delivery service pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a license by the commission following receipt of a municipality's written approval for the cannabis establishment or delivery service pursuant to subparagraph (a) of paragraph (3) of subsection a. of section 33 of P.L.2021, c.16 (C.24:6I-46), or otherwise has applied for a license, and been approved and issued a license by the commission pursuant to P.L.2021, c.16 (C.24:6I-31 et al.) to simultaneously operate as a cannabis establishment or delivery service, and the alternative treatment center has certified to the commission pursuant to paragraph (3) of subsection a. of that section 33 (C.24:6I-46), that it has sufficient quantities of medical cannabis and, if applicable, medical cannabis products available to meet the reasonably anticipated needs of registered qualifying patients, and the commission has accepted the alternative treatment center's certification.

C.24:6I-48 Medical cannabis – additional regulatory requirements.

36. Medical Cannabis – Additional Regulatory Requirements.

An alternative treatment center issued a permit under section 7 of P.L.2009, c.307 (C.24:6I-7) shall, as a condition of engaging in operations associated with cannabis or cannabis items, after being deemed to be licensed pursuant to that section and issued a license by the commission following receipt of a municipality's written approval for a cannabis establishment or delivery service pursuant to subparagraph (a) of paragraph (3) of subsection a. of section 33 of P.L.2021, c.16 (C.24:6I-46), or otherwise issued a license by the commission pursuant to P.L.2021, c.16 (C.24:6I-31 et al.) to simultaneously operate as a cannabis establishment or delivery service, certify to the commission pursuant to paragraph (3) of subsection a. of that section 33 (C.24:6I-46), that it has sufficient quantities of medical cannabis and, if applicable, medical cannabis products available to meet the reasonably

anticipated needs of registered qualifying patients, and the commission has accepted the alternative treatment center's certification.

C.24:6I-49 Business treatment of cannabis establishments, distributors, and delivery services.

37. Business Treatment of Cannabis Establishments, Distributors, and Delivery Services.

With respect to the business treatment of cannabis establishments, distributors, and delivery services:

a. A financial institution, as defined by section 2 of P.L.1983, c.466 (C.17:16K-2), shall not, subject to the suspension or revocation of a charter or other available enforcement action by the Commissioner of Banking and Insurance, engage in any discriminatory activities with respect to the banking activities of a cannabis establishment, distributor, or delivery service, or the banking activities of a person associated with a cannabis establishment, distributor, or delivery service.

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

(2) As used in this paragraph, "State or local economic incentive" means a financial incentive, awarded by the State, any political subdivision of the State, or any agency or instrumentality of the State or political subdivision of the State, to any non-governmental person, association, for-profit or non-profit corporation, joint venture, limited liability company, partnership, sole proprietorship, or other form of business organization or entity, or agreed to between the government and non-governmental parties, for the purpose of stimulating economic development or redevelopment in New Jersey, including, but not limited to, a bond, grant, loan, loan guarantee, matching fund, tax credit, or other tax expenditure.

(a) (i) A person or entity issued a license to operate as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service, or that employs a certified personal use cannabis handler to perform work for or on behalf of a cannabis establishment, distributor, or delivery service shall not be eligible for a State or local economic incentive.

(ii) The issuance of a license to operate as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service, or the issuance of a certification to perform work for or on behalf of a cannabis establishment, distributor, or delivery service to a person or entity that has been awarded a State or local economic incentive shall invalidate the right of the person or entity to benefit from the economic incentive as of the date of issuance of the license or certification.

(b) (i) A property owner, developer, or operator of a project to be used, in whole or in part, by or to benefit a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service, or to employ a certified personal use cannabis handler to perform work for or on behalf of a cannabis establishment, distributor, or delivery service, shall not be eligible for a State or local economic incentive during the period of time that the economic incentive is in effect.

(ii) The issuance of a license to operate as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service, or issuance of a certification to perform work for or on behalf of a cannabis establishment, distributor, or delivery service at a location that is the subject of a State or local economic

incentive shall invalidate the right of a property owner, developer, or operator to benefit from the economic incentive as of the date of issuance of the license or certification.

38. Section 29 of P.L.2019, c.153 (C.24:6I-22) is amended to read as follows:

C.24:6I-22 System for tracking, cultivating, manufacturing, transfer, dispensing, delivery.

29. a. (1) The commission shall develop and maintain a system for tracking:

(a) the cultivation of medical cannabis, the manufacturing of medical cannabis products, the transfer of medical cannabis and medical cannabis products between medical cannabis cultivators, medical cannabis manufacturers, medical cannabis dispensaries, clinical registrants, testing laboratories as authorized pursuant to paragraph (5) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7), subsection h. of section 27 of P.L.2019, c.153 (C.24:6I-20), and cannabis testing facilities pursuant to section 18 of P.L.2021, c.16 (C.24:6I-35), and the dispensing or delivery of medical cannabis to registered qualifying patients, designated caregivers, and institutional caregivers; and

(b) the production of personal use cannabis, the manufacturing of cannabis items, the transportation by cannabis distributors or other transfer of cannabis items between the premises of cannabis cultivators, cannabis manufacturers, cannabis wholesalers, cannabis retailers, and authorized laboratories and testing facilities, the retail sale of cannabis items to persons 21 years of age or older, and the delivery of cannabis items to persons 21 years of age or older through cannabis delivery services or by personal use cannabis handlers as authorized pursuant to P.L.2021, c.16 (C.24:6I-31 et al.).

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

(a) The commission, in consultation with the Director of the Division of Taxation, shall secure stamps based on the designs, specifications, and denominations prescribed by the commission in regulation, and which incorporate encryption, security, and counterfeit-resistant features to prevent the unauthorized duplication or counterfeiting of any stamp. The stamp shall be readable by a scanner or similar device that may be used by the commission, the Director of the Division of Taxation, medical cannabis cultivators, medical cannabis manufacturers, medical cannabis dispensaries, and clinical registrants, and personal use cannabis cultivators, cannabis manufacturers, cannabis wholesalers, cannabis distributors, cannabis retailers, and cannabis delivery services.

(b) The commission, and the Director of the Division of Taxation if authorized by the commission, shall make stamps available for purchase by medical cannabis cultivators, medical cannabis manufacturers, and clinical registrants, and personal use cannabis cultivators, cannabis manufacturers, cannabis wholesalers, cannabis distributors, cannabis retailers, and cannabis delivery services, which shall be the only entities authorized to affix a stamp to a container or package for medical cannabis or personal use cannabis items in accordance with applicable regulations promulgated by the commission in consultation with the Director of the Division of Taxation. The price charged by the commission for a stamp shall be reasonable and commensurate with the cost of producing the stamp.

(c) A medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, clinical registrant, or certified medical cannabis handler, or a personal use cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor,

cannabis retailer, cannabis delivery service, or certified personal use cannabis handler, shall not purchase, sell, offer for sale, transfer, transport, or deliver any medical cannabis or personal use cannabis item unless a stamp is properly affixed to the container or package for the medical cannabis or personal use cannabis item.

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

(1) preventing the diversion of medical cannabis and personal use cannabis items to criminal enterprises, gangs, cartels, persons not authorized to possess medical cannabis or personal use cannabis items, and other states;

(2) preventing persons from substituting or tampering with medical cannabis and personal use cannabis items;

(3) ensuring an accurate accounting of the cultivation, manufacturing, transferring, dispensing, and delivery of medical cannabis, and the production, manufacturing, transporting, transferring, sale, and delivery of personal use cannabis items;

(4) ensuring that the testing results from licensed testing laboratories and facilities are accurately reported; and

(5) ensuring compliance with the rules and regulations adopted by the commission and any other law of this State that charges the commission with a duty, function, or power related to medical cannabis or personal use cannabis items.

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

(1) the propagation of immature medical cannabis plants and personal use cannabis plants, the production of medical cannabis by a medical cannabis cultivator, and the production of personal use cannabis by a cannabis cultivator;

(2) the utilization of medical cannabis in the manufacture and creation of medical cannabis products by a medical cannabis manufacturer, the manufacturing of personal use cannabis items by a cannabis manufacturer, the receiving, storing, and sending of personal use cannabis items by a cannabis wholesaler, and the transporting in bulk cannabis items by a cannabis distributor;

(3) the transfer of medical cannabis and medical cannabis products, and personal use cannabis items, to and from licensed testing laboratories and facilities for testing purposes;

(4) the dispensing of medical cannabis by a medical cannabis dispensary or clinical registrant, and the selling of personal use cannabis items by a cannabis retailer;

(5) the furnishing of medical cannabis by a medical cannabis dispensary or clinical registrant to a medical cannabis handler for delivery, and the furnishing of personal use cannabis items by a cannabis retailer to a personal use cannabis handler for delivery;

(6) the delivery of medical cannabis by a medical cannabis handler, and the delivery of personal use cannabis items by a personal use cannabis handler;

(7) the purchase, sale, or other transfer of medical cannabis and medical cannabis products between medical cannabis cultivators, medical cannabis manufacturers, medical cannabis dispensaries, and clinical registrants as authorized pursuant to paragraph (5) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) and subsection h. of section 27 of P.L.2019, c.153 (C.24:6I-20), and the purchase, sale, transporting, or other transfer of personal use cannabis and cannabis items by or between cannabis cultivators, cannabis manufacturers, cannabis wholesalers, cannabis distributors, cannabis retailers, and cannabis delivery services as authorized pursuant to P.L.2021, c.16 (C.24:6I-31 et al.); and

(8) any other information that the commission determines is reasonably necessary to accomplish its duties, functions, and powers.

C.54:47F-1 Optional social equity excise fee assessed on Class 1 cannabis cultivator licensees.

39. Optional Social Equity Excise Fee Assessed on Class 1 Cannabis Cultivator Licensees.

a. There may be a Social Equity Excise Fee imposed by the commission on the cultivation of cannabis by any cannabis cultivator licensed pursuant to the provisions P.L.2021, c.16 (C.24:6I-31 et al.), or on the cultivation of cannabis for the personal use cannabis marketplace and not for the medical cannabis marketplace by any alternative treatment center deemed to be licensed to engage in personal use cannabis activities pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a Class 1 Cannabis Cultivator license by the commission pursuant to subparagraph (a) of paragraph (3) of subsection a. of section 33 of P.L.2021, c.16 (C.24:6I-46). The excise fee, if imposed by the commission pursuant to this section, shall be imposed on the receipts from the sale, or equivalent value of the transfer, of usable cannabis by a cannabis cultivator to any other cannabis establishment, other than another cannabis cultivator. Any sale by a cannabis cultivator for which the excise fee is 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.).

(1) Immediately following the adoption of the commission's initial rules and regulations pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34), there may be an excise fee imposed on a cannabis cultivator's sale or transfer as described in this subsection in the amount of 1/3 of 1% of the Statewide average retail price of an ounce of usable cannabis for consumer purchase, and any fractional portion of an ounce sold or transferred shall be subject to the fee on a proportional basis, during the calendar year the fee may be imposed in accordance with this paragraph; and

(2) Beginning nine months following the first sale or transfer of usable cannabis subject to the excise fee as described in paragraph (1) of this subsection, which sale or transfer is made by a cannabis cultivator that is not also an alternative treatment center deemed to be licensed to engage in personal use cannabis activities pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a Class 1 Cannabis Cultivator license by the commission pursuant to subparagraph (a) of paragraph (3) of subsection a. of section 33 of P.L.2021, c.16 (C.24:6I-46), the excise fee may be adjusted annually based upon the Statewide average retail price of usable cannabis for consumer purchase in the calendar year next preceding the year in which the adjusted fee would be imposed, and the adjusted excise fee shall be by the ounces of usable cannabis sold or transferred by a cannabis cultivator, and any fractional portion of an ounce sold or transferred shall be subject to the fee on a proportional basis, as follows:

(a) up to \$10 per ounce, as established by the commission, if the average retail price of an ounce of usable cannabis was \$350 or more;

(b) up to \$30 per ounce, as established by the commission, if the average retail price of an ounce of usable cannabis was less than \$350 but at least \$250;

(c) up to \$40 per ounce, as established by the commission, if the average retail price of an ounce of usable cannabis was less than \$250 but at least \$200; and (d) up to \$60 per ounce, as established by the commission, if the average retail price of an ounce of usable cannabis less than \$200.

b. (1) Any excise fee imposed pursuant to this section shall be collected from the cannabis establishment purchasing or acquiring the usable cannabis or paid by the cannabis cultivator, and remitted to the Director of the Division of Taxation. The fee shall be stated, charged, and shown separately on any sales slip, invoice, receipt, or other statement or memorandum of the price paid or payable, or equivalent value of the transfer, for the usable cannabis.

(2) Every cannabis cultivator required to collect or pay any excise fee imposed by this section shall be personally liable for the fee imposed, collected, or required to be collected or paid under this section. Any cannabis cultivator shall have the same right with respect to collecting the fee from the cannabis establishment purchasing or acquiring the usable cannabis, or with respect to non-payment of the fee by the cannabis establishment, as if the fee were a part of the purchase price or value of the transfer of the usable cannabis, and payable at the same time; provided, however, that the director shall be joined as a party in any action or proceeding brought to collect the fee.

c. Any excise fee imposed shall be reported and paid to the Director of the Division of Taxation on a monthly basis, in a manner prescribed by the director.

d. Except as otherwise provided in the “Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act,” P.L.2021, c.16 (C.24:6I-31 et al.), any excise fee imposed pursuant to this section shall be governed by the provisions of the “State Uniform Tax Procedure Law,” R.S.54:48-1 et seq.

e. Any excise fee imposed under this section shall not apply to sales or transfers of usable cannabis by a cannabis cultivator to a licensed medical cannabis alternative treatment center for use in medical cannabis dispensing pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

f. Any excise fee revenue collected pursuant to this section shall be deposited by the Director of the Office of Management and Budget into the “Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund” established under section 41 of P.L.2021, c.16 (C.24:6I-50), and shall be used for annual appropriations for investing in social equity programs as set forth in that section.

g. As used in this section:

“Cannabis cultivator” means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

“Cannabis establishment” means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

“Usable cannabis” means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

C.40:48I-1 Optional local cannabis transfer tax and user tax.

40. Optional Local Cannabis Transfer Tax and User Tax.

a. (1) A municipality may adopt an ordinance imposing a transfer tax on the sale of cannabis or cannabis items by a cannabis establishment that is located in the municipality. At the discretion of the municipality, the tax may be imposed on: receipts from the sale of cannabis by a cannabis cultivator to another cannabis cultivator; receipts from the sale of cannabis items from one cannabis establishment to another cannabis establishment; receipts from the retail sales of cannabis items by a cannabis retailer to retail consumers 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 cultivator; two percent of the receipts from each sale by a cannabis manufacturer;

one percent of the receipts from each sale by a cannabis wholesaler; and two 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 33 of P.L.2021, c.16 (C.24:6I-46), operating more than one cannabis establishment. The user tax shall be imposed on the value of each transfer or use of cannabis or 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 to 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, other than those which generate receipts from the retail sales by cannabis retailers, 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 or paid, and remitted to the municipality by the cannabis establishment from the cannabis establishment purchasing or receiving the cannabis or cannabis item, or from the consumer at the point of sale, on behalf of the municipality by the cannabis retailer selling the cannabis item to that consumer. The transfer tax or user tax shall be stated, charged, and shown separately on any sales slip, invoice, receipt, or other statement or memorandum of the price paid or payable, or equivalent value of the transfer, for the cannabis or cannabis item.

(2) Every cannabis establishment required to collect a transfer tax or user tax imposed by ordinance pursuant to this section shall be personally liable for the transfer tax or user tax imposed, collected, or required to be collected under this section. Any cannabis establishment shall have the same right with respect to collecting the transfer tax or user tax from another cannabis establishment or the consumer as if the transfer tax or user tax was a part of the sale and payable at the same time, or with respect to non-payment of the transfer tax or user tax by the cannabis establishment or consumer, as if the transfer tax or user tax was a part of the purchase price of the cannabis or cannabis item, or equivalent value of the transfer of the cannabis or cannabis item, and payable at the same time; provided, however, that the chief fiscal officer of the municipality which imposes the transfer tax or user tax shall be joined as a party in any action or proceeding brought to collect the transfer tax or user tax.

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

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

(2) (a) In the event that the transfer tax or user tax imposed by ordinance pursuant to this section is not paid as and when due by a cannabis establishment, the unpaid balance, and any interest accruing thereon, shall be a lien on the parcel of real property comprising the

cannabis establishment's premises in the same manner as all other unpaid municipal taxes, fees, or other charges. The lien shall be superior and paramount to the interest in the parcel of any owner, lessee, tenant, mortgagee, or other person, except the lien of municipal taxes, and shall be on a parity with and deemed equal to the municipal lien on the parcel for unpaid property taxes due and owing in the same year.

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

d. As used in this section:

"Cannabis" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Cannabis cultivator" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Cannabis establishment" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Cannabis items" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Cannabis manufacturer" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Cannabis retailer" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Cannabis wholesaler" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Consumer" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Premises" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

C.24:6I-50 Cannabis regulatory, enforcement assistance, and marketplace modernization fund.

41. Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund.

a. All fees and penalties collected by the commission, and all tax revenues on retail sales of cannabis items, and all tax revenues collected pursuant to the provisions of the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), except for amounts credited to the Property Tax Reform Account in the Property Tax Relief Fund pursuant to paragraph 7 of Section I of Article VIII of the New Jersey Constitution, as well as all revenues, if any, collected for the Social Equity Excise Fee pursuant to section 39 of P.L.2021, c.16 (C.54:47F-1), shall be deposited in a special nonlapsing fund which shall be known as the "Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund."

b. Monies in the fund, other than any monies derived from the Social Equity Excise Fee to be appropriated annually in accordance with subsection d. of this section, shall be appropriated annually as follows:

(1) at least 70 percent of all tax revenues on retail sales of cannabis items shall be appropriated for investments, including through grants, loans, reimbursements of expenses, and other financial assistance, in municipalities defined as an "impact zone" pursuant to

section 3 of P.L.2021, c.16 (C.24:6I-33), as well as provide direct financial assistance to qualifying persons residing therein as recommended by the commission; and(2) the remainder of the monies in the fund shall be appropriated by the Legislature to include the following:

(a) to oversee the development, regulation, and enforcement of activities associated with the personal use of cannabis pursuant to P.L.2021, c.16 (C.24:6I-31 et al.), and assist with assuming responsibility from the Department of Health for the further development and expansion, regulation, and enforcement of activities associated with the medical use of cannabis pursuant to 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.);

(b) to reimburse the expenses incurred by any county or municipality for the training costs associated with the attendance and participation of a police officer from its law enforcement unit, as those terms are defined in section 2 of P.L.1961, c.56 (C.52:17B-67), in a program provided by an approved school, also defined in that section, which trains and certifies the police officer, including a police officer with a working dog as that term is defined in section 1 of P.L.2006, c.88 (C.10:5-29.7), as a Drug Recognition Expert for detecting, identifying, and apprehending drug-impaired motor vehicle operators, and pay for the same training costs incurred by the Division of State Police in the Department of Law and Public Safety for the training of a State police officer or trooper, including an officer or trooper with a working dog, as a Drug Recognition Expert, as well as its costs in furnishing additional program instructors to provide Drug Recognition Expert training to police officers, troopers, and working dogs. A municipality or county seeking reimbursement shall apply to the commission, itemizing the costs, with appropriate proofs, for which reimbursement is requested and provide a copy of the certificate issued to the police officer to indicate the successful completion of the program by the police officer, and that officer’s working dog, if applicable; and

(c) for further investments, including through grants, loans, reimbursements of expenses, and other financial assistance, in municipalities defined as an “impact zone” pursuant to section 3 of P.L.2021, c.16 (C.24:6I-33), as well as provide direct financial assistance to qualifying persons residing therein as recommended by the commission.

The monies appropriated pursuant to paragraph (1) of this subsection shall be offset by any revenue constitutionally dedicated to municipalities defined as an “impact zone” pursuant to section 3 of P.L.2021, c.16 (C.24:6I-33).

c. Any remaining available monies, after the appropriation of those monies in the fund in accordance with subsection b. of this section, shall be deposited in the State’s General Fund.

d. (1) (a) Not less than 60 days prior to the first day of each State fiscal year, the commission shall consult and make recommendations to the Governor and Legislature for making social equity appropriations based upon the amount of any revenues collected during the current fiscal year for the Social Equity Excise Fee pursuant to section 39 of P.L.2021, c.16 (C.54:47F-1), or, if the commission has not imposed or adjusted the excise fee in the current fiscal year pursuant to that section, then appropriations to be made from the General Fund in an amount equal to the revenues that would have been collected had it imposed or adjusted the fee, in order to invest, through grants, loans, reimbursements of expenses, and other financial assistance, in private for-profit and non-profit organizations, public entities, including any municipality defined as an “impact zone” pursuant to section 3 of P.L.2021, c.16 (C.24:6I-33), as well as provide direct financial assistance to qualifying persons as determined by the commission, in order to create, expand, or promote educational and

economic opportunities and activities, and the health and well-being of both communities and individuals.

(b) Not less than 30 days prior to submitting its recommendations to the Governor and Legislature pursuant to subparagraph (a) of this paragraph, the commission shall hold at least three regional public hearings throughout the State, with at least one hearing in the northern, central, and southern regions of the State, to solicit the public input on the social equity investments to be made as described in this section.

(2) The commission's recommendations to the Governor and Legislature may include, but are not limited to, recommending investments in the following categories of social equity programs:

(a) educational support, including literacy programs, extended learning time programs that endeavor to close the achievement gap and provide services for enrolled students after the traditional school day, GED application and preparedness assistance, tutoring programs, vocational programming, and financial literacy;

(b) economic development, including the encouragement and support of community activities so as to stimulate economic activity or increase or preserve residential amenities, and business marketing, and job skills and readiness training, specific employment training, and apprenticeships;

(c) social support services, including food assistance, mental health services, substance use disorders treatment and recovery, youth recreation and mentoring services, life skills support services, and reentry and other rehabilitative services for adults and juveniles being released from incarceration; and

(d) legal aid for civil and criminal cases.

(3) The commission may also, subject to the annual appropriations act, recommend that it retain a portion of the Social Equity Excise Fee to administer startup grants, low-interest loans, application fee assistance, and job training programs through the commission's Office of Minority, Disabled Veterans and Women Cannabis Business Development established by section 32 of P.L.2019, c.153 (24:6I-25).

(4) Prior to the first day of each fiscal year, the Legislature shall provide to the commission a statement which lists the investments, including the investment recipients and investment amount, to be made by appropriations as set forth in paragraph (1) of this subsection based upon recommendations presented to the Governor and Legislature pursuant to paragraphs (1) through (3) of this subsection, and how the investment is intended to support and advance social equity as described in this subsection.

42. R.S. 24:1-1 is amended to read as follows:

Definitions.

As used in this Title:

a. "State department," "department of health" and "department" mean the "State Department of Health."

b. "Council" means the Public Health Council in the State Department of Health.

c. "Local board" or "local board of health" means the board of health of any municipality, or the boards, bodies, or officers in such municipality lawfully exercising the powers of a local board of health under the laws governing such municipality, and includes any consolidated local board of health or county local board of health created and established pursuant to law.

d. "Food" means (1) articles used for food or drink for man or other animals (2) chewing gum and (3) articles used for components of any such article.

e. "Drug" means (1) articles recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, or any supplement to any of them; and (2) articles intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease in man or other animals; and (3) articles (other than food) intended to affect the structure or any function of the body of man or other animals; and (4) articles intended for use as a component of any article specified in (1), (2), or (3) of this definition; but does not include biological products, or devices or their components, parts, or accessories. The term "drug" also does not include: hemp and hemp products cultivated, handled, processed, transported, or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.); cannabis as defined in section 3 of P.L.2021, c.16 (C.24:6I-33) which is cultivated and produced for use in a cannabis item, as defined in that section, in accordance with the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.); and cannabis resin as defined in that section 3 (C.24:6I-33) which is extracted for use in a cannabis item, as defined in that section, in accordance with that act.

f. "Package" or "container" means wrapper, case, basket, hamper, can, bottle, jar, tube, cask, vessel, tub, firkin, keg, jug, barrel, or other receptacles, but the word, "package" shall not include open containers which permit a visual and physical inspection by the purchaser at retail, nor bags and other receptacles which are filled in the presence of the purchaser at retail.

g. "Device" means instruments, apparatus, and contrivances, including their components, parts, and accessories, intended (1) for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals; or (2) to affect the structure or any function of the body of man or other animals.

h. "Cosmetic" means (1) articles intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part thereof for cleansing, beautifying, promoting attractiveness, or altering the appearance, and (2) articles intended for use as a component of any such articles; except that such term shall not include soap.

i. "New drug" means (1) any drug the composition of which is such that such drug is not generally recognized, among experts qualified by scientific training and experience to evaluate the safety of drugs, as safe for use under the conditions prescribed, recommended, or suggested in the labeling thereof, and (2) any drug the composition of which is such that such drug, as a result of investigations to determine its safety for use under such conditions, has become so recognized, but which has not, otherwise than in such investigations, been used to a material extent or for a material time under such conditions.

j. "Label" means a display of written, printed, or graphic matter upon the immediate container of any article; and a requirement made by or under authority of this subtitle that any word, statement or other information appear on the label shall not be considered to be complied with unless such word, statement, or other information also appears on the outside container or wrapper, if any there be, of the retail package of such article, or is easily legible through the outside container or wrapper. The term "immediate container" does not include package liners.

k. "Labeling" means all labels and other written, printed or graphic matter (1) upon an article or any of its containers or wrappers, or (2) accompanying such article.

l. "Official compendium" means the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, official National Formulary, or any supplement to any of them.

m. If an article is alleged to be misbranded because the labeling is misleading, then in determining whether such labeling is misleading there shall be taken into account, among other things, not only representations made or suggested by statement, word, design, or any combination thereof, but also the extent to which such labeling fails to reveal facts material in the light of such representations or material with respect to consequences which may result from the use of the article to which such labeling relates under the conditions of use prescribed in the labeling thereof or under such conditions of use as are customary or usual.

n. The representation of a drug as an antiseptic shall be considered to be a representation that it is a germicide, except in the case of a drug purporting to be, or represented as, an antiseptic for inhibitory use as a wet dressing, ointment, dusting powder, or such other use as involves prolonged contact with the body.

o. The provisions of this act regarding the selling of food, drugs, devices, or cosmetics, shall be considered to include the manufacture, production, processing, packing, exposure, offer, possession, and holding of any such article for sale; and the sale, dispensing, and giving away of any such article and the supplying or applying of any such articles in the conduct of any food, drug or cosmetic establishment.

p. The term "Federal Act" means the Federal Food, Drug and Cosmetic Act (Title 21, U.S.C. s.301 et seq.; 52 Stat. 1040 et seq.).

43. Section 2 of P.L.1970, c.226 (C.24:21-2) is amended to read as follows:

C.24:21-2 Definitions.

2. As used in P.L.1970, c.226 (C.24:21-1 et seq.):

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

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

"Commissioner" means the Commissioner of Health.

"Controlled dangerous substance" means a drug, substance, or immediate precursor in Schedules I through V of article 2 of P.L.1970, c.226 (C.24:21-1 et seq.), marijuana, and hashish as defined in this section. The term shall not include distilled spirits, wine, malt beverages, as those terms are defined or used in R.S.33:1-1 et seq., tobacco and tobacco products, and cannabis and cannabis items as those terms are defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

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

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

"Director" means the Director of the Division of Consumer Affairs in the Department of Law and Public Safety.

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

"Dispenser" means a practitioner who dispenses.

"Distribute" means to deliver other than by administering or dispensing a controlled dangerous substance.

"Distributor" means a person who distributes.

"Division" means the Division of Consumer Affairs in the Department of Law and Public Safety.

"Drug Enforcement Administration" means the Drug Enforcement Administration in the United States Department of Justice.

"Drugs" means (1) substances recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, or any supplement to any of them; and (2) substances intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals; and (3) substances, other than food, intended to affect the structure or any function of the body of man or other animals; and (4) substances intended for use as a component of any article specified in (1), (2), and (3) of this definition; but does not include devices or their components, parts or accessories. "Drugs" shall not mean: hemp and hemp products cultivated, handled, processed, transported, or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.); cannabis as defined in section 3 of P.L.2021, c.16 (C.24:6I-33) which is cultivated and produced for use in a cannabis item, as defined in that section, in accordance with the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.); and cannabis resin as defined in that section 3 (C.24:6I-33) which is extracted for use in a cannabis item, as defined in that section, in accordance with that act.

"Hashish" means the resin extracted from any part of the plant *Cannabis sativa* L. and any compound, manufacture, salt, derivative, mixture, or preparation of such resin. "Hashish" shall not mean: hemp and hemp products cultivated, handled, processed, transported, or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.); and cannabis resin as defined in section 3 of P.L.2021, c.16 (C.24:6I-33) which is extracted for use in a cannabis item, as defined in that section, in accordance with the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.).

"Marihuana" means all parts of the plant *Cannabis sativa* L., whether growing or not; the seeds thereof; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds, except those containing resin extracted from the plant. "Marihuana" shall not mean: hemp and hemp products cultivated, handled, processed, transported, or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.); and cannabis as defined in section 3 of P.L.2021, c.16 (C.24:6I-33) which is cultivated and produced for use in a cannabis item, as defined in that section, in accordance with the "New

Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act,” P.L.2021, c.16 (C.24:6I-31 et al.).

"Manufacture" means the production, preparation, propagation, compounding, conversion, or processing of a controlled dangerous substance, either directly or by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container, except that this term does not include the preparation or compounding of a controlled dangerous substance by an individual for the individual's own use or the preparation, compounding, packaging, or labeling of a controlled dangerous substance: (1) by a practitioner as an incident to the practitioner's administering or dispensing of a controlled dangerous substance in the course of the practitioner's professional practice, or (2) by a practitioner, or under the practitioner's supervision, for the purpose of, or as an incident to, research, teaching, or chemical analysis and not for sale.

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

- (1) Opium, coca leaves, and opiates;
- (2) A compound, manufacture, salt, derivative, or preparation of opium, coca leaves, or opiates;
- (3) A substance, and any compound, manufacture, salt, derivative, or preparation thereof, which is chemically identical with any of the substances referred to in (1) and (2) of this definition, except that the words "narcotic drug" as used in P.L.1970, c.226 (C.24:21-1 et seq.) shall not include decocainized coca leaves or extracts of coca leaves, which extracts do not contain cocaine or ecgonine.

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

"Opiate" means any dangerous substance having an addiction-forming or addiction-sustaining liability similar to morphine or being capable of conversion into a drug having such addiction-forming or addiction-sustaining liability. It does not include, unless specifically designated as controlled under section 3 of P.L.1970, c.226 (C.24:21-1 et seq.), the dextrorotatory isomer of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). It does include its racemic and levorotatory forms.

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

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

"Pharmacist" means a registered pharmacist of this State.

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

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

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

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

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

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

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

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

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

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

"Substance use disorder involving drugs" means taking or using a drug or controlled dangerous substance, as defined in this chapter, in association with a state of psychic or physical dependence, or both, arising from the use of that drug or controlled dangerous substance on a continuous basis. A substance use disorder is characterized by behavioral and other responses, including, but not limited to, a strong compulsion to take the substance on a recurring basis in order to experience its psychic effects, or to avoid the discomfort of its absence.

"Ultimate user" means a person who lawfully possesses a controlled dangerous substance for the person's own use or for the use of a member of the person's household or for administration to an animal owned by the person or by a member of the person's household.

44. Section 5 of P.L.1970, c.226 (C.24:21-5) is amended to read as follows:

C.24:21-5 Schedule I.

5. Schedule I.

a. Tests. The director shall place a substance in Schedule I if he finds that the substance: (1) has high potential for abuse; and (2) has no accepted medical use in treatment in the United States; or lacks accepted safety for use in treatment under medical supervision.

b. The controlled dangerous substances listed in this section are included in Schedule I, subject to any revision and republishing by the director pursuant to subsection d. of section 3 of P.L.1970, c.226 (C.24:21-3), and except to the extent provided in any other schedule.

c. Any of the following opiates, including their isomers, esters, and ethers, unless specifically excepted, whenever the existence of such isomers, esters, ethers and salts is possible within the specific chemical designation:

(1) Acetylmethadol

(2) Allylprodine

- (3) Alphacetylmethadol
- (4) Alphameprodine
- (5) Alphamethadol
- (6) Benzethidine
- (7) Betacetylmethadol
- (8) Betameprodine
- (9) Betamethadol
- (10) Betaprodine
- (11) Clonitazene
- (12) Dextromoramide
- (13) Dextrorphan
- (14) Diampromide
- (15) Diethylthiambutene
- (16) Dimenoxadol
- (17) Dimepheptanol
- (18) Dimethylthiambutene
- (19) Dioxaphetyl butyrate
- (20) Dipipanone
- (21) Ethylmethylthiambutene
- (22) Etonitazene
- (23) Etoxidine
- (24) Furethidine
- (25) Hydroxypethidine
- (26) Ketobemidone
- (27) Levomoramide
- (28) Levophenacilmorphan
- (29) Morpheridine
- (30) Noracymethadol
- (31) Norlevorphanol
- (32) Normethadone
- (33) Norpipanone
- (34) Phenadoxone
- (35) Phenampromide
- (36) Phenomorphan
- (37) Phenoperidine
- (38) Piritramide
- (39) Proheptazine
- (40) Properidine
- (41) Racemoramide
- (42) Trimeperidine.

d. Any of the following narcotic substances, their salts, isomers and salts of isomers, unless specifically excepted, whenever the existence of such salts, isomers and salts of isomers is possible within the specific chemical designation:

- (1) Acetorphine
- (2) Acetylcodone
- (3) Acetyldihydrocodeine
- (4) Benzylmorphine
- (5) Codeine methylbromide

- (6) Codeine-N-Oxide
- (7) Cyprenorphine
- (8) Desomorphine
- (9) Dihydromorphine
- (10) Etorphine
- (11) Heroin
- (12) Hydromorphanol
- (13) Methyldesorphine
- (14) Methylhydromorphine
- (15) Morphine methylbromide
- (16) Morphine methylsulfonate
- (17) Morphine-N-Oxide
- (18) Myrophine
- (19) Nicocodeine
- (20) Nicomorphine
- (21) Normorphine
- (22) Phoclodine
- (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; except that on and after the effective date of the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.), 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 hemp or a hemp product cultivated, handled, processed, transported, or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.), or cannabis or a cannabis item, as those terms are defined in section 3 of P.L.2021, c.16 (C.24:6I-33), that is grown, cultivated, produced, or

manufactured in accordance with the “New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act,” P.L.2021, c.16 (C.24:6I-31 et al.).

45. R.S.24:5-18 is amended to read as follows:

Drug or device misbrandings.

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.
- d. If it is for use by man and contains any quantity of the narcotic or hypnotic substance alpha-eucaine, barbituric acid, beta-eucaine, bromal, cannabis other than as defined in section 3 of P.L.2021, c.16 (C.24:6I-33), carbromal, chloral, coca, cocaine, codeine, heroin, marihuana, morphine, opium, paraldehyde, peyote, or sulphonmethane; or any chemical derivative of such substance, which derivative has been by the Department of Health of the State of New Jersey after investigation found to be, and by regulations under this subtitle designated as, habit forming; unless its label bears the name and quantity or proportion of such substance, or derivative and in juxtaposition therewith, the statement "Warning--May be habit forming."
- e. If it is a drug and is not designated solely by a name recognized in an official compendium, unless its label bears (1) the common or usual name of the drug, if such there be; and (2) in case it is fabricated from 2 or more ingredients, the common or usual name of each active ingredient, including the kind and quantity or proportion of any alcohol, and also including, whether active or not, the name and quantity or proportion of any bromides, ether, chloroform, acetanilid, acetphanetidid, amidopyrine, antipyrine, atropine, hyoscine, hyoscyamine, arsenic, digitalis, digitalis glusocides, mercury, ouabain, strophanthin, strychnine, thyroid, or any derivative or preparation of any such substances, contained therein; provided, that to the extent that compliance with the requirements of clause (2) of this paragraph is impracticable, exemptions may be established by regulations promulgated by the State department.
- f. Unless its labeling bears (1) adequate directions for use; and (2) such adequate warnings against use in those pathological conditions or by children where its use may be dangerous to health, or against unsafe dosage or methods or duration of administration or application, in such manner and form, as are necessary for the protection of users; provided, that where any requirement of clause (1) of this paragraph, as applied to any drug or device, is not necessary for the protection of the public health, the Department of Health of the State of New Jersey may promulgate regulations exempting such drug or device from such requirement.
- g. If it purports to be a drug the name of which is recognized in an official compendium, unless it is packaged and labeled as prescribed therein; provided, that the method of packing may be modified with the consent of the State department. Whenever a drug is recognized in both the United States Pharmacopoeia and the Homeopathic Pharmacopoeia of the United

States it shall be subject to the requirements of the United States Pharmacopoeia unless it is labeled and offered for sale as a homeopathic drug, in which case it shall be subject to the provisions of the Homeopathic Pharmacopoeia of the United States and not to those of the United States Pharmacopoeia.

h. If it has been found by the Department of Health of the State of New Jersey to be a drug liable to deterioration, unless it is packaged in such form and manner, and its label bears a statement of such precautions, as the Department of Health of the State of New Jersey may by regulations require as necessary for the protection of the public health. No such regulation shall be established for any drug recognized in an official compendium until the State department shall have informed the appropriate body charged with the revision of such compendium of the need for such packaging or labeling requirements and such body shall have failed within a reasonable time to prescribe such requirements.

i. (1) If it is a drug and its container is so made, formed or filled as to be misleading; or (2) if it is an imitation of another drug; or (3) if it is offered for sale under the name of another drug.

j. If it is dangerous to health when used in the dosage, or with the frequency or duration prescribed, recommended, or suggested in the labeling thereof.

k. If it is a depressant or stimulant drug as defined pursuant to law and not in the possession or control of a person specified by law as entitled to possession or control of such depressant or stimulant drug. Any depressant or stimulant drug misbranded under the preceding sentence shall be deemed dangerous or fraudulent for purposes of marking and detaining under the provisions of section 24:4-12 of this Title.

C.2C:35-10a Personal use of cannabis items.

46. Personal Use of Cannabis Items.

Notwithstanding any other provision of law, the following acts are not unlawful and shall not be an offense or a basis for seizure or forfeiture of assets under N.J.S.2C:64-1 et seq. or other applicable law for persons 21 years of age or older, provided the acts are consistent with the relevant definitions set forth in section 3 of P.L.2021, c.16 (C.24:6I-33), and when an act involves a cannabis item, it was first obtained directly from a licensed cannabis retailer or delivered by a licensed cannabis delivery service making delivery of a purchase order fulfilled by that licensed cannabis retailer for off-premises delivery, evidenced by it being in its original packaging or by a sales slip, invoice, receipt, or other statement or memorandum:

a. Possessing, displaying, purchasing, or transporting: cannabis paraphernalia; one ounce (28.35 grams) or less of usable cannabis; the equivalent of one ounce (28.35 grams) or less of usable cannabis as a cannabis product in solid, liquid, or concentrate form, based upon an equivalency calculation for different product forms set by the Cannabis Regulatory Commission, established pursuant to section 31 of P.L.2019, c.153 (C.24:6I-24), in its regulations, and for which the commission may utilize research conducted in other states on the issue of product equivalency calculations when setting this equivalency; or 5 grams (0.176 ounce) or less of cannabis resin. Possessing, displaying, purchasing, or transporting at any one time any amount of any cannabis items described herein in an amount greater than as permitted pursuant to this subsection shall be considered a violation of the "Comprehensive Drug Reform Act of 1987," P.L.1987, c.106 (N.J.S.2C:35-1 et al.), and subject the person to prosecution as if the person possessed, displayed, purchased, or transported marijuana or hashish in violation of that act;

b. Transferring without remuneration: one ounce (28.35 grams) or less of usable cannabis; the equivalent of one ounce (28.35 grams) or less of usable cannabis as a cannabis product in solid, liquid, or concentrate form, based upon the equivalency calculation for different product forms set by the commission pursuant to subsection a. of this section; or five grams (0.176 ounce) or less of cannabis resin to a person who is of legal age for purchasing cannabis items, provided that such transfer is for non-promotional, non-business purposes. Transferring at any one time any amount of any cannabis items described herein in an amount greater than as permitted pursuant to this subsection, or to a person who is not of legal age to purchase cannabis items, shall be considered a violation of the “Comprehensive Drug Reform Act of 1987,” P.L.1987, c.106 (N.J.S.2C:35-1 et al.), and subject the person to prosecution as if the person distributed marijuana or hashish in violation of that act, unless the transfer to a person who is not of legal age was done by a cannabis establishment licensed pursuant to P.L.2021, c.16 (C.24:6I-31 et al.), or an employee or agent thereof, in which case it is a civil violation and the civil penalty set forth in subsection b. of section 64 P.L.2021, c.16 (C.2C:35-10d) shall apply;

c. Taking delivery of or consuming a lawfully possessed cannabis item, provided that nothing in this section shall permit a person to smoke, vape, or aerosolize any cannabis item in a public place. This prohibition includes the smoking, vaping, or aerosolizing of a cannabis item in any public place pursuant to law that prohibits the smoking of tobacco, including N.J.S.2C:33-13 and the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.), and any indoor public place, as that term is defined in section 3 of P.L.2005, c.383 (C.26:3D-57), or portion thereof, even if the smoking of tobacco is otherwise permitted in that place or portion thereof pursuant to the “New Jersey Smoke-Free Air Act”; except that the smoking, vaping, or aerosolizing of a cannabis item shall be permitted in a cannabis consumption area as set forth in section 28 of P.L.2019, c.153 (C.24:6I-21), and may be permitted by the person or entity that owns or controls a hotel, motel, or other lodging establishment as defined in section 1 of P.L.1967, c.95 (C.29:4-5) in up to 20 percent of its guest rooms. The smoking, vaping, or aerosolizing of a cannabis item may also be prohibited or otherwise regulated in multifamily housing that is a multiple dwelling as defined in section 3 of P.L.1967, c.76 (C.55:13A-3), as decided by the person or entity that owns or controls the multifamily housing, or prohibited or otherwise regulated in the structure or specific units of the structure of a cooperative as defined in section 3 of P.L.1987, c.381 (C.46:8D-3) by the corporation or other legal entity that owns the structure, or prohibited or otherwise regulated in the units of a condominium, as those terms are defined by section 3 of P.L.1969, c.257 (C.46:8B-3), if approved by the association for the condominium and a majority of all of the condominium’s unit owners, as those terms are defined in that section. Except as otherwise provided by P.L.2021, c.16 (C.24:6I-31 et al.), any penalties that may be assessed for the smoking of tobacco where prohibited under the “New Jersey Smoke-Free Air Act” shall be applicable to the smoking, vaping, or aerosolizing of cannabis items where prohibited. Concerning the consumption of any cannabis item, other than by smoking, vaping, or aerosolizing: a person or entity that owns or controls a property, other than multifamily housing that is a multiple dwelling as defined in section 3 of P.L.1967, c.76 (C.55:13A-3), the structure or specific units of the structure of a cooperative as defined in section 3 of P.L.1987, c.381 (C.46:8D-3), a unit of a condominium, as those terms are defined by section 3 of P.L.1969, c.257 (C.46:8B-3), or a site in a mobile home park as defined in section 3 of P.L.1983, c.386 (C.40:55D-102), which site is leased to the owner of a manufactured home, as defined in that section, that is installed thereon, may prohibit or otherwise regulate the consumption of cannabis items on or in that property,

including a casino hotel facility as defined in section 19 of P.L.1977, c.110 (C.5:12-19) with respect to a hotel property, a casino as defined in section 6 of P.L.1977, c.110 (C.5:12-6), or casino simulcasting facility authorized pursuant to the “Casino Simulcasting Act,” P.L.1992, c.19 (C.5:12-191 et al.); and a municipality may enact an ordinance making it an unlawful act for any person 21 years of age or older to consume, other than by smoking, vaping, or aerosolizing, any cannabis item in a public place, including any indoor public place as that term is defined in section 3 of P.L.2005, c.383 (C.26:3D-57), or portion thereof, and providing a civil penalty for a violation in accordance with section 77 of P.L.2021, c.16 (C.40:48-1.2b); and

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

C.24:6I-51 Licensee and consumer protections.

47. Licensee and Consumer Protections.

a. Except as otherwise set forth in section 48 of P.L.2021, c.16 (C.24:6I-42) with respect to employers, employment actions, and employment policies, individuals, and licensed cannabis establishments, distributors, and delivery services shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, including but not limited to civil liability or disciplinary action by a business, occupational, or professional licensing board or bureau, solely for conduct permitted under P.L.2021, c.16 (C.24:6I-31 et al.).

b. The presence of cannabinoid metabolites in the bodily fluids of a person engaged in conduct permitted under P.L.2021, c.16 (C.24:6I-31 et al.):

(1) with respect to a student, tenant, or employee, other than as set forth in section 48 of P.L.2021, c.16 (C.24:6I-52), shall not form the basis for refusal to enroll or employ or lease to or otherwise penalize that person, unless failing to do so would put the school, employer, or landlord in violation of a federal contract or cause it to lose federal funding;

(2) with respect to a patient, shall not constitute the use of an illicit substance resulting in denial of medical care, including organ transplant, and a patient’s use of cannabis items may only be considered with respect to evidence-based clinical criteria; and

(3) with respect to a parent or legal guardian of a child or newborn infant, or a pregnant woman, shall not form the sole or primary basis for any action or proceeding by the Division of Child Protection and Permanency, or any successor agencies; provided, however, that nothing in this paragraph shall preclude any action or proceeding by the division based on harm or risk of harm to a child or the use of information on the presence of cannabinoid metabolites in the bodily fluids of any person in any action or proceeding.

C.24:6I-52 Employers, driving, minors and control of property.

48. Employers, Driving, Minors and Control of Property.

a. (1) No employer shall refuse to hire or employ any person or shall discharge from employment or take any adverse action against any employee with respect to compensation, terms, conditions, or other privileges of employment because that person does or does not smoke, vape, aerosolize or otherwise use cannabis items, and an employee shall not be subject to any adverse action by an employer solely due to the presence of cannabinoid metabolites in the employee’s bodily fluid from engaging in conduct permitted under P.L.2021, c.16 (C.24:6I-31 et al.). However, an employer may require an employee to undergo a drug test upon reasonable suspicion of an employee’s usage of a cannabis item

while engaged in the performance of the employee's work responsibilities, or upon finding any observable signs of intoxication related to usage of a cannabis item, or following a work-related accident subject to investigation by the employer. A drug test may also be done randomly by the employer, or as part of a pre-employment screening, or regular screening of current employees to determine use during an employee's prescribed work hours. The drug test shall include scientifically reliable objective testing methods and procedures, such as testing of blood, urine, or saliva, and a physical evaluation in order to determine an employee's state of impairment. The physical evaluation shall be conducted by an individual with the necessary certification to opine on the employee's state of impairment, or lack thereof, related to the usage of a cannabis item in accordance with paragraph (2) of this subsection. The employer may use the results of the drug test when determining the appropriate employment action concerning the employee, including, but not limited to dismissal, suspension, demotion, or other disciplinary action.

(2) (a) In order to better ensure the protections for prospective employees and employees against refusals to hire or employ, or against being discharged or having any other adverse action taken by an employer, while simultaneously supporting the authority of employers to require employees undergo drug tests under the circumstances set forth in paragraph (1) of this subsection, as well as employer efforts to maintain a drug- and alcohol-free workplace or other drug- or alcohol workplace policy as described in paragraph (1) of subsection b. of this section, the commission, in consultation with the Police Training Commission established pursuant to section 5 of P.L.1961, c.56 (C.52:17B-70), shall prescribe standards in regulation for a Workplace Impairment Recognition Expert certification, to be issued to full- or part-time employees, or others contracted to perform services on behalf of an employer, based on education and training in detecting and identifying an employee's usage of, or impairment from, a cannabis item or other intoxicating substance, and for assisting in the investigation of workplace accidents. The commission's regulations shall also prescribe minimum curriculum courses of study for the certifications, as well as standards for the commission's approval and continuation of approval of non-profit and for-profit programs, organizations, or schools and their instructors to offer courses of study, and may include the use of a Police Training Commission approved school as that term is defined in section 2 of P.L.1961, c.56 (C.52:17B-67) if consented to by the Police Training Commission.

(b) Any person who demonstrates to the commission's satisfaction that the person has successfully completed a Drug Recognition Expert program provided by a Police Training Commission approved school, or another program or course conducted by any federal, State, or other public or private agency, the requirements of which are substantially equivalent to the requirements established by the commission pursuant to subparagraph (a) of this paragraph for a Workplace Impairment Recognition Expert certification, may, at the discretion of the commission, be issued this certification, subject to subsequent continuation of certification approval by the commission.

b. Nothing in P.L.2021, c.16 (C.24:6I-31 et al.):

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

(b) If any of the provisions set forth in this paragraph or subsection a. of this section result in a provable adverse impact on an employer subject to the requirements of a federal

contract, then the employer may revise their employee prohibitions consistent with federal law, rules, and regulations;

(2) Is intended to allow driving under the influence of cannabis items or driving while impaired by cannabis items or to supersede laws related to driving under the influence of marijuana or cannabis items or driving while impaired by marijuana or cannabis items;

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

(4) Shall, consistent with subsection c. of section 46 of P.L.2021, c.16 (C.2C:35-10a), prohibit a person or entity that owns or controls a property from prohibiting or otherwise regulating the consumption, use, display, transfer, distribution, sale, or transportation of cannabis items on or in that property, or portion thereof, including a hotel property that is a casino hotel facility as defined in section 19 of P.L.1977, c.110 (C.5:12-19), a casino as defined in section 6 of P.L.1977, c.110 (C.5:12-6), or casino simulcasting facility authorized pursuant to the "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.), provided that a person or entity that owns or controls multifamily housing that is a multiple dwelling as defined in section 3 of P.L.1967, c.76 (C.55:13A-3), the structure or specific units of the structure of a cooperative as defined in section 3 of P.L.1987, c.381 (C.46:8D-3), a unit of a condominium as defined in section 3 of P.L.1969, c.257 (C.46:8B-3), or a site in a mobile home park as defined in section 3 of P.L.1983, c.386 (C.40:55D-102), which site is leased to the owner of a manufactured home, as defined in that section, that is installed thereon, may only prohibit or otherwise regulate the smoking, vaping, or aerosolizing, but not other consumption, of cannabis items, and further provided that municipalities may not prohibit delivery, possession, or consumption of cannabis items by a person 21 years of age or older as permitted by section 46 of P.L.2021, c.16 (C.2C:35-10a);

(5) Is intended to permit any person to possess, consume, use, display, transfer, distribute, sell, transport, or grow or manufacture cannabis or cannabis items in a school, hospital, detention facility, adult correctional facility, or youth correctional facility;

(6) Is intended to permit the smoking, vaping, or aerosolizing of cannabis items in any place that any other law prohibits the smoking of tobacco, including N.J.S.2C:33-13 and the "New Jersey Smoke-Free Air Act," P.L.2005, c.383 (C.26:3D-55 et seq.). Except as otherwise provided by P.L.2021, c.16 (C.24:6I-31 et al.), any fines or civil penalties that may be assessed for the smoking of tobacco in designated places shall be applicable to the smoking, vaping, or aerosolizing of cannabis items.

C.18A:61F-1 Consumption prohibited in public, private institution of higher education.

49. Consuming, including by smoking, vaping, or aerosolizing, any cannabis item available for lawful consumption pursuant to the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.), is prohibited in any area of any building of, on the grounds of, or in any facility owned, leased, or controlled by, any public or private institution of higher education or a related entity thereof, regardless of whether the area or facility is an indoor place or is outdoors. As used in this section "related entity" includes, but is not limited to, the foundation, auxiliary services corporation, or alumni association, or any subsidiary thereof, of an institution of higher education. Any penalties that may be assessed for the smoking of tobacco where prohibited under the "New Jersey Smoke-Free Air Act," P.L.2005, c.383 (C.26:3D-55 et

seq.), shall be applicable to the consumption of cannabis items where prohibited by this section.

C.2C:35-10b Lawful operation of cannabis establishments, distributors, and delivery services.

50. Lawful Operation of Cannabis Establishments, Distributors, and Delivery Services.

Notwithstanding any other provision of law, the following acts are not unlawful and shall not be a criminal offense or a basis for seizure or forfeiture of assets under N.J.S.2C:64-1 et seq. or other applicable law, provided the acts are undertaken by a person 21 years of age or older while acting within the scope of authority provided by a license, or are undertaken by a person 18 years of age or older while acting within the scope of authority as an employee of a licensed cannabis establishment, distributor, or delivery service, or provided by a cannabis handler certification issued pursuant P.L.2021, c.16 (C.24:6I-31 et al.) and are consistent with the relevant definitions set forth in section 3 of P.L.2021, c.16 (C.24:6I-33):

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

b. possessing, displaying, transporting, or delivering cannabis items; purchasing cannabis items from a cannabis cultivator; purchasing cannabis items from a cannabis manufacturer or wholesaler; or selling cannabis items to consumers, if the person conducting the activities described in this subsection has obtained a current, valid license to operate as a cannabis retailer or is acting in his capacity as an owner, employee, or agent of a licensed cannabis retailer;

c. cultivating, harvesting, packaging, transporting, displaying, or possessing cannabis; delivering or transferring cannabis items to a cannabis testing facility; selling cannabis items to a cannabis cultivator, a cannabis manufacturer, a cannabis wholesaler, or a cannabis retailer; or purchasing cannabis items from a cannabis cultivator, if the person conducting the activities described in this subsection has obtained a current, valid license to operate as a cannabis cultivator or is acting in his capacity as an owner, employee, or agent of a licensed cannabis cultivator;

d. packaging, manufacturing, transporting, displaying, or possessing cannabis items; transporting or transferring cannabis items to a cannabis testing facility; selling cannabis items to a cannabis retailer or a cannabis manufacturer; purchasing cannabis items from a cannabis cultivator; or purchasing cannabis items from a cannabis manufacturer, if the person conducting the activities described in this subsection has obtained a current, valid license to operate as a cannabis manufacturer or is acting in his capacity as an owner, employee, or agent of a licensed cannabis manufacturer;

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

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

C.24:6I-53 Contract enforceability.

51. Contract Enforceability.

No contract shall be unenforceable on the basis that manufacturing, distributing, dispensing, possessing, or using any cannabis item or marijuana is prohibited by federal law.

No contract entered into by a licensee, its employees, or its agents as permitted pursuant to a valid license issued by the commission, or by those who allow property to be used by a licensee, its employees, or its agents as permitted pursuant to a valid license issued by the commission, shall be deemed unenforceable on the basis that the actions or conduct permitted pursuant to the license are prohibited by federal law.

C.24:6I-54 Federal and interstate relations.

52. Federal and Interstate Relations.

a. Law enforcement agencies in this State shall not cooperate with or provide assistance to the government of the United States or any agency thereof in enforcing the “Controlled Substances Act,” 21 U.S.C.s.801 et seq., solely for actions consistent with P.L.2021, c.16 (C.24:6I-31 et al.), except pursuant to a valid court order.

b. No agency or subdivision of an agency of this State may refuse to perform any duty under P.L.2021, c.16 (C.24:6I-31 et al.) on the basis that manufacturing, transporting, distributing, dispensing, delivering, possessing, or using any cannabis item or marijuana is prohibited by federal law.

c. The commission may not revoke or refuse to issue or renew a license or certification pursuant to section 20, 22, 23, 24, 25, 26, or 27 of P.L.2021, c.16 (C.24:6I-37, C.24:6I-39, C.24:6I-40, C.24:6I-41, C.24:6I-42, C.24:6I-43, or C.24:6I-44) on the basis that manufacturing, transporting, distributing, dispensing, delivering, possessing, or using any cannabis item or marijuana is prohibited by federal law.

d. Nothing in this section shall be construed to limit the authority of an agency or subdivision of any agency of this State to cooperate with or assist the government of the United States or any agency thereof, or the government of another state or agency thereof, in matters pertaining to illegal interstate trafficking of marijuana, hashish, cannabis, or cannabis items.

C.24:6I-55 Limitations.

53. Limitations.

The provisions of P.L.2021, c.16 (C.24:6I-31 et al.) concerning the development, regulation, and enforcement of activities associated with personal use cannabis, as well as acts involving personal use cannabis or cannabis items, shall not be construed:

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

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

c. To prohibit a recipient of a federal grant or an applicant for a federal grant from prohibiting the manufacture, transportation, delivery, possession, or use of cannabis items to the extent necessary to satisfy federal requirements for the grant;

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

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

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

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

Definitions.

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

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

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

"Controlled dangerous substance" means a drug, substance, or immediate precursor in Schedules I through V, marijuana and hashish as defined in this section, any substance the distribution of which is specifically prohibited in N.J.S.2C:35-3, in section 3 of P.L.1997, c.194 (C.2C:35-5.2), in section 5 of P.L.1997, c.194 (C.2C:35-5.3), in section 2 of P.L.2011, c.120 (C.2C:35-5.3a), or in section 2 of P.L.2013, c.35 (C.2C:35-5.3b), and any drug or substance which, when ingested, is metabolized or otherwise becomes a controlled dangerous substance in the human body. When any statute refers to controlled dangerous substances, or to a specific controlled dangerous substance, it shall also be deemed to refer to any drug or substance which, when ingested, is metabolized or otherwise becomes a controlled dangerous substance or the specific controlled dangerous substance, and to any substance that is an immediate precursor of a controlled dangerous substance or the specific controlled dangerous substance. The term shall not include distilled spirits, wine, malt beverages, as those terms are defined or used in R.S.33:1-1 et seq., tobacco and tobacco products, or cannabis and cannabis as defined in section 3 of P.L.2021, c.16 (C.24:6I-33). The term, wherever it appears in any law or administrative regulation of this State, shall include controlled substance analogs.

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

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

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

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

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

"Drugs" means (1) substances recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, or any supplement to any of them; and (2) substances intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals; and (3) substances, other than food, intended to affect the structure or any function of the body of man or other animals; and (4) substances intended for use as a component of any substance specified in (1), (2), and (3) of this definition; but does not include devices or their components, parts, or accessories. The term "drug" also does not include: hemp and hemp products cultivated, handled, processed, transported, or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.); cannabis as defined in section 3 of P.L.2021, c.16 (C.24:6I-31 et al.) which is cultivated and produced for use in a cannabis item, as defined in that section, in accordance with the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.); and cannabis resin as defined in that section 3 (C.24:6I-33) which is extracted for use in a cannabis item, as defined in that section, in accordance with that act.

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

"Hashish" means the resin extracted from any part of the plant *Cannabis sativa* L. and any compound, manufacture, salt, derivative, mixture, or preparation of such resin. "Hashish" shall not mean: hemp and hemp products cultivated, handled, processed, transported, or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.); or cannabis resin as defined in section 3 of P.L.2021, c.16 (C.24:6I-33) which is extracted for use in a cannabis item, as defined in that section, in accordance with the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.).

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

"Marijuana" means all parts of the plant *Cannabis sativa* L., whether growing or not; the seeds thereof, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds, except those containing resin extracted from the plant. "Marijuana"

shall not mean: hemp and hemp products cultivated, handled, processed, transported, or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.); or cannabis as defined in section 3 of P.L.2021, c.16 (C.24:6I-33) which is cultivated and produced for use in a cannabis item, as defined in that section, in accordance with the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.).

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

- (1) Opium, coca leaves, and opiates;
- (2) A compound, manufacture, salt, derivative, or preparation of opium, coca leaves, or opiates;
- (3) A substance, and any compound, manufacture, salt, derivative, or preparation thereof, which is chemically identical with any of the substances referred to in (1) and (3) of this definition, except that the words "narcotic drug" as used in this act shall not include decocainized coca leaves or extracts of coca leaves, which extracts do not contain cocaine or ecogine.

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

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

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

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

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

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

- (1) "Physician" means a physician authorized by law to practice medicine in this or any other state and any other person authorized by law to treat sick and injured human beings in this or any other state.
- (2) "Veterinarian" means a veterinarian authorized by law to practice veterinary medicine in this State.
- (3) "Dentist" means a dentist authorized by law to practice dentistry in this State.
- (4) "Hospital" means any federal institution, or any institution for the care and treatment of the sick and injured, operated or approved by the appropriate State department as proper to be entrusted with the custody and professional use of controlled dangerous substances or controlled substance analogs.
- (5) "Laboratory" means a laboratory to be entrusted with the custody of narcotic drugs and the use of controlled dangerous substances or controlled substance analogs for scientific,

experimental, and medical purposes and for purposes of instruction approved by the Department of Health.

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

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

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

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

"State" means the State of New Jersey.

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

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

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

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

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

Manufacturing, distributing or dispensing.

2C:35-5. Manufacturing, Distributing or Dispensing. a. Except as authorized by P.L.1970, c.226 (C.24:21-1 et seq.), it shall be unlawful for any person knowingly or purposely:

- (1) To manufacture, distribute or dispense, or to possess or have under his control with intent to manufacture, distribute or dispense, a controlled dangerous substance or controlled substance analog; or
- (2) To create, distribute, or possess or have under his control with intent to distribute, a counterfeit controlled dangerous substance.

b. Any person who violates subsection a. with respect to:

- (1) Heroin, or its analog, or coca leaves and any salt, compound, derivative, or preparation of coca leaves, and any salt, compound, derivative, or preparation thereof which is chemically equivalent or identical with any of these substances, or analogs, except that the

substances shall not include decocainized coca leaves or extractions which do not contain cocaine or ecogine, or 3,4-methylenedioxyamphetamine or 3,4-methylenedioxyamphetamine, in a quantity of five ounces or more including any adulterants or dilutants is guilty of a crime of the first degree. The defendant shall, except as provided in N.J.S.2C:35-12, be sentenced to a term of imprisonment by the court. The term of imprisonment shall include the imposition of a minimum term which shall be fixed at, or between, one-third and one-half of the sentence imposed, during which the defendant shall be ineligible for parole. Notwithstanding the provisions of subsection a. of N.J.S.2C:43-3, a fine of up to \$500,000 may be imposed;

(2) A substance referred to in paragraph (1) of this subsection, in a quantity of one-half ounce or more but less than five ounces, including any adulterants or dilutants is guilty of a crime of the second degree;

(3) A substance referred to in paragraph (1) of this subsection in a quantity less than one-half ounce including any adulterants or dilutants is guilty of a crime of the third degree except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to \$75,000 may be imposed;

(4) A substance classified as a narcotic drug in Schedule I or II other than those specifically covered in this section, or the analog of any such substance, in a quantity of one ounce or more including any adulterants or dilutants is guilty of a crime of the second degree;

(5) A substance classified as a narcotic drug in Schedule I or II other than those specifically covered in this section, or the analog of any such substance, in a quantity of less than one ounce including any adulterants or dilutants is guilty of a crime of the third degree except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to \$75,000 may be imposed;

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

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

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

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

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

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

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

(11) (a) Prior to the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), marijuana in a quantity of one ounce or more but less than five pounds including any adulterants or dilutants, or hashish in a quantity of five grams or more but less than one pound including any adulterants or dilutants, is guilty of a crime of the third degree except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to \$25,000 may be imposed;

(b) On and after the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), marijuana in a quantity of more than one ounce but less than five pounds including any adulterants or dilutants, or hashish in a quantity of more than five grams but less than one pound including any adulterants or dilutants, is guilty of a crime of the third degree except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to \$25,000 may be imposed;

(12) (a) Prior to the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), marijuana in a quantity of less than one ounce including any adulterants or dilutants, or hashish in a quantity of less than five grams including any adulterants or dilutants, is guilty of a crime of the fourth degree;

(b) On and after the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), marijuana in a quantity of one ounce or less including any adulterants or dilutants, or hashish in a quantity of five grams or less including any adulterants or dilutants, is, for a first offense, subject to a written warning, which also indicates that any subsequent violation is a crime punishable by a term of imprisonment, a fine, or both, and for a second or subsequent offense, is guilty of a crime of the fourth degree;

(i) The odor of marijuana or hashish, or burnt marijuana or hashish, shall not constitute reasonable articulable suspicion to initiate a search of a person to determine a violation of subparagraph (b) of paragraph (12) of this subsection. A person who violates this subparagraph shall not be subject to arrest, detention, or otherwise be taken into custody, unless the person is being arrested, detained, or otherwise taken into custody for also committing another violation of law for which that action is legally permitted or required;

(ii) A person shall not be deprived of any legal or civil right, privilege, benefit, or opportunity provided pursuant to any law solely by reason of committing a violation of subparagraph (b) of paragraph (12) of this subsection, nor shall committing one or more violations modify any legal or civil right, privilege, benefit, or opportunity provided pursuant to any law, including, but not limited to, the granting, renewal, forfeiture, or denial of a license, permit, or certification, qualification for and the receipt, alteration, continuation, or denial of any form of financial assistance, housing assistance, or other social services, rights of or custody by a biological parent, or adoptive or foster parent, or other legal guardian of a child or newborn infant, or pregnant woman, in any action or proceeding by the Division of Child Protection and Permanency in the Department of Children and Families, or qualification, approval, or disapproval to serve as a foster parent or other legal guardian;

(iii) All local and county law enforcement authorities shall, following the submission process used for the uniform crime reporting system established by P.L.1966, c.37 (C.52:17B-5.1 et seq.), submit a quarterly report to the Uniform Crime Reporting Unit, within the Division of State Police in the Department of Law and Public Safety, or to another designated recipient determined by the Attorney General, containing the number of violations of subparagraph (b) of paragraph (12) of this subsection committed within their respective jurisdictions, plus the race, ethnicity, gender, and age of each person committing a violation, and the disposition of each person's violation. These violations and associated information, along with a quarterly summary of violations investigated, and associated information collected, by the Division of State Police for the same period shall be summarized by county and municipality in an annual report, and both quarterly summaries and annual reports shall be made available at no cost to the public on the Division of State Police's Internet website;

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

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

c. Where the degree of the offense for violation of this section depends on the quantity of the substance, the quantity involved shall be determined by the trier of fact, other than with respect to a first violation of subparagraph (b) of paragraph (12) of subsection b. of this section which is subject to a written warning as set forth in that subparagraph. Where the indictment or accusation so provides, the quantity involved in individual acts of manufacturing, distribution, dispensing or possessing with intent to distribute may be aggregated in determining the grade of the offense, whether distribution or dispensing is to the same person or several persons, provided that each individual act of manufacturing, distribution, dispensing or possession with intent to distribute was committed within the applicable statute of limitations.

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

Possession, use or being under the influence, or failure to make lawful disposition.

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

a. It is unlawful for any person, knowingly or purposely, to obtain, or to possess, actually or constructively, a controlled dangerous substance or controlled substance analog, unless the substance was obtained directly, or pursuant to a valid prescription or order form from a practitioner, while acting in the course of his professional practice, or except as otherwise authorized by P.L.1970, c.226 (C.24:21-1 et seq.). Any person who violates this section with respect to:

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

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

P.L.2021, c.16 (C.24:6I-31 et al.), possession of more than 50 grams of marijuana, including any adulterants or dilutants, or more than five grams of hashish is guilty of a crime of the fourth degree, except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to \$25,000 may be imposed;

(b) On and after to the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), possession of more than six ounces of marijuana, including any adulterants or dilutants, or more than 17 grams of hashish is guilty of a crime of the fourth degree, except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to \$25,000 may be imposed;

(i) The odor of marijuana or hashish, or burnt marijuana or hashish, shall not constitute reasonable articulable suspicion to initiate a search of a person to determine a violation of subparagraph (b) of paragraph (3) of this subsection. A person who violates this paragraph shall not be subject to arrest, detention, or otherwise be taken into custody, unless the person is being arrested, detained, or otherwise taken into custody for also committing another violation of law for which that action is legally permitted or required;

(ii) A person shall not be deprived of any legal or civil right, privilege, benefit, or opportunity provided pursuant to any law solely by reason of committing a violation of subparagraph (b) of paragraph (3) of this subsection, nor shall committing one or more violations modify any legal or civil right, privilege, benefit, or opportunity provided pursuant to any law, including, but not limited to, the granting, renewal, forfeiture, or denial of a license, permit, or certification, qualification for and the receipt, alteration, continuation, or denial of any form of financial assistance, housing assistance, or other social services, rights of or custody by a biological parent, or adoptive or foster parent, or other legal guardian of a child or newborn infant, or pregnant woman, in any action or proceeding by the Division of Child Protection and Permanency in the Department of Children and Families, or qualification, approval, or disapproval to serve as a foster parent or other legal guardian;

(iii) All local and county law enforcement authorities shall, following the submission process used for the uniform crime reporting system established by P.L.1966, c.37 (C.52:17B-5.1 et seq.), submit a quarterly report to the Uniform Crime Reporting Unit, within the Division of State Police in the Department of Law and Public Safety, or to another designated recipient determined by the Attorney General, containing the number of violations of subparagraph (b) of paragraph (3) of this subsection committed within their respective jurisdictions, plus the race, ethnicity, gender, and age of each person committing a violation, and the disposition of each person's violation. These violations and associated information, along with a quarterly summary of violations investigated, and associated information collected, by the Division of State Police for the same period shall be summarized by county and municipality in an annual report, and both quarterly summaries and annual reports shall be made available at no cost to the public on the Division of State Police's Internet website; or

(4) (a) Prior to the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), possession of 50 grams or less of marijuana, including any adulterants or dilutants, or five grams or less of hashish is a disorderly person;

(b) On and after the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), possession of six ounces or less of marijuana, including any adulterants or dilutants, or 17 grams or less of hashish is not subject to any punishment, as this possession is not a crime, offense, act of delinquency, or civil violation of law; or

(5) Possession of one ounce or less of psilocybin is a disorderly persons offense.

Any person who commits any offense set forth in paragraphs (1) through (3) of this subsection while on any property used for school purposes which is owned by or leased to

any elementary or secondary school or school board, or within 1,000 feet of any such school property or a school bus, or while on any school bus, and who is not sentenced to a term of imprisonment, shall, in addition to any other sentence which the court may impose, be required to perform not less than 100 hours of community service.

b. (1) Any person who uses or who is under the influence of any controlled dangerous substance, or its analog, not including marijuana or hashish, for a purpose other than the treatment of sickness or injury as lawfully prescribed or administered by a physician is a disorderly person.

In a prosecution under this subsection, it shall not be necessary for the State to prove that the accused did use or was under the influence of any specific, prohibited drug, but it shall be sufficient for a conviction under this subsection for the State to prove that the accused did use or was under the influence of some prohibited controlled dangerous substance, counterfeit controlled dangerous substance, or controlled substance analog, by proving that the accused did manifest physical and physiological symptoms or reactions caused by the use of any prohibited controlled dangerous substance or controlled substance analog.

(2) Notwithstanding that using or being under the influence of marijuana or hashish is not a punishable crime, offense, act of delinquency, or civil violation pursuant to this subsection, the smoking, vaping, or aerosolizing of marijuana or hashish may be prohibited or otherwise regulated on or in any property by the person or entity that owns or controls that property, including multifamily housing that is a multiple dwelling as defined in section 3 of P.L.1967, c.76 (C.55:13A-3), the structure or specific units of the structure of a cooperative as defined in section 3 of P.L.1987, c.381 (C.46:8D-3), the units of a condominium, as those terms are defined by section 3 of P.L.1969, c.257 (C.46:8B-3), or a site in a mobile home park as defined in section 3 of P.L.1983, c.386 (C.40:55D-102), which site is leased to the owner of a manufactured home, as defined in that section, that is installed thereon.

c. Any person who knowingly obtains or possesses a controlled dangerous substance or controlled substance analog in violation of paragraph (1) or (2) of subsection a. of this section and who fails to voluntarily deliver the substance to the nearest law enforcement officer is guilty of a disorderly persons offense. Nothing in this subsection shall be construed to preclude a prosecution or conviction for any other offense defined in this title or any other statute.

57. N.J.S 2C:36-1 is amended to read as follows:

Drug paraphernalia, defined; determination.

2C:36-1. Drug paraphernalia, defined; determination.

a. As used in this act, "drug paraphernalia" means all equipment, products and materials of any kind which are used or intended for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, ingesting, inhaling, or otherwise introducing into the human body a controlled dangerous substance, controlled substance analog or toxic chemical, other than marijuana or hashish, in violation of the provisions of chapter 35 of this title. It shall include, but not be limited to:

(1) kits used or intended for use in planting, propagating, cultivating, growing or harvesting of any species of plant, other than the plant *Cannabis sativa* L., which is a controlled dangerous substance or from which a controlled dangerous substance can be derived;

(2) kits used or intended for use in manufacturing, compounding, converting, producing, processing, or preparing controlled dangerous substances or controlled substance analogs;

(3) isomerization devices used or intended for use in increasing the potency of any species of plant, other than the plant *Cannabis sativa* L., which is a controlled dangerous substance;

(4) testing equipment used or intended for use identifying, or in analyzing the strength, effectiveness or purity of controlled dangerous substances or controlled substance analogs;

(5) scales and balances used or intended for use in weighing or measuring controlled dangerous substances or controlled substance analogs;

(6) dilutants and adulterants, such as quinine hydrochloride, mannitol, mannite, dextrose and lactose, used or intended for use in cutting controlled dangerous substances or controlled substance analogs;

(7) blenders, bowls, containers, spoons and mixing devices used or intended for use in compounding controlled dangerous substances or controlled substance analogs;

(8) capsules, balloons, envelopes and other containers used or intended for use in packaging small quantities of controlled dangerous substances or controlled substance analogs;

(9) containers and other objects used or intended for use in storing or concealing controlled dangerous substances, controlled substance analogs or toxic chemicals;

(10) objects used or intended for use in ingesting, inhaling, or otherwise introducing cocaine, nitrous oxide or the fumes of a toxic chemical into the human body, such as (a) metal, wooden, acrylic, glass, stone, plastic, or ceramic pipes with or without screens, permanent screens, or punctured metal bowls; (b) water pipes; (c) carburetion tubes and devices; (d) smoking and carburetion masks; (e) roach clips, meaning objects used to hold burning material that has become too small or too short to be held in the hand; (f) miniature cocaine spoons, and cocaine vials; (g) chamber pipes; (h) carburetor pipes; (i) electric pipes; (j) air-driven pipes; (k) chillums; (l) bongs; (m) ice pipes or chillers; (n) compressed gas containers, such as tanks, cartridges or canisters, that contain food grade or pharmaceutical grade nitrous oxide as a principal ingredient; (o) chargers or charging bottles, meaning metal, ceramic or plastic devices that contain an interior pin that may be used to expel compressed gas from a cartridge or canister; and (p) tubes, balloons, bags, fabrics, bottles or other containers used to concentrate or hold in suspension a toxic chemical or the fumes of a toxic chemical.

b. In determining whether or not an object is drug paraphernalia, the trier of fact, in addition to or as part of the proofs, may consider the following factors:

(1) (a) statements by an owner or by anyone in control of the object concerning its use;

(b) the proximity of the object to illegally possessed controlled dangerous substances, controlled substance analogs or toxic chemicals;

(c) the existence of any residue of illegally possessed controlled dangerous substances, controlled substance analogs or toxic chemicals on the object;

(d) direct or circumstantial evidence of the intent of an owner, or of anyone in control of the object, to deliver it to persons whom he knows intend to use the object to facilitate a violation of this act; the innocence of an owner, or of anyone in control of the object, as to a direct violation of this act shall not prevent a finding that the object is intended for use as drug paraphernalia;

(e) instructions, oral or written, provided with the object concerning its use;

(f) descriptive materials accompanying the object which explain or depict its use;

(g) national or local advertising whose purpose the person knows or should know is to promote the sale of objects intended for use as drug paraphernalia;

(h) the manner in which the object is displayed for sale;

(i) the existence and scope of legitimate uses for the object in the community; and

(j) expert testimony concerning its use.

(2) If an object appears to be for use, intended for use, or designed for use with cannabis or cannabis items in accordance with the “New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act,” P.L.2021, c.16 (C.24:6I-31 et al.), the object is presumed to be a lawful cannabis paraphernalia as defined in section 3 of that act (C.24:6I-33), and does not alone constitute reasonable articulable suspicion that the object is a drug paraphernalia, notwithstanding that the object could also be used with an illegal controlled substance or controlled substance analog, unless the owner or any other person in proximity to or in control of the object was in possession of an illegal controlled dangerous substance or controlled substance analog, or the object was in proximity of an illegally possessed controlled dangerous substance or controlled substance analog to indicate its use, intended use, or design for use with that controlled dangerous substance or controlled substance analog.

58. N.J.S.2C:36-2 is amended to read as follows:

Use or possession with intent to use.

2C:36-2. a. Use or possession with intent to use, disorderly persons offense. It shall be unlawful for any person to use, or to possess with intent to use, drug paraphernalia to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, ingest, inhale, or otherwise introduce into the human body a controlled dangerous substance, controlled substance analog or toxic chemical in violation of the provisions of chapter 35 of this title, other than when used, or possessed with intent to use, for ingesting, inhaling, or otherwise introducing marijuana or hashish into the human body. Any person who violates this section is guilty of a disorderly persons offense.

b. Notwithstanding that using or possessing with intent to use drug paraphernalia to ingest, inhale, or otherwise introduce marijuana or hashish into the human body is not a punishable crime, offense, act of delinquency, or civil violation pursuant to this section, the use of drug paraphernalia for that purpose may be prohibited or otherwise regulated on or in any property by the person or entity that owns or controls that property, including multifamily housing that is a multiple dwelling as defined in section 3 of P.L.1967, c.76 (C.55:13A-3), the structure or specific units of the structure of a cooperative as defined in section 3 of P.L.1987, c.381 (C.46:8D-3), the units of a condominium, as those terms are defined by section 3 of P.L.1969, c.257 (C.46:8B-3), or a site in a mobile home park as defined in section 3 of P.L.1983, c.386 (C.40:55D-102), which site is leased to the owner of a manufactured home, as defined in that section, that is installed thereon.

C.2C:35-23.1 Certain crimes not to be pursued; dismissal.

59. a. Except to the extent required to dismiss, withdraw, or terminate the charge, no prosecutor shall pursue any charge, including any charge of delinquency, based on crimes or offenses pending with a court on the first day of the fifth month next following the effective date of P.L.2021, c.16 (C.24:6I-31 et al.) that occurred prior to that effective date, involving manufacturing, distributing, or dispensing, or possessing or having under control with intent

to manufacture, distribute, or dispense, marijuana or hashish in violation of paragraph (12) of subsection b. of N.J.S.2C:35-5, or obtaining, possessing, using, being under the influence of, or failing to make lawful disposition of marijuana or hashish in violation of paragraph (3) or (4) of subsection a., or subsection b., or subsection c. of N.J.S.2C:35-10, or a violation involving marijuana or hashish as described herein and a violation of N.J.S.2C:36-2 for using or possessing with intent to use drug paraphernalia with that marijuana or hashish, alone or in combination with each other, or a violation involving marijuana or hashish and a violation of section 1 of P.L.1964, c.289 (C.39:4-49.1) for possession of a controlled dangerous substance while operating a motor vehicle, alone or in combination with each other, or any disorderly persons offense or petty disorderly persons offense subject to conditional discharge pursuant to N.J.S.2C:36A-1. These non-prosecutable charges and cases shall be expeditiously dismissed, which may be accomplished by appropriate action by the prosecutor based upon guidelines issued by the Attorney General, or the court's own motion based upon administrative directives issued by the Administrative Director of the Courts.

b. (1) On the first day of the fifth month next following the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), any guilty verdict, plea, placement in a diversionary program, or other entry of guilt on a matter that was entered prior to that effective date, but the judgment of conviction or final disposition on the matter was not entered prior to that date, and the guilty verdict, plea, placement in a diversionary program, or other entry of guilt solely involved one or more crimes or offenses, or delinquent acts which if committed by an adult would constitute one or more crimes or offenses, enumerated in subsection a. of this section, that guilty verdict, plea, placement in a diversionary program, or other entry of guilt shall be vacated by operation of law. The Administrative Director of the Courts, in consultation with the Attorney General, may take any administrative action as may be necessary to vacate the guilty verdict, plea, placement in a diversionary program, or other entry of guilt.

(2) On the first day of the fifth month next following the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), any conviction, remaining sentence, ongoing supervision, or unpaid court-ordered financial assessment as defined in section 8 of P.L.2017, c.244 (C.2C:52-23.1) of any person who, on that effective date, is or will be serving a sentence of incarceration, probation, parole or other form of community supervision as a result of the person's conviction or adjudication of delinquency solely for one or more crimes or offenses, or delinquent acts which if committed by an adult would constitute one or more crimes or offenses, enumerated in subsection a. of this section, shall have the conviction, remaining sentence, ongoing supervision, or unpaid court-ordered financial assessment vacated by operation of law. The Administrative Director of the Courts, in consultation with the Attorney General, may take any administrative action as may be necessary to vacate the conviction, remaining sentence, ongoing supervision, or unpaid court-ordered financial assessment.

C.2C:52-6.1 Certain cases involving delinquency vacated.

60. On the first day of the fifth month next following the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), any case that, prior to that effective date, includes a conviction or adjudication of delinquency solely for one or more crimes or offenses involving manufacturing, distributing, or dispensing, or possessing or having under control with intent to manufacture, distribute, or dispense, marijuana or hashish in violation of paragraph (12) of subsection b. of N.J.S.2C:35-5, or obtaining, possessing, using, being under the influence of, or failing to make lawful disposition of marijuana or hashish in violation of paragraph (3) or (4) of subsection a., or subsection b., or subsection c. of N.J.S.2C:35-10, or a violation

involving marijuana or hashish as described herein and a violation of N.J.S.2C:36-2 for using or possessing with intent to use drug paraphernalia with that marijuana or hashish, alone or in combination with each other, or any disorderly persons offense or petty disorderly persons offense subject to conditional discharge pursuant to N.J.S.2C:36A-1, shall be expunged by operation of law, and any remaining sentence, ongoing supervision, or unpaid court-ordered financial assessment as defined in section 8 of P.L.2017, c.244 (C.2C:52-23.1) shall be vacated by operation of law. The Administrative Director of the Courts, in consultation with the Attorney General, may take any administrative action as may be necessary to expeditiously effectuate the expungement of records associated with any expunged matter.

C.2C:35-10c Criminal investigation.

61. Criminal Investigation.

None of the following shall, individually or collectively, constitute reasonable articulable suspicion of a crime, unless on property used for school purposes which is owned by a school or school board, or at any detention facility, adult correctional facility, or youth correction facility:

- a. The odor of cannabis or burnt cannabis;
- b. The possession of or the suspicion of possession of marijuana or hashish without evidence of quantity in excess of any amount that would exceed the amount of cannabis items which may be lawfully possessed pursuant to section 46 of P.L.2021, c.16 (C.2C:35-10a); or
- c. The possession of marijuana or hashish without evidence of quantity in excess of any amount that would exceed the amount of cannabis items which may be lawfully possessed pursuant to section 46 of P.L.2021, c.16 (C.2C:35-10a), in proximity to any amount of cash or currency.

62. N.J.S.2C:35-16 is amended to read as follows:

Forfeiture or postponement of driving privileges.

2C:35-16. a. In addition to any disposition authorized by this title, the provisions of section 24 of P.L.1982, c.77 (C.2A:4A-43), or any other statute indicating the dispositions that can be ordered for an adjudication of delinquency, and notwithstanding the provisions of subsection c. of N.J.S.2C:43-2, a person convicted of or adjudicated delinquent for a violation of any offense defined in this chapter or chapter 36 of this title shall forthwith forfeit his right to operate a motor vehicle over the highways of this State for a period to be fixed by the court at not less than six months or more than two years which shall commence on the day the sentence is imposed unless the court finds compelling circumstances warranting an exception or except as provided in subsection e. of this section. For the purposes of this section, compelling circumstances warranting an exception exist if the forfeiture of the person's right to operate a motor vehicle over the highways of this State will result in extreme hardship and alternative means of transportation are not available. In the case of a person who at the time of the imposition of sentence is less than 17 years of age, the period of any suspension of driving privileges authorized herein, including a suspension of the privilege of operating a motorized bicycle, shall commence on the day the sentence is imposed and shall run for a period as fixed by the court of not less than six months or more than two years after the day the person reaches the age of 17 years. If the driving privilege of any person is under revocation, suspension, or postponement for a violation of any provision of this title or Title 39 of the Revised Statutes at the time of any conviction or

adjudication of delinquency for a violation of any offense defined in this chapter or chapter 36 of this title, any revocation, suspension, or postponement period imposed herein shall commence as of the date of termination of the existing revocation, suspension, or postponement.

b. If forfeiture or postponement of driving privileges is ordered by the court pursuant to subsection a. of this section, the court shall collect forthwith the New Jersey driver's license or licenses of the person and forward such license or licenses to the Chief Administrator of the New Jersey Motor Vehicle Commission along with a report indicating the first and last day of the suspension or postponement period imposed by the court pursuant to this section. If the court is for any reason unable to collect the license or licenses of the person, the court shall cause a report of the conviction or adjudication of delinquency to be filed with the Chief Administrator. That report shall include the complete name, address, date of birth, eye color, and sex of the person and shall indicate the first and last day of the suspension or postponement period imposed by the court pursuant to this section. The court shall inform the person orally and in writing that if the person is convicted of personally operating a motor vehicle during the period of license suspension or postponement imposed pursuant to this section, the person shall, upon conviction, be subject to the penalties set forth in R.S.39:3-40. A person shall be required to acknowledge receipt of the written notice in writing. Failure to receive a written notice or failure to acknowledge in writing the receipt of a written notice shall not be a defense to a subsequent charge of a violation of R.S.39:3-40. If the person is the holder of a driver's license from another jurisdiction, the court shall not collect the license but shall notify forthwith the Chief Administrator who shall notify the appropriate officials in the licensing jurisdiction. The court shall, however, in accordance with the provisions of this section, revoke the person's non-resident driving privilege in this State.

c. In addition to any other condition imposed, a court may in its discretion suspend, revoke or postpone in accordance with the provisions of this section the driving privileges of a person admitted to supervisory treatment under N.J.S.2C:36A-1 or N.J.S.2C:43-12 without a plea of guilty or finding of guilt.

d. After sentencing and upon notice to the prosecutor, a person subject to suspension or postponement of driving privileges under this section may seek revocation of the remaining portion of any suspension or postponement based on compelling circumstances warranting an exception that were not raised at the time of sentencing. The court may revoke the suspension or postponement if it finds compelling circumstances.

e. Provided that the person was not convicted of or adjudicated delinquent for a violation of any offense defined in this chapter or chapter 36 of this Title other than those enumerated in this subsection, the forfeiture or postponement of driving privileges set forth in subsection a. of this section shall not apply to any person convicted of or adjudicated delinquent for an offense which if committed by an adult would constitute: 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. that section, or a violation of either of those paragraphs based on an amount of marijuana or hashish described herein 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 possession of marijuana or hashish in violation of paragraph (3) of subsection a. of N.J.S.2C:35-10.

63. N.J.S.2B:12-31 is amended to read as follows:

Suspension of driving privileges.

2B:12-31. Suspension of driving privileges.

a. (1) If a defendant charged with a disorderly persons offense, a petty disorderly persons offense, a violation of a municipal ordinance, or a violation of any other law of this State for which a penalty may be imposed fails to appear at any scheduled court proceeding after written notice has been given to said defendant pursuant to the Rules of Court, a municipal court may order the suspension of the person's driving privileges or nonresident reciprocity privilege or prohibit the person from receiving or obtaining driving privileges until the pending matter is adjudicated or otherwise disposed of, except by dismissal for failure of defendant to appear.

(2) If a defendant sentenced to pay a fine or costs, make restitution, perform community service, serve a term of probation, or do any other act as a condition of that sentence fails to do so, a municipal court may order the suspension of the person's driving privileges or nonresident reciprocity privilege or prohibit the person from receiving or obtaining driving privileges until the terms and conditions of the sentence have been performed or modified.

b. Prior to any action being taken pursuant to the provisions of this section, the defendant shall be given notice of the proposed action and afforded an opportunity to appear before the court to contest the validity of the proposed action.

c. The municipal court shall notify the New Jersey Motor Vehicle Commission of any action taken pursuant to the provisions of this section.

d. Any action taken by a municipal court pursuant to this section shall be in addition to any other remedies which are available to the court and in addition to any other penalties which may be imposed by the court.

e. (1) When a defendant whose license has been suspended pursuant to subsection a. of this section satisfies the requirements of that subsection, the municipal court shall forward to the New Jersey Motor Vehicle Commission a notice to restore the defendant's driving privileges.

(2) There shall be included in the fines and penalties imposed by a court on a defendant whose license has been suspended pursuant to subsection a. of this section, the following:

(a) A fee of \$3.00 which shall be transferred to the New Jersey Motor Vehicle Commission;

(b) A penalty of \$10.00 for the issuance of the failure to appear notice; and

(c) A penalty of \$15.00 for the order of suspension of defendant's driving privileges.

C.2C:35-10d Prohibition of persons under the legal age purchasing cannabis or cannabis resin.

64. Prohibition of Persons Under the Legal Age Purchasing Cannabis or Cannabis Resin.

Consistent with the relevant definitions set forth in section 3 of P.L.2021, c.16 (C.24:6I-33):

a. A cannabis establishment licensee, cannabis distributor licensee, or cannabis delivery service licensee, either directly or indirectly by an agent or employee, shall not sell, offer for sale, distribute for commercial purpose at no cost or minimal cost, or give or furnish for consumption, any cannabis items to a person under 21 years of age.

b. Any licensee or employee or agent of a licensee who allows a person under the age of 21 to procure cannabis items which, pursuant to section 46 of P.L.2021, c.16 (C.2C:35-10a) are not unlawful for persons 21 years of age or older to procure for personal use, shall be subject to a civil penalty of not less than \$250 for the first violation; \$500 for the second violation; and \$1,000 for the third and each subsequent violation; in addition, subject to a hearing, a licensee's license may be revoked, suspended, or otherwise limited. The penalties provided for in this subsection shall be recovered by a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

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

(1) That the purchaser of the cannabis item falsely represented that the purchaser was of legal age to make the purchase, by producing a government-issued identification card as set forth in subparagraph (a) of paragraph (6) of subsection a. of section 18 of P.L.2021, c.16 (C.24:6I-35) to determine the consumer's identity and age; and

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

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

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

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

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

(2) Gaining access to a cannabis establishment's, distributor's, or delivery service's premises.

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

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

h. The prohibitions of this section do not apply to a person under the legal age for purchasing cannabis items who is acting under the direction of the commission or under the

direction of State or local law enforcement agencies for the purpose of investigating possible violations of the laws prohibiting the sale of cannabis items to persons who are under the legal age for purchasing cannabis items.

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

65. Section 1 of P.L.1983, c.565 (C.2C:21-2.1) is amended to read as follows:

C.2C:21-2.1 Offenses involving false government documents.

1. a. A person who knowingly sells, offers or exposes for sale, or otherwise transfers, or possesses with the intent to sell, offer or expose for sale, or otherwise transfer, a document, printed form or other writing which falsely purports to be a driver's license, birth certificate or other document issued by a governmental agency and which could be used as a means of verifying a person's identity or age or any other personal identifying information is guilty of a crime of the second degree.

b. A person who knowingly makes, or possesses devices or materials to make, a document or other writing which falsely purports to be a driver's license, birth certificate or other document issued by a governmental agency and which could be used as a means of verifying a person's identity or age or any other personal identifying information is guilty of a crime of the second degree.

c. A person who knowingly exhibits, displays or utters a document or other writing which falsely purports to be a driver's license, birth certificate or other document issued by a governmental agency and which could be used as a means of verifying a person's identity or age or any other personal identifying information is guilty of a crime of the third degree. 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 the person's age for the purpose of obtaining tobacco or other consumer product denied to persons under 21 years of age shall not, except as otherwise set forth in this subsection, constitute an offense under this subsection 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, Enforcement Assistance, and Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.), the person shall be subject to a civil penalty of \$50. The civil penalty provided for in this subsection shall be collected pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding before the municipal court having jurisdiction. A civil penalty recovered under the provisions of this subsection shall be recovered by and in the name of the State by the local municipality. The penalty shall be paid into the treasury of the municipality in which the violation occurred for the general use of the municipality.

d. A person who knowingly possesses a document or other writing which falsely purports to be a driver's license, birth certificate or other document issued by a governmental agency and which could be used as a means of verifying a person's identity or age or any other personal identifying information is guilty of a crime of the fourth degree. 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 age for the purpose of obtaining tobacco or other consumer product denied to persons under 21 years of age shall not, except as otherwise set forth in this subsection, constitute an offense under this subsection 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 the personal identifying information of another is used to obtain any cannabis item available for lawful consumption pursuant to the “New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act,” P.L.2021, c.16 (C.24:6I-31 et al.), the person shall be subject to a civil penalty of \$50. The penalty provided for in this subsection shall be collected pursuant to the “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding before the municipal court having jurisdiction. A penalty recovered under the provisions of this subsection shall be recovered by and in the name of the State by the local municipality. The penalty shall be paid into the treasury of the municipality in which the violation occurred for the general use of the municipality.

e. In addition to any other disposition authorized by this Title, the provisions of section 24 of P.L.1982, c.77 (C.2A:4A-43), or any other statute indicating the dispositions that may be ordered for an adjudication of delinquency, and, notwithstanding the provisions of subsection c. of N.J.S.2C:43-2, every person convicted of, or adjudicated delinquent or penalized for a violation of any offense defined in this section shall forthwith forfeit his right to operate a motor vehicle over the highways of this State for a period to be fixed by the court at not less than six months or more than two years which shall commence on the day the sentence is imposed. In the case of any person who at the time of the imposition of the sentence is less than 17 years of age, the period of the suspension of driving privileges authorized herein, including a suspension of the privilege of operating a motorized bicycle, shall commence on the day the sentence is imposed and shall run for a period as fixed by the court of not less than six months or more than two years after the day the person reaches the age of 17 years. If the driving privilege of any person is under revocation, suspension, or postponement for a violation of any provision of this Title or Title 39 of the Revised Statutes at the time of any conviction or adjudication of delinquency for a violation of any offense defined in this chapter or chapter 36 of this Title, the revocation, suspension, or postponement period imposed herein shall commence as of the date of termination of the existing revocation, suspension or postponement.

The court before whom any person is convicted of, or adjudicated delinquent or penalized for a violation of any offense defined in this section shall collect forthwith the New Jersey driver's license or licenses of that person and forward the license or licenses to the Chief Administrator of the New Jersey Motor Vehicle Commission along with a report indicating the first and last day of the suspension or postponement period imposed by the court pursuant to this section. If the court is for any reason unable to collect the license or licenses of the person, the court shall cause a report of the conviction or adjudication of delinquency to be filed with the director. The report shall include the complete name, address, date of birth, eye color and sex of the person and shall indicate the first and last day of the suspension or postponement period imposed by the court pursuant to this section. The court shall inform the person orally and in writing that if the person is convicted of personally operating a motor vehicle during the period of license suspension or postponement imposed pursuant to this section, the person shall, upon conviction, be subject to the penalties set forth in

R.S.39:3-40. A person shall be required to acknowledge receipt of the written notice in writing. Failure to receive a written notice or failure to acknowledge in writing the receipt of a written notice shall not be a defense to a subsequent charge of a violation of R.S.39:3-40. If the person is the holder of a driver's license from another jurisdiction, the court shall not collect the license, but shall notify forthwith the director who shall notify the appropriate officials in that licensing jurisdiction. The court shall, however, in accordance with the provisions of this section, revoke the person's non-resident driving privileges in this State.

In addition to any other condition imposed, a court, in its discretion, may suspend, revoke or postpone the driving privileges of a person admitted to supervisory treatment under N.J.S.2C:36A-1 or N.J.S.2C:43-12 without a plea of guilty or finding of guilt.

66. N.J.S.2C:21-17 is amended to read as follows:

Impersonation; theft of identity; crime.

2C:21-17. Impersonation; Theft of identity; crime.

a. A person is guilty of a crime if the person engages in one or more of the following actions by any means including, but not limited to, the use of electronic communications or an Internet website:

(1) Impersonates another or assumes a false identity and does an act in such assumed character or false identity for the purpose of obtaining a benefit for himself or another or to injure or defraud another;

(2) Pretends to be a representative of some person or organization and does an act in such pretended capacity for the purpose of obtaining a benefit for himself or another or to injure or defraud another;

(3) Impersonates another, assumes a false identity or makes a false or misleading statement regarding the identity of any person, in an oral or written application for services, for the purpose of obtaining services;

(4) Obtains any personal identifying information pertaining to another person and uses that information, or assists another person in using the information, in order to assume the identity of or represent himself as another person, without that person's authorization and with the purpose to fraudulently obtain or attempt to obtain a benefit or services, or avoid the payment of debt or other legal obligation or avoid prosecution for a crime by using the name 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 the person's age for the purpose of obtaining tobacco or other consumer product denied to persons under 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, Enforcement Assistance, and Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.), the person shall be subject to a civil penalty of \$50. The civil penalty provided for in this subsection shall be collected pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding before the municipal court having jurisdiction. A civil penalty recovered under the provisions of this subsection shall be recovered by and in the name of the State by the local municipality. The penalty shall be paid into the treasury of the municipality in which the violation occurred for the general use of the municipality.

e. The sentencing court shall issue such orders as are necessary to correct any public record or government document that contains false information as a result of a theft of identity. The sentencing court may provide restitution to the victim in accordance with the provisions of section 4 of P.L.2002, c.85 (C.2C:21-17.1).

67. Section 5 of P.L.2003, c.184 (C.2C:21-17.2) is amended to read as follows:

C.2C:21-17.2 Use of personal identifying information of another; certain; degree of crime.

5. a. A person is guilty of a crime of the second degree if, in obtaining or attempting to obtain a driver's license, birth certificate or other document issued by a governmental agency which could be used as a means of verifying a person's identity, age or any other personal identifying information, that person knowingly exhibits, displays or utters a document or other writing which falsely purports to be a driver's license, birth certificate or other document issued by a governmental agency or which belongs or pertains to a person other than the person who possesses the document.

b. Notwithstanding the provisions of N.J.S.2C:1-8 or any other law, a conviction under this section shall not merge with a conviction of any other criminal offense, nor shall such other conviction merge with a conviction under this section, and the court shall impose separate sentences upon each violation of this section and any other criminal offense.

c. 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 age for the purpose of obtaining tobacco or other consumer product denied to persons under 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 the personal identifying information of another is used to obtain any cannabis item available for lawful consumption pursuant to the “New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act,” P.L.2021, c.16 (C.24:6I-31 et al.), the person shall be subject to a civil penalty of \$50. The civil penalty provided for in this subsection shall be collected pursuant to the “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding before the municipal court having jurisdiction. A civil penalty recovered under the provisions of this subsection shall be recovered by and in the name of the State by the local municipality. The penalty shall be paid into the treasury of the municipality in which the violation occurred for the general use of the municipality.

Title amended.

68. The title of P.L.1968, c.313 is amended to read as follows:

AN ACT relating to the establishing of proof of age for purposes of purchasing alcoholic beverages or cannabis items in certain cases.

69. Section 6 of P.L.1968, c.313 (C.33:1-81.7) is amended to read as follows:

C.33:1-81.7 Transfer of card; offense; penalty.

6. It shall be unlawful for the owner of an identification card, as defined by this act, to transfer said card to any other person for the purpose of aiding such person to secure alcoholic beverages or cannabis items available for lawful consumption pursuant to the “New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act,” P.L.2021, c.16 (C.24:6I-31 et al.). Any person who shall transfer such identification card for the purpose of aiding such transferee to obtain alcoholic beverages shall be guilty of a disorderly persons offense and, upon conviction thereof, shall be sentenced to pay a fine of not more than \$300.00, or undergo imprisonment for not more than 60 days. Any person not entitled thereto who shall have unlawfully procured or have issued or transferred to him, as aforesaid, identification card or any person who shall make any false statement on any card required by subsection (c) hereof to be signed by him shall be guilty of a disorderly persons offense and, upon conviction thereof, shall be sentenced to pay a fine of not more than \$300.00, or undergo imprisonment for not more than 60 days.

Title amended.

70. The title of P.L.1991, c.169 is amended to read as follows:

AN ACT concerning the retail sale of alcoholic beverages or cannabis items, amending R.S.33:1-81 and P.L.1979, c.264 and supplementing chapter 1 of Title 33 of the Revised Statutes.

71. Section 3 of P.L.1991, c.169 (C.33:1-81.1a) is amended to read as follows:

C.33:1-81.1a Violations by parent, guardian; notification; fine.

3. A parent, guardian or other person having legal custody of a person under 18 years of age found in violation of R.S.33:1-81 or section 1 of P.L.1979, c.264 (C.2C:33-15) with respect to purchasing, possessing, or consuming any alcoholic beverage or cannabis item available for lawful consumption pursuant to the “New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act,” P.L.2021, c.16 (C.24:6I-31 et al.) shall be notified of the violation in writing. The parent, guardian or other person having legal custody of a person under 18 years of age shall be subject to a fine in the amount of \$500.00 upon any subsequent violation of R.S.33:1-81 or section 1 of P.L.1979, c.264 (C.2C:33-15) on the part of such person if it is shown that the parent, guardian or other person having legal custody failed or neglected to exercise reasonable supervision or control over the conduct of the person under 18 years of age.

Title amended.

72. The title of P.L.1979, c.264 is amended to read as follows:

AN ACT concerning certain alcoholic beverage and cannabis item offenses by persons under the legal age to purchase alcoholic beverages and cannabis items, and supplementing chapter 33 of Title 2C of the New Jersey Statutes.

73. Section 1 of P.L.1979, c.264 (C.2C:33-15) is amended to read as follows:

C.2C:33-15 Possession, consumption by persons under legal age; penalty.

1. a. (1) Any person under the legal age to purchase alcoholic beverages who knowingly possesses without legal authority or who knowingly consumes any alcoholic beverage in any school, public conveyance, public place, or place of public assembly, or motor vehicle, is guilty of a petty disorderly persons offense, and shall, in the case of an adult under the legal age to purchase alcoholic beverages, be fined not less than \$250.

(2) (a) Any person under the legal age to purchase cannabis items who knowingly possesses without legal authority any cannabis item, the amount of which may be lawfully possessed by a person of the legal age to purchase cannabis items pursuant to section 46 of P.L.2021, c.16 (C.2C:35-10a), in any school, public conveyance, public place, or place of public assembly, or motor vehicle, is guilty of a petty disorderly persons offense, and shall, in the case of an adult under the legal age to purchase cannabis items, be fined not less than \$250.

(b) Any person under the legal age to purchase cannabis items who knowingly possesses without legal authority any cannabis item, the amount of which exceeds what may be lawfully possessed by a person of the legal age to purchase cannabis items pursuant to section 46 of P.L.2021, c.16 (C.2C:35-10a), or who knowingly consumes any cannabis item in any school, public conveyance, public place, or place of public assembly, or motor vehicle, is guilty of a disorderly persons offense, and shall, in the case of an adult under the legal age to purchase cannabis items, be fined not less than \$500.

b. Whenever this offense is committed in a motor vehicle, the court shall, in addition to the sentence authorized for the offense, suspend or postpone for six months the driving privilege of the defendant. Upon the conviction of any person under this section, the court shall forward a report to the New Jersey Motor Vehicle Commission stating the first and last day of the suspension or postponement period imposed by the court pursuant to this section. If a person at the time of the imposition of a sentence is less than 17 years of age, the period of license postponement, including a suspension or postponement of the privilege of

operating a motorized bicycle, shall commence on the day the sentence is imposed and shall run for a period of six months after the person reaches the age of 17 years.

If a person at the time of the imposition of a sentence has a valid driver's license issued by this State, the court shall immediately collect the license and forward it to the commission along with the report. If for any reason the license cannot be collected, the court shall include in the report the complete name, address, date of birth, eye color, and sex of the person as well as the first and last date of the license suspension period imposed by the court.

The court shall inform the person orally and in writing that if the person is convicted of operating a motor vehicle during the period of license suspension or postponement, the person shall be subject to the penalties set forth in R.S.39:3-40. A person shall be required to acknowledge receipt of the written notice in writing. Failure to receive a written notice or failure to acknowledge in writing the receipt of a written notice shall not be a defense to a subsequent charge of a violation of R.S.39:3-40.

If the person convicted under this section is not a New Jersey resident, the court shall suspend or postpone, as appropriate, the non-resident driving privilege of the person based on the age of the person and submit to the commission the required report. The court shall not collect the license of a non-resident convicted under this section. Upon receipt of a report by the court, the commission shall notify the appropriate officials in the licensing jurisdiction of the suspension or postponement.

c. In addition to the general penalty prescribed for a disorderly persons offense, the court may require any person who violates this act to participate in an alcohol or drug abuse education or treatment program, authorized by the Division of Mental Health and Addiction Services in the Department of Human Services, for a period not to exceed the maximum period of confinement prescribed by law for the offense for which the individual has been convicted.

d. Nothing in this act shall apply to possession of alcoholic beverages by any such person while actually engaged in the performance of employment pursuant to an employment permit issued by the Director of the Division of Alcoholic Beverage Control, or for a bona fide hotel or restaurant, in accordance with the provisions of R.S.33:1-26, or while actively engaged in the preparation of food while enrolled in a culinary arts or hotel management program at a county vocational school or post-secondary educational institution; and nothing in this section shall apply to possession of cannabis items by any such person while actually engaged in the performance of employment by a cannabis establishment, distributor, or delivery service as permitted pursuant to the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.).

e. The provisions of section 3 of P.L.1991, c.169 (C.33:1-81.1a) shall apply to a parent, guardian or other person with legal custody of a person under 18 years of age who is found to be in violation of this section.

f. An underage person and one or two other persons shall be immune from prosecution under this section if:

(1) one of the underage persons called 9-1-1 and reported that another underage person was in need of medical assistance due to alcohol consumption or the consumption of a cannabis item;

(2) the underage person who called 9-1-1 and, if applicable, one or two other persons acting in concert with the underage person who called 9-1-1 provided each of their names to the 9-1-1 operator;

(3) the underage person was the first person to make the 9-1-1 report; and

(4) the underage person and, if applicable, one or two other persons acting in concert with the underage person who made the 9-1-1 call remained on the scene with the person under the legal age in need of medical assistance until assistance arrived and cooperated with medical assistance and law enforcement personnel on the scene.

The underage person who received medical assistance also shall be immune from prosecution under this section.

g. For purposes of this section, an alcoholic beverage includes powdered alcohol as defined by R.S.33:1-1, and a cannabis item includes any item available for lawful consumption pursuant to the “New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act,” P.L.2021, c.16 (C.24:6I-31 et al.).

Title amended.

74. The title of P.L.1981, c.197 is amended to read as follows:

AN ACT concerning the unauthorized bringing of alcoholic beverages or cannabis items onto school premises, and supplementing chapter 33 of Title 2C of the New Jersey Statutes.

75. Section 1 of P.L.1981, c.197 (C.2C:33-16) is amended to read as follows:

C.2C:33-16 Bringing alcoholic beverages, cannabis items onto school property; disorderly person.

1. Any person of legal age to purchase alcoholic beverages or cannabis items, who, in the case of alcoholic beverages, knowingly and without the express written permission of the school board, its delegated authority, or any school principal, brings or possesses any alcoholic beverages, or in the case of cannabis items, brings, possesses, or consumes, including by smoking, vaping, or aerosolizing, any cannabis items, on any property used for school purposes which is owned by any school or school board, is guilty of a disorderly persons offense. For purposes of this section, an alcoholic beverage includes powdered alcohol as defined by R.S.33:1-1, and a cannabis item includes any item available for lawful consumption pursuant to the “New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act,” P.L.2021, c.16 (C.24:6I-31 et al.).

76. R.S.40:48-1 is amended to read as follows:

Ordinances; general purpose.

40:48-1. Ordinances; general purpose. The governing body of every municipality may make, amend, repeal and enforce ordinances to:

Finances and property. 1. Manage, regulate and control the finances and property, real and personal, of the municipality;

Contracts and contractor's bonds. 2. Prescribe the form and manner of execution and approval of all contracts to be executed by the municipality and of all bonds to be given to it;

Officers and employees; duties, terms and salaries. 3. Prescribe and define, except as otherwise provided by law, the duties and terms of office or employment, of all officers and employees; and to provide for the employment and compensation of such officials and employees, in addition to those provided for by statute, as may be deemed necessary for the efficient conduct of the affairs of the municipality;

Fees. 4. Fix the fees of any officer or employee of the municipality for any service rendered in connection with his office or position, for which no specific fee or compensation

is provided. In the case of salaried officers or employees, such fee shall be paid into the municipal treasury;

Salaries instead of fees; disposition of fees. 5. Provide that any officer or employee receiving compensation for his services, in whole or in part by fees, whether paid by the municipality or otherwise, shall be paid a salary to be fixed in the ordinance, and thereafter all fees received by such officer or employee shall be paid into the municipal treasury;

Maintain order. 6. Prevent vice, drunkenness and immorality; to preserve the public peace and order; to prevent and quell riots, disturbances and disorderly assemblages; to prohibit the consumption of alcoholic beverages or cannabis items by underage persons on private property pursuant to section 1 of P.L.2000, c.33 (C.40:48-1.2);

Punish beggars; prevention of loitering. 7. Restrain and punish drunkards, vagrants, mendicants and street beggars; to prevent loitering, lounging or sleeping in the streets, parks or public places;

Auctions and noises. 8. Regulate the ringing of bells and the crying of goods and other commodities for sale at auction or otherwise, and to prevent disturbing noises;

Swimming; bathing costume; prohibition of public nudity. 9. Regulate or prohibit swimming or bathing in the waters of, in, or bounding the municipality, and to regulate or prohibit persons from appearing upon the public streets, parks and places clad in bathing costumes or robes, or costumes of a similar character; regulate or prohibit persons from appearing in a state of nudity upon all lands within its borders which are under the jurisdiction of the State including, without limitation, all lands owned by, controlled by, managed by or leased by the State;

Prohibit annoyance of persons or animals. 10. Regulate or prohibit any practice tending to frighten animals, or to annoy or injure persons in the public streets;

Animals; pounds; establishment and regulation. 11. Establish and regulate one or more pounds, and to prohibit or regulate the running at large of horses, cattle, dogs, swine, goats and other animals, and to authorize their impounding and sale for the penalty incurred, and the costs of impounding, keeping and sale; to regulate or prohibit the keeping of cattle, goats or swine in any part of the municipality; to authorize the destruction of dogs running at large therein;

Hucksters. 12. Prescribe and regulate the place of vending or exposing for sale articles of merchandise from vehicles;

Building regulations; wooden structures. 13. Regulate and control the construction, erection, alteration and repair of buildings and structures of every kind within the municipality; and to prohibit, within certain limits, the construction, erection or alteration of buildings or structures of wood or other combustible material;

Inflammable materials; inspect docks and buildings. 14. Regulate the use, storage, sale and disposal of inflammable or combustible materials, and to provide for the protection of life and property from fire, explosions and other dangers; to provide for inspections of buildings, docks, wharves, warehouses and other places, and of goods and materials contained therein, to secure the proper enforcement of such ordinance;

Dangerous structures; removal or destruction; procedure. 15. Provide for the removal or destruction of any building, wall or structure which is or may become dangerous to life or health, or might tend to extend a conflagration; and to assess the cost thereof as a municipal lien against the premises;

Chimneys and boilers. 16. Regulate the construction and setting up of chimneys, furnaces, stoves, boilers, ovens and other contrivances in which fire is used;

Explosives. 17. Regulate, in conformity with the statutes of this State, the manufacture, storage, sale, keeping or conveying of gunpowder, nitroglycerine, dynamite and other explosives;

Firearms and fireworks. 18. Regulate and prohibit the sale and use of guns, pistols, firearms, and fireworks of all descriptions;

Soft coal. 19. Regulate the use of soft coal in locomotives, factories, power houses and other places;

Theaters, schools, churches and public places. 20. Regulate the use of theaters, cinema houses, public halls, schools, churches, and other places where numbers of people assemble, and the exits therefrom, so that escape therefrom may be easily and safely made in case of fire or panic; and to regulate any machinery, scenery, lights, wires and other apparatus, equipment or appliances used in all places of public amusement;

Excavations. 21. Regulate excavations below the established grade or curb line of any street, not greater than eight feet, which the owner of any land may make, in the erection of any building upon his own property; and to provide for the giving of notice, in writing, of such intended excavation to any adjoining owner or owners, and that they will be required to protect and care for their several foundation walls that may be endangered by such excavation; and to provide that in case of the neglect or refusal, for 10 days, of such adjoining owner or owners to take proper action to secure and protect the foundations of any adjacent building or other structure, that the party or parties giving such notice, or their agents, contractors or employees, may enter into and upon such adjoining property and do all necessary work to make such foundations secure, and may recover the cost of such work and labor in so protecting such adjacent property; and to make such further and other provisions in relation to the proper conduct and performance of said work as the governing body or board of the municipality may deem necessary and proper;

Sample medicines. 22. Regulate and prohibit the distribution, depositing or leaving on the public streets or highways, public places or private property, or at any private place or places within any such municipality, any medicine, medicinal preparation or preparations represented to cure ailments or diseases of the body or mind, or any samples thereof, or any advertisements or circulars relating thereto, but no ordinance shall prohibit a delivery of any such article to any person above the age of 12 years willing to receive the same;

Boating. 23. Regulate the use of motor and other boats upon waters within or bounding the municipality;

Fire escapes. 24. Provide for the erection of fire escapes on buildings in the municipality, and to provide rules and regulations concerning the construction and maintenance of the same, and for the prevention of any obstruction thereof or thereon;

Care of injured employees. 25. Provide for the payment of compensation and for medical attendance to any officer or employee of the municipality injured in the performance of his duty;

Bulkheads and other structures. 26. Fix and determine the lines of bulkheads or other works or structures to be erected, constructed or maintained by the owners of lands facing upon any navigable water in front of their lands, and in front of or along any highway or public lands of said municipality, and to designate the materials to be used, and the type, height and dimensions thereof;

Lifeguard. 27. Establish, maintain, regulate and control a lifeguard upon any beach within or bordering on the municipality;

Appropriation for life-saving apparatus. 28. Appropriate moneys to safeguard people from drowning within its borders, by location of apparatus or conduct of educational work in harmony with the plans of the United States volunteer life-saving corps in this State;

Fences. 29. Regulate the size, height and dimensions of any fences between the lands of adjoining owners, whether built or erected as division or partition fences between such lands, and whether the same exist or be erected entirely or only partly upon the lands of any such adjoining owners, or along or immediately adjacent to any division or partition line of such lands. To provide, in such ordinance, the manner of securing, fastening or shoring such fences, and for surveying the land when required by statute, and to prohibit in any such ordinance the use at a height of under 10 feet from the ground, of any device, such as wire or cable, that would be dangerous to pedestrians, equestrians, bicyclists, or drivers of off-the-road vehicles, unless that device is clearly visible to pedestrians, equestrians, bicyclists or drivers of off-the-road vehicles. In the case of fences thereafter erected contrary to the provisions thereof, the governing body may provide for a penalty for the violation of such ordinance, and in the case of such fence or fences erected or existing at the time of the passage of any such ordinance, may provide therein for the removal, change or alteration thereof, so as to make such fence or fences comply with the provisions of any such ordinance;

Advertise municipality. 30. Appropriate funds for advertising the advantages of the municipality;

Government Energy Aggregation Programs. 31. Establish programs and procedures pursuant to which the municipality may act as a government aggregator pursuant to sections 40 through 43 of P.L.1999, c.23 (C.48:3-89 through C.48:3-92), section 45 of P.L.1999, c.23 (C.48:3-94), and sections 1, 2 and 6 of P.L.2003, c.24 (C.48:3-93.1 through C.48:3-93.3). Notwithstanding the provisions of any other law, rule or regulation to the contrary, a municipality acting as a government aggregator pursuant to P.L.1999, c.23 (C.48:3-49 et al.) shall not be deemed to be a public utility pursuant to R.S.40:62-24 or R.S.48:1-1 et seq. or be deemed to be operating any form of public utility service pursuant to R.S.40:62-1 et seq., to the extent such municipality is solely engaged in the provision of such aggregation service and not otherwise owning or operating any plant or facility for the production or distribution of gas, electricity, steam or other product as provided in R.S.40:62-12;

Joint municipal action on consent for the provision of cable television service. 32. Establish programs and procedures pursuant to which a municipality may act together with one or more municipalities in granting municipal consent for the provision of cable television service pursuant to the provisions of the "Cable Television Act," P.L.1972, c.186 (C.48:5A-1 et seq.) as amended and supplemented. Notwithstanding the provisions of any other law, rule or regulation to the contrary, two or more municipalities acting jointly pursuant to the provisions of P.L.1972, c.186 (C.48:5A-1 et seq.) shall not be deemed a public utility pursuant to R.S.48:1-1 et seq., to the extent those municipalities are solely engaged in granting municipal consent jointly and are not otherwise owning or operating any facility for the provision of cable television service as provided in P.L.1972, c.186 (C.48:5A-1 et seq.);

Private cable television service aggregation programs. 33. Establish programs and procedures pursuant to which a municipality may employ the services of a private aggregator for the purpose of facilitating the joint action of two or more municipalities in granting municipal consent for the provision of cable television service provided that any such municipality shall adhere to the provisions of the "Cable Television Act," P.L.1972, c.186 (C.48:5A-1 et seq.) as amended and supplemented, and to the provisions of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.) as amended and supplemented.

Notwithstanding the provisions of any other law, rule or regulation to the contrary, a municipality that employs the services of a private aggregator pursuant to the provisions of P.L.1972, c.186 (C.48:5A-1 et seq.) shall not be deemed a public utility pursuant to R.S.48:1-1 et seq., to the extent that the municipality is solely engaged in employing the services of a private aggregator for the purpose of facilitating the joint action of two or more municipalities in granting municipal consent and is not otherwise owning or operating any facility for the provision of cable television service as provided in P.L.1972, c.186 (C.48:5A-1 et seq.);

Protective Custody. 34. Provide protective custody to persons arrested for operating a motor vehicle under the influence of alcoholic beverages, cannabis items as defined in section 3 of P.L.2021, c.16 (C.24:6I-33), any chemical substance, or any controlled dangerous substance in violation of R.S.39:4-50 as provided in section 1 of P.L.2003, c.164 (C.40:48-1.3);

Private Outdoor Video Surveillance Camera Registry. 35. Establish a private outdoor video surveillance camera registry and allow voluntary registration of private outdoor video surveillance cameras as provided in P.L.2015, c.142 (C.40:48-1.6 et al.).

C.40:48-1.2b Municipality permitted to enact certain ordinances relative to cannabis items.

77. A municipality may enact an ordinance making it unlawful for any person who is of legal age to consume, other than by smoking, vaping, or aerosolizing, a cannabis item available for lawful consumption pursuant to the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.), in any public place as defined in section 3 of that act (C.24:6I-33), other than school property described in section 1 of P.L.1981, c.197 (C.2C:33-16) for which unlawful consumption is a disorderly persons offense, or when not prohibited by the owner or person responsible for the operation of that public place. A person may be subject to a civil penalty of up to \$200, which shall be recovered in a civil action by a summary proceeding in the name of the municipality pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The municipal court and the Superior Court shall have jurisdiction of proceedings for the enforcement of the penalty provided by this section.

Title amended

78. The title of P.L.2000, c.33 is amended to read as follows:

AN ACT concerning possession and consumption of alcoholic beverages or cannabis items by underaged persons, supplementing Title 40 of the Revised Statutes and amending R.S.40:48-1.

79. Section 1 of P.L.2000, c.33 (C.40:48-1.2) is amended to read as follows:

C.40:48-1.2 Municipality may enact ordinance relative to consumption of alcoholic beverages, cannabis items, by underaged persons.

1. a. A municipality may enact an ordinance making it unlawful for any person under the legal age who, without legal authority, knowingly possesses or knowingly consumes an alcoholic beverage or a cannabis item, other than by smoking, vaping, or aerosolizing, on private property.

(1) The ordinance shall provide that a violation involving alcoholic beverage activity shall, in the case of an adult under the legal age to purchase an alcoholic beverage, be punished by a fine of \$250 for a first offense and \$350 for any subsequent offense.

(2) The ordinance shall provide that a violation involving cannabis activity, in the case of an adult under the legal age to purchase cannabis items, shall be punished as follows:

(a) If the cannabis item possessed is an amount which may be lawfully possessed by a person of the legal age to purchase cannabis items pursuant to section 46 of P.L.2021, c.16 (C.2C:35-10a): for a first offense, a civil penalty of \$100; for a second offense, a civil penalty of \$200; and for a third or subsequent offense, a fine of \$350. The civil penalties provided for in this subparagraph shall be collected pursuant to the “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding before the municipal court having jurisdiction. A penalty recovered under the provisions of this subparagraph shall be recovered by and in the name of the municipality.

(b) If the cannabis item possessed is an amount that exceeds what may be lawfully possessed by a person of the legal age to purchase cannabis items pursuant to section 46 of P.L.2021, c.16 (C.2C:35-10a), or if any cannabis item is consumed: for a first offense, a fine of \$250; and for a second or subsequent offense, a fine of \$350.

b. (Deleted by amendment, P.L.2019, c.276)

c. (1) No ordinance shall prohibit an underaged person from consuming or possessing an alcoholic beverage in connection with a religious observance, ceremony, or rite or consuming or possessing an alcoholic beverage in the presence of and with the permission of a parent, guardian or relative who has attained the legal age to purchase and consume alcoholic beverages.

(2) As used in this section:

“Alcoholic beverage” includes powdered alcohol as defined by R.S.33:1-1.

“Guardian” means a person who has qualified as a guardian of the underaged person pursuant to testamentary or court appointment.

“Cannabis items” includes any item available for lawful consumption pursuant to the “New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act,” P.L.2021, c.16 (C.24:6I-31 et al.).

“Relative” means the underaged person's grandparent, aunt or uncle, sibling, or any other person related by blood or affinity.

d. No ordinance shall prohibit possession of alcoholic beverages by any such person while actually engaged in the performance of employment by a person who is licensed under Title 33 of the Revised Statutes, or while actively engaged in the preparation of food while enrolled in a culinary arts or hotel management program at a county vocational school or post-secondary educational institution, and no ordinance shall prohibit possession of cannabis items by any such person while actually engaged in the performance of employment by a cannabis establishment, distributor, or delivery service as permitted pursuant to the “New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act,” P.L.2021, c.16 (C.24:6I-31 et al.); however, no ordinance enacted pursuant to this section shall be construed to preclude the imposition of a penalty under this section, R.S.33:1-81, or any other section of law against a person who is convicted of unlawful alcoholic beverage activity or unlawful cannabis activity on or at premises licensed for the sale of alcoholic beverages or cannabis items.

Title amended.

80. The title of P.L.2009, c.133 is amended to read as follows:

AN ACT concerning persons under the legal age to possess and consume alcoholic beverages or cannabis items, amending P.L.1979, c.264, and supplementing P.L.2000, c.33 (C.40:48-1.2 et al.).

81. Section 2 of P.L.2009, c.133 (C.40:48-1.2a) is amended to read as follows:

C.40:48-1.2a Immunity from prosecution; certain circumstances.

2. a. An underage person and one or two other persons shall be immune from prosecution under an ordinance authorized by section 1 of P.L.2000, c.33 (C.40:48-1.2) prohibiting any person under the legal age who, without legal authority, knowingly possesses or knowingly consumes an alcoholic beverage or cannabis item on private property if:

(1) one of the underage persons called 9-1-1 and reported that another underage person was in need of medical assistance due to alcohol consumption or the consumption of a cannabis item;

(2) the underage person who called 9-1-1 and, if applicable, one or two other persons acting in concert with the underage person who called 9-1-1 provided each of their names to the 9-1-1 operator;

(3) the underage person was the first person to make the 9-1-1 report; and

(4) the underage person and, if applicable, one or two other persons acting in concert with the underage person who made the 9-1-1 call remained on the scene with the person under the legal age in need of medical assistance until assistance arrived and cooperated with medical assistance and law enforcement personnel on the scene.

b. The underage person who received medical assistance as provided in subsection a. of this section also shall be immune from prosecution under an ordinance authorized by section 1 of P.L.2000, c.33 (C.40:48-1.2).

82. Section 2 of P.L.1981, c.512 (C.39:4-50.4a) is amended to read as follows:

C.39:4-50.4a Refusal to submit to test; penalties.

2. a. The municipal court shall order any person who, after being arrested for a violation of R.S.39:4-50 or section 1 of P.L.1992, c.189 (C.39:4-50.14), refuses to submit, upon request, to a test provided for in section 2 of P.L.1966, c.142 (C.39:4-50.2):

(1) if the refusal was in connection with a first offense under this section, to forfeit the right to operate a motor vehicle over the highways of this State until the person installs an ignition interlock device in one motor vehicle owned, leased, or principally operated by the person, whichever the person most often operates, for the purpose of complying with the provisions of P.L.1999, c.417 (C.39:4-50.16 et al.);

(2) if the refusal was in connection with a second offense under this section, to forfeit the right to operate a motor vehicle over the highways of this State for a period of not less than one year or more than two years following the installation of an ignition interlock device in one motor vehicle owned, leased, or principally operated by the person, whichever the person most often operates, for the purpose of complying with the provisions of P.L.1999, c.417 (C.39:4-50.16 et al.);

(3) if the refusal was in connection with a third or subsequent offense under this section, to forfeit the right to operate a motor vehicle over the highways of this State for a period of eight years following the installation of an ignition interlock device in one motor vehicle owned, leased, or principally operated by the person, whichever the person most often operates, for the purpose of complying with the provisions of P.L.1999, c.417 (C.39:4-50.16 et al.). A conviction or administrative determination of a violation of a law of a substantially similar nature in another jurisdiction, regardless of whether that jurisdiction is a signatory to the Interstate Driver License Compact pursuant to P.L.1966, c.73 (C.39:5D-1 et seq.), shall constitute a prior conviction under this section.

The municipal court shall determine by a preponderance of the evidence whether the arresting officer had probable cause to believe that the person had been driving or was in actual physical control of a motor vehicle on the public highways or quasi-public areas of this State while the person was under the influence of intoxicating liquor or a narcotic, hallucinogenic, or habit-producing drug, or marijuana or cannabis item as defined in section 3 of P.L.2021, c.16 (C.24:6I-33); whether the person was placed under arrest, if appropriate, and whether he refused to submit to the test upon request of the officer; and if these elements of the violation are not established, no conviction shall issue. In addition to any other requirements provided by law, a person whose operator's license is revoked for refusing to submit to a test shall be referred to an Intoxicated Driver Resource Center established by subsection (f) of R.S.39:4-50 and shall satisfy the same requirements of the center for refusal to submit to a test as provided for in section 2 of P.L.1966, c.142 (C.39:4-50.2) in connection with a first, second, third or subsequent offense under this section that must be satisfied by a person convicted of a commensurate violation of this section, or be subject to the same penalties as such a person for failure to do so. For a first offense, the revocation may be concurrent with or consecutive to any revocation imposed for a conviction under the provisions of R.S.39:4-50 arising out of the same incident. For a second or subsequent offense, the revocation shall be consecutive to any revocation imposed for a conviction under the provisions of R.S.39:4-50. In addition to issuing a revocation, the municipal court shall fine a person convicted under this section, a fine of not less than \$300 or more than \$500 for a first offense; a fine of not less than \$500 or more than \$1,000 for a second offense; and a fine of \$1,000 for a third or subsequent offense.

b. (Deleted by amendment, P.L.2019, c.248)

83. Section 1 of P.L.1983, c.307 (C.39:4-51a) is amended to read as follows:

C.39:4-51a No consumption of alcoholic beverages, cannabis items in motor vehicles; presumption; penalties.

1. a. A person shall not consume an alcoholic beverage or cannabis item as defined in section 3 of P.L.2021, c.16 (C.24:6I-33) while operating a motor vehicle. A passenger in a motor vehicle shall not consume an alcoholic beverage, and shall not consume by means of smoking, vaping, or aerosolizing a cannabis item, while the motor vehicle is being operated. This subsection shall not apply, with respect to the consumption of an alcoholic beverage, to a passenger of a charter or special bus operated as defined under R.S.48:4-1 or a limousine service.

b. A person shall be presumed to have consumed an alcoholic beverage in violation of this section if an unsealed container of an alcoholic beverage is located in the passenger compartment of the motor vehicle, the contents of the alcoholic beverage have been partially consumed and the physical appearance or conduct of the operator of the motor vehicle or a passenger may be associated with the consumption of an alcoholic beverage. For the purposes of this section, the term "unsealed" shall mean a container with its original seal broken, or a container such as a glass or cup.

c. For the first offense, a person convicted of violating this section shall be fined \$200 and shall be informed by the court of the penalties for a second or subsequent violation of this section. For a second or subsequent offense, a person convicted of violating this section shall be fined \$250 or shall be ordered by the court to perform community service for a period of 10 days in such form and on such terms as the court shall deem appropriate under the circumstances.

84. Section 6 of P.L.2000, c.83 (C.39:4-51b) is amended to read as follows:

C.39:4-51b Prohibition of open, unsealed alcoholic beverage container or cannabis item in motor vehicle; fine.

6. a. All occupants of a motor vehicle located on a public highway, or the right-of-way of a public highway, shall be prohibited from possessing any open or unsealed alcoholic beverage container or unsealed cannabis item as defined in section 3 of P.L.2021, c.16 (C.24:6I-33) that is intended to be consumed by means of smoking, vaping, or aerosolizing. This subsection shall not apply, with respect to the possession of an alcoholic beverage, to a passenger of a charter or special bus operated as defined under R.S.48:4-1 or a limousine service.

b. A person shall not be deemed to be in possession of an opened or unsealed alcoholic beverage container or unsealed cannabis item pursuant to this section if such container or unsealed cannabis item is located in the trunk of a motor vehicle, behind the last upright seat in a trunkless vehicle, or in the living quarters of a motor home or house trailer. For the purposes of this section, the term "open or unsealed" shall mean an alcoholic beverage container with its original seal broken, or a container or package that is not the original container or package such as a glass, cup, box, bag, or wrapping.

c. For a first offense, a person convicted of violating this section shall be fined \$200 and shall be informed by the court of the penalties for a second or subsequent violation of this section. For a second or subsequent offense, a person convicted of violating this section shall be fined \$250 or shall be ordered by the court to perform community service for a period of 10 days in such form and on such terms as the court shall deem appropriate under the circumstances.

85. Section 6 of P.L.1961, c.56 (C.52:17B-71) is amended to read as follows:

C.52:17B-71 Powers, responsibilities, duties of commission.

6. The commission is vested with the power, responsibility and duty:

a. To prescribe standards for the approval and continuation of approval of schools at which police training courses authorized by this act and in-service police training courses shall be conducted, including but not limited to currently existing regional, county, municipal, and police chief association police training schools or at which basic training courses and in-service training courses shall be conducted for State and county juvenile and adult correctional police officers and juvenile detention officers;

b. To approve and issue certificates of approval to these schools, to inspect the schools from time to time, and to revoke any approval or certificate issued to the schools;

c. To prescribe the curriculum, the minimum courses of study, attendance requirements, equipment and facilities, and standards of operation for these schools. Courses of study in crime prevention may be recommended to the Police Training Commission by the Crime Prevention Advisory Committee, established by section 2 of P.L.1985, c.1 (C.52:17B-77.1). The Police Training Commission may prescribe psychological and psychiatric examinations for police recruits while in the schools;

d. To prescribe minimum qualifications for instructors at these schools and to certify, as qualified, instructors for approved police training schools and to issue appropriate certificates to the instructors;

e. To certify police officers, correctional police officers, juvenile correctional police officers, and juvenile detention officers who have satisfactorily completed training programs

and to issue appropriate certificates to the police officers, correctional police officers, juvenile correctional police officers, and juvenile detention officers;

f. To advise and consent in the appointment of an administrator of police services by the Attorney General pursuant to section 8 of P.L.1961, c.56 (C.52:17B-73);

g. (Deleted by amendment, P.L.1985, c.491)

h. To make rules and regulations as may be reasonably necessary or appropriate to accomplish the purposes and objectives of this act;

i. To make a continuous study of police training methods and training methods for correctional police officers, juvenile correctional police officers, and juvenile detention officers and to consult and accept the cooperation of any recognized federal or State law enforcement agency or educational institution;

j. To consult and cooperate with universities, colleges, and institutes in the State for the development of specialized courses of study for police officers in police science and police administration;

k. To consult and cooperate with other departments and agencies of the State concerned with police training or the training of correctional police officers, juvenile correctional police officers, and juvenile detention officers;

l. To participate in unified programs and projects relating to police training and the training of correctional police officers, juvenile correctional police officers, and juvenile detention officers sponsored by any federal, State, or other public or private agency;

m. To perform other acts as may be necessary or appropriate to carry out its functions and duties as set forth in this act;

n. To extend the time limit for satisfactory completion of police training programs or programs for the training of correctional police officers, juvenile correctional police officers, and juvenile detention officers upon a finding that health, extraordinary workload, or other factors have, singly or in combination, effected a delay in the satisfactory completion of the training program;

o. (1) To furnish approved schools, for inclusion in their regular police training courses and curriculum, with information concerning the advisability of high speed chases, the risk caused by them, and the benefits resulting from them;

(2) To review and approve new standards and course curricula for police training courses or programs to be offered by approved schools for the training of police officers to be certified as a Drug Recognition Expert for detecting, identifying, and apprehending drug-impaired motor vehicle operators. The commission shall consult with the Cannabis Regulatory Commission established by 31 of P.L.2019, c.153 (C.24:6I-24) with respect to any aspects of the course curricula that focus on impairment from the use of cannabis items as defined by section 3 of P.L.2021, c.16 (C.24:6I-33) or marijuana. Any police officer certified and recognized by the commission as a Drug Recognition Expert prior to the effective date of this section, as amended by the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.), shall continue to be recognized as certified until that certification has expired or is no longer considered valid as determined by the commission, or the certification is replaced by the police officer with a new certification in accordance with the new standards and course curricula for certification described in this paragraph.

p. To review and approve new standards and course curricula developed by the Department of Corrections for both basic and in-service training of State and county correctional police officers and juvenile detention officers. These courses for the State correctional police officers and juvenile detention officers shall be centrally provided at the

Corrections Officers' Training Academy of the Department of Corrections. Courses for the county correctional police officers and juvenile detention officers shall also be centrally provided at the Corrections Officers' Training Academy unless an off-grounds training program is established by the county. A county may elect to establish and conduct a basic training program for correctional police officers and juvenile detention officers seeking permanent appointment in that county. The Corrections Officers' Training Academy shall develop the curriculum of the basic training program to be conducted by a county;

q. To administer and distribute the monies in the Law Enforcement Officers Training and Equipment Fund established by section 9 of P.L.1996, c.115 (C.2C:43-3.3) and make rules and regulations for the administration and distribution of the monies as may be necessary or appropriate to accomplish the purpose for which the fund was established.

C.24:6I-56 Severability.

86. Severability.

If any part, section, clause, paragraph, sentence, or provision, section of P.L.2021, c.16 (C.24:6I-31 et al.) shall be adjudged by any court of competent jurisdiction to be unconstitutional or otherwise invalid, that judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the section, clause, paragraph, sentence, or provision thereof directly involved in the controversy in which the judgment shall have been rendered.

87. This act shall take effect as follows:

a. (1) Sections 1 through 18, 31 and 32, 38 through 46, 53 through 63, 76 through 81, and sections 85 and 86 shall take effect immediately; and

(2) Sections 19 through 30, 33 through 37, 47 through 52, 64 through 75, and 82 through 84 shall take effect immediately, but shall only become operative upon adoption of the commission's initial rules and regulations pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34).

b. The Attorney General, State Treasurer, Commissioner of Health, Commissioner of Banking and Insurance, and the Administrative Director of the Courts, and once constituted and organized, the Cannabis Regulatory Commission, may take such anticipatory administrative action as may be necessary to effectuate the provisions of P.L.2021, c.16 (C.24:6I-31 et al.).

Approved February 22, 2021.