

# SENATE, No. 782

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# STATE OF NEW JERSEY

## 220th LEGISLATURE

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INTRODUCED JANUARY 18, 2022

**Sponsored by:**  
**Senator TROY SINGLETON**  
**District 7 (Burlington)**

### **SYNOPSIS**

Establishes program to subsidize purchase price of medical cannabis for registered qualifying patients enrolled in Medicaid or NJ FamilyCare programs.

### **CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning medical cannabis, amending P.L.2021, c.16,  
2 and supplementing P.L.2009, c.307 (C.24:6I-1 et al.).  
3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:  
6

7 1. Section 41 of P.L.2021, c.16 (C.24:6I-50) is amended to read  
8 as follows:

9 41. Cannabis Regulatory, Enforcement Assistance, and  
10 Marketplace Modernization Fund.

11 a. All fees and penalties collected by the commission, and all  
12 tax revenues on retail sales of cannabis items, and all tax revenues  
13 collected pursuant to the provisions of the "Jake Honig  
14 Compassionate Use Medical Cannabis Act," P.L.2009, c.307  
15 (C.24:6I-1 et al.), except for amounts credited to the Property Tax  
16 Reform Account in the Property Tax Relief Fund pursuant to  
17 paragraph 7 of Section I of Article VIII of the New Jersey  
18 Constitution, as well as all revenues, if any, collected for the Social  
19 Equity Excise Fee pursuant to section 39 of P.L.2021, c.16  
20 (C.54:47F-1), shall be deposited in a special nonlapsing fund which  
21 shall be known as the "Cannabis Regulatory, Enforcement  
22 Assistance, and Marketplace Modernization Fund," with 15 percent  
23 of the monies deposited being placed into an account within the  
24 fund to be known as the "Underage Deterrence and Prevention  
25 Account."

26 b. Monies in the fund, other than any monies derived from the  
27 Social Equity Excise Fee to be appropriated annually in accordance  
28 with subsection d. of this section and the monies placed into the  
29 "Underage Deterrence and Prevention Account" within the fund for  
30 the commission to fund programs and services in accordance with  
31 subsection e. of this section, shall be appropriated annually as  
32 follows:

33 (1) at least 70 percent of all tax revenues on retail sales of  
34 cannabis items shall be appropriated for investments, including  
35 through grants, loans, reimbursements of expenses, and other  
36 financial assistance, in municipalities defined as an "impact zone"  
37 pursuant to section 3 of P.L.2021, c.16 (C.24:6I-33), as well as  
38 provide direct financial assistance to qualifying persons residing  
39 therein as recommended by the commission; and (2) the remainder  
40 of the monies in the fund shall be appropriated by the Legislature to  
41 include the following:

42 (a) to oversee the development, regulation, and enforcement of  
43 activities associated with the personal use of cannabis pursuant to  
44 P.L.2021, c.16 (C.24:6I-31 et al.), and assist with assuming  
45 responsibility from the Department of Health for the further

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

**Matter underlined thus is new matter.**

1 development and expansion, regulation, and enforcement of  
2 activities associated with the medical use of cannabis pursuant to  
3 the "Jake Honig Compassionate Use Medical Cannabis Act,"  
4 P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-  
5 12.22 et al.);

6 (b) to reimburse the expenses incurred by any county or  
7 municipality for the training costs associated with the attendance  
8 and participation of a police officer from its law enforcement unit,  
9 as those terms are defined in section 2 of P.L.1961, c.56 (C.52:17B-  
10 67), in a program provided by an approved school, also defined in  
11 that section, which trains and certifies the police officer, including a  
12 police officer with a working dog as that term is defined in section  
13 1 of P.L.2006, c.88 (C.10:5-29.7), as a Drug Recognition Expert for  
14 detecting, identifying, and apprehending drug-impaired motor  
15 vehicle operators, and pay for the same training costs incurred by  
16 the Division of State Police in the Department of Law and Public  
17 Safety for the training of a State police officer or trooper, including  
18 an officer or trooper with a working dog, as a Drug Recognition  
19 Expert, as well as its costs in furnishing additional program  
20 instructors to provide Drug Recognition Expert training to police  
21 officers, troopers, and working dogs. A municipality or county  
22 seeking reimbursement shall apply to the commission, itemizing the  
23 costs, with appropriate proofs, for which reimbursement is  
24 requested and provide a copy of the certificate issued to the police  
25 officer to indicate the successful completion of the program by the  
26 police officer, and that officer's working dog, if applicable; **[and]**

27 (c) for further investments, including through grants, loans,  
28 reimbursements of expenses, and other financial assistance, in  
29 municipalities defined as an "impact zone" pursuant to section 3 of  
30 P.L.2021, c.16 (C.24:6I-33), as well as provide direct financial  
31 assistance to qualifying persons residing therein as recommended  
32 by the commission; and

33 (d) to reimburse medical cannabis dispensaries and clinical  
34 registrants for subsidies applied to the purchase price of medical  
35 cannabis and medical cannabis products pursuant to section 2 of  
36 P.L. , c. (C. ) (pending before the Legislature as this bill).

37 The monies appropriated pursuant to paragraph (1) of this  
38 subsection shall be offset by any revenue constitutionally dedicated  
39 to municipalities defined as an "impact zone" pursuant to section 3  
40 of P.L.2021, c.16 (C.24:6I-33).

41 c. Any remaining available monies, after the appropriation of  
42 those monies in the fund in accordance with subsection b. of this  
43 section, shall be deposited in the State's General Fund.

44 d. (1) (a) Not less than 60 days prior to the first day of each State  
45 fiscal year, the commission shall consult and make  
46 recommendations to the Governor and Legislature for making social  
47 equity appropriations based upon the amount of any revenues  
48 collected during the current fiscal year for the Social Equity Excise

1 Fee pursuant to section 39 of P.L.2021, c.16 (C.54:47F-1), or, if the  
2 commission has not imposed or adjusted the excise fee in the  
3 current fiscal year pursuant to that section, then appropriations to be  
4 made from the General Fund in an amount equal to the revenues  
5 that would have been collected had it imposed or adjusted the fee,  
6 in order to invest, through grants, loans, reimbursements of  
7 expenses, and other financial assistance, in private for-profit and  
8 non-profit organizations, public entities, including any municipality  
9 defined as an "impact zone" pursuant to section 3 of P.L.2021, c.16  
10 (C.24:6I-33) as well as provide direct financial assistance to  
11 qualifying persons as determined by the commission, in order to  
12 create, expand, or promote educational and economic opportunities  
13 and activities, and the health and well-being of both communities  
14 and individuals.

15 (b) Not less than 30 days prior to submitting its  
16 recommendations to the Governor and Legislature pursuant to  
17 subparagraph (a) of this paragraph, the commission shall hold at  
18 least three regional public hearings throughout the State, with at  
19 least one hearing in the northern, central, and southern regions of  
20 the State, to solicit the public input on the social equity investments  
21 to be made as described in this section.

22 (2) The commission's recommendations to the Governor and  
23 Legislature may include, but are not limited to, recommending  
24 investments in the following categories of social equity programs:

25 (a) educational support, including literacy programs, extended  
26 learning time programs that endeavor to close the achievement gap  
27 and provide services for enrolled students after the traditional  
28 school day, GED application and preparedness assistance, tutoring  
29 programs, vocational programming, and financial literacy;

30 (b) economic development, including the encouragement and  
31 support of community activities so as to stimulate economic activity  
32 or increase or preserve residential amenities, and business  
33 marketing, and job skills and readiness training, specific  
34 employment training, and apprenticeships;

35 (c) social support services, including food assistance, mental  
36 health services, substance use disorders treatment and recovery,  
37 youth recreation and mentoring services, life skills support services,  
38 and reentry and other rehabilitative services for adults and juveniles  
39 being released from incarceration; and

40 (d) legal aid for civil and criminal cases, regardless of a party's  
41 citizenship or immigration status.

42 (3) The commission may also, subject to the annual  
43 appropriations act, recommend that it retain a portion of the Social  
44 Equity Excise Fee to administer startup grants, low-interest loans,  
45 application fee assistance, and job training programs through the  
46 commission's Office of Minority, Disabled Veterans and Women  
47 Cannabis Business Development established by section 32 of  
48 P.L.2019, c.153 (24:6I-25).

1 (4) Prior to the first day of each fiscal year, the Legislature shall  
2 provide to the commission a statement which lists the investments,  
3 including the investment recipients and investment amount, to be  
4 made by appropriations as set forth in paragraph (1) of this  
5 subsection based upon recommendations presented to the Governor  
6 and Legislature pursuant to paragraphs (1) through (3) of this  
7 subsection, and how the investment is intended to support and  
8 advance social equity as described in this subsection.

9 e. The monies deposited in the "Underage Deterrence and  
10 Prevention Account" within the fund shall be used by the  
11 commission, based on the acceptance of applications submitted on a  
12 form and through an approval or denial process promulgated by the  
13 commission, to fund private for-profit and non-profit organizations,  
14 and county and municipal programs and services that offer social  
15 services, educational, recreational, and employment opportunities,  
16 and local economic development designed to encourage, improve,  
17 and support youthful community activities to divert and prevent  
18 persons under 18 years of age from activities associated with the  
19 consumption of cannabis items, or marijuana or hashish.

20 (cf: P.L.2021, c.25, s.5)

21  
22 2. (New section) a. The commission shall establish a program  
23 to subsidize up to 20 percent of the purchase price of medical  
24 cannabis and medical cannabis products dispensed to or on behalf  
25 registered qualifying patients who are currently enrolled in the State  
26 Medicaid program established pursuant to P.L.1968, c.413  
27 (C.30:4D-1 et seq.) or the NJ FamilyCare program established  
28 pursuant to P.L.2005, c.156 (C.30:4J-8 et al.). The subsidy shall  
29 reduce the purchase price of the medical cannabis or medical  
30 cannabis product as listed on the medical cannabis dispensary's or  
31 clinical registrant's website pursuant to subsection h. of section 7 of  
32 P.L.2009, c.307 (C.24:6I-7), and shall be applied at the point of sale  
33 after any other discounts or price reductions are applied.

34 b. The program developed by the commission pursuant to  
35 subsection a. of this section shall include a mechanism for medical  
36 cannabis dispensaries and clinical registrants to quickly verify  
37 whether a registered qualifying patient to whom, or on behalf of  
38 whom, medical cannabis or a medical cannabis product is being  
39 dispensed, is currently enrolled in Medicaid or NJ FamilyCare. The  
40 commission shall coordinate with the Division of Medical  
41 Assistance and Health Services in the Department of Human  
42 Services in developing the enrollment verification system pursuant  
43 to this subsection.

44 c. A medical cannabis dispensary or clinical registrant shall  
45 provide notice of the subsidy program to registered qualifying  
46 patients and their designated and institutional caregivers through the  
47 use of posted signage, and may provide additional notice of the  
48 program verbally, through written materials, or both, but shall not

1 apply the subsidy to a purchase of medical cannabis or a medical  
2 cannabis product, or attempt to verify a patient’s status as an  
3 enrollee in Medicaid or NJ FamilyCare, except at the request of the  
4 patient or the patient’s designated or institutional caregiver.

5 d. The commission shall establish a process for medical  
6 cannabis dispensaries to apply for and receive reimbursement from  
7 the commission for the amount of any subsidies applied to the  
8 purchase price of medical cannabis and medical cannabis products  
9 pursuant to this section.

10 e. Reimbursements for subsidies applied to the purchase of  
11 medical cannabis and medical cannabis products pursuant to this  
12 section shall be paid to medical cannabis dispensaries and clinical  
13 registrants out of funds available through the “Cannabis Regulatory,  
14 Enforcement Assistance, and Marketplace Modernization Fund”  
15 established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-50), or  
16 other funds made available to the commission for this purpose.

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18 3. This act shall take effect 90 days after the date of enactment.

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STATEMENT

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23 This bill requires the Cannabis Regulatory Commission (CRC) to  
24 establish a program to subsidize up to 20 percent of the purchase  
25 price of medical cannabis and medical cannabis products dispensed  
26 to or on behalf registered qualifying patients who are currently  
27 enrolled in the State Medicaid program or the NJ FamilyCare  
28 program. The subsidy will reduce the purchase price of the medical  
29 cannabis or medical cannabis product as listed on the medical  
30 cannabis dispensary’s or clinical registrant’s website, and will be  
31 applied after any other discounts or price reductions are applied.  
32 The price reduction will apply at the point of purchase.

33 The program developed by the CRC will include a mechanism  
34 for medical cannabis dispensaries and clinical registrants to quickly  
35 verify whether a registered qualifying patient to whom or on behalf  
36 of whom medical cannabis or a medical cannabis product is being  
37 dispensed is currently enrolled in Medicaid or NJ FamilyCare. The  
38 CRC will be required to coordinate with the Division of Medical  
39 Assistance and Health Services in the Department of Human  
40 Services to develop this enrollment verification system. Medical  
41 cannabis dispensaries and clinical registrants are to make patients  
42 and their caregivers aware of the subsidy program through posted  
43 signage, and may provide additional notice of the program verbally,  
44 using written materials, or both, but are not to apply a subsidy or  
45 attempt to verify whether a patient is enrolled in Medicaid or NJ  
46 FamilyCare except at the request of a patient or the patient’s  
47 designated or institutional caregiver.

**S782 SINGLETON**

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1       The CRC will additionally be required to establish a process for  
2 medical cannabis dispensaries to apply for and receive  
3 reimbursement from the CRC for the amount of any subsidies  
4 applied to the purchase price of medical cannabis and medical  
5 cannabis products under the bill. Reimbursements for the subsidies  
6 will be paid out of funds available through the “Cannabis  
7 Regulatory, Enforcement Assistance, and Marketplace  
8 Modernization Fund” established pursuant to P.L.2021, c.16  
9 (C.24:6I-31 et al.), or other funds made available to the CRC for  
10 this purpose.