

[First Reprint]
SENATE, No. 2875

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED SEPTEMBER 14, 2020

Sponsored by:

Senator TROY SINGLETON

District 7 (Burlington)

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

SYNOPSIS

Revises certain restrictions on ownership of medical cannabis alternative treatment centers.

CURRENT VERSION OF TEXT

As reported by the Senate Judiciary Committee on December 14, 2020, with amendments.



(Sponsorship Updated As Of: 12/17/2020)

1 AN ACT concerning medical cannabis and amending P.L.2009,
2 c.307.

3

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

6

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

9 7. a. (1) The commission shall accept applications from entities
10 for permits to operate as medical cannabis cultivators, medical
11 cannabis manufacturers, and medical cannabis dispensaries. For the
12 purposes of this section, the term "permit" shall be deemed to include
13 a conditional permit issued pursuant to subsection d. of section 11 of
14 P.L.2019, c.153 (C.24:6I-7.1) and any permit issued to a
15 microbusiness pursuant to subsection e. of section 11 of P.L.2019,
16 c.153 (C.24:6I-7.1).

17 (2) (a) For a period of 18 months after the effective date of
18 P.L.2019, c.153 (C.24:6I-5.1 et al.):

19 (i) no applicant may concurrently hold more than one permit
20 issued by the commission pursuant to this section, regardless of type;
21 and

22 (ii) there shall be no more than 28 active medical cannabis
23 cultivator permits, including medical cannabis cultivator permits
24 deemed to be held by alternative treatment centers issued a permit
25 prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) and
26 medical cannabis cultivator permits deemed to be held by alternative
27 treatment centers issued a permit subsequent to the effective date of
28 P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an application
29 submitted prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
30 al.); provided that medical cannabis cultivator permits issued to
31 microbusinesses pursuant to subsection e. of section 11 of P.L.2019,
32 c.153 (C.24:6I-7.1) shall not count toward this limit.

33 (b) Commencing 18 months after the effective date of P.L.2019,
34 c.153 (C.24:6I-5.1 et al.), a permit holder shall be authorized to
35 concurrently hold a medical cannabis cultivator permit, a medical
36 cannabis manufacturer permit, and a medical cannabis dispensary
37 permit, provided that no permit holder shall be authorized to
38 concurrently hold more than one permit of each type. The permit
39 holder may submit an application for a permit of any type that the
40 permit holder does not currently hold prior to the expiration of the 18-
41 month period described in subparagraph (a) of this paragraph,
42 provided that no additional permit shall be awarded to the permit
43 holder during the 18 month period.

44 (c) The provisions of subparagraph (a) of this paragraph shall not

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SJU committee amendments adopted December 14, 2020.

1 apply to any alternative treatment center that was issued a permit prior
2 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), to any
3 alternative treatment center that was issued a permit after the effective
4 date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an application
5 submitted prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
6 al.), to one of the four alternative treatment centers issued a permit
7 pursuant to an application submitted after the effective date of
8 P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to a request for
9 applications published in the New Jersey Register prior to the effective
10 date of P.L.2019, c.153 (C.24:6I-5.1 et al.) that are expressly exempt
11 from the provisions of subparagraph (i) of subparagraph (a) of this
12 paragraph, or to one of the three alternative treatment centers issued a
13 permit pursuant to section 11 of P.L.2019, c.153 (C.24:6I-7.1) that are
14 expressly exempt from the provisions of subparagraph (i) of
15 subparagraph (a) of this paragraph, which alternative treatment centers
16 shall be deemed to concurrently hold a medical cannabis cultivator
17 permit, a medical cannabis manufacturer permit, and a medical
18 cannabis dispensary permit, and shall be authorized to engage in any
19 conduct authorized pursuant to those permits in relation to the
20 cultivation, manufacturing, and dispensing of medical cannabis.

21 (d) (i) No entity may be issued or concurrently hold more than one
22 medical cannabis cultivator permit, one medical cannabis
23 manufacturer permit, or one medical cannabis dispensary permit at one
24 time, and no medical cannabis dispensary shall be authorized to
25 establish a satellite location on or after the effective date of P.L.2019,
26 c.153 (C.24:6I-5.1 et al.), except that an alternative treatment center
27 that was issued a permit prior to the effective date of P.L.2019, c.153
28 (C.24:6I-5.1 et al.) or that was issued a permit after the effective date
29 of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an application
30 submitted prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
31 al.) shall be authorized to maintain up to two satellite dispensaries,
32 including any satellite dispensary that was approved pursuant to an
33 application submitted prior to or within 18 months after the effective
34 date of P.L.2019, c.153 (C.24:6I-5.1 et al.). The three alternative
35 treatment centers issued permits pursuant to section 11 of P.L.2019,
36 c.153 (C.24:6I-7.1) that are expressly exempt from the provisions of
37 subparagraph (i) of subparagraph (a) of this paragraph shall be
38 authorized to establish and maintain up to one satellite dispensary
39 location, provided that the satellite dispensary was approved pursuant
40 to an application submitted within 18 months after the effective date of
41 P.L.2019, c.153 (C.24:6I-5.1 et al.).

42 (ii) Notwithstanding the provisions of subparagraph (i) of this
43 subparagraph, an ¹investor, ¹investor group ¹, ¹ or ¹[a] ¹fund ¹[formed
44 for the sole and express purpose of providing] ¹ that provides
45 significant¹ financial ¹[and] or¹ technical assistance or the
46 ¹significant¹ use of intellectual property ¹, or a combination thereof,¹
47 to an applicant for a medical cannabis dispensary permit, which

1 applicant ¹ [that] ¹ has been certified as a minority business pursuant to
2 P.L.1986, c.195 (C.52:27H-21.18 et seq.), a women's business
3 pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.) ¹, ¹ or ¹ [that] ¹ is
4 a disabled-veterans' business, as defined in section 2 of P.L.2015,
5 c.116 (C.52:32-31.2), may own up to a 40 percent interest in up to 10
6 entities that have been issued a medical cannabis dispensary permit,
7 provided that ¹ each such medical cannabis dispensary is a certified
8 minority or women's business or a disabled-veterans' business, and ¹
9 the terms of the agreement to ¹ provide significant ¹ financial or
10 technical assistance or the ¹ significant ¹ use of intellectual property, ¹ or
11 a combination thereof, ¹ whether provided in the form of equity, a loan,
12 or otherwise, including interest rates, returns, and fees, are
13 commercially reasonable based on the terms generally provided to
14 comparable businesses. The terms of the agreement for the provision
15 of ¹ significant ¹ financial or technical assistance or the ¹ significant ¹ use
16 of intellectual property ¹, or a combination thereof, ¹ may include
17 performance, quality, and other requirements as a condition of
18 providing the financial or technical assistance or use of intellectual
19 property.

20 ¹ An applicant for a medical cannabis dispensary permit that
21 receives significant financial or technical assistance or the significant
22 use of intellectual property under this subparagraph shall pay back
23 to the investor, investor group, or fund the full value of the financial or
24 technical assistance or intellectual property provided under the
25 agreement, plus any applicable interest and fees, within seven years
26 after the date the applicant entered into the agreement for the provision
27 of significant financial or technical assistance or significant use of
28 intellectual property, but no earlier than three years after the date of
29 the agreement. An investor, investor group, or fund that has acquired
30 an ownership interest in one or more entities that have been issued a
31 medical cannabis dispensary permit as authorized under this
32 subparagraph may maintain the ownership interest after the date
33 the full value of the financial or technical assistance or use of
34 intellectual property provided under the agreement, plus interest and
35 fees, has been repaid by the applicant that received the assistance or
36 use of intellectual property. ¹

37 In no case may the controlling interest in the entity that holds
38 ¹ [the] a ¹ medical cannabis dispensary permit ¹ in which an investor,
39 investor group, or fund owns an interest as authorized under this
40 subparagraph ¹ revert to the ¹ investor, ¹ investor group ¹, ¹ or fund in
41 the event of a default or failure by the certified minority or women's
42 business or disabled-veterans' business, as applicable, and any such
43 controlling interest may only be transferred to a certified minority or
44 women's business or a disabled-veterans' business.

45 An entity issued a medical cannabis cultivator, ¹ medical cannabis ¹
46 manufacturer, or ¹ medical cannabis ¹ dispensary permit, or an

1 individual associated with the ownership or management of the entity,
2 may participate in an investor group or a fund that meets the
3 requirements of this subparagraph ¹], provided that the entity's or
4 individual's interest in the investor group or the fund does not exceed
5 10 percent ¹ .

6 (e) No entity issued a medical cannabis cultivator, medical
7 cannabis manufacturer, or medical cannabis dispensary permit may
8 concurrently hold a clinical registrant permit issued pursuant to section
9 13 of P.L.2019, c.153 (C.24:6I-7.3), and no entity issued a clinical
10 registrant permit pursuant to section 13 of P.L.2019, c.153 (C.24:6I-
11 7.3) may concurrently hold a medical cannabis cultivator permit, a
12 medical cannabis manufacturer permit, or a medical cannabis
13 dispensary permit.

14 (f) Any medical cannabis dispensary permit holder may be
15 approved by the commission to operate a medical cannabis
16 consumption area, provided that the permit holder otherwise meets the
17 requirements of section 28 of P.L.2019, c.153 (C.24:6I-21).

18 (g) An alternative treatment center that was issued a permit prior to
19 the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that was
20 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-5.1
21 et al.) pursuant to an application submitted pursuant to a request for
22 applications published in the New Jersey Register prior to the effective
23 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was issued a permit
24 after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant
25 to an application submitted prior to the effective date of P.L.2019,
26 c.153 (C.24:6I-5.1 et al.), shall be required to submit an attestation
27 signed by a bona fide labor organization stating that the alternative
28 treatment center has entered into a labor peace agreement with such
29 bona fide labor organization no later than 100 days after the effective
30 date of P.L.2019, c.153 (C.24:6I-5.1 et al.) or no later than 100 days
31 after the date the alternative treatment center first opens, whichever
32 date is later. The maintenance of a labor peace agreement with a bona
33 fide labor organization shall be an ongoing material condition of
34 maintaining the alternative treatment center's permit. The failure to
35 submit an attestation as required pursuant to this subparagraph within
36 100 days after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)
37 or within 100 days after the alternative treatment center first opens, as
38 applicable, shall result in the suspension or revocation of the
39 alternative treatment center's permit, provided that the commission
40 may grant an extension to this deadline to the alternative treatment
41 center based upon extenuating circumstances or for good cause shown.

42 (3) The commission shall seek to ensure the availability of a
43 sufficient number of medical cannabis cultivators, medical cannabis
44 manufacturers, and medical cannabis dispensaries throughout the
45 State, pursuant to need, including at least two each in the northern,
46 central, and southern regions of the State. Medical cannabis
47 cultivators, medical cannabis manufacturers, and medical cannabis

1 dispensaries issued permits pursuant to this section may be nonprofit
2 or for-profit entities.

3 (4) The commission shall periodically evaluate whether the
4 number of medical cannabis cultivator, medical cannabis
5 manufacturer, and medical cannabis dispensary permits issued are
6 sufficient to meet the needs of qualifying patients in the State, and
7 shall make requests for applications and issue such additional permits
8 as shall be necessary to meet those needs. The types of permits
9 requested and issued, and the locations of any additional permits that
10 are authorized, shall be in the discretion of the commission based on
11 the needs of qualifying patients in the State.

12 (5) (a) A medical cannabis cultivator shall be authorized to:
13 acquire a reasonable initial and ongoing inventory, as determined by
14 the commission, of cannabis seeds or seedlings and paraphernalia;
15 possess, cultivate, plant, grow, harvest, and package medical cannabis,
16 including prerolled forms, for any authorized purpose, including, but
17 not limited to, research purposes; and deliver, transfer, transport,
18 distribute, supply, or sell medical cannabis and related supplies to any
19 medical cannabis cultivator, medical cannabis manufacturer, medical
20 cannabis dispensary, or clinical registrant in the State. In no case shall
21 a medical cannabis cultivator operate or be located on land that is
22 valued, assessed or taxed as an agricultural or horticultural use
23 pursuant to the "Farmland Assessment Act of 1964," P.L.1964, c.48
24 (C.54:4-23.1 et seq.).

25 (b) A medical cannabis manufacturer shall be authorized to:
26 purchase or acquire medical cannabis from any medical cannabis
27 cultivator, medical cannabis manufacturer, or clinical registrant in the
28 State; possess and utilize medical cannabis in the manufacture,
29 production, and creation of medical cannabis products; and deliver,
30 transfer, transport, supply, or sell medical cannabis products and
31 related supplies to any medical cannabis manufacturer, medical
32 cannabis dispensary, or clinical registrant in the State.

33 (c) A medical cannabis dispensary shall be authorized to: purchase
34 or acquire medical cannabis from any medical cannabis cultivator,
35 medical cannabis dispensary, or clinical registrant in the State and
36 medical cannabis products and related supplies from any medical
37 cannabis manufacturer, medical cannabis dispensary, or clinical
38 registrant in the State; purchase or acquire paraphernalia from any
39 legal source; and distribute, supply, sell, or dispense medical cannabis,
40 medical cannabis products, paraphernalia, and related supplies to
41 qualifying patients or their designated or institutional caregivers who
42 are registered with the commission pursuant to section 4 of P.L.2009,
43 c.307 (C.24:6I-4). A medical cannabis dispensary may furnish
44 medical cannabis, medical cannabis products, paraphernalia, and
45 related supplies to a medical cannabis handler for delivery to a
46 registered qualifying patient, designated caregiver, or institutional
47 caregiver consistent with the requirements of subsection i. of section
48 27 of P.L.2019, c.153 (C.24:6I-20).

1 (6) A medical cannabis cultivator shall not be limited in the
2 number of strains of medical cannabis cultivated, and a medical
3 cannabis manufacturer shall not be limited in the number or type of
4 medical cannabis products manufactured, produced, or created. A
5 medical cannabis manufacturer may package, and a medical cannabis
6 dispensary may directly dispense medical cannabis and medical
7 cannabis products to qualifying patients and their designated and
8 institutional caregivers in any authorized form. Authorized forms shall
9 include dried form, oral lozenges, topical formulations, transdermal
10 form, sublingual form, tincture form, or edible form, or any other form
11 as authorized by the commission. Edible form shall include pills,
12 tablets, capsules, drops or syrups, oils, chewable forms, and any other
13 form as authorized by the commission, except that the edible forms
14 made available to minor patients shall be limited to forms that are
15 medically appropriate for children, including pills, tablets, capsules,
16 chewable forms, and drops, oils, syrups, and other liquids.

17 (7) Nonprofit medical cannabis cultivators, medical cannabis
18 manufacturers, and medical cannabis dispensaries need not be
19 recognized as a 501(c)(3) organization by the federal Internal Revenue
20 Service.

21 b. The commission shall require that an applicant provide such
22 information as the commission determines to be necessary pursuant to
23 regulations adopted pursuant to P.L.2009, c.307 (C.24:6I-1 et al.).

24 c. A person who has been convicted of a crime of the first,
25 second, or third degree under New Jersey law or of a crime involving
26 any controlled dangerous substance or controlled substance analog as
27 set forth in chapter 35 of Title 2C of the New Jersey Statutes except
28 paragraph (11) or (12) of subsection b. of N.J.S.2C:35-5, or paragraph
29 (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar law of the
30 United States or any other state shall not be issued a permit to operate
31 as a medical cannabis cultivator, medical cannabis manufacturer,
32 medical cannabis dispensary, or clinical registrant or be a director,
33 officer, or employee of a medical cannabis cultivator, medical
34 cannabis manufacturer, medical cannabis dispensary, or clinical
35 registrant, unless such conviction occurred after the effective date of
36 P.L.2009, c.307 (C.24:6I-1 et al.) and was for a violation of federal
37 law relating to possession or sale of cannabis for conduct that is
38 authorized under P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158
39 (C.18A:40-12.22 et al.).

40 d. (1) The commission shall require each applicant seeking a
41 permit to operate as, to be a director, officer, or employee of, or to be a
42 significantly involved person in, a medical cannabis cultivator,
43 medical cannabis manufacturer, medical cannabis dispensary, or
44 clinical registrant to undergo a criminal history record background
45 check.

46 Any individual seeking to become a director, officer, or employee
47 of a medical cannabis cultivator, medical cannabis manufacturer,
48 medical cannabis dispensary, or clinical registrant, after issuance of an

1 initial permit shall notify the commission and shall complete a
2 criminal history record background check and provide all information
3 as may be required by the commission as a condition of assuming a
4 position as director, officer, or employee of the permitted entity. An
5 individual who incurs an investment interest or gains the authority to
6 make controlling decisions in a permitted entity that makes the
7 individual a significantly involved person shall notify the commission,
8 complete a criminal history record background check, and provide all
9 information as may be required by the commission no later than 30
10 days after the date the individual becomes a significantly involved
11 person, or any permit issued to the individual or group of which the
12 significantly involved person is a member shall be revoked and the
13 individual or group shall be deemed ineligible to hold any ownership
14 or investment interest in a medical cannabis cultivator, medical
15 cannabis manufacturer, medical cannabis dispensary, or clinical
16 registrant for a period of at least two years, commencing from the date
17 of revocation, and for such additional period of time as the
18 commission deems appropriate, based on the duration of the
19 nondisclosure, the size of the individual's or group's investment
20 interest in the permitted entity, the amount of profits, revenue, or
21 income realized by the individual or group from the permitted entity
22 during the period of nondisclosure, and whether the individual had a
23 disqualifying conviction or would otherwise have been deemed
24 ineligible to be a significantly involved person in a medical cannabis
25 cultivator, medical cannabis manufacturer, medical cannabis
26 dispensary, or clinical registrant.

27 For purposes of this section, the term "applicant" shall include any
28 owner, director, officer, or employee of, and any significantly involved
29 person in, a medical cannabis cultivator, medical cannabis
30 manufacturer, medical cannabis dispensary, or clinical registrant. The
31 commission is authorized to exchange fingerprint data with and
32 receive criminal history record background information from the
33 Division of State Police and the Federal Bureau of Investigation
34 consistent with the provisions of applicable federal and State laws,
35 rules, and regulations. The Division of State Police shall forward
36 criminal history record background information to the commission in a
37 timely manner when requested pursuant to the provisions of this
38 section.

39 An applicant who is required to undergo a criminal history record
40 background check pursuant to this section shall submit to being
41 fingerprinted in accordance with applicable State and federal laws,
42 rules, and regulations. No check of criminal history record
43 background information shall be performed pursuant to this section
44 unless the applicant has furnished the applicant's written consent to
45 that check. An applicant who is required to undergo a criminal history
46 record background check pursuant to this section who refuses to
47 consent to, or cooperate in, the securing of a check of criminal history
48 record background information shall not be considered for a permit to

1 operate, or authorization to be employed at or to be a significantly
2 involved person in, a medical cannabis cultivator, medical cannabis
3 manufacturer, medical cannabis dispensary, or clinical registrant. An
4 applicant shall bear the cost for the criminal history record background
5 check, including all costs of administering and processing the check.

6 (2) The commission shall not approve an applicant for a permit to
7 operate, or authorization to be employed at or to be a significantly
8 involved person in, a medical cannabis cultivator, medical cannabis
9 manufacturer, medical cannabis dispensary, or clinical registrant if the
10 criminal history record background information of the applicant
11 reveals a disqualifying conviction as set forth in subsection c. of this
12 section.

13 (3) Upon receipt of the criminal history record background
14 information from the Division of State Police and the Federal Bureau
15 of Investigation, the commission shall provide written notification to
16 the applicant of the applicant's qualification for or disqualification for
17 a permit to operate or be a director, officer, or employee of, or a
18 significantly involved person in, a medical cannabis cultivator,
19 medical cannabis manufacturer, medical cannabis dispensary, or
20 clinical registrant.

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

25 (4) The Division of State Police shall promptly notify the
26 commission in the event that an individual who was the subject of a
27 criminal history record background check conducted pursuant to this
28 section is convicted of a crime or offense in this State after the date the
29 background check was performed. Upon receipt of that notification,
30 the commission shall make a determination regarding the continued
31 eligibility to operate or be a director, officer, or employee of, or a
32 significantly involved person in, a medical cannabis cultivator,
33 medical cannabis manufacturer, medical cannabis dispensary, or
34 clinical registrant.

35 (5) Notwithstanding the provisions of subsection c. of this section
36 to the contrary, the commission may offer provisional authority for an
37 applicant to be an owner, director, officer, or employee of, or a
38 significantly involved person in, a medical cannabis cultivator,
39 medical cannabis manufacturer, medical cannabis dispensary, or
40 clinical registrant for a period not to exceed three months if the
41 applicant submits to the commission a sworn statement attesting that
42 the person has not been convicted of any disqualifying conviction
43 pursuant to this section.

44 (6) Notwithstanding the provisions of subsection c. of this section
45 to the contrary, no applicant to be an owner, director, officer, or
46 employee of, or a significantly involved person in, a medical cannabis
47 cultivator, medical cannabis manufacturer, medical cannabis
48 dispensary, or clinical registrant shall be disqualified on the basis of

1 any conviction disclosed by a criminal history record background
2 check conducted pursuant to this section if the individual has
3 affirmatively demonstrated to the commission clear and convincing
4 evidence of rehabilitation. In determining whether clear and
5 convincing evidence of rehabilitation has been demonstrated, the
6 following factors shall be considered:

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

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

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

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

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

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

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

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

24 e. The commission shall issue a permit to operate or be an owner,
25 director, officer, or employee of, or a significantly involved person in,
26 a medical cannabis cultivator, medical cannabis manufacturer, or
27 medical cannabis dispensary if the commission finds that issuing such
28 a permit would be consistent with the purposes of P.L.2009, c.307
29 (C.24:6I-1 et al.) and the requirements of this section and section 11 of
30 P.L.2019, c.153 (C.24:6I-7.1) are met. The denial of an application
31 shall be considered a final agency decision, subject to review by the
32 Appellate Division of the Superior Court. A permit to operate a
33 medical cannabis cultivator, medical cannabis manufacturer, or
34 medical cannabis dispensary issued on or after the effective date of
35 P.L.2019, c.153 (C.24:6I-5.1 et al.) shall be valid for one year and
36 shall be renewable annually.

37 f. A person who has been issued a permit pursuant to this section
38 or a clinical registrant permit pursuant to section 13 of P.L.2019, c.153
39 (C.24:6I-7.3) shall display the permit at the front entrance to the
40 premises of the permitted facility at all times when the facility is
41 engaged in conduct authorized pursuant to P.L.2009, c.307 (C.24:6I-1
42 et al.) involving medical cannabis, including, but not limited to, the
43 cultivating, manufacturing, or dispensing of medical cannabis.

44 g. A medical cannabis cultivator, medical cannabis manufacturer,
45 medical cannabis dispensary, or clinical registrant shall report any
46 change in information to the commission not later than 10 days after
47 such change, or the permit shall be deemed null and void.

1 h. Each medical cannabis dispensary and clinical registrant shall
2 maintain and make available on its Internet website, if any, a standard
3 price list that shall apply to all medical cannabis, medical cannabis
4 products, and related supplies and paraphernalia sold or dispensed by
5 the medical cannabis dispensary or clinical registrant, which prices
6 shall be reasonable and consistent with the actual costs incurred by the
7 medical cannabis dispensary or clinical registrant in connection with
8 acquiring and selling, transferring, or dispensing the medical cannabis
9 or medical cannabis product and related supplies and paraphernalia.
10 The prices charged by the medical cannabis dispensary or clinical
11 registrant shall not deviate from the prices indicated on the entity's
12 current price list, provided that a price list maintained by a medical
13 cannabis dispensary or clinical registrant may allow for medical
14 cannabis to be made available at a reduced price or without charge to
15 qualifying patients who have a demonstrated financial hardship, as that
16 term shall be defined by the commission by regulation. A price list
17 required pursuant to this subsection may be revised no more than once
18 per month, and each medical cannabis dispensary and clinical
19 registrant shall be responsible for ensuring that the commission has a
20 copy of the facility's current price list. A medical cannabis dispensary
21 or clinical registrant shall be liable to a civil penalty of \$1,000 for each
22 sale that occurs at a price that deviates from the entity's current price
23 list, and to a civil penalty of \$10,000 for each week during which the
24 entity's current price list is not on file with the commission. Any civil
25 penalties collected by the commission pursuant to this section shall be
26 used by the commission for the purposes of administering the State
27 medical cannabis program.

28 i. The commission shall adopt regulations to:

29 (1) require such written documentation of each delivery or
30 dispensation of cannabis to, and pickup of cannabis for, a registered
31 qualifying patient, including the date and amount dispensed, and, in
32 the case of delivery, the date and times the delivery commenced and
33 was completed, the address where the medical cannabis was delivered,
34 the name of the patient or caregiver to whom the medical cannabis was
35 delivered, and the name, handler certification number, and delivery
36 certification number of the medical cannabis handler who performed
37 the delivery, to be maintained in the records of the medical cannabis
38 dispensary or clinical registrant, as the commission determines
39 necessary to ensure effective documentation of the operations of each
40 medical cannabis dispensary or clinical registrant;

41 (2) monitor, oversee, and investigate all activities performed by
42 medical cannabis cultivators, medical cannabis manufacturers, medical
43 cannabis dispensaries, and clinical registrants;

44 (3) ensure adequate security of all facilities 24 hours per day and
45 security of all delivery methods to registered qualifying patients; and

46 (4) establish thresholds for administrative action to be taken
47 against a medical cannabis cultivator, medical cannabis manufacturer,
48 medical cannabis dispensary, or clinical registrant and its employees,

1 officers, investors, directors, or governing board pursuant to
2 subsection m. of this section, including, but not limited to, specific
3 penalties or disciplinary actions that may be imposed in a summary
4 proceeding.

5 j. (1) Each medical cannabis cultivator, medical cannabis
6 manufacturer, medical cannabis dispensary, and clinical registrant
7 shall require the owners, directors, officers, and employees at the
8 permitted facility to complete at least eight hours of ongoing training
9 each calendar year. The training shall be tailored to the roles and
10 responsibilities of the individual's job function, and shall include
11 training on confidentiality and such other topics as shall be required by
12 the commission.

13 (2) Each medical cannabis dispensary and clinical registrant shall
14 consider whether to make interpreter services available to the
15 population served, including for individuals with a visual or hearing
16 impairment. The commission shall provide assistance to any medical
17 cannabis dispensary or clinical registrant that seeks to provide such
18 services in locating appropriate interpreter resources. A medical
19 cannabis dispensary or clinical registrant shall assume the cost of
20 providing interpreter services pursuant to this subsection.

21 k. (1) The first six alternative treatment centers issued permits
22 following the effective date of P.L.2009, c.307 (C.24:6I-1 et al.) shall
23 be authorized to sell or transfer such permit and other assets to a for-
24 profit entity, provided that: the sale or transfer is approved by the
25 commission; each owner, director, officer, and employee of, and
26 significantly involved person in, the entity seeking to purchase or
27 receive the transfer of the permit, undergoes a criminal history record
28 background check pursuant to subsection d. of this section, provided
29 that nothing in this subsection shall be construed to require any
30 individual to undergo a criminal history record background check if
31 the individual would otherwise be exempt from undergoing a criminal
32 history record background check pursuant to subsection d. of this
33 section; the commission finds that the sale or transfer of the permit
34 would be consistent with the purposes of P.L.2009, c.307 (C.24:6I-1 et
35 al.); and no such sale or transfer shall be authorized more than one
36 year after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.).
37 The sale or transfer of a permit pursuant to this subsection shall not be
38 subject to the requirements of the "New Jersey Nonprofit Corporation
39 Act," N.J.S.15A:1-1 et seq., provided that, prior to or at the time of the
40 sale or transfer, all debts and obligations of the nonprofit entity are
41 either paid in full or assumed by the for-profit entity purchasing or
42 acquiring the permit, or a reserve fund is established for the purpose of
43 paying in full the debts and obligations of the nonprofit entity, and the
44 for-profit entity pays the full value of all assets held by the nonprofit
45 entity, as reflected on the nonprofit entity's balance sheet, in addition
46 to the agreed-upon price for the sale or transfer of the entity's
47 alternative treatment center permit. Until such time as the members of
48 the Cannabis Regulatory Commission are appointed and the

1 commission first organizes, the Department of Health shall have full
2 authority to approve a sale or transfer pursuant to this paragraph.

3 (2) The sale or transfer of any interest of five percent or more in a
4 medical cannabis cultivator, medical cannabis manufacturer, medical
5 cannabis dispensary, or clinical registrant permit shall be subject to
6 approval by the commission and conditioned on the entity that is
7 purchasing or receiving transfer of the interest in the medical cannabis
8 cultivator, medical cannabis manufacturer, medical cannabis
9 dispensary, or clinical registrant permit completing a criminal history
10 record background check pursuant to the requirements of subsection d.
11 of this section.

12 1. No employee of any department, division, agency, board, or
13 other State, county, or local government entity involved in the process
14 of reviewing, processing, or making determinations with regard to
15 medical cannabis cultivator, medical cannabis manufacturer, medical
16 cannabis dispensary, or clinical registrant permit applications shall
17 have any direct or indirect financial interest in the cultivating,
18 manufacturing, or dispensing of medical cannabis or related
19 paraphernalia, or otherwise receive anything of value from an
20 applicant for a medical cannabis cultivator, medical cannabis
21 manufacturer, medical cannabis dispensary, or clinical registrant
22 permit in exchange for reviewing, processing, or making any
23 recommendations with respect to a permit application.

24 m. In the event that a medical cannabis cultivator, medical
25 cannabis manufacturer, medical cannabis dispensary, or clinical
26 registrant fails to comply with any requirements set forth in P.L.2009,
27 c.307 (C.24:6I-1 et al.) or any related law or regulation, the
28 commission may invoke penalties or take administrative action against
29 the medical cannabis cultivator, medical cannabis manufacturer,
30 medical cannabis dispensary, or clinical registrant and its employees,
31 officers, investors, directors, or governing board, including, but not
32 limited to, assessing fines, referring matters to another State agency,
33 and suspending or terminating any permit held by the medical
34 cannabis cultivator, medical cannabis manufacturer, medical cannabis
35 dispensary, or clinical registrant. Any penalties imposed or
36 administrative actions taken by the commission pursuant to this
37 subsection may be imposed in a summary proceeding.

38 (cf: P.L.2019, c.153, s.10)

39

40 2. This act shall take effect immediately.