

24:6I-7, 24:6I-24, 52:13D-17.2
LEGISLATIVE HISTORY CHECKLIST
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LAWS OF: 2025 **CHAPTER:** 86

NJSA: 24:6I-7, 24:6I-24, 52:13D-17.2 Concerns satellite cannabis dispensaries, Cannabis Regulatory Commission membership, and post-employment restrictions on State employees.

BILL NO: A4937 (Substituted for S3486 (2R))

SPONSOR(S) Atkins, Reginald W. and others

DATE INTRODUCED: 10/21/2024

COMMITTEE: **ASSEMBLY:** Oversight, Reform & Federal Relations
Appropriations

SENATE: --

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** 06/30/2025

SENATE: 06/30/2025

DATE OF APPROVAL: 7/1/2025

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (A4937 AcaSa (2R) enacted)

ADVANCE LAW Yes

PAMPHLET LAW Yes

A4937

INTRODUCED BILL: (Includes sponsor(s) statement) Yes

REPRINT(S): Yes AOF 6/12/25 1R
Senate 6/30/25 2R

TECHNICAL REVIEW OF BILL: No

COMMITTEE STATEMENT: **ASSEMBLY:** Yes Oversight, Reform & Federal Relations
Appropriations

SENATE: No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: Yes

LEGISLATIVE FISCAL ESTIMATE: No

S3486 (2R)

INTRODUCED BILL: (Includes sponsor(s) statement)	Yes	
REPRINT(S):	Yes	SJU 5/29/25 1R SBA 6/26/25 2R
TECHNICAL REVIEW OF BILL:	No	
COMMITTEE STATEMENT:	ASSEMBLY:	No
	SENATE:	Yes Judiciary Budget & Appropriations

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No
LEGISLATIVE FISCAL ESTIMATE:	No
VETO MESSAGE:	No
GOVERNOR'S PRESS RELEASE ON SIGNING:	Yes
LEGISLATOR STATEMENT:	No

FOLLOWING WERE PRINTED:

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REPORTS:	No
HEARINGS:	No
NEWSPAPER ARTICLES:	Yes

Kimberly Redmond, 'Jersey City earmarks \$500K in cannabis funds for youth programs', *NJBIZ* (online), 30 Jun 2025<<https://infoweb.newsbank.com/apps/news/document-view?p=NewsBank&docref=news/1A19DE9B1588E4C8>>

CL/MMcB

P.L. 2025, CHAPTER 86, *approved July 1, 2025*
Assembly, No. 4937 (*Second Reprint*)

1 AN ACT concerning satellite locations of medical cannabis
2 dispensaries, ²Cannabis Regulatory Commission membership, and
3 employment rights of State employees,² and amending P.L.2009,
4 c.307 ², P.L.2019, c.153, and P.L.1981, c.142².
5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:
8

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

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

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

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

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

36 (b) Commencing 18 months after the effective date of P.L.2019,
37 c.153 (C.24:6I-5.1 et al.), a permit holder shall be authorized to
38 concurrently hold a medical cannabis cultivator permit, a medical
39 cannabis manufacturer permit, and a medical cannabis dispensary
40 permit, provided that no permit holder shall be authorized to

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:

¹Assembly AOF committee amendments adopted June 12, 2025.

²Senate floor amendments adopted June 30, 2025.

1 concurrently hold more than one permit of each type. The permit
2 holder may submit an application for a permit of any type that the
3 permit holder does not currently hold prior to the expiration of the
4 18-month period described in subparagraph (a) of this paragraph,
5 provided that no additional permit shall be awarded to the permit
6 holder during the 18-month period.

7 (c) (i) The provisions of subparagraph (a) of this paragraph shall
8 not apply to any alternative treatment center that was issued a
9 permit prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
10 al.), to any alternative treatment center that was issued a permit
11 after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)
12 pursuant to an application submitted prior to the effective date of
13 P.L.2019, c.153 (C.24:6I-5.1 et al.), to one of the four alternative
14 treatment centers issued a permit pursuant to an application
15 submitted after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
16 al.) pursuant to a request for applications published in the New
17 Jersey Register prior to the effective date of P.L.2019, c.153
18 (C.24:6I-5.1 et al.) that are expressly exempt from the provisions of
19 subparagraph (i) of subparagraph (a) of this paragraph, or to one
20 of the three alternative treatment centers issued a permit pursuant to
21 section 11 of P.L.2019, c.153 (C.24:6I-7.1) that are expressly
22 exempt from the provisions of subparagraph (i) of subparagraph
23 (a) of this paragraph, which alternative treatment centers shall be
24 deemed to concurrently hold a medical cannabis cultivator permit, a
25 medical cannabis manufacturer permit, and a medical cannabis
26 dispensary permit, and shall be authorized to engage in any conduct
27 authorized pursuant to those permits in relation to the cultivation,
28 manufacturing, and dispensing of medical cannabis.

29 (ii) In addition, each of the alternative treatment centers
30 described in subparagraph (i) of this subparagraph, to which the
31 provisions of subparagraph (a) of this paragraph shall not apply,
32 shall, upon the adoption of the initial rules and regulations by the
33 commission pursuant to subparagraph (a) of paragraph (1) of
34 subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34), be
35 deemed to either concurrently hold a Class 1 Cannabis Cultivator
36 license, a Class 2 Cannabis Manufacturer License, a Class 5
37 Cannabis Retailer license, plus an additional Class 5 Cannabis
38 Retailer license for each satellite dispensary authorized and
39 established by the alternative treatment center pursuant to
40 subparagraph (d) of this paragraph, and a Class 6 Cannabis Delivery
41 license, or hold a Class 3 Cannabis Wholesaler license, and may
42 also be deemed to hold a Class 4 Cannabis Distributor license. Any
43 alternative treatment center deemed to hold one or more licenses as
44 described in this subparagraph may begin to operate as any
45 authorized class of cannabis establishment, or establishment and
46 delivery service, or as a cannabis wholesaler and distributor, upon
47 receipt of written approval from the municipality in which the
48 proposed establishment or delivery service, or distributor is to be

1 located and obtaining an initial license or licenses, as applicable,
2 issued by the commission pursuant to paragraph (3) of subsection a.
3 of section 33 of P.L.2021, c.16 (C.24:6I-46).

4 (d) (i) No entity may be issued or concurrently hold more than
5 one medical cannabis cultivator permit, one medical cannabis
6 manufacturer permit, or one medical cannabis dispensary permit at
7 one time¹, and no medical cannabis dispensary shall be authorized
8 to establish a satellite location on or after the effective date of
9 P.L.2019, c.153 (C.24:6I-5.1 et al.),¹. ¹except that an¹ An
10 alternative treatment center²²that was issued a permit prior to the
11 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) or that was
12 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
13 5.1 et al.) pursuant to an application submitted prior to the effective
14 date of P.L.2019, c.153 (C.24:6I-5.1 et al.)¹ which has been issued
15 a permit to dispense medical cannabis from a medical cannabis
16 dispensary² shall be authorized to maintain up to two satellite
17 dispensaries ²², including any satellite dispensary that was
18 approved pursuant to an application submitted prior to or within 18
19 months after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
20 al.). The three alternative treatment centers issued permits pursuant
21 to section 11 of P.L.2019, c.153 (C.24:6I-7.1) that are expressly
22 exempt from the provisions of subsubparagraph (i) of subparagraph
23 (a) of this paragraph shall be authorized to establish and maintain
24 up to one satellite dispensary location, provided that the satellite
25 dispensary was approved pursuant to an application submitted
26 within 18 months after the effective date of P.L.2019, c.153
27 (C.24:6I-5.1 et al.)². A medical cannabis dispensary seeking to
28 establish a satellite dispensary location shall obtain commission
29 approval in accordance with P.L.2009, c.307 (C.24:6I-1 et al.) and
30 P.L.2021, c.16 (C.24:6I-31 et al.) and, upon commission approval,
31 shall be authorized to establish and maintain up to ¹¹one ¹¹two¹
32 satellite dispensary ¹¹location¹ locations¹.

33 (ii) Notwithstanding the provisions of subsubparagraph (i) of
34 this subparagraph, an investor, investor group, or fund that provides
35 significant financial or technical assistance or the significant use of
36 intellectual property, or a combination thereof, to an applicant for a
37 medical cannabis dispensary permit, which applicant has been
38 certified as a minority business pursuant to P.L.1986, c.195
39 (C.52:27H-21.18 et seq.), a women's business pursuant to P.L.1986,
40 c.195 (C.52:27H-21.18 et seq.), or is a disabled-veterans' business,
41 as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), may own
42 up to a 35 percent interest in up to seven entities that have been
43 issued a medical cannabis dispensary permit, provided that each
44 such medical cannabis dispensary is a certified minority or women's
45 business or a disabled-veterans' business, and the terms of the
46 agreement to provide significant financial or technical assistance or
47 the significant use of intellectual property, or a combination thereof,

1 whether provided in the form of equity, a loan, or otherwise,
2 including interest rates, returns, and fees, are commercially
3 reasonable based on the terms generally provided to comparable
4 businesses. The terms of the agreement for the provision of
5 significant financial or technical assistance or the significant use of
6 intellectual property, or a combination thereof, may include
7 performance, quality, and other requirements as a condition of
8 providing the financial or technical assistance or use of intellectual
9 property. An applicant for a medical cannabis dispensary permit
10 that has or will receive significant financial or technical assistance
11 or the significant use of intellectual property under this
12 subsubparagraph shall include with the permit application materials
13 submitted to the commission a copy of the agreement to provide
14 significant financial or technical assistance or significant use of
15 intellectual property, or a combination thereof, which agreement
16 shall be subject to review by the commission as provided in
17 subsection f. of section 11 of P.L.2019, c.153 (C.24:6I-7.1).

18 An applicant for a medical cannabis dispensary permit that
19 receives significant financial or technical assistance or the
20 significant use of intellectual property under this subsubparagraph
21 shall pay back to the investor, investor group, or fund the full value
22 of the financial or technical assistance or intellectual property
23 provided under the agreement, plus any applicable interest and fees,
24 in a period not less than five years after the date of the agreement if
25 the full value of the assistance or property is less than \$100,000, in
26 a period not less than seven years after the date of the agreement if
27 the full value of the assistance or property is between \$100,001 and
28 \$250,000, in a period not less than 10 years after the date of
29 agreement if the full value of the assistance or property is between
30 \$250,001 and \$500,000, and, subject to any terms and conditions
31 imposed by a lender, in a period not less than 10 years after the date
32 of the agreement if the full value of the assistance or property is
33 greater than \$500,000. An investor, investor group, or fund that has
34 acquired an ownership interest in one or more entities that have
35 been issued a medical cannabis dispensary permit as authorized
36 under this subsubparagraph may maintain the ownership interest
37 after the date the full value of the financial or technical assistance
38 or use of intellectual property provided under the agreement, plus
39 interest and fees, has been repaid by the applicant that received the
40 assistance or use of intellectual property.

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

1 An entity issued a medical cannabis cultivator, medical cannabis
2 manufacturer, or medical cannabis dispensary permit, or an
3 individual associated with the ownership or management of such
4 entity, may invest in or participate in an investor group or a fund
5 that meets the requirements of this subsubparagraph with respect to
6 a Class 5 cannabis retailer license or an alternative treatment center
7 permit.

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

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

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

46 As used in this subparagraph, "bona fide labor organization"
47 means a labor organization of any kind or employee representation
48 committee, group, or association, in which employees participate

1 and which exists and is constituted for the purpose, in whole or in
2 part, of collective bargaining or otherwise dealing with medical or
3 personal use cannabis employers concerning grievances, labor
4 disputes, terms or conditions of employment, including wages and
5 rates of pay, or other mutual aid or protection in connection with
6 employment, and may be characterized by: it being a party to one or
7 more executed collective bargaining agreements with medical or
8 personal use cannabis employers, in this State or another state; it
9 having a written constitution or bylaws in the three immediately
10 preceding years; it filing the annual financial report required of
11 labor organizations pursuant to subsection (b) of 29 U.S.C. s.431, or
12 it having at least one audited financial report in the three
13 immediately preceding years; it being affiliated with any regional or
14 national association of unions, including but not limited to state and
15 federal labor councils; or it being a member of a national labor
16 organization that has at least 500 general members in a majority of
17 the 50 states of the United States.

18 (h) An alternative treatment center that was issued a permit prior
19 to 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-
21 5.1 et al.) pursuant to an application submitted pursuant to a request
22 for applications published in the New Jersey Register prior to the
23 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was
24 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
25 5.1 et al.) pursuant to an application submitted prior to the effective
26 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), shall be permitted to
27 cultivate from up to two physical locations, provided that the
28 alternative treatment center's combined mature cannabis plant grow
29 canopy between both locations shall not exceed 150,000 square feet
30 of bloom space or the square footage of canopy permitted under the
31 largest tier in the tiered system adopted by the commission pursuant
32 to paragraph (2) of subsection b. of section 21 of P.L.2021, c.16
33 (C.24:6I-38).

34 (3) The commission shall seek to ensure the availability of a
35 sufficient number of medical cannabis cultivators, medical cannabis
36 manufacturers, and medical cannabis dispensaries throughout the
37 State, pursuant to need, including at least two each in the northern,
38 central, and southern regions of the State. Medical cannabis
39 cultivators, medical cannabis manufacturers, and medical cannabis
40 dispensaries issued permits pursuant to this section may be
41 nonprofit or for-profit entities.

42 (4) The commission shall periodically evaluate whether the
43 number of medical cannabis cultivator, medical cannabis
44 manufacturer, and medical cannabis dispensary permits issued are
45 sufficient to meet the needs of qualifying patients in the State, and
46 shall accept new applications and issue such additional permits as
47 shall be necessary to meet those needs. The types of permits
48 requested and issued, and the locations of any additional permits

1 that are authorized, shall be in the discretion of the commission
2 based on the needs of qualifying patients in the State.

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

17 (b) A medical cannabis manufacturer shall be authorized to:
18 purchase or acquire medical cannabis from any medical cannabis
19 cultivator, medical cannabis manufacturer, or clinical registrant in
20 the State; possess and utilize medical cannabis in the manufacture
21 and creation of medical cannabis products; and deliver, transfer,
22 transport, supply, or sell medical cannabis products and related
23 supplies to any medical cannabis manufacturer, medical cannabis
24 dispensary, or clinical registrant in the State.

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

42 (6) A medical cannabis cultivator shall not be limited in the
43 number of strains of medical cannabis cultivated, and a medical
44 cannabis manufacturer shall not be limited in the number or type of
45 medical cannabis products manufactured or created. A medical
46 cannabis manufacturer may package, and a medical cannabis
47 dispensary may directly dispense medical cannabis and medical
48 cannabis products to qualifying patients and their designated and

1 institutional caregivers in any authorized form. Authorized forms
2 shall include dried form, oral lozenges, topical formulations,
3 transdermal form, sublingual form, tincture form, or edible form, or
4 any other form as authorized by the commission. Edible form shall
5 include pills, tablets, capsules, drops or syrups, oils, chewable
6 forms, and any other form as authorized by the commission, except
7 that the edible forms made available to minor patients shall be
8 limited to forms that are medically appropriate for children,
9 including pills, tablets, capsules, chewable forms, and drops, oils,
10 syrups, and other liquids.

11 (7) Nonprofit medical cannabis cultivators, medical cannabis
12 manufacturers, and medical cannabis dispensaries need not be
13 recognized as a 501(c)(3) organization by the federal Internal
14 Revenue Service.

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

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

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

42 Any individual seeking to become a director, officer, or
43 employee of a medical cannabis cultivator, medical cannabis
44 manufacturer, medical cannabis dispensary, or clinical registrant,
45 after issuance of an initial permit shall notify the commission and
46 shall complete a criminal history record background check and
47 provide all information as may be required by the commission as a
48 condition of assuming a position as director, officer, or employee of

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

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

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

1 dispensary, or clinical registrant. An applicant shall bear the cost
2 for the criminal history record background check, including all
3 costs of administering and processing the check.

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

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

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

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

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

42 (6) Notwithstanding the provisions of subsection c. of this
43 section to the contrary, no applicant to be an owner, director,
44 officer, or employee of, or a significantly involved person in, a
45 medical cannabis cultivator, medical cannabis manufacturer,
46 medical cannabis dispensary, or clinical registrant shall be
47 disqualified on the basis of any conviction disclosed by a criminal
48 history record background check conducted pursuant to this section

1 if the individual has affirmatively demonstrated to the commission
2 clear and convincing evidence of rehabilitation. In determining
3 whether clear and convincing evidence of rehabilitation has been
4 demonstrated, the following factors shall be considered:

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

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

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

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

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

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

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

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

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

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

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

1 h. Each medical cannabis dispensary and clinical registrant
2 shall maintain and make available on its Internet website, if any, a
3 standard price list that shall apply to all medical cannabis, medical
4 cannabis products, and related supplies and paraphernalia sold or
5 dispensed by the medical cannabis dispensary or clinical registrant,
6 which prices shall be reasonable and consistent with the actual costs
7 incurred by the medical cannabis dispensary or clinical registrant in
8 connection with acquiring and selling, transferring, or dispensing
9 the medical cannabis or medical cannabis product and related
10 supplies and paraphernalia. The prices charged by the medical
11 cannabis dispensary or clinical registrant shall not deviate from the
12 prices indicated on the entity's current price list, provided that a
13 price list maintained by a medical cannabis dispensary or clinical
14 registrant may allow for medical cannabis to be made available at a
15 reduced price or without charge to qualifying patients who have a
16 demonstrated financial hardship, as that term shall be defined by the
17 commission by regulation. A price list required pursuant to this
18 subsection may be revised no more than once per month, and each
19 medical cannabis dispensary and clinical registrant shall be
20 responsible for ensuring that the commission has a copy of the
21 facility's current price list. A medical cannabis dispensary or
22 clinical registrant shall be liable to a civil penalty of \$1,000 for
23 each sale that occurs at a price that deviates from the entity's current
24 price list, and to a civil penalty of \$10,000 for each week during
25 which the entity's current price list is not on file with the
26 commission. Any civil penalties collected by the commission
27 pursuant to this section shall be deposited in the "Cannabis
28 Regulatory, Enforcement Assistance, and Marketplace
29 Modernization Fund" established under section 41 of P.L.2021, c.16
30 (C.24:6I-50), and used by the commission for the purposes of
31 administering the State medical cannabis program.

32 i. The commission shall adopt regulations to:

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

46 (2) monitor, oversee, and investigate all activities performed by
47 medical cannabis cultivators, medical cannabis manufacturers,
48 medical cannabis dispensaries, and clinical registrants;

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

4 (4) establish thresholds for administrative action to be taken
5 against a medical cannabis cultivator, medical cannabis
6 manufacturer, medical cannabis dispensary, or clinical registrant
7 and its employees, officers, investors, directors, or governing board
8 pursuant to subsection m. of this section, including, but not limited
9 to, specific penalties or disciplinary actions that may be imposed in
10 a summary proceeding.

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

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

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

1 assumed by the for-profit entity purchasing or acquiring the permit,
2 or a reserve fund is established for the purpose of paying in full the
3 debts and obligations of the nonprofit entity, and the for-profit
4 entity pays the full value of all assets held by the nonprofit entity,
5 as reflected on the nonprofit entity's balance sheet, in addition to the
6 agreed-upon price for the sale or transfer of the entity's alternative
7 treatment center permit. Until such time as the members of the
8 Cannabis Regulatory Commission are appointed and the
9 commission first organizes, the Department of Health shall have
10 full authority to approve a sale or transfer pursuant to this
11 paragraph.

12 (2) The sale or transfer of any interest of five percent or more in
13 a medical cannabis cultivator, medical cannabis manufacturer,
14 medical cannabis dispensary, or clinical registrant permit shall be
15 subject to approval by the commission and conditioned on the entity
16 that is purchasing or receiving transfer of the interest in the medical
17 cannabis cultivator, medical cannabis manufacturer, medical
18 cannabis dispensary, or clinical registrant permit completing a
19 criminal history record background check pursuant to the
20 requirements of subsection d. of this section.

21 l. No employee of any department, division, agency, board, or
22 other State, county, or local government entity involved in the
23 process of reviewing, processing, or making determinations with
24 regard to medical cannabis cultivator, medical cannabis
25 manufacturer, medical cannabis dispensary, or clinical registrant
26 permit applications shall have any direct or indirect financial
27 interest in the cultivating, manufacturing, or dispensing of medical
28 cannabis or related paraphernalia, or otherwise receive anything of
29 value from an applicant for a medical cannabis cultivator, medical
30 cannabis manufacturer, medical cannabis dispensary, or clinical
31 registrant permit in exchange for reviewing, processing, or making
32 any recommendations with respect to a permit application.

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

48 (cf: P.L.2023, c.162, s.3)

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

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

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

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

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

30 (2) The members of the commission shall be directly appointed
31 **【by the Governor】** as follows:

32 (a) One member shall be appointed **【upon recommendation of】**
33 by the Senate President;

34 (b) One member shall be appointed **【upon recommendation of】**
35 by the Speaker of the General Assembly;

36 (c) Three members, including the chair, shall be appointed
37 **【without any needed recommendation】** by the Governor.

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

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

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

25 (6) (a) The chair and other members of the commission shall
26 devote full time to their respective duties of office and shall not
27 pursue or engage in any other business, occupation, or gainful
28 employment. Each member shall receive an annual salary to be
29 fixed and established by the Governor, which for the chair shall not
30 exceed \$141,000, and for the other members shall not exceed
31 \$125,000.

32 (b) Notwithstanding subparagraph (a) of this paragraph, a
33 member may hold local elected office, provided that, in the
34 judgment of the State Ethics Commission and Local Finance Board
35 of the Department of Community Affairs, such office or
36 employment will not interfere with the member's responsibilities to
37 the commission, and will not create a conflict of interest, or
38 reasonable risk of the public perception of a conflict of interest, on
39 the part of the member.

40 (7) The members of the commission, at the commission's first
41 meeting when called by the chair, shall elect, by a majority of the
42 total authorized membership of the commission, one of the
43 members who is appointed based upon the recommendation of the
44 Senate President or Speaker of the General Assembly as set forth in
45 paragraph (2) of this subsection to serve as vice-chair during that
46 member's term. A new vice-chair shall be elected upon the
47 expiration of the current vice-chair's term, even if that member
48 remains on the commission until that member's successor is duly

1 appointed and qualified. The vice-chair shall be empowered to
2 carry out all of the responsibilities of the chair during the chair's
3 absence, disqualification, or inability to serve.

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

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

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

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

37 (a) The initial executive director shall be appointed by the
38 Governor, and thereafter every subsequent executive director shall
39 be appointed by the Governor with the advice and consent of the
40 Senate. The executive director shall serve at the pleasure of the
41 appointing Governor during the Governor's term of office and until
42 a successor has been duly appointed and qualified. Any vacancy in
43 the office occurring for any reason other than the expiration of a
44 term, including a vacancy occurring during the term of the initial
45 executive director, shall be filled for the unexpired term only in the
46 same manner as the appointment of any subsequent executive
47 director as set forth herein. The executive director shall receive an

1 annual salary to be fixed and established by the Governor, which
2 shall not exceed \$141,000.

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

9 (ii) If, as a result of transferring powers, duties, and
10 responsibilities with regard to the regulation and oversight of
11 activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
12 from the Department of Health to the commission pursuant to
13 subsection a. of this section, the commission needs to employ an
14 individual to fill a position, employees of the department who
15 performed the duties of the position to be filled shall be given a
16 one-time right of first refusal offer of employment with the
17 commission, and such employees may be removed by the
18 commission for cause or if deemed unqualified to hold the position,
19 notwithstanding any other provision of law to the contrary. A
20 department employee who becomes employed by the commission
21 shall retain as an employee of the commission the seniority, and all
22 rights related to seniority, that the employee had with the
23 department as of the last day of employment with the department;
24 provided, however, that such seniority and seniority rights shall be
25 retained only by an employee who was transferred from
26 employment with the department to employment with the
27 commission, and shall not be retained by an employee who was
28 removed from employment with the department due to layoff
29 procedures or who resigned from a position with the department
30 prior to being hired by the commission.

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

37 (3) The commission may incur additional expenses within the
38 limits of funds available to it in order to carry out its duties,
39 functions, and powers under P.L.2009, c.307 (C.24:6I-1 et al.) and
40 P.L.2021, c.16 (C.24:6I-31 et al.).

41 d. With respect to the activities of the commission, neither the
42 President of the Senate or the Speaker of the General Assembly
43 shall be permitted to appear or practice or act in any capacity
44 whatsoever before the commission regarding any matter
45 whatsoever, nor shall any member of the immediate family of the
46 Governor, President of the Senate, or Speaker of the General
47 Assembly be permitted to so practice or appear in any capacity
48 whatsoever before the commission regarding any matter

1 whatsoever. As used in this subsection, "immediate family" means
2 the spouse, domestic partner, or civil union partner, and any
3 dependent child or stepchild, recognized by blood or by law, of the
4 Governor, President of the Senate, or Speaker of the General
5 Assembly, or of the spouse, domestic partner, or civil union partner
6 residing in the same household as the Governor, President of the
7 Senate, or Speaker of the General Assembly.

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

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

16 (1) the commission's organization;

17 (2) the commission's regulation and enforcement activities;

18 (3) the overall effectiveness of the commission as a full time
19 entity; and

20 (4) whether the regulation and oversight of medical cannabis or
21 personal use cannabis could be more effectively and efficiently
22 managed through a reorganization of the commission, consolidation
23 of the commission within the Department of Health or another
24 Executive Branch department, conversion to a part-time
25 commission, or the transfer of some or all of the commission's
26 operations elsewhere within the Executive Branch.

27 The commission shall submit the findings of the independent
28 study, along with the commission's recommendations for
29 appropriate executive, administrative, or legislative action, to the
30 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
31 19.1), to the Legislature.²

32 (cf: P.L.2021, c.16, s.5)

33
34 ²3. Section 4 of P.L.1981, c.142 (C.52:13D-17.2) is amended to
35 read as follows:

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

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

47 (b) with respect to casino activity: any State officer or employee
48 subject to financial disclosure by law or executive order and any

1 other State officer or employee with responsibility for matters
2 affecting casino activity; any special State officer or employee with
3 responsibility for matters affecting casino activity; any member of
4 the Legislature; any full-time professional employee of the
5 Legislature; members of the Casino Reinvestment Development
6 Authority; or

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

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

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

36 b. (1) No State officer or employee, nor any person, nor any
37 member of the immediate family of any State officer or employee,
38 or person, nor any partnership, firm, or corporation with which any
39 such State officer or employee or person is associated or in which
40 he has an interest, nor any partner, officer, director, or employee
41 while he is associated with such partnership, firm, or corporation,
42 shall hold, directly or indirectly, an interest in, or hold employment
43 with, or represent, appear for, or negotiate on behalf of, any holder
44 of, or applicant for, a casino license, or any holding or intermediary
45 company with respect thereto, in connection with any cause,
46 application, or matter, except as provided in section 3 of P.L.2009,
47 c.26 (C.52:13D-17.3), and except that (a) a State officer or
48 employee other than a State officer or employee included in the

1 definition of person, and (b) a member of the immediate family of a
2 State officer or employee, or of a person, may hold employment
3 with the holder of, or applicant for, a casino license if, in the
4 judgment of the State Ethics Commission, the Joint Legislative
5 Committee on Ethical Standards, or the Supreme Court, as
6 appropriate, such employment will not interfere with the
7 responsibilities of the State officer or employee, or person, and will
8 not create a conflict of interest, or reasonable risk of the public
9 perception of a conflict of interest, on the part of the State officer or
10 employee, or person.

11 No special State officer or employee without responsibility for
12 matters affecting casino activity, excluding those serving in the
13 Departments of Education, Health, and Human Services and the
14 Office of the Secretary of Higher Education, shall hold, directly or
15 indirectly, an interest in any holder of, or applicant for, a casino
16 license, or any holding or intermediary company with respect
17 thereto. However, a special State officer or employee without
18 responsibility for matters affecting casino activity may hold
19 employment directly with, or may represent, appear for, or
20 negotiate on behalf of, any holder of or applicant for a casino
21 license or any holding or intermediary company thereof and if so
22 employed may hold, directly or indirectly, an interest in, or
23 represent, appear for, or negotiate on behalf of, that employer,
24 except as otherwise prohibited by law.

25 (2) No State officer or employee, nor any person, nor any
26 member of the immediate family of any State officer or employee,
27 or person, nor any partnership, firm, or corporation with which any
28 such State officer or employee or person is associated or in which
29 he has an interest, nor any partner, officer, director, or employee
30 while he is associated with such partnership, firm, or corporation,
31 shall hold, directly or indirectly, an interest in, or hold employment
32 with, or represent, appear for, or negotiate on behalf of, or derive
33 any remuneration, payment, benefit, or any other thing of value for
34 any services, including but not limited to consulting or similar
35 services, from any holder of, or applicant for, a license, permit, or
36 other approval to conduct Internet gaming, or any holding or
37 intermediary company with respect thereto, or any Internet gaming
38 affiliate of any holder of, or applicant for, a casino license, or any
39 holding or intermediary company with respect thereto, or any
40 business, association, enterprise, or other entity that is organized, in
41 whole or in part, for the purpose of promoting, advocating for, or
42 advancing the interests of the Internet gaming industry generally or
43 any Internet gaming-related business or businesses in connection
44 with any cause, application, or matter, except as provided in section
45 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State
46 officer or employee other than a State officer or employee included
47 in the definition of person, and (b) a member of the immediate
48 family of a State officer or employee, or of a person, may hold

1 employment with the holder of, or applicant for, a license, permit,
2 or other approval to conduct Internet gaming, or any holding or
3 intermediary company with respect thereto, or any Internet gaming
4 affiliate of any holder of, or applicant for, a casino license, or any
5 holding or intermediary company with respect thereto if, in the
6 judgment of the State Ethics Commission, the Joint Legislative
7 Committee on Ethical Standards, or the Supreme Court, as
8 appropriate, such employment will not interfere with the
9 responsibilities of the State officer or employee, or person, and will
10 not create a conflict of interest, or reasonable risk of the public
11 perception of a conflict of interest, on the part of the State officer or
12 employee, or person.

13 (3) No State officer or employee, nor any person, nor any
14 member of the immediate family of any State officer or employee,
15 or person, nor any partnership, firm, or corporation with which any
16 such State officer or employee or person is associated or in which
17 he has an interest, nor any partner, officer, director, or employee
18 while he is associated with such partnership, firm, or corporation,
19 shall hold, directly or indirectly, an interest in, or hold employment
20 with, or represent, appear for, or negotiate on behalf of, any holder
21 of, or applicant for, a medical cannabis cultivator, medical cannabis
22 manufacturer, medical cannabis dispensary, or clinical registrant
23 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any
24 entity that employs any certified medical cannabis handler to
25 perform transfers or deliveries of medical cannabis, or any holding
26 or intermediary company with respect thereto, or a cannabis
27 cultivator, cannabis manufacturer, cannabis wholesaler, cannabis
28 distributor, cannabis retailer, or cannabis delivery service license
29 issued pursuant to P.L.2021, c.16 (C.24:6I-31 et al.), or any entity
30 that employs or uses a certified personal use cannabis handler to
31 perform work for or on behalf of a licensed cannabis establishment,
32 distributor, or delivery service, or any holding or intermediary
33 company with respect thereto, in connection with any cause,
34 application, or matter, except as provided in section 3 of P.L.2009,
35 c.26 (C.52:13D-17.3), and except that (a) a State officer or
36 employee other than a State officer or employee included in the
37 definition of person, and (b) a member of the immediate family of a
38 State officer or employee, or of a person, may hold employment
39 with the holder of, or applicant for, a medical cannabis cultivator,
40 medical cannabis manufacturer, medical cannabis dispensary, or
41 clinical registrant permit or any entity that employs any certified
42 medical cannabis handler to perform transfers or deliveries of
43 medical cannabis, or a cannabis cultivator, cannabis manufacturer,
44 cannabis wholesaler, cannabis distributor, cannabis retailer, or
45 cannabis delivery service license or any entity that employs or uses
46 a certified personal use cannabis handler to perform work for or on
47 behalf of a licensed cannabis establishment, distributor, or delivery
48 service, if, in the judgment of the State Ethics Commission, the

1 Joint Legislative Committee on Ethical Standards, or the Supreme
2 Court, as appropriate, such employment will not interfere with the
3 responsibilities of the State officer or employee, or person, and will
4 not create a conflict of interest, or reasonable risk of the public
5 perception of a conflict of interest, on the part of the State officer or
6 employee, or person.

7 No special State officer or employee without responsibility for
8 matters affecting medical cannabis activity or personal use cannabis
9 activity, excluding those serving in the Departments of Education,
10 Health, and Human Services and the Office of the Secretary of
11 Higher Education, shall hold, directly or indirectly, an interest in
12 any holder of, or applicant for, a medical cannabis cultivator,
13 medical cannabis manufacturer, medical cannabis dispensary, or
14 clinical registrant permit or any entity that employs any certified
15 medical cannabis handler to perform transfers or deliveries of
16 medical cannabis, or any holding or intermediary company with
17 respect thereto, or a cannabis cultivator, cannabis manufacturer,
18 cannabis wholesaler, cannabis distributor, cannabis retailer, or
19 cannabis delivery service license or any entity that employs or uses
20 a certified personal use cannabis handler to perform work for or on
21 behalf of a licensed cannabis establishment, distributor, or delivery
22 service, or any holding or intermediary company with respect
23 thereto. However, a special State officer or employee without
24 responsibility for matters affecting medical cannabis activity or
25 personal use cannabis activity may hold employment directly with,
26 or may represent, appear for, or negotiate on behalf of, any holder
27 of or applicant for a medical cannabis cultivator, medical cannabis
28 manufacturer, medical cannabis dispensary, or clinical registrant
29 permit, or any entity that employs any certified medical cannabis
30 handler to perform transfers or deliveries of medical cannabis, or
31 any holding or intermediary company thereof, or a cannabis
32 cultivator, cannabis manufacturer, cannabis wholesaler, cannabis
33 distributor, cannabis retailer, or cannabis delivery service license or
34 any entity that employs or uses a certified personal use cannabis
35 handler to perform work for or on behalf of a licensed cannabis
36 establishment, distributor, or delivery service, or any holding or
37 intermediary company with respect thereto, and if so employed may
38 hold, directly or indirectly, an interest in, or represent, appear for,
39 or negotiate on behalf of, that employer, except as otherwise
40 prohibited by law.

41 c. (1) No person or any member of his immediate family, nor
42 any partnership, firm, or corporation with which such person is
43 associated or in which he has an interest, nor any partner, officer,
44 director, or employee while he is associated with such partnership,
45 firm or corporation, shall, within two years next subsequent to the
46 termination of the office or employment of such person, hold,
47 directly or indirectly, an interest in, or hold employment with, or
48 represent, appear for, or negotiate on behalf of, any holder of, or

1 applicant for, a casino license in connection with any cause,
2 application or matter, or any holding or intermediary company with
3 respect to such holder of, or applicant for, a casino license in
4 connection with any phase of casino development, permitting,
5 licensure, or any other matter whatsoever related to casino activity,
6 except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3),
7 and except that:

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

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

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

34 (c) any partnership, firm, or corporation engaged in the practice
35 of law or in providing any other professional services with which
36 any person included in subparagraphs (a) and (b) of paragraph (1)
37 of subsection a. of this section, or a member of the immediate
38 family of that person, is associated, and any partner, officer,
39 director, or employee thereof, other than that person, or immediate
40 family member, may represent, appear for or negotiate on behalf of
41 any holder of, or applicant for, a casino license in connection with
42 any cause, application or matter or any holding company or
43 intermediary company with respect to such holder of, or applicant
44 for, a casino license in connection with any phase of casino
45 development, permitting, licensure or any other matter whatsoever
46 related to casino activity, and that person or immediate family
47 member shall not be barred from association with such partnership,
48 firm or corporation, if for a period of two years next subsequent to

1 the termination of the person's office or employment, the person or
2 immediate family member (i) is screened from personal
3 participation in any such representation, appearance or negotiation;
4 and (ii) is associated with the partnership, firm or corporation in a
5 position which does not entail any equity interest in the partnership,
6 firm or corporation. The exception provided in this subparagraph
7 shall not apply to a former Governor, Lieutenant Governor,
8 Attorney General, member of the Legislature, person included in
9 subparagraph (a) of paragraph (2) of subsection a. of this section, or
10 to the members of their immediate families.

11 (2) No person or any member of the person's immediate family,
12 nor any partnership, firm, or corporation with which such person is
13 associated or in which the person has an interest, nor any partner,
14 officer, director, or employee while the person is associated with
15 such partnership, firm, or corporation, shall, within two years next
16 subsequent to the termination of the office or employment of such
17 person, hold, directly or indirectly, an interest in, or hold
18 employment with, or represent, appear for, or negotiate on behalf
19 of, any holder of, or applicant for, a medical cannabis cultivator,
20 medical cannabis manufacturer, medical cannabis dispensary, or
21 clinical registrant permit issued pursuant to P.L.2009, c.307
22 (C.24:6I-1 et al.) or any entity that employs any certified medical
23 cannabis handler to perform transfers or deliveries of medical
24 cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis
25 wholesaler, cannabis distributor, cannabis retailer, or cannabis
26 delivery service license issued pursuant to P.L.2021, c.16 (C.24:6I-
27 31 et al.) or any entity that employs or uses a certified personal use
28 cannabis handler to perform work for or on behalf of a licensed
29 cannabis establishment, distributor, or delivery service in
30 connection with any cause, application, or matter, or any holding or
31 intermediary company with respect to such holder of, or applicant
32 for, a medical cannabis cultivator, medical cannabis manufacturer,
33 medical cannabis dispensary, or clinical registrant permit or any
34 entity that employs any certified medical cannabis handler to
35 perform transfers or deliveries of medical cannabis, or a cannabis
36 cultivator, cannabis manufacturer, cannabis wholesaler, cannabis
37 distributor, cannabis retailer, or cannabis delivery service license or
38 any entity that employs or uses a certified personal use cannabis
39 handler to perform work for or on behalf of a licensed cannabis
40 establishment, distributor, or delivery service in connection with
41 any phase of development, permitting, licensure, or any other
42 matter whatsoever related to medical cannabis activity or personal
43 use cannabis activity, except as provided in section 3 of P.L.2009,
44 c.26 (C.52:13D-17.3), and except that:

45 (a) a member of the immediate family of a person may hold
46 employment with the holder of, or applicant for, a medical cannabis
47 cultivator, medical cannabis manufacturer, medical cannabis
48 dispensary, or clinical registrant permit issued pursuant to P.L.2009,

1 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
2 medical cannabis handler to perform transfers or deliveries of
3 medical cannabis, or a cannabis cultivator, cannabis manufacturer,
4 cannabis wholesaler, cannabis distributor, cannabis retailer, or
5 cannabis delivery service license issued pursuant to P.L.2021, c.16
6 (C.24:6I-31 et al.) or any entity that employs or uses a certified
7 personal use cannabis handler to perform work for or on behalf of a
8 licensed cannabis establishment, distributor, or delivery service if,
9 in the judgment of the State Ethics Commission, the Joint
10 Legislative Committee on Ethical Standards, or the Supreme Court,
11 as appropriate, such employment will not interfere with the
12 responsibilities of the person and will not create a conflict of
13 interest, or reasonable risk of the public perception of a conflict of
14 interest, on the part of the person;

15 (b) an employee who is terminated as a result of a reduction in
16 the workforce at the agency where employed, other than an
17 employee who held a policy-making management position at any
18 time during the five years prior to termination of employment, may,
19 at any time prior to the end of the two-year period, accept
20 employment with the holder of, or applicant for, a medical cannabis
21 cultivator, medical cannabis manufacturer, medical cannabis
22 dispensary, or clinical registrant permit or any entity that employs
23 any certified medical cannabis handler to perform transfers or
24 deliveries of medical cannabis, or a cannabis cultivator, cannabis
25 manufacturer, cannabis wholesaler, cannabis distributor, cannabis
26 retailer, or cannabis delivery service license or any entity that
27 employs or uses a certified personal use cannabis handler to
28 perform work for or on behalf of a licensed cannabis establishment,
29 distributor, or delivery service if, in the judgment of the State Ethics
30 Commission, the Joint Legislative Committee on Ethical Standards,
31 or the Supreme Court, as appropriate, such employment will not
32 create a conflict of interest, or reasonable risk of the public
33 perception of a conflict of interest, on the part of the employee. In
34 no case shall the restrictions of this subsection apply to a secretarial
35 or clerical employee. Nothing herein contained shall alter or amend
36 the post-service or post-employment restrictions applicable to
37 members and employees of the Cannabis Regulatory Commission
38 pursuant to paragraph (2) of subsection c. of section 34 and section
39 35 of P.L.2019, c.153 (C.24:6I-27 and C.24:6I-28); and

40 (c) any partnership, firm, or corporation engaged in the practice
41 of law or in providing any other professional services with which
42 any person included in subparagraphs (a) and (c) of paragraph (1) of
43 subsection a. of this section, or a member of the immediate family
44 of that person, is associated, and any partner, officer, director, or
45 employee thereof, other than that person, or immediate family
46 member, may represent, appear for, or negotiate on behalf of any
47 holder of, or applicant for, a medical cannabis cultivator, medical
48 cannabis manufacturer, medical cannabis dispensary, or clinical

1 registrant permit or any entity that employs any certified medical
2 cannabis handler to perform transfers or deliveries of medical
3 cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis
4 wholesaler, cannabis distributor, cannabis retailer, or cannabis
5 delivery service license or any entity that employs or uses a
6 certified personal use cannabis handler to perform work for or on
7 behalf of a licensed cannabis establishment, distributor, or delivery
8 service in connection with any cause, application, or matter or any
9 holding company or intermediary company with respect to such
10 holder of, or applicant for, a medical cannabis cultivator, medical
11 cannabis manufacturer, medical cannabis dispensary, or clinical
12 registrant permit or any entity that employs any certified medical
13 cannabis handler to perform transfers or deliveries of medical
14 cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis
15 wholesaler, cannabis distributor, cannabis retailer, or cannabis
16 delivery service license or any entity that employs or uses a
17 certified personal use cannabis handler to perform work for or on
18 behalf of a licensed cannabis establishment, distributor, or delivery
19 service in connection with any phase of development, permitting,
20 licensing, or any other matter whatsoever related to medical
21 cannabis activity or personal use cannabis activity, and that person
22 or immediate family member shall not be barred from association
23 with such partnership, firm, or corporation, if for a period of **two**
24 **years** one year next subsequent to the termination of the person's
25 office or employment, the person or immediate family member
26 **[(i)]** is screened from personal participation in any such
27 representation, appearance or negotiation**;** and (ii) is associated
28 with the partnership, firm, or corporation in a position which does
29 not entail any equity interest in the partnership, firm, or
30 corporation**].** The exception provided in this subparagraph shall
31 not apply to a former Governor, Lieutenant Governor, Attorney
32 General, the President of the Senate, the Speaker of the General
33 Assembly, to a person included in subparagraph (b) of paragraph
34 (2) of subsection a. of this section, or to the members of their
35 immediate families.

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

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

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

12 (2) No person shall solicit or accept, directly or indirectly, any
13 complimentary service or discount from any holder of, or applicant
14 for, a medical cannabis cultivator, medical cannabis manufacturer,
15 medical cannabis dispensary, or clinical registrant permit issued
16 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that
17 employs any certified medical cannabis handler to perform transfers
18 or deliveries of medical cannabis, or a cannabis cultivator, cannabis
19 manufacturer, cannabis wholesaler, cannabis distributor, cannabis
20 retailer, or cannabis delivery service license issued pursuant to
21 P.L.2021, c.16 (C.24:6I-31 et al.) or any entity that employs or uses
22 a certified personal use cannabis handler to perform work for or on
23 behalf of a licensed cannabis establishment, distributor, or delivery
24 service which the person knows or has reason to know is other than
25 a service or discount that is offered to members of the general
26 public in like circumstance.

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

38 (2) No person shall influence, or attempt to influence, by use of
39 the person's official authority, the decision of the Cannabis
40 Regulatory Commission in any application for a medical cannabis
41 cultivator, medical cannabis manufacturer, medical cannabis
42 dispensary, or clinical registrant permit, or a cannabis cultivator,
43 cannabis manufacturer, cannabis wholesaler, cannabis distributor,
44 cannabis retailer, or cannabis delivery service license, or in any
45 proceeding to enforce the provisions of P.L.1981, c.142 (C.52:13D-
46 17.2 et al.), P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2021, c.16
47 (C.24:6I-31 et al.), or the regulations of the Cannabis Regulatory
48 Commission. Any such attempt shall be promptly reported to the

1 Attorney General; provided, however, that nothing in this section
2 shall be deemed to proscribe a request for information by any
3 person concerning the status of any permit or license application, or
4 any proceeding to enforce the provisions of P.L.1981, c.142
5 (C.52:13D-17.2 et al.), P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2021,
6 c.16 (C.24:6I-31 et al.), or the regulations of the Cannabis
7 Regulatory Commission.

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

11 In addition, for violations of subsection c. of this section
12 occurring after the effective date of P.L.2005, c.382, a civil penalty
13 of not less than \$500 nor more than \$10,000 shall be imposed upon
14 a former State officer or employee or former special State officer or
15 employee of a State agency in the Executive Branch upon a finding
16 of a violation by the State Ethics Commission, which penalty may
17 be collected in a summary proceeding pursuant to the "Penalty
18 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).²
19 (cf: P.L.2023, c.291, s.1)
20

21 ²[2.] 4.² This act shall take effect immediately.
22
23
24
25

26 Concerns satellite cannabis dispensaries, Cannabis Regulatory
27 Commission membership, and post-employment restrictions on
28 State employees.

CHAPTER 86

AN ACT concerning satellite locations of medical cannabis dispensaries, Cannabis Regulatory Commission membership, and employment rights of State employees, and amending P.L.2009, c.307, P.L.2019, c.153, and P.L.1981, c.142.

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

1. 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 subsubparagraph (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 subsubparagraph 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) (i) 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. An alternative treatment center which has been issued a permit to dispense medical cannabis from a medical cannabis dispensary shall be authorized to maintain up to two satellite dispensaries. A medical cannabis dispensary seeking to establish a satellite dispensary location shall obtain commission approval in accordance with P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2021, c.16 (C.24:6I-31 et al.) and, upon commission approval, shall be authorized to establish and maintain up to two satellite dispensary locations.

(ii) Notwithstanding the provisions of subsubparagraph (i) of this subparagraph, an investor, investor group, or fund that provides significant financial or technical assistance or the significant use of intellectual property, or a combination thereof, to an applicant for a medical cannabis dispensary permit, which applicant has been certified as a minority business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.), a women's business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.), or is a disabled-veterans' business, as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), may own up to a 35 percent interest in up to seven entities that have been issued a medical cannabis dispensary permit, provided that each such medical cannabis dispensary is a certified minority or women's business or a disabled-veterans' business, and the terms of the agreement to provide significant financial or technical assistance or the significant use of intellectual property, or a combination thereof, whether provided in the form of equity, a loan, or otherwise, including interest rates, returns, and fees, are commercially reasonable based on the terms generally provided to comparable businesses. The terms of the agreement for the provision of significant financial or technical assistance or the significant use of intellectual property, or a combination thereof, may include performance, quality, and other requirements as a condition of providing the financial or technical assistance or use of intellectual property. An applicant for a medical cannabis dispensary permit that has or will receive significant financial or technical assistance or the significant use of intellectual property under this subsubparagraph shall include with the permit application materials submitted to the commission a copy of the agreement to provide significant financial or technical assistance or significant use of intellectual property, or a combination thereof, which

agreement shall be subject to review by the commission as provided in subsection f. of section 11 of P.L.2019, c.153 (C.24:6I-7.1).

An applicant for a medical cannabis dispensary permit that receives significant financial or technical assistance or the significant use of intellectual property under this subsubparagraph shall pay back to the investor, investor group, or fund the full value of the financial or technical assistance or intellectual property provided under the agreement, plus any applicable interest and fees, in a period not less than five years after the date of the agreement if the full value of the assistance or property is less than \$100,000, in a period not less than seven years after the date of the agreement if the full value of the assistance or property is between \$100,001 and \$250,000, in a period not less than 10 years after the date of agreement if the full value of the assistance or property is between \$250,001 and \$500,000, and, subject to any terms and conditions imposed by a lender, in a period not less than 10 years after the date of the agreement if the full value of the assistance or property is greater than \$500,000. An investor, investor group, or fund that has acquired an ownership interest in one or more entities that have been issued a medical cannabis dispensary permit as authorized under this subsubparagraph may maintain the ownership interest after the date the full value of the financial or technical assistance or use of intellectual property provided under the agreement, plus interest and fees, has been repaid by the applicant that received the assistance or use of intellectual property.

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

An entity issued a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary permit, or an individual associated with the ownership or management of such entity, may invest in or participate in an investor group or a fund that meets the requirements of this subsubparagraph with respect to a Class 5 cannabis retailer license or an alternative treatment center permit.

(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.

2. 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 directly appointed as follows:

(a) One member shall be appointed by the Senate President;

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

(c) Three members, including the chair, shall be appointed by the Governor.

(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) (a) 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.

(b) Notwithstanding subparagraph (a) of this paragraph, a member may hold local elected office, provided that, in the judgment of the State Ethics Commission and Local Finance Board of the Department of Community Affairs, such office or employment will not interfere with the member's responsibilities to the commission, 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 member.

(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.

3. 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 any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto. However, a special State officer or employee without responsibility for matters affecting casino activity may hold employment directly with, or may represent, appear for, or negotiate on behalf of, 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 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. 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, or 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 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 one year next subsequent to the termination of the person's office or employment, the person or immediate family member is screened from personal participation in any such representation, appearance or negotiation. 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.).

4. This act shall take effect immediately.

Approved July 1, 2025.

ASSEMBLY, No. 4937

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED OCTOBER 21, 2024

Sponsored by:

Assemblyman REGINALD W. ATKINS

District 20 (Union)

Assemblywoman SHANIQUE SPEIGHT

District 29 (Essex and Hudson)

Assemblywoman LUANNE M. PETERPAUL

District 11 (Monmouth)

Co-Sponsored by:

Assemblywoman Donlon

SYNOPSIS

Removes prohibition on medical cannabis dispensaries establishing satellite locations.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/6/2025)

1 AN ACT concerning satellite locations of medical cannabis
2 dispensaries and amending P.L.2009, 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
8 as 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
13 include a conditional permit issued pursuant to subsection d. of
14 section 11 of P.L.2019, c.153 (C.24:6I-7.1) and any permit issued to
15 a 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
21 type; 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
27 alternative treatment centers issued a permit subsequent to the
28 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an
29 application submitted prior to the effective date of P.L.2019, c.153
30 (C.24:6I-5.1 et al.); provided that medical cannabis cultivator
31 permits issued to microbusinesses pursuant to subsection e. of
32 section 11 of P.L.2019, c.153 (C.24:6I-7.1) shall not count toward
33 this limit.

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

45 (c) (i) The provisions of subparagraph (a) of this paragraph shall
46 not apply to any alternative treatment center that was issued a

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

21 (ii) In addition, each of the alternative treatment centers
22 described in subsubparagraph (i) of this subparagraph, to which the
23 provisions of subparagraph (a) of this paragraph shall not apply,
24 shall, upon the adoption of the initial rules and regulations by the
25 commission pursuant to subparagraph (a) of paragraph (1) of
26 subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34), be
27 deemed to either concurrently hold a Class 1 Cannabis Cultivator
28 license, a Class 2 Cannabis Manufacturer License, a Class 5
29 Cannabis Retailer license, plus an additional Class 5 Cannabis
30 Retailer license for each satellite dispensary authorized and
31 established by the alternative treatment center pursuant to
32 subparagraph (d) of this paragraph, and a Class 6 Cannabis Delivery
33 license, or hold a Class 3 Cannabis Wholesaler license, and may
34 also be deemed to hold a Class 4 Cannabis Distributor license. Any
35 alternative treatment center deemed to hold one or more licenses as
36 described in this subsubparagraph may begin to operate as any
37 authorized class of cannabis establishment, or establishment and
38 delivery service, or as a cannabis wholesaler and distributor, upon
39 receipt of written approval from the municipality in which the
40 proposed establishment or delivery service, or distributor is to be
41 located and obtaining an initial license or licenses, as applicable,
42 issued by the commission pursuant to paragraph (3) of subsection a.
43 of section 33 of P.L.2021, c.16 (C.24:6I-46).

44 (d) (i) No entity may be issued or concurrently hold more than
45 one medical cannabis cultivator permit, one medical cannabis
46 manufacturer permit, or one medical cannabis dispensary permit at
47 one time, and no medical cannabis dispensary shall be authorized
48 to establish a satellite location on or after the effective date of

1 P.L.2019, c.153 (C.24:6I-5.1 et al.),~~1~~. ~~【except that an】~~ An
2 alternative treatment center that was issued a permit prior to the
3 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) or that was
4 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
5 5.1 et al.) pursuant to an application submitted prior to the effective
6 date of P.L.2019, c.153 (C.24:6I-5.1 et al.) shall be authorized to
7 maintain up to two satellite dispensaries, including any satellite
8 dispensary that was approved pursuant to an application submitted
9 prior to or within 18 months after the effective date of P.L.2019,
10 c.153 (C.24:6I-5.1 et al.). The three alternative treatment centers
11 issued permits pursuant to section 11 of P.L.2019, c.153 (C.24:6I-
12 7.1) that are expressly exempt from the provisions of
13 subsubparagraph (i) of subparagraph (a) of this paragraph shall be
14 authorized to establish and maintain up to one satellite dispensary
15 location, provided that the satellite dispensary was approved
16 pursuant to an application submitted within 18 months after the
17 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.). A medical
18 cannabis dispensary seeking to establish a satellite dispensary
19 location shall obtain commission approval in accordance with
20 P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2021, c.16 (C.24:6I-31 et
21 al.) and, upon commission approval, shall be authorized to establish
22 and maintain up to one satellite dispensary location.

23 (ii) Notwithstanding the provisions of subsubparagraph (i) of
24 this subparagraph, an investor, investor group, or fund that provides
25 significant financial or technical assistance or the significant use of
26 intellectual property, or a combination thereof, to an applicant for a
27 medical cannabis dispensary permit, which applicant has been
28 certified as a minority business pursuant to P.L.1986, c.195
29 (C.52:27H-21.18 et seq.), a women's business pursuant to P.L.1986,
30 c.195 (C.52:27H-21.18 et seq.), or is a disabled-veterans' business,
31 as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), may own
32 up to a 35 percent interest in up to seven entities that have been
33 issued a medical cannabis dispensary permit, provided that each
34 such medical cannabis dispensary is a certified minority or women's
35 business or a disabled-veterans' business, and the terms of the
36 agreement to provide significant financial or technical assistance or
37 the significant use of intellectual property, or a combination thereof,
38 whether provided in the form of equity, a loan, or otherwise,
39 including interest rates, returns, and fees, are commercially
40 reasonable based on the terms generally provided to comparable
41 businesses. The terms of the agreement for the provision of
42 significant financial or technical assistance or the significant use of
43 intellectual property, or a combination thereof, may include
44 performance, quality, and other requirements as a condition of
45 providing the financial or technical assistance or use of intellectual
46 property. An applicant for a medical cannabis dispensary permit
47 that has or will receive significant financial or technical assistance
48 or the significant use of intellectual property under this

1 subsubparagraph shall include with the permit application materials
2 submitted to the commission a copy of the agreement to provide
3 significant financial or technical assistance or significant use of
4 intellectual property, or a combination thereof, which agreement
5 shall be subject to review by the commission as provided in
6 subsection f. of section 11 of P.L.2019, c.153 (C.24:6I-7.1).

7 An applicant for a medical cannabis dispensary permit that
8 receives significant financial or technical assistance or the
9 significant use of intellectual property under this subsubparagraph
10 shall pay back to the investor, investor group, or fund the full value
11 of the financial or technical assistance or intellectual property
12 provided under the agreement, plus any applicable interest and fees,
13 in a period not less than five years after the date of the agreement if
14 the full value of the assistance or property is less than \$100,000, in
15 a period not less than seven years after the date of the agreement if
16 the full value of the assistance or property is between \$100,001 and
17 \$250,000, in a period not less than 10 years after the date of
18 agreement if the full value of the assistance or property is between
19 \$250,001 and \$500,000, and, subject to any terms and conditions
20 imposed by a lender, in a period not less than 10 years after the date
21 of the agreement if the full value of the assistance or property is
22 greater than \$500,000. An investor, investor group, or fund that has
23 acquired an ownership interest in one or more entities that have
24 been issued a medical cannabis dispensary permit as authorized
25 under this subsubparagraph may maintain the ownership interest
26 after the date the full value of the financial or technical assistance
27 or use of intellectual property provided under the agreement, plus
28 interest and fees, has been repaid by the applicant that received the
29 assistance or use of intellectual property.

30 In no case may the controlling interest in the entity that holds a
31 medical cannabis dispensary permit in which an investor, investor
32 group, or fund owns an interest as authorized under this
33 subsubparagraph revert to the investor, investor group, or fund in
34 the event of a default or failure by the certified minority or women's
35 business or disabled-veterans' business, as applicable, and any such
36 controlling interest may only be transferred to a certified minority
37 or women's business or a disabled-veterans' business.

38 An entity issued a medical cannabis cultivator, medical cannabis
39 manufacturer, or medical cannabis dispensary permit, or an
40 individual associated with the ownership or management of such
41 entity, may invest in or participate in an investor group or a fund
42 that meets the requirements of this subsubparagraph with respect to
43 a Class 5 cannabis retailer license or an alternative treatment center
44 permit.

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

1 clinical registrant permit pursuant to section 13 of P.L.2019, c.153
2 (C.24:6I-7.3) may concurrently hold a medical cannabis cultivator
3 permit, a medical cannabis manufacturer permit, or a medical
4 cannabis dispensary permit.

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

9 (g) An alternative treatment center that was issued a permit prior
10 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that was
11 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
12 5.1 et al.) pursuant to an application submitted pursuant to a request
13 for applications published in the New Jersey Register prior to the
14 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was
15 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
16 5.1 et al.) pursuant to an application submitted prior to the effective
17 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), shall be required to
18 submit an attestation signed by a bona fide labor organization
19 stating that the alternative treatment center has entered into a labor
20 peace agreement with such bona fide labor organization no later
21 than 100 days after the effective date of P.L.2019, c.153 (C.24:6I-
22 5.1 et al.) or no later than 100 days after the date the alternative
23 treatment center first opens, whichever date is later. The
24 maintenance of a labor peace agreement with a bona fide labor
25 organization shall be an ongoing material condition of maintaining
26 the alternative treatment center's permit. The failure to submit an
27 attestation as required pursuant to this subparagraph within 100
28 days after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)
29 or within 100 days after the alternative treatment center first opens,
30 as applicable, shall result in the suspension or revocation of the
31 alternative treatment center's permit, provided that the commission
32 may grant an extension to this deadline to the alternative treatment
33 center based upon extenuating circumstances or for good cause
34 shown.

35 As used in this subparagraph, "bona fide labor organization"
36 means a labor organization of any kind or employee representation
37 committee, group, or association, in which employees participate
38 and which exists and is constituted for the purpose, in whole or in
39 part, of collective bargaining or otherwise dealing with medical or
40 personal use cannabis employers concerning grievances, labor
41 disputes, terms or conditions of employment, including wages and
42 rates of pay, or other mutual aid or protection in connection with
43 employment, and may be characterized by: it being a party to one or
44 more executed collective bargaining agreements with medical or
45 personal use cannabis employers, in this State or another state; it
46 having a written constitution or bylaws in the three immediately
47 preceding years; it filing the annual financial report required of
48 labor organizations pursuant to subsection (b) of 29 U.S.C. s.431, or

1 it having at least one audited financial report in the three
2 immediately preceding years; it being affiliated with any regional or
3 national association of unions, including but not limited to state and
4 federal labor councils; or it being a member of a national labor
5 organization that has at least 500 general members in a majority of
6 the 50 states of the United States.

7 (h) An alternative treatment center that was issued a permit prior
8 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that was
9 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
10 5.1 et al.) pursuant to an application submitted pursuant to a request
11 for applications published in the New Jersey Register prior to the
12 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was
13 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
14 5.1 et al.) pursuant to an application submitted prior to the effective
15 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), shall be permitted to
16 cultivate from up to two physical locations, provided that the
17 alternative treatment center's combined mature cannabis plant grow
18 canopy between both locations shall not exceed 150,000 square feet
19 of bloom space or the square footage of canopy permitted under the
20 largest tier in the tiered system adopted by the commission pursuant
21 to paragraph (2) of subsection b. of section 21 of P.L.2021, c.16
22 (C.24:6I-38).

23 (3) The commission shall seek to ensure the availability of a
24 sufficient number of medical cannabis cultivators, medical cannabis
25 manufacturers, and medical cannabis dispensaries throughout the
26 State, pursuant to need, including at least two each in the northern,
27 central, and southern regions of the State. Medical cannabis
28 cultivators, medical cannabis manufacturers, and medical cannabis
29 dispensaries issued permits pursuant to this section may be
30 nonprofit or for-profit entities.

31 (4) The commission shall periodically evaluate whether the
32 number of medical cannabis cultivator, medical cannabis
33 manufacturer, and medical cannabis dispensary permits issued are
34 sufficient to meet the needs of qualifying patients in the State, and
35 shall accept new applications and issue such additional permits as
36 shall be necessary to meet those needs. The types of permits
37 requested and issued, and the locations of any additional permits
38 that are authorized, shall be in the discretion of the commission
39 based on the needs of qualifying patients in the State.

40 (5) (a) A medical cannabis cultivator shall be authorized to:
41 acquire a reasonable initial and ongoing inventory, as determined
42 by the commission, of cannabis seeds or seedlings and
43 paraphernalia; possess, cultivate, plant, grow, harvest, and package
44 medical cannabis, including prerolled forms, for any authorized
45 purpose, including, but not limited to, research purposes; and
46 deliver, transfer, transport, distribute, supply, or sell medical
47 cannabis and related supplies to any medical cannabis cultivator,
48 medical cannabis manufacturer, medical cannabis dispensary, or

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

6 (b) A medical cannabis manufacturer shall be authorized to:
7 purchase or acquire medical cannabis from any medical cannabis
8 cultivator, medical cannabis manufacturer, or clinical registrant in
9 the State; possess and utilize medical cannabis in the manufacture
10 and creation of medical cannabis products; and deliver, transfer,
11 transport, supply, or sell medical cannabis products and related
12 supplies to any medical cannabis manufacturer, medical cannabis
13 dispensary, or clinical registrant in the State.

14 (c) A medical cannabis dispensary shall be authorized to:
15 purchase or acquire medical cannabis from any medical cannabis
16 cultivator, medical cannabis dispensary, or clinical registrant in the
17 State and medical cannabis products and related supplies from any
18 medical cannabis manufacturer, medical cannabis dispensary, or
19 clinical registrant in the State; purchase or acquire paraphernalia
20 from any legal source; and distribute, supply, sell, or dispense
21 medical cannabis, medical cannabis products, paraphernalia, and
22 related supplies to qualifying patients or their designated or
23 institutional caregivers who are registered with the commission
24 pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4). A medical
25 cannabis dispensary may furnish medical cannabis, medical
26 cannabis products, paraphernalia, and related supplies to a medical
27 cannabis handler for delivery to a registered qualifying patient,
28 designated caregiver, or institutional caregiver consistent with the
29 requirements of subsection i. of section 27 of P.L.2019, c.153
30 (C.24:6I-20).

31 (6) A medical cannabis cultivator shall not be limited in the
32 number of strains of medical cannabis cultivated, and a medical
33 cannabis manufacturer shall not be limited in the number or type of
34 medical cannabis products manufactured or created. A medical
35 cannabis manufacturer may package, and a medical cannabis
36 dispensary may directly dispense medical cannabis and medical
37 cannabis products to qualifying patients and their designated and
38 institutional caregivers in any authorized form. Authorized forms
39 shall include dried form, oral lozenges, topical formulations,
40 transdermal form, sublingual form, tincture form, or edible form, or
41 any other form as authorized by the commission. Edible form shall
42 include pills, tablets, capsules, drops or syrups, oils, chewable
43 forms, and any other form as authorized by the commission, except
44 that the edible forms made available to minor patients shall be
45 limited to forms that are medically appropriate for children,
46 including pills, tablets, capsules, chewable forms, and drops, oils,
47 syrups, and other liquids.

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

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

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

26 d. (1) The commission shall require each applicant seeking a
27 permit to operate as, to be a director, officer, or employee of, or to
28 be a significantly involved person in, a medical cannabis cultivator,
29 medical cannabis manufacturer, medical cannabis dispensary, or
30 clinical registrant to undergo a criminal history record background
31 check.

32 Any individual seeking to become a director, officer, or
33 employee of a medical cannabis cultivator, medical cannabis
34 manufacturer, medical cannabis dispensary, or clinical registrant,
35 after issuance of an initial permit shall notify the commission and
36 shall complete a criminal history record background check and
37 provide all information as may be required by the commission as a
38 condition of assuming a position as director, officer, or employee of
39 the permitted entity. An individual who secures an investment
40 interest or gains the authority to make controlling decisions in a
41 permitted entity that makes the individual a significantly involved
42 person shall notify the commission, complete a criminal history
43 record background check, and provide all information as may be
44 required by the commission no later than 30 days after the date the
45 individual becomes a significantly involved person, or any permit
46 issued to the individual or group of which the significantly involved
47 person is a member shall be revoked and the individual or group
48 shall be deemed ineligible to hold any ownership or investment

1 interest in a medical cannabis cultivator, medical cannabis
2 manufacturer, medical cannabis dispensary, or clinical registrant for
3 a period of at least two years, commencing from the date of
4 revocation, and for such additional period of time as the
5 commission deems appropriate, based on the duration of the
6 nondisclosure, the size of the individual's or group's investment
7 interest in the permitted entity, the amount of profits, revenue, or
8 income realized by the individual or group from the permitted entity
9 during the period of nondisclosure, and whether the individual had a
10 disqualifying conviction or would otherwise have been deemed
11 ineligible to be a significantly involved person in a medical
12 cannabis cultivator, medical cannabis manufacturer, medical
13 cannabis dispensary, or clinical registrant.

14 For purposes of this section, the term "applicant" shall include
15 any owner, director, officer, or employee of, and any significantly
16 involved person in, a medical cannabis cultivator, medical cannabis
17 manufacturer, medical cannabis dispensary, or clinical registrant.
18 The commission is authorized to exchange fingerprint data with and
19 receive criminal history record background information from the
20 Division of State Police and the Federal Bureau of Investigation
21 consistent with the provisions of applicable State and federal laws,
22 rules, and regulations. The Division of State Police shall forward
23 criminal history record background information to the commission
24 in a timely manner when requested pursuant to the provisions of
25 this section.

26 An applicant who is required to undergo a criminal history
27 record background check pursuant to this section shall submit to
28 being fingerprinted in accordance with applicable State and federal
29 laws, rules, and regulations. No check of criminal history record
30 background information shall be performed pursuant to this section
31 unless the applicant has furnished the applicant's written consent to
32 that check. An applicant who is required to undergo a criminal
33 history record background check pursuant to this section who
34 refuses to consent to, or cooperate in, the securing of a check of
35 criminal history record background information shall not be
36 considered for a permit to operate, or authorization to be employed
37 at or to be a significantly involved person in, a medical cannabis
38 cultivator, medical cannabis manufacturer, medical cannabis
39 dispensary, or clinical registrant. An applicant shall bear the cost
40 for the criminal history record background check, including all
41 costs of administering and processing the check.

42 (2) The commission shall not approve an applicant for a permit
43 to operate, or authorization to be employed at or to be a
44 significantly involved person in, a medical cannabis cultivator,
45 medical cannabis manufacturer, medical cannabis dispensary, or
46 clinical registrant if the criminal history record background
47 information of the applicant reveals a disqualifying conviction as
48 set forth in subsection c. of this section.

1 (3) Upon receipt of the criminal history record background
2 information from the Division of State Police and the Federal
3 Bureau of Investigation, the commission shall provide written
4 notification to the applicant of the applicant's qualification or
5 disqualification for a permit to operate or be a director, officer, or
6 employee of, or a significantly involved person in, a medical
7 cannabis cultivator, medical cannabis manufacturer, medical
8 cannabis dispensary, or clinical registrant.

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

13 (4) The Division of State Police shall promptly notify the
14 commission in the event that an individual who was the subject of a
15 criminal history record background check conducted pursuant to
16 this section is convicted of a crime or offense in this State after the
17 date the background check was performed. Upon receipt of that
18 notification, the commission shall make a determination regarding
19 the continued eligibility to operate or be a director, officer, or
20 employee of, or a significantly involved person in, a medical
21 cannabis cultivator, medical cannabis manufacturer, medical
22 cannabis dispensary, or clinical registrant.

23 (5) Notwithstanding the provisions of subsection c. of this
24 section to the contrary, the commission may offer provisional
25 authority for an applicant to be an owner, director, officer, or
26 employee of, or a significantly involved person in, a medical
27 cannabis cultivator, medical cannabis manufacturer, medical
28 cannabis dispensary, or clinical registrant for a period not to exceed
29 three months if the applicant submits to the commission a sworn
30 statement attesting that the person has not been convicted of any
31 disqualifying conviction pursuant to this section.

32 (6) Notwithstanding the provisions of subsection c. of this
33 section to the contrary, no applicant to be an owner, director,
34 officer, or employee of, or a significantly involved person in, a
35 medical cannabis cultivator, medical cannabis manufacturer,
36 medical cannabis dispensary, or clinical registrant shall be
37 disqualified on the basis of any conviction disclosed by a criminal
38 history record background check conducted pursuant to this section
39 if the individual has affirmatively demonstrated to the commission
40 clear and convincing evidence of rehabilitation. In determining
41 whether clear and convincing evidence of rehabilitation has been
42 demonstrated, the following factors shall be considered:

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

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

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

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

- 1 (e) the age of the individual when the crime or offense was
2 committed;
- 3 (f) whether the crime or offense was an isolated or repeated
4 incident;
- 5 (g) any social conditions which may have contributed to the
6 commission of the crime or offense; and
- 7 (h) any evidence of rehabilitation, including good conduct in
8 prison or in the community, counseling or psychiatric treatment
9 received, acquisition of additional academic or vocational
10 schooling, successful participation in correctional work-release
11 programs, or the recommendation of those who have had the
12 individual under their supervision.
- 13 e. The commission shall issue a permit to operate or be an
14 owner, director, officer, or employee of, or a significantly involved
15 person in, a medical cannabis cultivator, medical cannabis
16 manufacturer, or medical cannabis dispensary if the commission
17 finds that issuing such a permit would be consistent with the
18 purposes of P.L.2009, c.307 (C.24:6I-1 et al.) and the requirements
19 of this section and section 11 of P.L.2019, c.153 (C.24:6I-7.1) are
20 met. The denial of an application shall be considered a final agency
21 decision, subject to review by the Appellate Division of the
22 Superior Court. A permit to operate a medical cannabis cultivator,
23 medical cannabis manufacturer, or medical cannabis dispensary
24 issued on or after the effective date of P.L.2019, c.153 (C.24:6I-5.1
25 et al.) shall be valid for one year and shall be renewable annually.
- 26 f. A person who has been issued a permit pursuant to this
27 section or a clinical registrant permit pursuant to section 13 of
28 P.L.2019, c.153 (C.24:6I-7.3) shall display the permit at the front
29 entrance to the premises of the permitted facility at all times when
30 the facility is engaged in conduct authorized pursuant to P.L.2009,
31 c.307 (C.24:6I-1 et al.) involving medical cannabis, including, but
32 not limited to, the cultivating, manufacturing, or dispensing of
33 medical cannabis.
- 34 g. A medical cannabis cultivator, medical cannabis
35 manufacturer, medical cannabis dispensary, or clinical registrant
36 shall report any change in information to the commission not later
37 than 10 days after such change, or the permit shall be deemed null
38 and void.
- 39 h. Each medical cannabis dispensary and clinical registrant
40 shall maintain and make available on its Internet website, if any, a
41 standard price list that shall apply to all medical cannabis, medical
42 cannabis products, and related supplies and paraphernalia sold or
43 dispensed by the medical cannabis dispensary or clinical registrant,
44 which prices shall be reasonable and consistent with the actual costs
45 incurred by the medical cannabis dispensary or clinical registrant in
46 connection with acquiring and selling, transferring, or dispensing
47 the medical cannabis or medical cannabis product and related
48 supplies and paraphernalia. The prices charged by the medical

1 cannabis dispensary or clinical registrant shall not deviate from the
2 prices indicated on the entity's current price list, provided that a
3 price list maintained by a medical cannabis dispensary or clinical
4 registrant may allow for medical cannabis to be made available at a
5 reduced price or without charge to qualifying patients who have a
6 demonstrated financial hardship, as that term shall be defined by the
7 commission by regulation. A price list required pursuant to this
8 subsection may be revised no more than once per month, and each
9 medical cannabis dispensary and clinical registrant shall be
10 responsible for ensuring that the commission has a copy of the
11 facility's current price list. A medical cannabis dispensary or
12 clinical registrant shall be liable to a civil penalty of \$1,000 for
13 each sale that occurs at a price that deviates from the entity's current
14 price list, and to a civil penalty of \$10,000 for each week during
15 which the entity's current price list is not on file with the
16 commission. Any civil penalties collected by the commission
17 pursuant to this section shall be deposited in the "Cannabis
18 Regulatory, Enforcement Assistance, and Marketplace
19 Modernization Fund" established under section 41 of P.L.2021, c.16
20 (C.24:6I-50), and used by the commission for the purposes of
21 administering the State medical cannabis program.

22 i. The commission shall adopt regulations to:

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

36 (2) monitor, oversee, and investigate all activities performed by
37 medical cannabis cultivators, medical cannabis manufacturers,
38 medical cannabis dispensaries, and clinical registrants;

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

42 (4) establish thresholds for administrative action to be taken
43 against a medical cannabis cultivator, medical cannabis
44 manufacturer, medical cannabis dispensary, or clinical registrant
45 and its employees, officers, investors, directors, or governing board
46 pursuant to subsection m. of this section, including, but not limited
47 to, specific penalties or disciplinary actions that may be imposed in
48 a summary proceeding.

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

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

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

1 full authority to approve a sale or transfer pursuant to this
2 paragraph.

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

12 l. No employee of any department, division, agency, board, or
13 other State, county, or local government entity involved in the
14 process of reviewing, processing, or making determinations with
15 regard to medical cannabis cultivator, medical cannabis
16 manufacturer, medical cannabis dispensary, or clinical registrant
17 permit applications shall have any direct or indirect financial
18 interest in the cultivating, manufacturing, or dispensing of medical
19 cannabis or related paraphernalia, or otherwise receive anything of
20 value from an applicant for a medical cannabis cultivator, medical
21 cannabis manufacturer, medical cannabis dispensary, or clinical
22 registrant permit in exchange for reviewing, processing, or making
23 any 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
27 P.L.2009, c.307 (C.24:6I-1 et al.) or any related law or regulation,
28 the commission may invoke penalties or take administrative action
29 against the medical cannabis cultivator, medical cannabis
30 manufacturer, medical cannabis dispensary, or clinical registrant
31 and its employees, officers, investors, directors, or governing board,
32 including, but not limited to, assessing fines, referring matters to
33 another State agency, and suspending or terminating any permit
34 held by the medical cannabis cultivator, medical cannabis
35 manufacturer, medical cannabis dispensary, or clinical registrant.
36 Any penalties imposed or administrative actions taken by the
37 commission pursuant to this subsection may be imposed in a
38 summary proceeding.

39 (cf: P.L.2023, c.162, s.3)

40

41 2. This act shall take effect immediately.

42

43

44

STATEMENT

45

46 This bill permits a medical cannabis dispensary to establish a
47 satellite location.

1 Under current law, pursuant to P.L.2019, c.153, a medical
2 cannabis dispensary is prohibited from establishing a satellite
3 location. However, the enactment permits an alternative treatment
4 center to open a satellite location.

5 The bill provides that a medical cannabis dispensary may
6 establish only one satellite location, and requires a medical cannabis
7 dispensary to obtain approval from the Cannabis Regulatory
8 Commission prior to establishing any satellite location.

[First Reprint]

ASSEMBLY, No. 4937

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED OCTOBER 21, 2024

Sponsored by:

Assemblyman REGINALD W. ATKINS
District 20 (Union)
Assemblywoman SHANIQUE SPEIGHT
District 29 (Essex and Hudson)
Assemblywoman LUANNE M. PETERPAUL
District 11 (Monmouth)
Senator VIN GOPAL
District 11 (Monmouth)
Senator SHIRLEY K. TURNER
District 15 (Hunterdon and Mercer)

Co-Sponsored by:

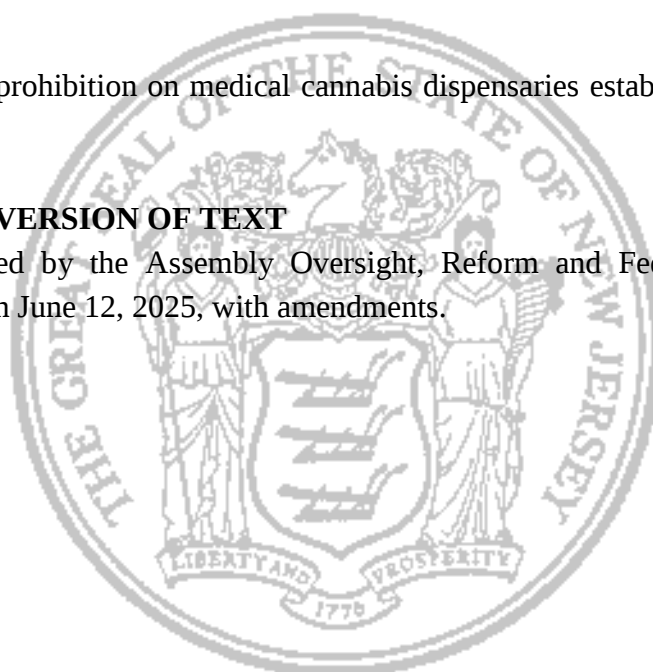
Assemblywomen Donlon and Ramirez

SYNOPSIS

Removes prohibition on medical cannabis dispensaries establishing satellite locations.

CURRENT VERSION OF TEXT

As reported by the Assembly Oversight, Reform and Federal Relations Committee on June 12, 2025, with amendments.



(Sponsorship Updated As Of: 6/30/2025)

1 AN ACT concerning satellite locations of medical cannabis
2 dispensaries and amending P.L.2009, 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
8 as 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
13 include a conditional permit issued pursuant to subsection d. of
14 section 11 of P.L.2019, c.153 (C.24:6I-7.1) and any permit issued to
15 a 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
21 type; 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
27 alternative treatment centers issued a permit subsequent to the
28 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an
29 application submitted prior to the effective date of P.L.2019, c.153
30 (C.24:6I-5.1 et al.); provided that medical cannabis cultivator
31 permits issued to microbusinesses pursuant to subsection e. of
32 section 11 of P.L.2019, c.153 (C.24:6I-7.1) shall not count toward
33 this limit.

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

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:

¹Assembly AOF committee amendments adopted June 12, 2025.

1 (c) (i) The provisions of subparagraph (a) of this paragraph shall
2 not apply to any alternative treatment center that was issued a
3 permit prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
4 al.), to any alternative treatment center that was issued a permit
5 after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)
6 pursuant to an application submitted prior to the effective date of
7 P.L.2019, c.153 (C.24:6I-5.1 et al.), to one of the four alternative
8 treatment centers issued a permit pursuant to an application
9 submitted after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
10 al.) pursuant to a request for applications published in the New
11 Jersey Register prior to the effective date of P.L.2019, c.153
12 (C.24:6I-5.1 et al.) that are expressly exempt from the provisions of
13 subparagraph (i) of subparagraph (a) of this paragraph, or to one
14 of the three alternative treatment centers issued a permit pursuant to
15 section 11 of P.L.2019, c.153 (C.24:6I-7.1) that are expressly
16 exempt from the provisions of subparagraph (i) of subparagraph
17 (a) of this paragraph, which alternative treatment centers shall be
18 deemed to concurrently hold a medical cannabis cultivator permit, a
19 medical cannabis manufacturer permit, and a medical cannabis
20 dispensary permit, and shall be authorized to engage in any conduct
21 authorized pursuant to those permits in relation to the cultivation,
22 manufacturing, and dispensing of medical cannabis.

23 (ii) In addition, each of the alternative treatment centers
24 described in subparagraph (i) of this subparagraph, to which the
25 provisions of subparagraph (a) of this paragraph shall not apply,
26 shall, upon the adoption of the initial rules and regulations by the
27 commission pursuant to subparagraph (a) of paragraph (1) of
28 subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34), be
29 deemed to either concurrently hold a Class 1 Cannabis Cultivator
30 license, a Class 2 Cannabis Manufacturer License, a Class 5
31 Cannabis Retailer license, plus an additional Class 5 Cannabis
32 Retailer license for each satellite dispensary authorized and
33 established by the alternative treatment center pursuant to
34 subparagraph (d) of this paragraph, and a Class 6 Cannabis Delivery
35 license, or hold a Class 3 Cannabis Wholesaler license, and may
36 also be deemed to hold a Class 4 Cannabis Distributor license. Any
37 alternative treatment center deemed to hold one or more licenses as
38 described in this subparagraph may begin to operate as any
39 authorized class of cannabis establishment, or establishment and
40 delivery service, or as a cannabis wholesaler and distributor, upon
41 receipt of written approval from the municipality in which the
42 proposed establishment or delivery service, or distributor is to be
43 located and obtaining an initial license or licenses, as applicable,
44 issued by the commission pursuant to paragraph (3) of subsection a.
45 of section 33 of P.L.2021, c.16 (C.24:6I-46).

46 (d) (i) No entity may be issued or concurrently hold more than
47 one medical cannabis cultivator permit, one medical cannabis
48 manufacturer permit, or one medical cannabis dispensary permit at

1 one time~~],~~ and no medical cannabis dispensary shall be authorized
2 to establish a satellite location on or after the effective date of
3 P.L.2019, c.153 (C.24:6I-5.1 et al.),~~].~~ ~~【except that an】~~ An
4 alternative treatment center that was issued a permit prior to the
5 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) or that was
6 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
7 5.1 et al.) pursuant to an application submitted prior to the effective
8 date of P.L.2019, c.153 (C.24:6I-5.1 et al.) shall be authorized to
9 maintain up to two satellite dispensaries, including any satellite
10 dispensary that was approved pursuant to an application submitted
11 prior to or within 18 months after the effective date of P.L.2019,
12 c.153 (C.24:6I-5.1 et al.). The three alternative treatment centers
13 issued permits pursuant to section 11 of P.L.2019, c.153 (C.24:6I-
14 7.1) that are expressly exempt from the provisions of
15 subsubparagraph (i) of subparagraph (a) of this paragraph shall be
16 authorized to establish and maintain up to one satellite dispensary
17 location, provided that the satellite dispensary was approved
18 pursuant to an application submitted within 18 months after the
19 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.). A medical
20 cannabis dispensary seeking to establish a satellite dispensary
21 location shall obtain commission approval in accordance with
22 P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2021, c.16 (C.24:6I-31 et
23 al.) and, upon commission approval, shall be authorized to establish
24 and maintain up to '【one】 two' satellite dispensary '【location】
25 locations¹.

26 (ii) Notwithstanding the provisions of subsubparagraph (i) of
27 this subparagraph, an investor, investor group, or fund that provides
28 significant financial or technical assistance or the significant use of
29 intellectual property, or a combination thereof, to an applicant for a
30 medical cannabis dispensary permit, which applicant has been
31 certified as a minority business pursuant to P.L.1986, c.195
32 (C.52:27H-21.18 et seq.), a women's business pursuant to P.L.1986,
33 c.195 (C.52:27H-21.18 et seq.), or is a disabled-veterans' business,
34 as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), may own
35 up to a 35 percent interest in up to seven entities that have been
36 issued a medical cannabis dispensary permit, provided that each
37 such medical cannabis dispensary is a certified minority or women's
38 business or a disabled-veterans' business, and the terms of the
39 agreement to provide significant financial or technical assistance or
40 the significant use of intellectual property, or a combination thereof,
41 whether provided in the form of equity, a loan, or otherwise,
42 including interest rates, returns, and fees, are commercially
43 reasonable based on the terms generally provided to comparable
44 businesses. The terms of the agreement for the provision of
45 significant financial or technical assistance or the significant use of
46 intellectual property, or a combination thereof, may include
47 performance, quality, and other requirements as a condition of
48 providing the financial or technical assistance or use of intellectual

1 property. An applicant for a medical cannabis dispensary permit
2 that has or will receive significant financial or technical assistance
3 or the significant use of intellectual property under this
4 subsubparagraph shall include with the permit application materials
5 submitted to the commission a copy of the agreement to provide
6 significant financial or technical assistance or significant use of
7 intellectual property, or a combination thereof, which agreement
8 shall be subject to review by the commission as provided in
9 subsection f. of section 11 of P.L.2019, c.153 (C.24:6I-7.1).

10 An applicant for a medical cannabis dispensary permit that
11 receives significant financial or technical assistance or the
12 significant use of intellectual property under this subsubparagraph
13 shall pay back to the investor, investor group, or fund the full value
14 of the financial or technical assistance or intellectual property
15 provided under the agreement, plus any applicable interest and fees,
16 in a period not less than five years after the date of the agreement if
17 the full value of the assistance or property is less than \$100,000, in
18 a period not less than seven years after the date of the agreement if
19 the full value of the assistance or property is between \$100,001 and
20 \$250,000, in a period not less than 10 years after the date of
21 agreement if the full value of the assistance or property is between
22 \$250,001 and \$500,000, and, subject to any terms and conditions
23 imposed by a lender, in a period not less than 10 years after the date
24 of the agreement if the full value of the assistance or property is
25 greater than \$500,000. An investor, investor group, or fund that has
26 acquired an ownership interest in one or more entities that have
27 been issued a medical cannabis dispensary permit as authorized
28 under this subsubparagraph may maintain the ownership interest
29 after the date the full value of the financial or technical assistance
30 or use of intellectual property provided under the agreement, plus
31 interest and fees, has been repaid by the applicant that received the
32 assistance or use of intellectual property.

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

41 An entity issued a medical cannabis cultivator, medical cannabis
42 manufacturer, or medical cannabis dispensary permit, or an
43 individual associated with the ownership or management of such
44 entity, may invest in or participate in an investor group or a fund
45 that meets the requirements of this subsubparagraph with respect to
46 a Class 5 cannabis retailer license or an alternative treatment center
47 permit.

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

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

13 (g) An alternative treatment center that was issued a permit prior
14 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that was
15 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
16 5.1 et al.) pursuant to an application submitted pursuant to a request
17 for applications published in the New Jersey Register prior to the
18 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was
19 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
20 5.1 et al.) pursuant to an application submitted prior to the effective
21 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), shall be required to
22 submit an attestation signed by a bona fide labor organization
23 stating that the alternative treatment center has entered into a labor
24 peace agreement with such bona fide labor organization no later
25 than 100 days after the effective date of P.L.2019, c.153 (C.24:6I-
26 5.1 et al.) or no later than 100 days after the date the alternative
27 treatment center first opens, whichever date is later. The
28 maintenance of a labor peace agreement with a bona fide labor
29 organization shall be an ongoing material condition of maintaining
30 the alternative treatment center's permit. The failure to submit an
31 attestation as required pursuant to this subparagraph within 100
32 days after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)
33 or within 100 days after the alternative treatment center first opens,
34 as applicable, shall result in the suspension or revocation of the
35 alternative treatment center's permit, provided that the commission
36 may grant an extension to this deadline to the alternative treatment
37 center based upon extenuating circumstances or for good cause
38 shown.

39 As used in this subparagraph, "bona fide labor organization"
40 means a labor organization of any kind or employee representation
41 committee, group, or association, in which employees participate
42 and which exists and is constituted for the purpose, in whole or in
43 part, of collective bargaining or otherwise dealing with medical or
44 personal use cannabis employers concerning grievances, labor
45 disputes, terms or conditions of employment, including wages and
46 rates of pay, or other mutual aid or protection in connection with
47 employment, and may be characterized by: it being a party to one or
48 more executed collective bargaining agreements with medical or

1 personal use cannabis employers, in this State or another state; it
2 having a written constitution or bylaws in the three immediately
3 preceding years; it filing the annual financial report required of
4 labor organizations pursuant to subsection (b) of 29 U.S.C. s.431, or
5 it having at least one audited financial report in the three
6 immediately preceding years; it being affiliated with any regional or
7 national association of unions, including but not limited to state and
8 federal labor councils; or it being a member of a national labor
9 organization that has at least 500 general members in a majority of
10 the 50 states of the United States.

11 (h) An alternative treatment center that was issued a permit prior
12 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that was
13 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
14 5.1 et al.) pursuant to an application submitted pursuant to a request
15 for applications published in the New Jersey Register prior to the
16 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was
17 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
18 5.1 et al.) pursuant to an application submitted prior to the effective
19 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), shall be permitted to
20 cultivate from up to two physical locations, provided that the
21 alternative treatment center's combined mature cannabis plant grow
22 canopy between both locations shall not exceed 150,000 square feet
23 of bloom space or the square footage of canopy permitted under the
24 largest tier in the tiered system adopted by the commission pursuant
25 to paragraph (2) of subsection b. of section 21 of P.L.2021, c.16
26 (C.24:6I-38).

27 (3) The commission shall seek to ensure the availability of a
28 sufficient number of medical cannabis cultivators, medical cannabis
29 manufacturers, and medical cannabis dispensaries throughout the
30 State, pursuant to need, including at least two each in the northern,
31 central, and southern regions of the State. Medical cannabis
32 cultivators, medical cannabis manufacturers, and medical cannabis
33 dispensaries issued permits pursuant to this section may be
34 nonprofit or for-profit entities.

35 (4) The commission shall periodically evaluate whether the
36 number of medical cannabis cultivator, medical cannabis
37 manufacturer, and medical cannabis dispensary permits issued are
38 sufficient to meet the needs of qualifying patients in the State, and
39 shall accept new applications and issue such additional permits as
40 shall be necessary to meet those needs. The types of permits
41 requested and issued, and the locations of any additional permits
42 that are authorized, shall be in the discretion of the commission
43 based on the needs of qualifying patients in the State.

44 (5) (a) A medical cannabis cultivator shall be authorized to:
45 acquire a reasonable initial and ongoing inventory, as determined
46 by the commission, of cannabis seeds or seedlings and
47 paraphernalia; possess, cultivate, plant, grow, harvest, and package
48 medical cannabis, including prerolled forms, for any authorized

1 purpose, including, but not limited to, research purposes; and
2 deliver, transfer, transport, distribute, supply, or sell medical
3 cannabis and related supplies to any medical cannabis cultivator,
4 medical cannabis manufacturer, medical cannabis dispensary, or
5 clinical registrant in the State. In no case shall a medical cannabis
6 cultivator operate or be located on land that is valued, assessed or
7 taxed as an agricultural or horticultural use pursuant to the
8 "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et
9 seq.).

10 (b) A medical cannabis manufacturer shall be authorized to:
11 purchase or acquire medical cannabis from any medical cannabis
12 cultivator, medical cannabis manufacturer, or clinical registrant in
13 the State; possess and utilize medical cannabis in the manufacture
14 and creation of medical cannabis products; and deliver, transfer,
15 transport, supply, or sell medical cannabis products and related
16 supplies to any medical cannabis manufacturer, medical cannabis
17 dispensary, or clinical registrant in the State.

18 (c) A medical cannabis dispensary shall be authorized to:
19 purchase or acquire medical cannabis from any medical cannabis
20 cultivator, medical cannabis dispensary, or clinical registrant in the
21 State and medical cannabis products and related supplies from any
22 medical cannabis manufacturer, medical cannabis dispensary, or
23 clinical registrant in the State; purchase or acquire paraphernalia
24 from any legal source; and distribute, supply, sell, or dispense
25 medical cannabis, medical cannabis products, paraphernalia, and
26 related supplies to qualifying patients or their designated or
27 institutional caregivers who are registered with the commission
28 pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4). A medical
29 cannabis dispensary may furnish medical cannabis, medical
30 cannabis products, paraphernalia, and related supplies to a medical
31 cannabis handler for delivery to a registered qualifying patient,
32 designated caregiver, or institutional caregiver consistent with the
33 requirements of subsection i. of section 27 of P.L.2019, c.153
34 (C.24:6I-20).

35 (6) A medical cannabis cultivator shall not be limited in the
36 number of strains of medical cannabis cultivated, and a medical
37 cannabis manufacturer shall not be limited in the number or type of
38 medical cannabis products manufactured or created. A medical
39 cannabis manufacturer may package, and a medical cannabis
40 dispensary may directly dispense medical cannabis and medical
41 cannabis products to qualifying patients and their designated and
42 institutional caregivers in any authorized form. Authorized forms
43 shall include dried form, oral lozenges, topical formulations,
44 transdermal form, sublingual form, tincture form, or edible form, or
45 any other form as authorized by the commission. Edible form shall
46 include pills, tablets, capsules, drops or syrups, oils, chewable
47 forms, and any other form as authorized by the commission, except
48 that the edible forms made available to minor patients shall be

1 limited to forms that are medically appropriate for children,
2 including pills, tablets, capsules, chewable forms, and drops, oils,
3 syrups, and other liquids.

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

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

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

29 d. (1) The commission shall require each applicant seeking a
30 permit to operate as, to be a director, officer, or employee of, or to
31 be a significantly involved person in, a medical cannabis cultivator,
32 medical cannabis manufacturer, medical cannabis dispensary, or
33 clinical registrant to undergo a criminal history record background
34 check.

35 Any individual seeking to become a director, officer, or
36 employee of a medical cannabis cultivator, medical cannabis
37 manufacturer, medical cannabis dispensary, or clinical registrant,
38 after issuance of an initial permit shall notify the commission and
39 shall complete a criminal history record background check and
40 provide all information as may be required by the commission as a
41 condition of assuming a position as director, officer, or employee of
42 the permitted entity. An individual who secures an investment
43 interest or gains the authority to make controlling decisions in a
44 permitted entity that makes the individual a significantly involved
45 person shall notify the commission, complete a criminal history
46 record background check, and provide all information as may be
47 required by the commission no later than 30 days after the date the
48 individual becomes a significantly involved person, or any permit

1 issued to the individual or group of which the significantly involved
2 person is a member shall be revoked and the individual or group
3 shall be deemed ineligible to hold any ownership or investment
4 interest in a medical cannabis cultivator, medical cannabis
5 manufacturer, medical cannabis dispensary, or clinical registrant for
6 a period of at least two years, commencing from the date of
7 revocation, and for such additional period of time as the
8 commission deems appropriate, based on the duration of the
9 nondisclosure, the size of the individual's or group's investment
10 interest in the permitted entity, the amount of profits, revenue, or
11 income realized by the individual or group from the permitted entity
12 during the period of nondisclosure, and whether the individual had a
13 disqualifying conviction or would otherwise have been deemed
14 ineligible to be a significantly involved person in a medical
15 cannabis cultivator, medical cannabis manufacturer, medical
16 cannabis dispensary, or clinical registrant.

17 For purposes of this section, the term "applicant" shall include
18 any owner, director, officer, or employee of, and any significantly
19 involved person in, a medical cannabis cultivator, medical cannabis
20 manufacturer, medical cannabis dispensary, or clinical registrant.
21 The commission is authorized to exchange fingerprint data with and
22 receive criminal history record background information from the
23 Division of State Police and the Federal Bureau of Investigation
24 consistent with the provisions of applicable State and federal laws,
25 rules, and regulations. The Division of State Police shall forward
26 criminal history record background information to the commission
27 in a timely manner when requested pursuant to the provisions of
28 this section.

29 An applicant who is required to undergo a criminal history
30 record background check pursuant to this section shall submit to
31 being fingerprinted in accordance with applicable State and federal
32 laws, rules, and regulations. No check of criminal history record
33 background information shall be performed pursuant to this section
34 unless the applicant has furnished the applicant's written consent to
35 that check. An applicant who is required to undergo a criminal
36 history record background check pursuant to this section who
37 refuses to consent to, or cooperate in, the securing of a check of
38 criminal history record background information shall not be
39 considered for a permit to operate, or authorization to be employed
40 at or to be a significantly involved person in, a medical cannabis
41 cultivator, medical cannabis manufacturer, medical cannabis
42 dispensary, or clinical registrant. An applicant shall bear the cost
43 for the criminal history record background check, including all
44 costs of administering and processing the check.

45 (2) The commission shall not approve an applicant for a permit
46 to operate, or authorization to be employed at or to be a
47 significantly involved person in, a medical cannabis cultivator,
48 medical cannabis manufacturer, medical cannabis dispensary, or

1 clinical registrant if the criminal history record background
2 information of the applicant reveals a disqualifying conviction as
3 set forth in subsection c. of this section.

4 (3) Upon receipt of the criminal history record background
5 information from the Division of State Police and the Federal
6 Bureau of Investigation, the commission shall provide written
7 notification to the applicant of the applicant's qualification or
8 disqualification for a permit to operate or be a director, officer, or
9 employee of, or a significantly involved person in, a medical
10 cannabis cultivator, medical cannabis manufacturer, medical
11 cannabis dispensary, or clinical registrant.

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

16 (4) The Division of State Police shall promptly notify the
17 commission in the event that an individual who was the subject of a
18 criminal history record background check conducted pursuant to
19 this section is convicted of a crime or offense in this State after the
20 date the background check was performed. Upon receipt of that
21 notification, the commission shall make a determination regarding
22 the continued eligibility to operate or be a director, officer, or
23 employee of, or a significantly involved person in, a medical
24 cannabis cultivator, medical cannabis manufacturer, medical
25 cannabis dispensary, or clinical registrant.

26 (5) Notwithstanding the provisions of subsection c. of this
27 section to the contrary, the commission may offer provisional
28 authority for an applicant to be an owner, director, officer, or
29 employee of, or a significantly involved person in, a medical
30 cannabis cultivator, medical cannabis manufacturer, medical
31 cannabis dispensary, or clinical registrant for a period not to exceed
32 three months if the applicant submits to the commission a sworn
33 statement attesting that the person has not been convicted of any
34 disqualifying conviction pursuant to this section.

35 (6) Notwithstanding the provisions of subsection c. of this
36 section to the contrary, no applicant to be an owner, director,
37 officer, or employee of, or a significantly involved person in, a
38 medical cannabis cultivator, medical cannabis manufacturer,
39 medical cannabis dispensary, or clinical registrant shall be
40 disqualified on the basis of any conviction disclosed by a criminal
41 history record background check conducted pursuant to this section
42 if the individual has affirmatively demonstrated to the commission
43 clear and convincing evidence of rehabilitation. In determining
44 whether clear and convincing evidence of rehabilitation has been
45 demonstrated, the following factors shall be considered:

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

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

- 1 (c) the circumstances under which the crime or offense
2 occurred;
- 3 (d) the date of the crime or offense;
- 4 (e) the age of the individual when the crime or offense was
5 committed;
- 6 (f) whether the crime or offense was an isolated or repeated
7 incident;
- 8 (g) any social conditions which may have contributed to the
9 commission of the crime or offense; and
- 10 (h) any evidence of rehabilitation, including good conduct in
11 prison or in the community, counseling or psychiatric treatment
12 received, acquisition of additional academic or vocational
13 schooling, successful participation in correctional work-release
14 programs, or the recommendation of those who have had the
15 individual under their supervision.
- 16 e. The commission shall issue a permit to operate or be an
17 owner, director, officer, or employee of, or a significantly involved
18 person in, a medical cannabis cultivator, medical cannabis
19 manufacturer, or medical cannabis dispensary if the commission
20 finds that issuing such a permit would be consistent with the
21 purposes of P.L.2009, c.307 (C.24:6I-1 et al.) and the requirements
22 of this section and section 11 of P.L.2019, c.153 (C.24:6I-7.1) are
23 met. The denial of an application shall be considered a final agency
24 decision, subject to review by the Appellate Division of the
25 Superior Court. A permit to operate a medical cannabis cultivator,
26 medical cannabis manufacturer, or medical cannabis dispensary
27 issued on or after the effective date of P.L.2019, c.153 (C.24:6I-5.1
28 et al.) shall be valid for one year and shall be renewable annually.
- 29 f. A person who has been issued a permit pursuant to this
30 section or a clinical registrant permit pursuant to section 13 of
31 P.L.2019, c.153 (C.24:6I-7.3) shall display the permit at the front
32 entrance to the premises of the permitted facility at all times when
33 the facility is engaged in conduct authorized pursuant to P.L.2009,
34 c.307 (C.24:6I-1 et al.) involving medical cannabis, including, but
35 not limited to, the cultivating, manufacturing, or dispensing of
36 medical cannabis.
- 37 g. A medical cannabis cultivator, medical cannabis
38 manufacturer, medical cannabis dispensary, or clinical registrant
39 shall report any change in information to the commission not later
40 than 10 days after such change, or the permit shall be deemed null
41 and void.
- 42 h. Each medical cannabis dispensary and clinical registrant
43 shall maintain and make available on its Internet website, if any, a
44 standard price list that shall apply to all medical cannabis, medical
45 cannabis products, and related supplies and paraphernalia sold or
46 dispensed by the medical cannabis dispensary or clinical registrant,
47 which prices shall be reasonable and consistent with the actual costs
48 incurred by the medical cannabis dispensary or clinical registrant in

1 connection with acquiring and selling, transferring, or dispensing
2 the medical cannabis or medical cannabis product and related
3 supplies and paraphernalia. The prices charged by the medical
4 cannabis dispensary or clinical registrant shall not deviate from the
5 prices indicated on the entity's current price list, provided that a
6 price list maintained by a medical cannabis dispensary or clinical
7 registrant may allow for medical cannabis to be made available at a
8 reduced price or without charge to qualifying patients who have a
9 demonstrated financial hardship, as that term shall be defined by the
10 commission by regulation. A price list required pursuant to this
11 subsection may be revised no more than once per month, and each
12 medical cannabis dispensary and clinical registrant shall be
13 responsible for ensuring that the commission has a copy of the
14 facility's current price list. A medical cannabis dispensary or
15 clinical registrant shall be liable to a civil penalty of \$1,000 for
16 each sale that occurs at a price that deviates from the entity's current
17 price list, and to a civil penalty of \$10,000 for each week during
18 which the entity's current price list is not on file with the
19 commission. Any civil penalties collected by the commission
20 pursuant to this section shall be deposited in the "Cannabis
21 Regulatory, Enforcement Assistance, and Marketplace
22 Modernization Fund" established under section 41 of P.L.2021, c.16
23 (C.24:6I-50), and used by the commission for the purposes of
24 administering the State medical cannabis program.

25 i. The commission shall adopt regulations to:

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

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

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

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

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

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

12 (2) Each medical cannabis dispensary and clinical registrant
13 shall consider whether to make interpreter services available to the
14 population served, including for individuals with a visual or hearing
15 impairment. The commission shall provide assistance to any
16 medical cannabis dispensary or clinical registrant that seeks to
17 provide such services in locating appropriate interpreter resources.
18 A medical cannabis dispensary or clinical registrant shall assume
19 the cost of providing interpreter services pursuant to this
20 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.)
23 shall be authorized to sell or transfer such permit and other assets to
24 a for-profit entity, provided that: the sale or transfer is approved by
25 the 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
28 record background check pursuant to subsection d. of this section,
29 provided that nothing in this subsection shall be construed to
30 require any individual to undergo a criminal history record
31 background check if the individual would otherwise be exempt from
32 undergoing a criminal history record background check pursuant to
33 subsection d. of this section; the commission finds that the sale or
34 transfer of the permit would be consistent with the purposes of
35 P.L.2009, c.307 (C.24:6I-1 et al.); and no such sale or transfer shall
36 be authorized more than one year after the effective date of
37 P.L.2019, c.153 (C.24:6I-5.1 et al.). The sale or transfer of a permit
38 pursuant to this subsection shall not be subject to the requirements
39 of the "New Jersey Nonprofit Corporation Act," N.J.S.15A:1-1 et
40 seq., provided that, prior to or at the time of the sale or transfer, all
41 debts and obligations of the nonprofit entity are either paid in full or
42 assumed by the for-profit entity purchasing or acquiring the permit,
43 or a reserve fund is established for the purpose of paying in full the
44 debts and obligations of the nonprofit entity, and the for-profit
45 entity pays the full value of all assets held by the nonprofit entity,
46 as reflected on the nonprofit entity's balance sheet, in addition to the
47 agreed-upon price for the sale or transfer of the entity's alternative
48 treatment center permit. Until such time as the members of the

1 Cannabis Regulatory Commission are appointed and the
2 commission first organizes, the Department of Health shall have
3 full authority to approve a sale or transfer pursuant to this
4 paragraph.

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

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

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

41 (cf: P.L.2023, c.162, s.3)

42

43 2. This act shall take effect immediately.

[Second Reprint]

ASSEMBLY, No. 4937

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED OCTOBER 21, 2024

Sponsored by:

Assemblyman REGINALD W. ATKINS

District 20 (Union)

Assemblywoman SHANIQUE SPEIGHT

District 29 (Essex and Hudson)

Assemblywoman LUANNE M. PETERPAUL

District 11 (Monmouth)

Senator VIN GOPAL

District 11 (Monmouth)

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

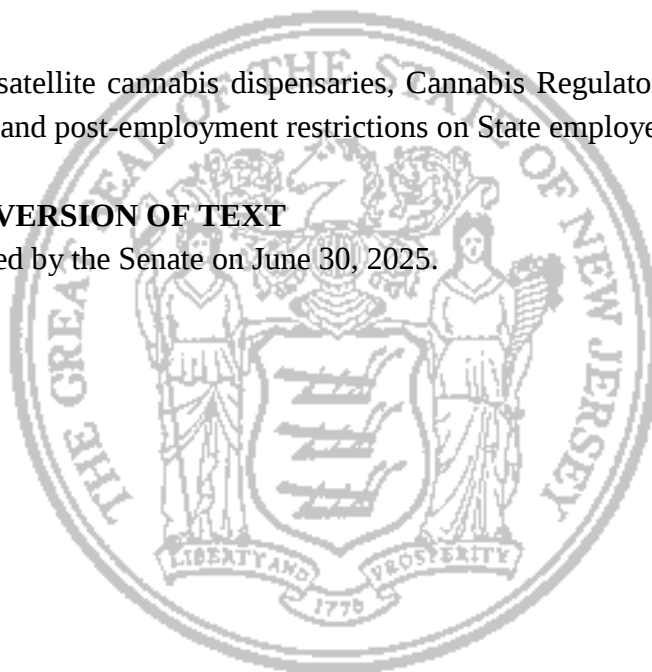
Assemblywomen Donlon and Ramirez

SYNOPSIS

Concerns satellite cannabis dispensaries, Cannabis Regulatory Commission membership, and post-employment restrictions on State employees.

CURRENT VERSION OF TEXT

As amended by the Senate on June 30, 2025.



(Sponsorship Updated As Of: 6/30/2025)

1 AN ACT concerning satellite locations of medical cannabis
2 dispensaries, ²Cannabis Regulatory Commission membership, and
3 employment rights of State employees,² and amending P.L.2009,
4 c.307 ², P.L.2019, c.153, and P.L.1981, c.142².

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

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

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

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

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

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

36 (b) Commencing 18 months after the effective date of P.L.2019,
37 c.153 (C.24:6I-5.1 et al.), a permit holder shall be authorized to
38 concurrently hold a medical cannabis cultivator permit, a medical
39 cannabis manufacturer permit, and a medical cannabis dispensary
40 permit, provided that no permit holder shall be authorized to
41 concurrently hold more than one permit of each type. The permit
42 holder may submit an application for a permit of any type that the
43 permit holder does not currently hold prior to the expiration of the
44 18-month period described in subparagraph (a) of this paragraph,

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:

¹Assembly AOF committee amendments adopted June 12, 2025.

²Senate floor amendments adopted June 30, 2025.

1 provided that no additional permit shall be awarded to the permit
2 holder during the 18-month period.

3 (c) (i) The provisions of subparagraph (a) of this paragraph shall
4 not apply to any alternative treatment center that was issued a
5 permit prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
6 al.), to any alternative treatment center that was issued a permit
7 after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)
8 pursuant to an application submitted prior to the effective date of
9 P.L.2019, c.153 (C.24:6I-5.1 et al.), to one of the four alternative
10 treatment centers issued a permit pursuant to an application
11 submitted after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
12 al.) pursuant to a request for applications published in the New
13 Jersey Register prior to the effective date of P.L.2019, c.153
14 (C.24:6I-5.1 et al.) that are expressly exempt from the provisions of
15 subparagraph (i) of subparagraph (a) of this paragraph, or to one
16 of the three alternative treatment centers issued a permit pursuant to
17 section 11 of P.L.2019, c.153 (C.24:6I-7.1) that are expressly
18 exempt from the provisions of subparagraph (i) of subparagraph
19 (a) of this paragraph, which alternative treatment centers shall be
20 deemed to concurrently hold a medical cannabis cultivator permit, a
21 medical cannabis manufacturer permit, and a medical cannabis
22 dispensary permit, and shall be authorized to engage in any conduct
23 authorized pursuant to those permits in relation to the cultivation,
24 manufacturing, and dispensing of medical cannabis.

25 (ii) In addition, each of the alternative treatment centers
26 described in subparagraph (i) of this subparagraph, to which the
27 provisions of subparagraph (a) of this paragraph shall not apply,
28 shall, upon the adoption of the initial rules and regulations by the
29 commission pursuant to subparagraph (a) of paragraph (1) of
30 subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34), be
31 deemed to either concurrently hold a Class 1 Cannabis Cultivator
32 license, a Class 2 Cannabis Manufacturer License, a Class 5
33 Cannabis Retailer license, plus an additional Class 5 Cannabis
34 Retailer license for each satellite dispensary authorized and
35 established by the alternative treatment center pursuant to
36 subparagraph (d) of this paragraph, and a Class 6 Cannabis Delivery
37 license, or hold a Class 3 Cannabis Wholesaler license, and may
38 also be deemed to hold a Class 4 Cannabis Distributor license. Any
39 alternative treatment center deemed to hold one or more licenses as
40 described in this subparagraph may begin to operate as any
41 authorized class of cannabis establishment, or establishment and
42 delivery service, or as a cannabis wholesaler and distributor, upon
43 receipt of written approval from the municipality in which the
44 proposed establishment or delivery service, or distributor is to be
45 located and obtaining an initial license or licenses, as applicable,
46 issued by the commission pursuant to paragraph (3) of subsection a.
47 of section 33 of P.L.2021, c.16 (C.24:6I-46).

1 (d) (i) No entity may be issued or concurrently hold more than
2 one medical cannabis cultivator permit, one medical cannabis
3 manufacturer permit, or one medical cannabis dispensary permit at
4 one time¹, and no medical cannabis dispensary shall be authorized
5 to establish a satellite location on or after the effective date of
6 P.L.2019, c.153 (C.24:6I-5.1 et al.),¹ **except that an** An
7 alternative treatment center² **that was issued a permit prior to the**
8 **effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) or that was**
9 **issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-**
10 **5.1 et al.) pursuant to an application submitted prior to the effective**
11 **date of P.L.2019, c.153 (C.24:6I-5.1 et al.)** **which has been issued**
12 **a permit to dispense medical cannabis from a medical cannabis**
13 **dispensary**² shall be authorized to maintain up to two satellite
14 dispensaries ²**, including any satellite dispensary that was**
15 **approved pursuant to an application submitted prior to or within 18**
16 **months after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et**
17 **al.). The three alternative treatment centers issued permits pursuant**
18 **to section 11 of P.L.2019, c.153 (C.24:6I-7.1) that are expressly**
19 **exempt from the provisions of subsubparagraph (i) of subparagraph**
20 **(a) of this paragraph shall be authorized to establish and maintain**
21 **up to one satellite dispensary location, provided that the satellite**
22 **dispensary was approved pursuant to an application submitted**
23 **within 18 months after the effective date of P.L.2019, c.153**
24 **(C.24:6I-5.1 et al.)**². A medical cannabis dispensary seeking to
25 establish a satellite dispensary location shall obtain commission
26 approval in accordance with P.L.2009, c.307 (C.24:6I-1 et al.) and
27 P.L.2021, c.16 (C.24:6I-31 et al.) and, upon commission approval,
28 shall be authorized to establish and maintain up to ¹**[one]** ¹two
29 satellite dispensary ¹**[location]** ¹locations¹.

30 (ii) Notwithstanding the provisions of subsubparagraph (i) of
31 this subparagraph, an investor, investor group, or fund that provides
32 significant financial or technical assistance or the significant use of
33 intellectual property, or a combination thereof, to an applicant for a
34 medical cannabis dispensary permit, which applicant has been
35 certified as a minority business pursuant to P.L.1986, c.195
36 (C.52:27H-21.18 et seq.), a women's business pursuant to P.L.1986,
37 c.195 (C.52:27H-21.18 et seq.), or is a disabled-veterans' business,
38 as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), may own
39 up to a 35 percent interest in up to seven entities that have been
40 issued a medical cannabis dispensary permit, provided that each
41 such medical cannabis dispensary is a certified minority or women's
42 business or a disabled-veterans' business, and the terms of the
43 agreement to provide significant financial or technical assistance or
44 the significant use of intellectual property, or a combination thereof,
45 whether provided in the form of equity, a loan, or otherwise,
46 including interest rates, returns, and fees, are commercially
47 reasonable based on the terms generally provided to comparable

1 businesses. The terms of the agreement for the provision of
2 significant financial or technical assistance or the significant use of
3 intellectual property, or a combination thereof, may include
4 performance, quality, and other requirements as a condition of
5 providing the financial or technical assistance or use of intellectual
6 property. An applicant for a medical cannabis dispensary permit
7 that has or will receive significant financial or technical assistance
8 or the significant use of intellectual property under this
9 subsubparagraph shall include with the permit application materials
10 submitted to the commission a copy of the agreement to provide
11 significant financial or technical assistance or significant use of
12 intellectual property, or a combination thereof, which agreement
13 shall be subject to review by the commission as provided in
14 subsection f. of section 11 of P.L.2019, c.153 (C.24:6I-7.1).

15 An applicant for a medical cannabis dispensary permit that
16 receives significant financial or technical assistance or the
17 significant use of intellectual property under this subsubparagraph
18 shall pay back to the investor, investor group, or fund the full value
19 of the financial or technical assistance or intellectual property
20 provided under the agreement, plus any applicable interest and fees,
21 in a period not less than five years after the date of the agreement if
22 the full value of the assistance or property is less than \$100,000, in
23 a period not less than seven years after the date of the agreement if
24 the full value of the assistance or property is between \$100,001 and
25 \$250,000, in a period not less than 10 years after the date of
26 agreement if the full value of the assistance or property is between
27 \$250,001 and \$500,000, and, subject to any terms and conditions
28 imposed by a lender, in a period not less than 10 years after the date
29 of the agreement if the full value of the assistance or property is
30 greater than \$500,000. An investor, investor group, or fund that has
31 acquired an ownership interest in one or more entities that have
32 been issued a medical cannabis dispensary permit as authorized
33 under this subsubparagraph may maintain the ownership interest
34 after the date the full value of the financial or technical assistance
35 or use of intellectual property provided under the agreement, plus
36 interest and fees, has been repaid by the applicant that received the
37 assistance or use of intellectual property.

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

46 An entity issued a medical cannabis cultivator, medical cannabis
47 manufacturer, or medical cannabis dispensary permit, or an
48 individual associated with the ownership or management of such

1 entity, may invest in or participate in an investor group or a fund
2 that meets the requirements of this subsubparagraph with respect to
3 a Class 5 cannabis retailer license or an alternative treatment center
4 permit.

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

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

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

43 As used in this subparagraph, "bona fide labor organization"
44 means a labor organization of any kind or employee representation
45 committee, group, or association, in which employees participate
46 and which exists and is constituted for the purpose, in whole or in
47 part, of collective bargaining or otherwise dealing with medical or
48 personal use cannabis employers concerning grievances, labor

1 disputes, terms or conditions of employment, including wages and
2 rates of pay, or other mutual aid or protection in connection with
3 employment, and may be characterized by: it being a party to one or
4 more executed collective bargaining agreements with medical or
5 personal use cannabis employers, in this State or another state; it
6 having a written constitution or bylaws in the three immediately
7 preceding years; it filing the annual financial report required of
8 labor organizations pursuant to subsection (b) of 29 U.S.C. s.431, or
9 it having at least one audited financial report in the three
10 immediately preceding years; it being affiliated with any regional or
11 national association of unions, including but not limited to state and
12 federal labor councils; or it being a member of a national labor
13 organization that has at least 500 general members in a majority of
14 the 50 states of the United States.

15 (h) An alternative treatment center that was issued a permit prior
16 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that was
17 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
18 5.1 et al.) pursuant to an application submitted pursuant to a request
19 for applications published in the New Jersey Register prior to the
20 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was
21 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
22 5.1 et al.) pursuant to an application submitted prior to the effective
23 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), shall be permitted to
24 cultivate from up to two physical locations, provided that the
25 alternative treatment center's combined mature cannabis plant grow
26 canopy between both locations shall not exceed 150,000 square feet
27 of bloom space or the square footage of canopy permitted under the
28 largest tier in the tiered system adopted by the commission pursuant
29 to paragraph (2) of subsection b. of section 21 of P.L.2021, c.16
30 (C.24:6I-38).

31 (3) The commission shall seek to ensure the availability of a
32 sufficient number of medical cannabis cultivators, medical cannabis
33 manufacturers, and medical cannabis dispensaries throughout the
34 State, pursuant to need, including at least two each in the northern,
35 central, and southern regions of the State. Medical cannabis
36 cultivators, medical cannabis manufacturers, and medical cannabis
37 dispensaries issued permits pursuant to this section may be
38 nonprofit or for-profit entities.

39 (4) The commission shall periodically evaluate whether the
40 number of medical cannabis cultivator, medical cannabis
41 manufacturer, and medical cannabis dispensary permits issued are
42 sufficient to meet the needs of qualifying patients in the State, and
43 shall accept new applications and issue such additional permits as
44 shall be necessary to meet those needs. The types of permits
45 requested and issued, and the locations of any additional permits
46 that are authorized, shall be in the discretion of the commission
47 based on the needs of qualifying patients in the State.

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

15 (b) A medical cannabis manufacturer shall be authorized to:
16 purchase or acquire medical cannabis from any medical cannabis
17 cultivator, medical cannabis manufacturer, or clinical registrant in
18 the State; possess and utilize medical cannabis in the manufacture
19 and creation of medical cannabis products; and deliver, transfer,
20 transport, supply, or sell medical cannabis products and related
21 supplies to any medical cannabis manufacturer, medical cannabis
22 dispensary, or clinical registrant in the State.

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

40 (6) A medical cannabis cultivator shall not be limited in the
41 number of strains of medical cannabis cultivated, and a medical
42 cannabis manufacturer shall not be limited in the number or type of
43 medical cannabis products manufactured or created. A medical
44 cannabis manufacturer may package, and a medical cannabis
45 dispensary may directly dispense medical cannabis and medical
46 cannabis products to qualifying patients and their designated and
47 institutional caregivers in any authorized form. Authorized forms
48 shall include dried form, oral lozenges, topical formulations,

1 transdermal form, sublingual form, tincture form, or edible form, or
2 any other form as authorized by the commission. Edible form shall
3 include pills, tablets, capsules, drops or syrups, oils, chewable
4 forms, and any other form as authorized by the commission, except
5 that the edible forms made available to minor patients shall be
6 limited to forms that are medically appropriate for children,
7 including pills, tablets, capsules, chewable forms, and drops, oils,
8 syrups, and other liquids.

9 (7) Nonprofit medical cannabis cultivators, medical cannabis
10 manufacturers, and medical cannabis dispensaries need not be
11 recognized as a 501(c)(3) organization by the federal Internal
12 Revenue Service.

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

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

34 d. (1) The commission shall require each applicant seeking a
35 permit to operate as, to be a director, officer, or employee of, or to
36 be a significantly involved person in, a medical cannabis cultivator,
37 medical cannabis manufacturer, medical cannabis dispensary, or
38 clinical registrant to undergo a criminal history record background
39 check.

40 Any individual seeking to become a director, officer, or
41 employee of a medical cannabis cultivator, medical cannabis
42 manufacturer, medical cannabis dispensary, or clinical registrant,
43 after issuance of an initial permit shall notify the commission and
44 shall complete a criminal history record background check and
45 provide all information as may be required by the commission as a
46 condition of assuming a position as director, officer, or employee of
47 the permitted entity. An individual who secures an investment
48 interest or gains the authority to make controlling decisions in a

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

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

34 An applicant who is required to undergo a criminal history
35 record background check pursuant to this section shall submit to
36 being fingerprinted in accordance with applicable State and federal
37 laws, rules, and regulations. No check of criminal history record
38 background information shall be performed pursuant to this section
39 unless the applicant has furnished the applicant's written consent to
40 that check. An applicant who is required to undergo a criminal
41 history record background check pursuant to this section who
42 refuses to consent to, or cooperate in, the securing of a check of
43 criminal history record background information shall not be
44 considered for a permit to operate, or authorization to be employed
45 at or to be a significantly involved person in, a medical cannabis
46 cultivator, medical cannabis manufacturer, medical cannabis
47 dispensary, or clinical registrant. An applicant shall bear the cost

1 for the criminal history record background check, including all
2 costs of administering and processing the check.

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

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

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

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

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

41 (6) Notwithstanding the provisions of subsection c. of this
42 section to the contrary, no applicant to be an owner, director,
43 officer, or employee of, or a significantly involved person in, a
44 medical cannabis cultivator, medical cannabis manufacturer,
45 medical cannabis dispensary, or clinical registrant shall be
46 disqualified on the basis of any conviction disclosed by a criminal
47 history record background check conducted pursuant to this section
48 if the individual has affirmatively demonstrated to the commission

- 1 clear and convincing evidence of rehabilitation. In determining
2 whether clear and convincing evidence of rehabilitation has been
3 demonstrated, the following factors shall be considered:
- 4 (a) the nature and responsibility of the position which the
5 convicted individual would hold, has held, or currently holds;
 - 6 (b) the nature and seriousness of the crime or offense;
 - 7 (c) the circumstances under which the crime or offense
8 occurred;
 - 9 (d) the date of the crime or offense;
 - 10 (e) the age of the individual when the crime or offense was
11 committed;
 - 12 (f) whether the crime or offense was an isolated or repeated
13 incident;
 - 14 (g) any social conditions which may have contributed to the
15 commission of the crime or offense; and
 - 16 (h) any evidence of rehabilitation, including good conduct in
17 prison or in the community, counseling or psychiatric treatment
18 received, acquisition of additional academic or vocational
19 schooling, successful participation in correctional work-release
20 programs, or the recommendation of those who have had the
21 individual under their supervision.
- 22 e. The commission shall issue a permit to operate or be an
23 owner, director, officer, or employee of, or a significantly involved
24 person in, a medical cannabis cultivator, medical cannabis
25 manufacturer, or medical cannabis dispensary if the commission
26 finds that issuing such a permit would be consistent with the
27 purposes of P.L.2009, c.307 (C.24:6I-1 et al.) and the requirements
28 of this section and section 11 of P.L.2019, c.153 (C.24:6I-7.1) are
29 met. The denial of an application shall be considered a final agency
30 decision, subject to review by the Appellate Division of the
31 Superior Court. A permit to operate a medical cannabis cultivator,
32 medical cannabis manufacturer, or medical cannabis dispensary
33 issued on or after the effective date of P.L.2019, c.153 (C.24:6I-5.1
34 et al.) shall be valid for one year and shall be renewable annually.
- 35 f. A person who has been issued a permit pursuant to this
36 section or a clinical registrant permit pursuant to section 13 of
37 P.L.2019, c.153 (C.24:6I-7.3) shall display the permit at the front
38 entrance to the premises of the permitted facility at all times when
39 the facility is engaged in conduct authorized pursuant to P.L.2009,
40 c.307 (C.24:6I-1 et al.) involving medical cannabis, including, but
41 not limited to, the cultivating, manufacturing, or dispensing of
42 medical cannabis.
- 43 g. A medical cannabis cultivator, medical cannabis
44 manufacturer, medical cannabis dispensary, or clinical registrant
45 shall report any change in information to the commission not later
46 than 10 days after such change, or the permit shall be deemed null
47 and void.

1 h. Each medical cannabis dispensary and clinical registrant
2 shall maintain and make available on its Internet website, if any, a
3 standard price list that shall apply to all medical cannabis, medical
4 cannabis products, and related supplies and paraphernalia sold or
5 dispensed by the medical cannabis dispensary or clinical registrant,
6 which prices shall be reasonable and consistent with the actual costs
7 incurred by the medical cannabis dispensary or clinical registrant in
8 connection with acquiring and selling, transferring, or dispensing
9 the medical cannabis or medical cannabis product and related
10 supplies and paraphernalia. The prices charged by the medical
11 cannabis dispensary or clinical registrant shall not deviate from the
12 prices indicated on the entity's current price list, provided that a
13 price list maintained by a medical cannabis dispensary or clinical
14 registrant may allow for medical cannabis to be made available at a
15 reduced price or without charge to qualifying patients who have a
16 demonstrated financial hardship, as that term shall be defined by the
17 commission by regulation. A price list required pursuant to this
18 subsection may be revised no more than once per month, and each
19 medical cannabis dispensary and clinical registrant shall be
20 responsible for ensuring that the commission has a copy of the
21 facility's current price list. A medical cannabis dispensary or
22 clinical registrant shall be liable to a civil penalty of \$1,000 for
23 each sale that occurs at a price that deviates from the entity's current
24 price list, and to a civil penalty of \$10,000 for each week during
25 which the entity's current price list is not on file with the
26 commission. Any civil penalties collected by the commission
27 pursuant to this section shall be deposited in the "Cannabis
28 Regulatory, Enforcement Assistance, and Marketplace
29 Modernization Fund" established under section 41 of P.L.2021, c.16
30 (C.24:6I-50), and used by the commission for the purposes of
31 administering the State medical cannabis program.

32 i. The commission shall adopt regulations to:

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

46 (2) monitor, oversee, and investigate all activities performed by
47 medical cannabis cultivators, medical cannabis manufacturers,
48 medical cannabis dispensaries, and clinical registrants;

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

4 (4) establish thresholds for administrative action to be taken
5 against a medical cannabis cultivator, medical cannabis
6 manufacturer, medical cannabis dispensary, or clinical registrant
7 and its employees, officers, investors, directors, or governing board
8 pursuant to subsection m. of this section, including, but not limited
9 to, specific penalties or disciplinary actions that may be imposed in
10 a summary proceeding.

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

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

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

1 assumed by the for-profit entity purchasing or acquiring the permit,
2 or a reserve fund is established for the purpose of paying in full the
3 debts and obligations of the nonprofit entity, and the for-profit
4 entity pays the full value of all assets held by the nonprofit entity,
5 as reflected on the nonprofit entity's balance sheet, in addition to the
6 agreed-upon price for the sale or transfer of the entity's alternative
7 treatment center permit. Until such time as the members of the
8 Cannabis Regulatory Commission are appointed and the
9 commission first organizes, the Department of Health shall have
10 full authority to approve a sale or transfer pursuant to this
11 paragraph.

12 (2) The sale or transfer of any interest of five percent or more in
13 a medical cannabis cultivator, medical cannabis manufacturer,
14 medical cannabis dispensary, or clinical registrant permit shall be
15 subject to approval by the commission and conditioned on the entity
16 that is purchasing or receiving transfer of the interest in the medical
17 cannabis cultivator, medical cannabis manufacturer, medical
18 cannabis dispensary, or clinical registrant permit completing a
19 criminal history record background check pursuant to the
20 requirements of subsection d. of this section.

21 l. No employee of any department, division, agency, board, or
22 other State, county, or local government entity involved in the
23 process of reviewing, processing, or making determinations with
24 regard to medical cannabis cultivator, medical cannabis
25 manufacturer, medical cannabis dispensary, or clinical registrant
26 permit applications shall have any direct or indirect financial
27 interest in the cultivating, manufacturing, or dispensing of medical
28 cannabis or related paraphernalia, or otherwise receive anything of
29 value from an applicant for a medical cannabis cultivator, medical
30 cannabis manufacturer, medical cannabis dispensary, or clinical
31 registrant permit in exchange for reviewing, processing, or making
32 any recommendations with respect to a permit application.

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

48 (cf: P.L.2023, c.162, s.3)

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

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

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

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

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

30 (2) The members of the commission shall be directly appointed
31 **【by the Governor】** as follows:

32 (a) One member shall be appointed **【upon recommendation of】**
33 by the Senate President;

34 (b) One member shall be appointed **【upon recommendation of】**
35 by the Speaker of the General Assembly;

36 (c) Three members, including the chair, shall be appointed
37 **【without any needed recommendation】** by the Governor.

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

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

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

25 (6) (a) The chair and other members of the commission shall
26 devote full time to their respective duties of office and shall not
27 pursue or engage in any other business, occupation, or gainful
28 employment. Each member shall receive an annual salary to be
29 fixed and established by the Governor, which for the chair shall not
30 exceed \$141,000, and for the other members shall not exceed
31 \$125,000.

32 (b) Notwithstanding subparagraph (a) of this paragraph, a
33 member may hold local elected office, provided that, in the
34 judgment of the State Ethics Commission and Local Finance Board
35 of the Department of Community Affairs, such office or
36 employment will not interfere with the member's responsibilities to
37 the commission, and will not create a conflict of interest, or
38 reasonable risk of the public perception of a conflict of interest, on
39 the part of the member.

40 (7) The members of the commission, at the commission's first
41 meeting when called by the chair, shall elect, by a majority of the
42 total authorized membership of the commission, one of the
43 members who is appointed based upon the recommendation of the
44 Senate President or Speaker of the General Assembly as set forth in
45 paragraph (2) of this subsection to serve as vice-chair during that
46 member's term. A new vice-chair shall be elected upon the
47 expiration of the current vice-chair's term, even if that member
48 remains on the commission until that member's successor is duly

1 appointed and qualified. The vice-chair shall be empowered to
2 carry out all of the responsibilities of the chair during the chair's
3 absence, disqualification, or inability to serve.

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

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

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

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

37 (a) The initial executive director shall be appointed by the
38 Governor, and thereafter every subsequent executive director shall
39 be appointed by the Governor with the advice and consent of the
40 Senate. The executive director shall serve at the pleasure of the
41 appointing Governor during the Governor's term of office and until
42 a successor has been duly appointed and qualified. Any vacancy in
43 the office occurring for any reason other than the expiration of a
44 term, including a vacancy occurring during the term of the initial
45 executive director, shall be filled for the unexpired term only in the
46 same manner as the appointment of any subsequent executive
47 director as set forth herein. The executive director shall receive an

1 annual salary to be fixed and established by the Governor, which
2 shall not exceed \$141,000.

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

9 (ii) If, as a result of transferring powers, duties, and
10 responsibilities with regard to the regulation and oversight of
11 activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
12 from the Department of Health to the commission pursuant to
13 subsection a. of this section, the commission needs to employ an
14 individual to fill a position, employees of the department who
15 performed the duties of the position to be filled shall be given a
16 one-time right of first refusal offer of employment with the
17 commission, and such employees may be removed by the
18 commission for cause or if deemed unqualified to hold the position,
19 notwithstanding any other provision of law to the contrary. A
20 department employee who becomes employed by the commission
21 shall retain as an employee of the commission the seniority, and all
22 rights related to seniority, that the employee had with the
23 department as of the last day of employment with the department;
24 provided, however, that such seniority and seniority rights shall be
25 retained only by an employee who was transferred from
26 employment with the department to employment with the
27 commission, and shall not be retained by an employee who was
28 removed from employment with the department due to layoff
29 procedures or who resigned from a position with the department
30 prior to being hired by the commission.

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

37 (3) The commission may incur additional expenses within the
38 limits of funds available to it in order to carry out its duties,
39 functions, and powers under P.L.2009, c.307 (C.24:6I-1 et al.) and
40 P.L.2021, c.16 (C.24:6I-31 et al.).

41 d. With respect to the activities of the commission, neither the
42 President of the Senate or the Speaker of the General Assembly
43 shall be permitted to appear or practice or act in any capacity
44 whatsoever before the commission regarding any matter
45 whatsoever, nor shall any member of the immediate family of the
46 Governor, President of the Senate, or Speaker of the General
47 Assembly be permitted to so practice or appear in any capacity
48 whatsoever before the commission regarding any matter

1 whatsoever. As used in this subsection, "immediate family" means
2 the spouse, domestic partner, or civil union partner, and any
3 dependent child or stepchild, recognized by blood or by law, of the
4 Governor, President of the Senate, or Speaker of the General
5 Assembly, or of the spouse, domestic partner, or civil union partner
6 residing in the same household as the Governor, President of the
7 Senate, or Speaker of the General Assembly.

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

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

16 (1) the commission's organization;

17 (2) the commission's regulation and enforcement activities;

18 (3) the overall effectiveness of the commission as a full time
19 entity; and

20 (4) whether the regulation and oversight of medical cannabis or
21 personal use cannabis could be more effectively and efficiently
22 managed through a reorganization of the commission, consolidation
23 of the commission within the Department of Health or another
24 Executive Branch department, conversion to a part-time
25 commission, or the transfer of some or all of the commission's
26 operations elsewhere within the Executive Branch.

27 The commission shall submit the findings of the independent
28 study, along with the commission's recommendations for
29 appropriate executive, administrative, or legislative action, to the
30 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
31 19.1), to the Legislature.²

32 (cf: P.L.2021, c.16, s.5)

33
34 ²3. Section 4 of P.L.1981, c.142 (C.52:13D-17.2) is amended to
35 read as follows:

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

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

47 (b) with respect to casino activity: any State officer or employee
48 subject to financial disclosure by law or executive order and any

1 other State officer or employee with responsibility for matters
2 affecting casino activity; any special State officer or employee with
3 responsibility for matters affecting casino activity; any member of
4 the Legislature; any full-time professional employee of the
5 Legislature; members of the Casino Reinvestment Development
6 Authority; or

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

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

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

36 b. (1) No State officer or employee, nor any person, nor any
37 member of the immediate family of any State officer or employee,
38 or person, nor any partnership, firm, or corporation with which any
39 such State officer or employee or person is associated or in which
40 he has an interest, nor any partner, officer, director, or employee
41 while he is associated with such partnership, firm, or corporation,
42 shall hold, directly or indirectly, an interest in, or hold employment
43 with, or represent, appear for, or negotiate on behalf of, any holder
44 of, or applicant for, a casino license, or any holding or intermediary
45 company with respect thereto, in connection with any cause,
46 application, or matter, except as provided in section 3 of P.L.2009,
47 c.26 (C.52:13D-17.3), and except that (a) a State officer or
48 employee other than a State officer or employee included in the

1 definition of person, and (b) a member of the immediate family of a
2 State officer or employee, or of a person, may hold employment
3 with the holder of, or applicant for, a casino license if, in the
4 judgment of the State Ethics Commission, the Joint Legislative
5 Committee on Ethical Standards, or the Supreme Court, as
6 appropriate, such employment will not interfere with the
7 responsibilities of the State officer or employee, or person, and will
8 not create a conflict of interest, or reasonable risk of the public
9 perception of a conflict of interest, on the part of the State officer or
10 employee, or person.

11 No special State officer or employee without responsibility for
12 matters affecting casino activity, excluding those serving in the
13 Departments of Education, Health, and Human Services and the
14 Office of the Secretary of Higher Education, shall hold, directly or
15 indirectly, an interest in any holder of, or applicant for, a casino
16 license, or any holding or intermediary company with respect
17 thereto. However, a special State officer or employee without
18 responsibility for matters affecting casino activity may hold
19 employment directly with, or may represent, appear for, or
20 negotiate on behalf of, any holder of or applicant for a casino
21 license or any holding or intermediary company thereof and if so
22 employed may hold, directly or indirectly, an interest in, or
23 represent, appear for, or negotiate on behalf of, that employer,
24 except as otherwise prohibited by law.

25 (2) No State officer or employee, nor any person, nor any
26 member of the immediate family of any State officer or employee,
27 or person, nor any partnership, firm, or corporation with which any
28 such State officer or employee or person is associated or in which
29 he has an interest, nor any partner, officer, director, or employee
30 while he is associated with such partnership, firm, or corporation,
31 shall hold, directly or indirectly, an interest in, or hold employment
32 with, or represent, appear for, or negotiate on behalf of, or derive
33 any remuneration, payment, benefit, or any other thing of value for
34 any services, including but not limited to consulting or similar
35 services, from any holder of, or applicant for, a license, permit, or
36 other approval to conduct Internet gaming, or any holding or
37 intermediary company with respect thereto, or any Internet gaming
38 affiliate of any holder of, or applicant for, a casino license, or any
39 holding or intermediary company with respect thereto, or any
40 business, association, enterprise, or other entity that is organized, in
41 whole or in part, for the purpose of promoting, advocating for, or
42 advancing the interests of the Internet gaming industry generally or
43 any Internet gaming-related business or businesses in connection
44 with any cause, application, or matter, except as provided in section
45 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State
46 officer or employee other than a State officer or employee included
47 in the definition of person, and (b) a member of the immediate
48 family of a State officer or employee, or of a person, may hold

1 employment with the holder of, or applicant for, a license, permit,
2 or other approval to conduct Internet gaming, or any holding or
3 intermediary company with respect thereto, or any Internet gaming
4 affiliate of any holder of, or applicant for, a casino license, or any
5 holding or intermediary company with respect thereto if, in the
6 judgment of the State Ethics Commission, the Joint Legislative
7 Committee on Ethical Standards, or the Supreme Court, as
8 appropriate, such employment will not interfere with the
9 responsibilities of the State officer or employee, or person, and will
10 not create a conflict of interest, or reasonable risk of the public
11 perception of a conflict of interest, on the part of the State officer or
12 employee, or person.

13 (3) No State officer or employee, nor any person, nor any
14 member of the immediate family of any State officer or employee,
15 or person, nor any partnership, firm, or corporation with which any
16 such State officer or employee or person is associated or in which
17 he has an interest, nor any partner, officer, director, or employee
18 while he is associated with such partnership, firm, or corporation,
19 shall hold, directly or indirectly, an interest in, or hold employment
20 with, or represent, appear for, or negotiate on behalf of, any holder
21 of, or applicant for, a medical cannabis cultivator, medical cannabis
22 manufacturer, medical cannabis dispensary, or clinical registrant
23 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any
24 entity that employs any certified medical cannabis handler to
25 perform transfers or deliveries of medical cannabis, or any holding
26 or intermediary company with respect thereto, or a cannabis
27 cultivator, cannabis manufacturer, cannabis wholesaler, cannabis
28 distributor, cannabis retailer, or cannabis delivery service license
29 issued pursuant to P.L.2021, c.16 (C.24:6I-31 et al.), or any entity
30 that employs or uses a certified personal use cannabis handler to
31 perform work for or on behalf of a licensed cannabis establishment,
32 distributor, or delivery service, or any holding or intermediary
33 company with respect thereto, in connection with any cause,
34 application, or matter, except as provided in section 3 of P.L.2009,
35 c.26 (C.52:13D-17.3), and except that (a) a State officer or
36 employee other than a State officer or employee included in the
37 definition of person, and (b) a member of the immediate family of a
38 State officer or employee, or of a person, may hold employment
39 with the holder of, or applicant for, a medical cannabis cultivator,
40 medical cannabis manufacturer, medical cannabis dispensary, or
41 clinical registrant permit or any entity that employs any certified
42 medical cannabis handler to perform transfers or deliveries of
43 medical cannabis, or a cannabis cultivator, cannabis manufacturer,
44 cannabis wholesaler, cannabis distributor, cannabis retailer, or
45 cannabis delivery service license or any entity that employs or uses
46 a certified personal use cannabis handler to perform work for or on
47 behalf of a licensed cannabis establishment, distributor, or delivery
48 service, if, in the judgment of the State Ethics Commission, the

1 Joint Legislative Committee on Ethical Standards, or the Supreme
2 Court, as appropriate, such employment will not interfere with the
3 responsibilities of the State officer or employee, or person, and will
4 not create a conflict of interest, or reasonable risk of the public
5 perception of a conflict of interest, on the part of the State officer or
6 employee, or person.

7 No special State officer or employee without responsibility for
8 matters affecting medical cannabis activity or personal use cannabis
9 activity, excluding those serving in the Departments of Education,
10 Health, and Human Services and the Office of the Secretary of
11 Higher Education, shall hold, directly or indirectly, an interest in
12 any holder of, or applicant for, a medical cannabis cultivator,
13 medical cannabis manufacturer, medical cannabis dispensary, or
14 clinical registrant permit or any entity that employs any certified
15 medical cannabis handler to perform transfers or deliveries of
16 medical cannabis, or any holding or intermediary company with
17 respect thereto, or a cannabis cultivator, cannabis manufacturer,
18 cannabis wholesaler, cannabis distributor, cannabis retailer, or
19 cannabis delivery service license or any entity that employs or uses
20 a certified personal use cannabis handler to perform work for or on
21 behalf of a licensed cannabis establishment, distributor, or delivery
22 service, or any holding or intermediary company with respect
23 thereto. However, a special State officer or employee without
24 responsibility for matters affecting medical cannabis activity or
25 personal use cannabis activity may hold employment directly with,
26 or may represent, appear for, or negotiate on behalf of, any holder
27 of or applicant for a medical cannabis cultivator, medical cannabis
28 manufacturer, medical cannabis dispensary, or clinical registrant
29 permit, or any entity that employs any certified medical cannabis
30 handler to perform transfers or deliveries of medical cannabis, or
31 any holding or intermediary company thereof, or a cannabis
32 cultivator, cannabis manufacturer, cannabis wholesaler, cannabis
33 distributor, cannabis retailer, or cannabis delivery service license or
34 any entity that employs or uses a certified personal use cannabis
35 handler to perform work for or on behalf of a licensed cannabis
36 establishment, distributor, or delivery service, or any holding or
37 intermediary company with respect thereto, and if so employed may
38 hold, directly or indirectly, an interest in, or represent, appear for,
39 or negotiate on behalf of, that employer, except as otherwise
40 prohibited by law.

41 c. (1) No person or any member of his immediate family, nor
42 any partnership, firm, or corporation with which such person is
43 associated or in which he has an interest, nor any partner, officer,
44 director, or employee while he is associated with such partnership,
45 firm or corporation, shall, within two years next subsequent to the
46 termination of the office or employment of such person, hold,
47 directly or indirectly, an interest in, or hold employment with, or
48 represent, appear for, or negotiate on behalf of, any holder of, or

1 applicant for, a casino license in connection with any cause,
2 application or matter, or any holding or intermediary company with
3 respect to such holder of, or applicant for, a casino license in
4 connection with any phase of casino development, permitting,
5 licensure, or any other matter whatsoever related to casino activity,
6 except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3),
7 and except that:

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

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

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

34 (c) any partnership, firm, or corporation engaged in the practice
35 of law or in providing any other professional services with which
36 any person included in subparagraphs (a) and (b) of paragraph (1)
37 of subsection a. of this section, or a member of the immediate
38 family of that person, is associated, and any partner, officer,
39 director, or employee thereof, other than that person, or immediate
40 family member, may represent, appear for or negotiate on behalf of
41 any holder of, or applicant for, a casino license in connection with
42 any cause, application or matter or any holding company or
43 intermediary company with respect to such holder of, or applicant
44 for, a casino license in connection with any phase of casino
45 development, permitting, licensure or any other matter whatsoever
46 related to casino activity, and that person or immediate family
47 member shall not be barred from association with such partnership,
48 firm or corporation, if for a period of two years next subsequent to

1 the termination of the person's office or employment, the person or
2 immediate family member (i) is screened from personal
3 participation in any such representation, appearance or negotiation;
4 and (ii) is associated with the partnership, firm or corporation in a
5 position which does not entail any equity interest in the partnership,
6 firm or corporation. The exception provided in this subparagraph
7 shall not apply to a former Governor, Lieutenant Governor,
8 Attorney General, member of the Legislature, person included in
9 subparagraph (a) of paragraph (2) of subsection a. of this section, or
10 to the members of their immediate families.

11 (2) No person or any member of the person's immediate family,
12 nor any partnership, firm, or corporation with which such person is
13 associated or in which the person has an interest, nor any partner,
14 officer, director, or employee while the person is associated with
15 such partnership, firm, or corporation, shall, within two years next
16 subsequent to the termination of the office or employment of such
17 person, hold, directly or indirectly, an interest in, or hold
18 employment with, or represent, appear for, or negotiate on behalf
19 of, any holder of, or applicant for, a medical cannabis cultivator,
20 medical cannabis manufacturer, medical cannabis dispensary, or
21 clinical registrant permit issued pursuant to P.L.2009, c.307
22 (C.24:6I-1 et al.) or any entity that employs any certified medical
23 cannabis handler to perform transfers or deliveries of medical
24 cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis
25 wholesaler, cannabis distributor, cannabis retailer, or cannabis
26 delivery service license issued pursuant to P.L.2021, c.16 (C.24:6I-
27 31 et al.) or any entity that employs or uses a certified personal use
28 cannabis handler to perform work for or on behalf of a licensed
29 cannabis establishment, distributor, or delivery service in
30 connection with any cause, application, or matter, or any holding or
31 intermediary company with respect to such holder of, or applicant
32 for, a medical cannabis cultivator, medical cannabis manufacturer,
33 medical cannabis dispensary, or clinical registrant permit or any
34 entity that employs any certified medical cannabis handler to
35 perform transfers or deliveries of medical cannabis, or a cannabis
36 cultivator, cannabis manufacturer, cannabis wholesaler, cannabis
37 distributor, cannabis retailer, or cannabis delivery service license or
38 any entity that employs or uses a certified personal use cannabis
39 handler to perform work for or on behalf of a licensed cannabis
40 establishment, distributor, or delivery service in connection with
41 any phase of development, permitting, licensure, or any other
42 matter whatsoever related to medical cannabis activity or personal
43 use cannabis activity, except as provided in section 3 of P.L.2009,
44 c.26 (C.52:13D-17.3), and except that:

45 (a) a member of the immediate family of a person may hold
46 employment with the holder of, or applicant for, a medical cannabis
47 cultivator, medical cannabis manufacturer, medical cannabis
48 dispensary, or clinical registrant permit issued pursuant to P.L.2009,

1 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
2 medical cannabis handler to perform transfers or deliveries of
3 medical cannabis, or a cannabis cultivator, cannabis manufacturer,
4 cannabis wholesaler, cannabis distributor, cannabis retailer, or
5 cannabis delivery service license issued pursuant to P.L.2021, c.16
6 (C.24:6I-31 et al.) or any entity that employs or uses a certified
7 personal use cannabis handler to perform work for or on behalf of a
8 licensed cannabis establishment, distributor, or delivery service if,
9 in the judgment of the State Ethics Commission, the Joint
10 Legislative Committee on Ethical Standards, or the Supreme Court,
11 as appropriate, such employment will not interfere with the
12 responsibilities of the person and will not create a conflict of
13 interest, or reasonable risk of the public perception of a conflict of
14 interest, on the part of the person;

15 (b) an employee who is terminated as a result of a reduction in
16 the workforce at the agency where employed, other than an
17 employee who held a policy-making management position at any
18 time during the five years prior to termination of employment, may,
19 at any time prior to the end of the two-year period, accept
20 employment with the holder of, or applicant for, a medical cannabis
21 cultivator, medical cannabis manufacturer, medical cannabis
22 dispensary, or clinical registrant permit or any entity that employs
23 any certified medical cannabis handler to perform transfers or
24 deliveries of medical cannabis, or a cannabis cultivator, cannabis
25 manufacturer, cannabis wholesaler, cannabis distributor, cannabis
26 retailer, or cannabis delivery service license or any entity that
27 employs or uses a certified personal use cannabis handler to
28 perform work for or on behalf of a licensed cannabis establishment,
29 distributor, or delivery service if, in the judgment of the State Ethics
30 Commission, the Joint Legislative Committee on Ethical Standards,
31 or the Supreme Court, as appropriate, such employment will not
32 create a conflict of interest, or reasonable risk of the public
33 perception of a conflict of interest, on the part of the employee. In
34 no case shall the restrictions of this subsection apply to a secretarial
35 or clerical employee. Nothing herein contained shall alter or amend
36 the post-service or post-employment restrictions applicable to
37 members and employees of the Cannabis Regulatory Commission
38 pursuant to paragraph (2) of subsection c. of section 34 and section
39 35 of P.L.2019, c.153 (C.24:6I-27 and C.24:6I-28); and

40 (c) any partnership, firm, or corporation engaged in the practice
41 of law or in providing any other professional services with which
42 any person included in subparagraphs (a) and (c) of paragraph (1) of
43 subsection a. of this section, or a member of the immediate family
44 of that person, is associated, and any partner, officer, director, or
45 employee thereof, other than that person, or immediate family
46 member, may represent, appear for, or negotiate on behalf of any
47 holder of, or applicant for, a medical cannabis cultivator, medical
48 cannabis manufacturer, medical cannabis dispensary, or clinical

1 registrant permit or any entity that employs any certified medical
2 cannabis handler to perform transfers or deliveries of medical
3 cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis
4 wholesaler, cannabis distributor, cannabis retailer, or cannabis
5 delivery service license or any entity that employs or uses a
6 certified personal use cannabis handler to perform work for or on
7 behalf of a licensed cannabis establishment, distributor, or delivery
8 service in connection with any cause, application, or matter or any
9 holding company or intermediary company with respect to such
10 holder of, or applicant for, a medical cannabis cultivator, medical
11 cannabis manufacturer, medical cannabis dispensary, or clinical
12 registrant permit or any entity that employs any certified medical
13 cannabis handler to perform transfers or deliveries of medical
14 cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis
15 wholesaler, cannabis distributor, cannabis retailer, or cannabis
16 delivery service license or any entity that employs or uses a
17 certified personal use cannabis handler to perform work for or on
18 behalf of a licensed cannabis establishment, distributor, or delivery
19 service in connection with any phase of development, permitting,
20 licensing, or any other matter whatsoever related to medical
21 cannabis activity or personal use cannabis activity, and that person
22 or immediate family member shall not be barred from association
23 with such partnership, firm, or corporation, if for a period of **two**
24 **years** one year next subsequent to the termination of the person's
25 office or employment, the person or immediate family member
26 **[(i)]** is screened from personal participation in any such
27 representation, appearance or negotiation**;** and (ii) is associated
28 with the partnership, firm, or corporation in a position which does
29 not entail any equity interest in the partnership, firm, or
30 corporation**].** The exception provided in this subparagraph shall
31 not apply to a former Governor, Lieutenant Governor, Attorney
32 General, the President of the Senate, the Speaker of the General
33 Assembly, to a person included in subparagraph (b) of paragraph
34 (2) of subsection a. of this section, or to the members of their
35 immediate families.

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

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

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

12 (2) No person shall solicit or accept, directly or indirectly, any
13 complimentary service or discount from any holder of, or applicant
14 for, a medical cannabis cultivator, medical cannabis manufacturer,
15 medical cannabis dispensary, or clinical registrant permit issued
16 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that
17 employs any certified medical cannabis handler to perform transfers
18 or deliveries of medical cannabis, or a cannabis cultivator, cannabis
19 manufacturer, cannabis wholesaler, cannabis distributor, cannabis
20 retailer, or cannabis delivery service license issued pursuant to
21 P.L.2021, c.16 (C.24:6I-31 et al.) or any entity that employs or uses
22 a certified personal use cannabis handler to perform work for or on
23 behalf of a licensed cannabis establishment, distributor, or delivery
24 service which the person knows or has reason to know is other than
25 a service or discount that is offered to members of the general
26 public in like circumstance.

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

38 (2) No person shall influence, or attempt to influence, by use of
39 the person's official authority, the decision of the Cannabis
40 Regulatory Commission in any application for a medical cannabis
41 cultivator, medical cannabis manufacturer, medical cannabis
42 dispensary, or clinical registrant permit, or a cannabis cultivator,
43 cannabis manufacturer, cannabis wholesaler, cannabis distributor,
44 cannabis retailer, or cannabis delivery service license, or in any
45 proceeding to enforce the provisions of P.L.1981, c.142 (C.52:13D-
46 17.2 et al.), P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2021, c.16
47 (C.24:6I-31 et al.), or the regulations of the Cannabis Regulatory
48 Commission. Any such attempt shall be promptly reported to the

1 Attorney General; provided, however, that nothing in this section
2 shall be deemed to proscribe a request for information by any
3 person concerning the status of any permit or license application, or
4 any proceeding to enforce the provisions of P.L.1981, c.142
5 (C.52:13D-17.2 et al.), P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2021,
6 c.16 (C.24:6I-31 et al.), or the regulations of the Cannabis
7 Regulatory Commission.

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

11 In addition, for violations of subsection c. of this section
12 occurring after the effective date of P.L.2005, c.382, a civil penalty
13 of not less than \$500 nor more than \$10,000 shall be imposed upon
14 a former State officer or employee or former special State officer or
15 employee of a State agency in the Executive Branch upon a finding
16 of a violation by the State Ethics Commission, which penalty may
17 be collected in a summary proceeding pursuant to the "Penalty
18 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).²
19 (cf: P.L.2023, c.291, s.1)
20

21 ²[2.] 4.² This act shall take effect immediately.

ASSEMBLY OVERSIGHT, REFORM AND FEDERAL
RELATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4937

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 12, 2025

The Assembly Oversight, Reform and Federal Relations Committee reports favorably and with committee amendments Assembly Bill No. 4937.

As amended by the committee, this bill permits a medical cannabis dispensary to establish satellite locations.

Under current law, pursuant to P.L.2019, c.153, a medical cannabis dispensary is prohibited from establishing a satellite location. However, the enactment permits an alternative treatment center to open a satellite location.

As amended, the bill provides that a medical cannabis dispensary may establish two satellite locations, and requires a medical cannabis dispensary to obtain approval from the Cannabis Regulatory Commission prior to establishing any satellite location.

COMMITTEE AMENDMENTS:

The committee amended to bill to authorize a medical cannabis dispensary to operate up to two satellite locations, instead of one such location per the bill as introduced.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 4937

STATE OF NEW JERSEY

DATED: JUNE 19, 2025

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4937 (1R).

As reported, this bill permits a medical cannabis dispensary to establish satellite locations.

Under current law, pursuant to P.L.2019, c.153, a medical cannabis dispensary is prohibited from establishing a satellite location. However, the enactment permits an alternative treatment center to open a satellite location.

The bill provides that a medical cannabis dispensary may establish two satellite locations and requires a medical cannabis dispensary to obtain approval from the Cannabis Regulatory Commission prior to establishing any satellite location.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 4937

with Senate Floor Amendments
(Proposed by Senator GOPAL)

ADOPTED: JUNE 30, 2025

These Senate amendments permit any alternative treatment center (ATC), including those issued a permit prior to P.L.2019, c.153, to maintain up to two satellite dispensaries; permit a Cannabis Regulatory Commission (CRC) member to hold local elected office under certain circumstances; clarify the appointment process of CRC members; and clarify post-employment restrictions placed on State employees.

SENATE, No. 3486

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 24, 2024

Sponsored by:
Senator VIN GOPAL
District 11 (Monmouth)

SYNOPSIS

Removes prohibition on medical cannabis dispensaries establishing satellite locations.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning satellite locations of medical cannabis
2 dispensaries and amending P.L.2009, 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
8 as 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
13 include a conditional permit issued pursuant to subsection d. of
14 section 11 of P.L.2019, c.153 (C.24:6I-7.1) and any permit issued to
15 a 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
21 type; 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
27 alternative treatment centers issued a permit subsequent to the
28 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an
29 application submitted prior to the effective date of P.L.2019, c.153
30 (C.24:6I-5.1 et al.); provided that medical cannabis cultivator
31 permits issued to microbusinesses pursuant to subsection e. of
32 section 11 of P.L.2019, c.153 (C.24:6I-7.1) shall not count toward
33 this limit.

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

45 (c) (i) The provisions of subparagraph (a) of this paragraph shall
46 not apply to any alternative treatment center that was issued a

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

21 (ii) In addition, each of the alternative treatment centers
22 described in subsubparagraph (i) of this subparagraph, to which the
23 provisions of subparagraph (a) of this paragraph shall not apply,
24 shall, upon the adoption of the initial rules and regulations by the
25 commission pursuant to subparagraph (a) of paragraph (1) of
26 subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34), be
27 deemed to either concurrently hold a Class 1 Cannabis Cultivator
28 license, a Class 2 Cannabis Manufacturer License, a Class 5
29 Cannabis Retailer license, plus an additional Class 5 Cannabis
30 Retailer license for each satellite dispensary authorized and
31 established by the alternative treatment center pursuant to
32 subparagraph (d) of this paragraph, and a Class 6 Cannabis Delivery
33 license, or hold a Class 3 Cannabis Wholesaler license, and may
34 also be deemed to hold a Class 4 Cannabis Distributor license. Any
35 alternative treatment center deemed to hold one or more licenses as
36 described in this subsubparagraph may begin to operate as any
37 authorized class of cannabis establishment, or establishment and
38 delivery service, or as a cannabis wholesaler and distributor, upon
39 receipt of written approval from the municipality in which the
40 proposed establishment or delivery service, or distributor is to be
41 located and obtaining an initial license or licenses, as applicable,
42 issued by the commission pursuant to paragraph (3) of subsection a.
43 of section 33 of P.L.2021, c.16 (C.24:6I-46).

44 (d) (i) No entity may be issued or concurrently hold more than
45 one medical cannabis cultivator permit, one medical cannabis
46 manufacturer permit, or one medical cannabis dispensary permit at
47 one time, and no medical cannabis dispensary shall be authorized
48 to establish a satellite location on or after the effective date of

1 P.L.2019, c.153 (C.24:6I-5.1 et al.),**1**. **2** **3** **4** **5** **6** **7** **8** **9** **10** **11** **12** **13** **14** **15** **16** **17** **18** **19** **20** **21** **22** **23** **24** **25** **26** **27** **28** **29** **30** **31** **32** **33** **34** **35** **36** **37** **38** **39** **40** **41** **42** **43** **44** **45** **46** **47** **48**

1 P.L.2019, c.153 (C.24:6I-5.1 et al.),**1**. **2** **3** **4** **5** **6** **7** **8** **9** **10** **11** **12** **13** **14** **15** **16** **17** **18** **19** **20** **21** **22** **23** **24** **25** **26** **27** **28** **29** **30** **31** **32** **33** **34** **35** **36** **37** **38** **39** **40** **41** **42** **43** **44** **45** **46** **47** **48**

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 subsubparagraph (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.). A medical cannabis dispensary seeking to establish a satellite dispensary location shall obtain commission approval in accordance with P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2021, c.16 (C.24:6I-31 et al.) and, upon commission approval, shall be authorized to establish and maintain up to one satellite dispensary location.

(ii) Notwithstanding the provisions of subsubparagraph (i) of this subparagraph, an investor, investor group, or fund that provides significant financial or technical assistance or the significant use of intellectual property, or a combination thereof, to an applicant for a medical cannabis dispensary permit, which applicant has been certified as a minority business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.), a women's business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.), or is a disabled-veterans' business, as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), may own up to a 35 percent interest in up to seven entities that have been issued a medical cannabis dispensary permit, provided that each such medical cannabis dispensary is a certified minority or women's business or a disabled-veterans' business, and the terms of the agreement to provide significant financial or technical assistance or the significant use of intellectual property, or a combination thereof, whether provided in the form of equity, a loan, or otherwise, including interest rates, returns, and fees, are commercially reasonable based on the terms generally provided to comparable businesses. The terms of the agreement for the provision of significant financial or technical assistance or the significant use of intellectual property, or a combination thereof, may include performance, quality, and other requirements as a condition of providing the financial or technical assistance or use of intellectual property. An applicant for a medical cannabis dispensary permit that has or will receive significant financial or technical assistance or the significant use of intellectual property under this

1 subsubparagraph shall include with the permit application materials
2 submitted to the commission a copy of the agreement to provide
3 significant financial or technical assistance or significant use of
4 intellectual property, or a combination thereof, which agreement
5 shall be subject to review by the commission as provided in
6 subsection f. of section 11 of P.L.2019, c.153 (C.24:6I-7.1).

7 An applicant for a medical cannabis dispensary permit that
8 receives significant financial or technical assistance or the
9 significant use of intellectual property under this subsubparagraph
10 shall pay back to the investor, investor group, or fund the full value
11 of the financial or technical assistance or intellectual property
12 provided under the agreement, plus any applicable interest and fees,
13 in a period not less than five years after the date of the agreement if
14 the full value of the assistance or property is less than \$100,000, in
15 a period not less than seven years after the date of the agreement if
16 the full value of the assistance or property is between \$100,001 and
17 \$250,000, in a period not less than 10 years after the date of
18 agreement if the full value of the assistance or property is between
19 \$250,001 and \$500,000, and, subject to any terms and conditions
20 imposed by a lender, in a period not less than 10 years after the date
21 of the agreement if the full value of the assistance or property is
22 greater than \$500,000. An investor, investor group, or fund that has
23 acquired an ownership interest in one or more entities that have
24 been issued a medical cannabis dispensary permit as authorized
25 under this subsubparagraph may maintain the ownership interest
26 after the date the full value of the financial or technical assistance
27 or use of intellectual property provided under the agreement, plus
28 interest and fees, has been repaid by the applicant that received the
29 assistance or use of intellectual property.

30 In no case may the controlling interest in the entity that holds a
31 medical cannabis dispensary permit in which an investor, investor
32 group, or fund owns an interest as authorized under this
33 subsubparagraph revert to the investor, investor group, or fund in
34 the event of a default or failure by the certified minority or women's
35 business or disabled-veterans' business, as applicable, and any such
36 controlling interest may only be transferred to a certified minority
37 or women's business or a disabled-veterans' business.

38 An entity issued a medical cannabis cultivator, medical cannabis
39 manufacturer, or medical cannabis dispensary permit, or an
40 individual associated with the ownership or management of such
41 entity, may invest in or participate in an investor group or a fund
42 that meets the requirements of this subsubparagraph with respect to
43 a Class 5 cannabis retailer license or an alternative treatment center
44 permit.

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

1 clinical registrant permit pursuant to section 13 of P.L.2019, c.153
2 (C.24:6I-7.3) may concurrently hold a medical cannabis cultivator
3 permit, a medical cannabis manufacturer permit, or a medical
4 cannabis dispensary permit.

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

9 (g) An alternative treatment center that was issued a permit prior
10 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that was
11 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
12 5.1 et al.) pursuant to an application submitted pursuant to a request
13 for applications published in the New Jersey Register prior to the
14 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was
15 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
16 5.1 et al.) pursuant to an application submitted prior to the effective
17 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), shall be required to
18 submit an attestation signed by a bona fide labor organization
19 stating that the alternative treatment center has entered into a labor
20 peace agreement with such bona fide labor organization no later
21 than 100 days after the effective date of P.L.2019, c.153 (C.24:6I-
22 5.1 et al.) or no later than 100 days after the date the alternative
23 treatment center first opens, whichever date is later. The
24 maintenance of a labor peace agreement with a bona fide labor
25 organization shall be an ongoing material condition of maintaining
26 the alternative treatment center's permit. The failure to submit an
27 attestation as required pursuant to this subparagraph within 100
28 days after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)
29 or within 100 days after the alternative treatment center first opens,
30 as applicable, shall result in the suspension or revocation of the
31 alternative treatment center's permit, provided that the commission
32 may grant an extension to this deadline to the alternative treatment
33 center based upon extenuating circumstances or for good cause
34 shown.

35 As used in this subparagraph, "bona fide labor organization"
36 means a labor organization of any kind or employee representation
37 committee, group, or association, in which employees participate
38 and which exists and is constituted for the purpose, in whole or in
39 part, of collective bargaining or otherwise dealing with medical or
40 personal use cannabis employers concerning grievances, labor
41 disputes, terms or conditions of employment, including wages and
42 rates of pay, or other mutual aid or protection in connection with
43 employment, and may be characterized by: it being a party to one or
44 more executed collective bargaining agreements with medical or
45 personal use cannabis employers, in this State or another state; it
46 having a written constitution or bylaws in the three immediately
47 preceding years; it filing the annual financial report required of
48 labor organizations pursuant to subsection (b) of 29 U.S.C. s.431, or

1 it having at least one audited financial report in the three
2 immediately preceding years; it being affiliated with any regional or
3 national association of unions, including but not limited to state and
4 federal labor councils; or it being a member of a national labor
5 organization that has at least 500 general members in a majority of
6 the 50 states of the United States.

7 (h) An alternative treatment center that was issued a permit prior
8 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that was
9 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
10 5.1 et al.) pursuant to an application submitted pursuant to a request
11 for applications published in the New Jersey Register prior to the
12 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was
13 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
14 5.1 et al.) pursuant to an application submitted prior to the effective
15 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), shall be permitted to
16 cultivate from up to two physical locations, provided that the
17 alternative treatment center's combined mature cannabis plant grow
18 canopy between both locations shall not exceed 150,000 square feet
19 of bloom space or the square footage of canopy permitted under the
20 largest tier in the tiered system adopted by the commission pursuant
21 to paragraph (2) of subsection b. of section 21 of P.L.2021, c.16
22 (C.24:6I-38).

23 (3) The commission shall seek to ensure the availability of a
24 sufficient number of medical cannabis cultivators, medical cannabis
25 manufacturers, and medical cannabis dispensaries throughout the
26 State, pursuant to need, including at least two each in the northern,
27 central, and southern regions of the State. Medical cannabis
28 cultivators, medical cannabis manufacturers, and medical cannabis
29 dispensaries issued permits pursuant to this section may be
30 nonprofit or for-profit entities.

31 (4) The commission shall periodically evaluate whether the
32 number of medical cannabis cultivator, medical cannabis
33 manufacturer, and medical cannabis dispensary permits issued are
34 sufficient to meet the needs of qualifying patients in the State, and
35 shall accept new applications and issue such additional permits as
36 shall be necessary to meet those needs. The types of permits
37 requested and issued, and the locations of any additional permits
38 that are authorized, shall be in the discretion of the commission
39 based on the needs of qualifying patients in the State.

40 (5) (a) A medical cannabis cultivator shall be authorized to:
41 acquire a reasonable initial and ongoing inventory, as determined
42 by the commission, of cannabis seeds or seedlings and
43 paraphernalia; possess, cultivate, plant, grow, harvest, and package
44 medical cannabis, including prerolled forms, for any authorized
45 purpose, including, but not limited to, research purposes; and
46 deliver, transfer, transport, distribute, supply, or sell medical
47 cannabis and related supplies to any medical cannabis cultivator,
48 medical cannabis manufacturer, medical cannabis dispensary, or

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

6 (b) A medical cannabis manufacturer shall be authorized to:
7 purchase or acquire medical cannabis from any medical cannabis
8 cultivator, medical cannabis manufacturer, or clinical registrant in
9 the State; possess and utilize medical cannabis in the manufacture
10 and creation of medical cannabis products; and deliver, transfer,
11 transport, supply, or sell medical cannabis products and related
12 supplies to any medical cannabis manufacturer, medical cannabis
13 dispensary, or clinical registrant in the State.

14 (c) A medical cannabis dispensary shall be authorized to:
15 purchase or acquire medical cannabis from any medical cannabis
16 cultivator, medical cannabis dispensary, or clinical registrant in the
17 State and medical cannabis products and related supplies from any
18 medical cannabis manufacturer, medical cannabis dispensary, or
19 clinical registrant in the State; purchase or acquire paraphernalia
20 from any legal source; and distribute, supply, sell, or dispense
21 medical cannabis, medical cannabis products, paraphernalia, and
22 related supplies to qualifying patients or their designated or
23 institutional caregivers who are registered with the commission
24 pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4). A medical
25 cannabis dispensary may furnish medical cannabis, medical
26 cannabis products, paraphernalia, and related supplies to a medical
27 cannabis handler for delivery to a registered qualifying patient,
28 designated caregiver, or institutional caregiver consistent with the
29 requirements of subsection i. of section 27 of P.L.2019, c.153
30 (C.24:6I-20).

31 (6) A medical cannabis cultivator shall not be limited in the
32 number of strains of medical cannabis cultivated, and a medical
33 cannabis manufacturer shall not be limited in the number or type of
34 medical cannabis products manufactured or created. A medical
35 cannabis manufacturer may package, and a medical cannabis
36 dispensary may directly dispense medical cannabis and medical
37 cannabis products to qualifying patients and their designated and
38 institutional caregivers in any authorized form. Authorized forms
39 shall include dried form, oral lozenges, topical formulations,
40 transdermal form, sublingual form, tincture form, or edible form, or
41 any other form as authorized by the commission. Edible form shall
42 include pills, tablets, capsules, drops or syrups, oils, chewable
43 forms, and any other form as authorized by the commission, except
44 that the edible forms made available to minor patients shall be
45 limited to forms that are medically appropriate for children,
46 including pills, tablets, capsules, chewable forms, and drops, oils,
47 syrups, and other liquids.

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

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

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

26 d. (1) The commission shall require each applicant seeking a
27 permit to operate as, to be a director, officer, or employee of, or to
28 be a significantly involved person in, a medical cannabis cultivator,
29 medical cannabis manufacturer, medical cannabis dispensary, or
30 clinical registrant to undergo a criminal history record background
31 check.

32 Any individual seeking to become a director, officer, or
33 employee of a medical cannabis cultivator, medical cannabis
34 manufacturer, medical cannabis dispensary, or clinical registrant,
35 after issuance of an initial permit shall notify the commission and
36 shall complete a criminal history record background check and
37 provide all information as may be required by the commission as a
38 condition of assuming a position as director, officer, or employee of
39 the permitted entity. An individual who secures an investment
40 interest or gains the authority to make controlling decisions in a
41 permitted entity that makes the individual a significantly involved
42 person shall notify the commission, complete a criminal history
43 record background check, and provide all information as may be
44 required by the commission no later than 30 days after the date the
45 individual becomes a significantly involved person, or any permit
46 issued to the individual or group of which the significantly involved
47 person is a member shall be revoked and the individual or group
48 shall be deemed ineligible to hold any ownership or investment

1 interest in a medical cannabis cultivator, medical cannabis
2 manufacturer, medical cannabis dispensary, or clinical registrant for
3 a period of at least two years, commencing from the date of
4 revocation, and for such additional period of time as the
5 commission deems appropriate, based on the duration of the
6 nondisclosure, the size of the individual's or group's investment
7 interest in the permitted entity, the amount of profits, revenue, or
8 income realized by the individual or group from the permitted entity
9 during the period of nondisclosure, and whether the individual had a
10 disqualifying conviction or would otherwise have been deemed
11 ineligible to be a significantly involved person in a medical
12 cannabis cultivator, medical cannabis manufacturer, medical
13 cannabis dispensary, or clinical registrant.

14 For purposes of this section, the term "applicant" shall include
15 any owner, director, officer, or employee of, and any significantly
16 involved person in, a medical cannabis cultivator, medical cannabis
17 manufacturer, medical cannabis dispensary, or clinical registrant.
18 The commission is authorized to exchange fingerprint data with and
19 receive criminal history record background information from the
20 Division of State Police and the Federal Bureau of Investigation
21 consistent with the provisions of applicable State and federal laws,
22 rules, and regulations. The Division of State Police shall forward
23 criminal history record background information to the commission
24 in a timely manner when requested pursuant to the provisions of
25 this section.

26 An applicant who is required to undergo a criminal history
27 record background check pursuant to this section shall submit to
28 being fingerprinted in accordance with applicable State and federal
29 laws, rules, and regulations. No check of criminal history record
30 background information shall be performed pursuant to this section
31 unless the applicant has furnished the applicant's written consent to
32 that check. An applicant who is required to undergo a criminal
33 history record background check pursuant to this section who
34 refuses to consent to, or cooperate in, the securing of a check of
35 criminal history record background information shall not be
36 considered for a permit to operate, or authorization to be employed
37 at or to be a significantly involved person in, a medical cannabis
38 cultivator, medical cannabis manufacturer, medical cannabis
39 dispensary, or clinical registrant. An applicant shall bear the cost
40 for the criminal history record background check, including all
41 costs of administering and processing the check.

42 (2) The commission shall not approve an applicant for a permit
43 to operate, or authorization to be employed at or to be a
44 significantly involved person in, a medical cannabis cultivator,
45 medical cannabis manufacturer, medical cannabis dispensary, or
46 clinical registrant if the criminal history record background
47 information of the applicant reveals a disqualifying conviction as
48 set forth in subsection c. of this section.

1 (3) Upon receipt of the criminal history record background
2 information from the Division of State Police and the Federal
3 Bureau of Investigation, the commission shall provide written
4 notification to the applicant of the applicant's qualification or
5 disqualification for a permit to operate or be a director, officer, or
6 employee of, or a significantly involved person in, a medical
7 cannabis cultivator, medical cannabis manufacturer, medical
8 cannabis dispensary, or clinical registrant.

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

13 (4) The Division of State Police shall promptly notify the
14 commission in the event that an individual who was the subject of a
15 criminal history record background check conducted pursuant to
16 this section is convicted of a crime or offense in this State after the
17 date the background check was performed. Upon receipt of that
18 notification, the commission shall make a determination regarding
19 the continued eligibility to operate or be a director, officer, or
20 employee of, or a significantly involved person in, a medical
21 cannabis cultivator, medical cannabis manufacturer, medical
22 cannabis dispensary, or clinical registrant.

23 (5) Notwithstanding the provisions of subsection c. of this
24 section to the contrary, the commission may offer provisional
25 authority for an applicant to be an owner, director, officer, or
26 employee of, or a significantly involved person in, a medical
27 cannabis cultivator, medical cannabis manufacturer, medical
28 cannabis dispensary, or clinical registrant for a period not to exceed
29 three months if the applicant submits to the commission a sworn
30 statement attesting that the person has not been convicted of any
31 disqualifying conviction pursuant to this section.

32 (6) Notwithstanding the provisions of subsection c. of this
33 section to the contrary, no applicant to be an owner, director,
34 officer, or employee of, or a significantly involved person in, a
35 medical cannabis cultivator, medical cannabis manufacturer,
36 medical cannabis dispensary, or clinical registrant shall be
37 disqualified on the basis of any conviction disclosed by a criminal
38 history record background check conducted pursuant to this section
39 if the individual has affirmatively demonstrated to the commission
40 clear and convincing evidence of rehabilitation. In determining
41 whether clear and convincing evidence of rehabilitation has been
42 demonstrated, the following factors shall be considered:

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

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

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

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

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

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

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

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

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

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

34 g. A medical cannabis cultivator, medical cannabis
35 manufacturer, medical cannabis dispensary, or clinical registrant
36 shall report any change in information to the commission not later
37 than 10 days after such change, or the permit shall be deemed null
38 and void.

39 h. Each medical cannabis dispensary and clinical registrant
40 shall maintain and make available on its Internet website, if any, a
41 standard price list that shall apply to all medical cannabis, medical
42 cannabis products, and related supplies and paraphernalia sold or
43 dispensed by the medical cannabis dispensary or clinical registrant,
44 which prices shall be reasonable and consistent with the actual costs
45 incurred by the medical cannabis dispensary or clinical registrant in
46 connection with acquiring and selling, transferring, or dispensing
47 the medical cannabis or medical cannabis product and related
48 supplies and paraphernalia. The prices charged by the medical

1 cannabis dispensary or clinical registrant shall not deviate from the
2 prices indicated on the entity's current price list, provided that a
3 price list maintained by a medical cannabis dispensary or clinical
4 registrant may allow for medical cannabis to be made available at a
5 reduced price or without charge to qualifying patients who have a
6 demonstrated financial hardship, as that term shall be defined by the
7 commission by regulation. A price list required pursuant to this
8 subsection may be revised no more than once per month, and each
9 medical cannabis dispensary and clinical registrant shall be
10 responsible for ensuring that the commission has a copy of the
11 facility's current price list. A medical cannabis dispensary or
12 clinical registrant shall be liable to a civil penalty of \$1,000 for
13 each sale that occurs at a price that deviates from the entity's current
14 price list, and to a civil penalty of \$10,000 for each week during
15 which the entity's current price list is not on file with the
16 commission. Any civil penalties collected by the commission
17 pursuant to this section shall be deposited in the "Cannabis
18 Regulatory, Enforcement Assistance, and Marketplace
19 Modernization Fund" established under section 41 of P.L.2021, c.16
20 (C.24:6I-50), and used by the commission for the purposes of
21 administering the State medical cannabis program.

22 i. The commission shall adopt regulations to:

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

36 (2) monitor, oversee, and investigate all activities performed by
37 medical cannabis cultivators, medical cannabis manufacturers,
38 medical cannabis dispensaries, and clinical registrants;

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

42 (4) establish thresholds for administrative action to be taken
43 against a medical cannabis cultivator, medical cannabis
44 manufacturer, medical cannabis dispensary, or clinical registrant
45 and its employees, officers, investors, directors, or governing board
46 pursuant to subsection m. of this section, including, but not limited
47 to, specific penalties or disciplinary actions that may be imposed in
48 a summary proceeding.

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

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

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

1 full authority to approve a sale or transfer pursuant to this
2 paragraph.

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

12 l. No employee of any department, division, agency, board, or
13 other State, county, or local government entity involved in the
14 process of reviewing, processing, or making determinations with
15 regard to medical cannabis cultivator, medical cannabis
16 manufacturer, medical cannabis dispensary, or clinical registrant
17 permit applications shall have any direct or indirect financial
18 interest in the cultivating, manufacturing, or dispensing of medical
19 cannabis or related paraphernalia, or otherwise receive anything of
20 value from an applicant for a medical cannabis cultivator, medical
21 cannabis manufacturer, medical cannabis dispensary, or clinical
22 registrant permit in exchange for reviewing, processing, or making
23 any 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
27 P.L.2009, c.307 (C.24:6I-1 et al.) or any related law or regulation,
28 the commission may invoke penalties or take administrative action
29 against the medical cannabis cultivator, medical cannabis
30 manufacturer, medical cannabis dispensary, or clinical registrant
31 and its employees, officers, investors, directors, or governing board,
32 including, but not limited to, assessing fines, referring matters to
33 another State agency, and suspending or terminating any permit
34 held by the medical cannabis cultivator, medical cannabis
35 manufacturer, medical cannabis dispensary, or clinical registrant.
36 Any penalties imposed or administrative actions taken by the
37 commission pursuant to this subsection may be imposed in a
38 summary proceeding.

39 (cf: P.L.2023, c.162, s.3)

40

41 2. This act shall take effect immediately.

42

43

44

STATEMENT

45

46 This bill permits a medical cannabis dispensary to establish a
47 satellite location.

1 Under current law, pursuant to P.L.2019, c.153, a medical
2 cannabis dispensary is prohibited from establishing a satellite
3 location. However, the enactment permits an alternative treatment
4 center to open a satellite location.

5 The bill provides that a medical cannabis dispensary may
6 establish only one satellite location, and requires a medical cannabis
7 dispensary to obtain approval from the Cannabis Regulatory
8 Commission prior to establishing any satellite location.

[First Reprint]

SENATE, No. 3486

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 24, 2024

Sponsored by:

Senator VIN GOPAL

District 11 (Monmouth)

SYNOPSIS

Removes prohibition on medical cannabis dispensaries establishing satellite locations.

CURRENT VERSION OF TEXT

As reported by the Senate Judiciary Committee on May 29, 2025, with amendments.



1 AN ACT concerning satellite locations of medical cannabis
2 dispensaries and amending P.L.2009, 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
8 as 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
13 include a conditional permit issued pursuant to subsection d. of
14 section 11 of P.L.2019, c.153 (C.24:6I-7.1) and any permit issued to
15 a 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
21 type; 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
27 alternative treatment centers issued a permit subsequent to the
28 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an
29 application submitted prior to the effective date of P.L.2019, c.153
30 (C.24:6I-5.1 et al.); provided that medical cannabis cultivator
31 permits issued to microbusinesses pursuant to subsection e. of
32 section 11 of P.L.2019, c.153 (C.24:6I-7.1) shall not count toward
33 this limit.

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

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 May 29, 2025.

1 (c) (i) The provisions of subparagraph (a) of this paragraph shall
2 not apply to any alternative treatment center that was issued a
3 permit prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
4 al.), to any alternative treatment center that was issued a permit
5 after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)
6 pursuant to an application submitted prior to the effective date of
7 P.L.2019, c.153 (C.24:6I-5.1 et al.), to one of the four alternative
8 treatment centers issued a permit pursuant to an application
9 submitted after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
10 al.) pursuant to a request for applications published in the New
11 Jersey Register prior to the effective date of P.L.2019, c.153
12 (C.24:6I-5.1 et al.) that are expressly exempt from the provisions of
13 subparagraph (i) of subparagraph (a) of this paragraph, or to one
14 of the three alternative treatment centers issued a permit pursuant to
15 section 11 of P.L.2019, c.153 (C.24:6I-7.1) that are expressly
16 exempt from the provisions of subparagraph (i) of subparagraph
17 (a) of this paragraph, which alternative treatment centers shall be
18 deemed to concurrently hold a medical cannabis cultivator permit, a
19 medical cannabis manufacturer permit, and a medical cannabis
20 dispensary permit, and shall be authorized to engage in any conduct
21 authorized pursuant to those permits in relation to the cultivation,
22 manufacturing, and dispensing of medical cannabis.

23 (ii) In addition, each of the alternative treatment centers
24 described in subparagraph (i) of this subparagraph, to which the
25 provisions of subparagraph (a) of this paragraph shall not apply,
26 shall, upon the adoption of the initial rules and regulations by the
27 commission pursuant to subparagraph (a) of paragraph (1) of
28 subsection d. of section 6 of P.L.2021, c.16 (C.24:6I-34), be
29 deemed to either concurrently hold a Class 1 Cannabis Cultivator
30 license, a Class 2 Cannabis Manufacturer License, a Class 5
31 Cannabis Retailer license, plus an additional Class 5 Cannabis
32 Retailer license for each satellite dispensary authorized and
33 established by the alternative treatment center pursuant to
34 subparagraph (d) of this paragraph, and a Class 6 Cannabis Delivery
35 license, or hold a Class 3 Cannabis Wholesaler license, and may
36 also be deemed to hold a Class 4 Cannabis Distributor license. Any
37 alternative treatment center deemed to hold one or more licenses as
38 described in this subparagraph may begin to operate as any
39 authorized class of cannabis establishment, or establishment and
40 delivery service, or as a cannabis wholesaler and distributor, upon
41 receipt of written approval from the municipality in which the
42 proposed establishment or delivery service, or distributor is to be
43 located and obtaining an initial license or licenses, as applicable,
44 issued by the commission pursuant to paragraph (3) of subsection a.
45 of section 33 of P.L.2021, c.16 (C.24:6I-46).

46 (d) (i) No entity may be issued or concurrently hold more than
47 one medical cannabis cultivator permit, one medical cannabis
48 manufacturer permit, or one medical cannabis dispensary permit at

1 one time~~],~~ and no medical cannabis dispensary shall be authorized
2 to establish a satellite location on or after the effective date of
3 P.L.2019, c.153 (C.24:6I-5.1 et al.),~~].~~ ~~【except that an】~~ An
4 alternative treatment center that was issued a permit prior to the
5 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) or that was
6 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
7 5.1 et al.) pursuant to an application submitted prior to the effective
8 date of P.L.2019, c.153 (C.24:6I-5.1 et al.) shall be authorized to
9 maintain up to two satellite dispensaries, including any satellite
10 dispensary that was approved pursuant to an application submitted
11 prior to or within 18 months after the effective date of P.L.2019,
12 c.153 (C.24:6I-5.1 et al.). The three alternative treatment centers
13 issued permits pursuant to section 11 of P.L.2019, c.153 (C.24:6I-
14 7.1) that are expressly exempt from the provisions of
15 subsubparagraph (i) of subparagraph (a) of this paragraph shall be
16 authorized to establish and maintain up to one satellite dispensary
17 location, provided that the satellite dispensary was approved
18 pursuant to an application submitted within 18 months after the
19 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.). A medical
20 cannabis dispensary seeking to establish a satellite dispensary
21 location shall obtain commission approval in accordance with
22 P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2021, c.16 (C.24:6I-31 et
23 al.) and, upon commission approval, shall be authorized to establish
24 and maintain up to ~~‘【one】 two’~~ satellite dispensary ~~‘【location】~~
25 locations¹.

26 (ii) Notwithstanding the provisions of subsubparagraph (i) of
27 this subparagraph, an investor, investor group, or fund that provides
28 significant financial or technical assistance or the significant use of
29 intellectual property, or a combination thereof, to an applicant for a
30 medical cannabis dispensary permit, which applicant has been
31 certified as a minority business pursuant to P.L.1986, c.195
32 (C.52:27H-21.18 et seq.), a women's business pursuant to P.L.1986,
33 c.195 (C.52:27H-21.18 et seq.), or is a disabled-veterans' business,
34 as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), may own
35 up to a 35 percent interest in up to seven entities that have been
36 issued a medical cannabis dispensary permit, provided that each
37 such medical cannabis dispensary is a certified minority or women's
38 business or a disabled-veterans' business, and the terms of the
39 agreement to provide significant financial or technical assistance or
40 the significant use of intellectual property, or a combination thereof,
41 whether provided in the form of equity, a loan, or otherwise,
42 including interest rates, returns, and fees, are commercially
43 reasonable based on the terms generally provided to comparable
44 businesses. The terms of the agreement for the provision of
45 significant financial or technical assistance or the significant use of
46 intellectual property, or a combination thereof, may include
47 performance, quality, and other requirements as a condition of
48 providing the financial or technical assistance or use of intellectual

1 property. An applicant for a medical cannabis dispensary permit
2 that has or will receive significant financial or technical assistance
3 or the significant use of intellectual property under this
4 subsubparagraph shall include with the permit application materials
5 submitted to the commission a copy of the agreement to provide
6 significant financial or technical assistance or significant use of
7 intellectual property, or a combination thereof, which agreement
8 shall be subject to review by the commission as provided in
9 subsection f. of section 11 of P.L.2019, c.153 (C.24:6I-7.1).

10 An applicant for a medical cannabis dispensary permit that
11 receives significant financial or technical assistance or the
12 significant use of intellectual property under this subsubparagraph
13 shall pay back to the investor, investor group, or fund the full value
14 of the financial or technical assistance or intellectual property
15 provided under the agreement, plus any applicable interest and fees,
16 in a period not less than five years after the date of the agreement if
17 the full value of the assistance or property is less than \$100,000, in
18 a period not less than seven years after the date of the agreement if
19 the full value of the assistance or property is between \$100,001 and
20 \$250,000, in a period not less than 10 years after the date of
21 agreement if the full value of the assistance or property is between
22 \$250,001 and \$500,000, and, subject to any terms and conditions
23 imposed by a lender, in a period not less than 10 years after the date
24 of the agreement if the full value of the assistance or property is
25 greater than \$500,000. An investor, investor group, or fund that has
26 acquired an ownership interest in one or more entities that have
27 been issued a medical cannabis dispensary permit as authorized
28 under this subsubparagraph may maintain the ownership interest
29 after the date the full value of the financial or technical assistance
30 or use of intellectual property provided under the agreement, plus
31 interest and fees, has been repaid by the applicant that received the
32 assistance or use of intellectual property.

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

41 An entity issued a medical cannabis cultivator, medical cannabis
42 manufacturer, or medical cannabis dispensary permit, or an
43 individual associated with the ownership or management of such
44 entity, may invest in or participate in an investor group or a fund
45 that meets the requirements of this subsubparagraph with respect to
46 a Class 5 cannabis retailer license or an alternative treatment center
47 permit.

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

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

13 (g) An alternative treatment center that was issued a permit prior
14 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that was
15 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
16 5.1 et al.) pursuant to an application submitted pursuant to a request
17 for applications published in the New Jersey Register prior to the
18 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was
19 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
20 5.1 et al.) pursuant to an application submitted prior to the effective
21 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), shall be required to
22 submit an attestation signed by a bona fide labor organization
23 stating that the alternative treatment center has entered into a labor
24 peace agreement with such bona fide labor organization no later
25 than 100 days after the effective date of P.L.2019, c.153 (C.24:6I-
26 5.1 et al.) or no later than 100 days after the date the alternative
27 treatment center first opens, whichever date is later. The
28 maintenance of a labor peace agreement with a bona fide labor
29 organization shall be an ongoing material condition of maintaining
30 the alternative treatment center's permit. The failure to submit an
31 attestation as required pursuant to this subparagraph within 100
32 days after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.)
33 or within 100 days after the alternative treatment center first opens,
34 as applicable, shall result in the suspension or revocation of the
35 alternative treatment center's permit, provided that the commission
36 may grant an extension to this deadline to the alternative treatment
37 center based upon extenuating circumstances or for good cause
38 shown.

39 As used in this subparagraph, "bona fide labor organization"
40 means a labor organization of any kind or employee representation
41 committee, group, or association, in which employees participate
42 and which exists and is constituted for the purpose, in whole or in
43 part, of collective bargaining or otherwise dealing with medical or
44 personal use cannabis employers concerning grievances, labor
45 disputes, terms or conditions of employment, including wages and
46 rates of pay, or other mutual aid or protection in connection with
47 employment, and may be characterized by: it being a party to one or
48 more executed collective bargaining agreements with medical or

1 personal use cannabis employers, in this State or another state; it
2 having a written constitution or bylaws in the three immediately
3 preceding years; it filing the annual financial report required of
4 labor organizations pursuant to subsection (b) of 29 U.S.C. s.431, or
5 it having at least one audited financial report in the three
6 immediately preceding years; it being affiliated with any regional or
7 national association of unions, including but not limited to state and
8 federal labor councils; or it being a member of a national labor
9 organization that has at least 500 general members in a majority of
10 the 50 states of the United States.

11 (h) An alternative treatment center that was issued a permit prior
12 to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that was
13 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
14 5.1 et al.) pursuant to an application submitted pursuant to a request
15 for applications published in the New Jersey Register prior to the
16 effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was
17 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-
18 5.1 et al.) pursuant to an application submitted prior to the effective
19 date of P.L.2019, c.153 (C.24:6I-5.1 et al.), shall be permitted to
20 cultivate from up to two physical locations, provided that the
21 alternative treatment center's combined mature cannabis plant grow
22 canopy between both locations shall not exceed 150,000 square feet
23 of bloom space or the square footage of canopy permitted under the
24 largest tier in the tiered system adopted by the commission pursuant
25 to paragraph (2) of subsection b. of section 21 of P.L.2021, c.16
26 (C.24:6I-38).

27 (3) The commission shall seek to ensure the availability of a
28 sufficient number of medical cannabis cultivators, medical cannabis
29 manufacturers, and medical cannabis dispensaries throughout the
30 State, pursuant to need, including at least two each in the northern,
31 central, and southern regions of the State. Medical cannabis
32 cultivators, medical cannabis manufacturers, and medical cannabis
33 dispensaries issued permits pursuant to this section may be
34 nonprofit or for-profit entities.

35 (4) The commission shall periodically evaluate whether the
36 number of medical cannabis cultivator, medical cannabis
37 manufacturer, and medical cannabis dispensary permits issued are
38 sufficient to meet the needs of qualifying patients in the State, and
39 shall accept new applications and issue such additional permits as
40 shall be necessary to meet those needs. The types of permits
41 requested and issued, and the locations of any additional permits
42 that are authorized, shall be in the discretion of the commission
43 based on the needs of qualifying patients in the State.

44 (5) (a) A medical cannabis cultivator shall be authorized to:
45 acquire a reasonable initial and ongoing inventory, as determined
46 by the commission, of cannabis seeds or seedlings and
47 paraphernalia; possess, cultivate, plant, grow, harvest, and package
48 medical cannabis, including prerolled forms, for any authorized

1 purpose, including, but not limited to, research purposes; and
2 deliver, transfer, transport, distribute, supply, or sell medical
3 cannabis and related supplies to any medical cannabis cultivator,
4 medical cannabis manufacturer, medical cannabis dispensary, or
5 clinical registrant in the State. In no case shall a medical cannabis
6 cultivator operate or be located on land that is valued, assessed or
7 taxed as an agricultural or horticultural use pursuant to the
8 "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et
9 seq.).

10 (b) A medical cannabis manufacturer shall be authorized to:
11 purchase or acquire medical cannabis from any medical cannabis
12 cultivator, medical cannabis manufacturer, or clinical registrant in
13 the State; possess and utilize medical cannabis in the manufacture
14 and creation of medical cannabis products; and deliver, transfer,
15 transport, supply, or sell medical cannabis products and related
16 supplies to any medical cannabis manufacturer, medical cannabis
17 dispensary, or clinical registrant in the State.

18 (c) A medical cannabis dispensary shall be authorized to:
19 purchase or acquire medical cannabis from any medical cannabis
20 cultivator, medical cannabis dispensary, or clinical registrant in the
21 State and medical cannabis products and related supplies from any
22 medical cannabis manufacturer, medical cannabis dispensary, or
23 clinical registrant in the State; purchase or acquire paraphernalia
24 from any legal source; and distribute, supply, sell, or dispense
25 medical cannabis, medical cannabis products, paraphernalia, and
26 related supplies to qualifying patients or their designated or
27 institutional caregivers who are registered with the commission
28 pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4). A medical
29 cannabis dispensary may furnish medical cannabis, medical
30 cannabis products, paraphernalia, and related supplies to a medical
31 cannabis handler for delivery to a registered qualifying patient,
32 designated caregiver, or institutional caregiver consistent with the
33 requirements of subsection i. of section 27 of P.L.2019, c.153
34 (C.24:6I-20).

35 (6) A medical cannabis cultivator shall not be limited in the
36 number of strains of medical cannabis cultivated, and a medical
37 cannabis manufacturer shall not be limited in the number or type of
38 medical cannabis products manufactured or created. A medical
39 cannabis manufacturer may package, and a medical cannabis
40 dispensary may directly dispense medical cannabis and medical
41 cannabis products to qualifying patients and their designated and
42 institutional caregivers in any authorized form. Authorized forms
43 shall include dried form, oral lozenges, topical formulations,
44 transdermal form, sublingual form, tincture form, or edible form, or
45 any other form as authorized by the commission. Edible form shall
46 include pills, tablets, capsules, drops or syrups, oils, chewable
47 forms, and any other form as authorized by the commission, except
48 that the edible forms made available to minor patients shall be

1 limited to forms that are medically appropriate for children,
2 including pills, tablets, capsules, chewable forms, and drops, oils,
3 syrups, and other liquids.

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

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

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

29 d. (1) The commission shall require each applicant seeking a
30 permit to operate as, to be a director, officer, or employee of, or to
31 be a significantly involved person in, a medical cannabis cultivator,
32 medical cannabis manufacturer, medical cannabis dispensary, or
33 clinical registrant to undergo a criminal history record background
34 check.

35 Any individual seeking to become a director, officer, or
36 employee of a medical cannabis cultivator, medical cannabis
37 manufacturer, medical cannabis dispensary, or clinical registrant,
38 after issuance of an initial permit shall notify the commission and
39 shall complete a criminal history record background check and
40 provide all information as may be required by the commission as a
41 condition of assuming a position as director, officer, or employee of
42 the permitted entity. An individual who secures an investment
43 interest or gains the authority to make controlling decisions in a
44 permitted entity that makes the individual a significantly involved
45 person shall notify the commission, complete a criminal history
46 record background check, and provide all information as may be
47 required by the commission no later than 30 days after the date the
48 individual becomes a significantly involved person, or any permit

1 issued to the individual or group of which the significantly involved
2 person is a member shall be revoked and the individual or group
3 shall be deemed ineligible to hold any ownership or investment
4 interest in a medical cannabis cultivator, medical cannabis
5 manufacturer, medical cannabis dispensary, or clinical registrant for
6 a period of at least two years, commencing from the date of
7 revocation, and for such additional period of time as the
8 commission deems appropriate, based on the duration of the
9 nondisclosure, the size of the individual's or group's investment
10 interest in the permitted entity, the amount of profits, revenue, or
11 income realized by the individual or group from the permitted entity
12 during the period of nondisclosure, and whether the individual had a
13 disqualifying conviction or would otherwise have been deemed
14 ineligible to be a significantly involved person in a medical
15 cannabis cultivator, medical cannabis manufacturer, medical
16 cannabis dispensary, or clinical registrant.

17 For purposes of this section, the term "applicant" shall include
18 any owner, director, officer, or employee of, and any significantly
19 involved person in, a medical cannabis cultivator, medical cannabis
20 manufacturer, medical cannabis dispensary, or clinical registrant.
21 The commission is authorized to exchange fingerprint data with and
22 receive criminal history record background information from the
23 Division of State Police and the Federal Bureau of Investigation
24 consistent with the provisions of applicable State and federal laws,
25 rules, and regulations. The Division of State Police shall forward
26 criminal history record background information to the commission
27 in a timely manner when requested pursuant to the provisions of
28 this section.

29 An applicant who is required to undergo a criminal history
30 record background check pursuant to this section shall submit to
31 being fingerprinted in accordance with applicable State and federal
32 laws, rules, and regulations. No check of criminal history record
33 background information shall be performed pursuant to this section
34 unless the applicant has furnished the applicant's written consent to
35 that check. An applicant who is required to undergo a criminal
36 history record background check pursuant to this section who
37 refuses to consent to, or cooperate in, the securing of a check of
38 criminal history record background information shall not be
39 considered for a permit to operate, or authorization to be employed
40 at or to be a significantly involved person in, a medical cannabis
41 cultivator, medical cannabis manufacturer, medical cannabis
42 dispensary, or clinical registrant. An applicant shall bear the cost
43 for the criminal history record background check, including all
44 costs of administering and processing the check.

45 (2) The commission shall not approve an applicant for a permit
46 to operate, or authorization to be employed at or to be a
47 significantly involved person in, a medical cannabis cultivator,
48 medical cannabis manufacturer, medical cannabis dispensary, or

1 clinical registrant if the criminal history record background
2 information of the applicant reveals a disqualifying conviction as
3 set forth in subsection c. of this section.

4 (3) Upon receipt of the criminal history record background
5 information from the Division of State Police and the Federal
6 Bureau of Investigation, the commission shall provide written
7 notification to the applicant of the applicant's qualification or
8 disqualification for a permit to operate or be a director, officer, or
9 employee of, or a significantly involved person in, a medical
10 cannabis cultivator, medical cannabis manufacturer, medical
11 cannabis dispensary, or clinical registrant.

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

16 (4) The Division of State Police shall promptly notify the
17 commission in the event that an individual who was the subject of a
18 criminal history record background check conducted pursuant to
19 this section is convicted of a crime or offense in this State after the
20 date the background check was performed. Upon receipt of that
21 notification, the commission shall make a determination regarding
22 the continued eligibility to operate or be a director, officer, or
23 employee of, or a significantly involved person in, a medical
24 cannabis cultivator, medical cannabis manufacturer, medical
25 cannabis dispensary, or clinical registrant.

26 (5) Notwithstanding the provisions of subsection c. of this
27 section to the contrary, the commission may offer provisional
28 authority for an applicant to be an owner, director, officer, or
29 employee of, or a significantly involved person in, a medical
30 cannabis cultivator, medical cannabis manufacturer, medical
31 cannabis dispensary, or clinical registrant for a period not to exceed
32 three months if the applicant submits to the commission a sworn
33 statement attesting that the person has not been convicted of any
34 disqualifying conviction pursuant to this section.

35 (6) Notwithstanding the provisions of subsection c. of this
36 section to the contrary, no applicant to be an owner, director,
37 officer, or employee of, or a significantly involved person in, a
38 medical cannabis cultivator, medical cannabis manufacturer,
39 medical cannabis dispensary, or clinical registrant shall be
40 disqualified on the basis of any conviction disclosed by a criminal
41 history record background check conducted pursuant to this section
42 if the individual has affirmatively demonstrated to the commission
43 clear and convincing evidence of rehabilitation. In determining
44 whether clear and convincing evidence of rehabilitation has been
45 demonstrated, the following factors shall be considered:

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

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

- 1 (c) the circumstances under which the crime or offense
2 occurred;
- 3 (d) the date of the crime or offense;
- 4 (e) the age of the individual when the crime or offense was
5 committed;
- 6 (f) whether the crime or offense was an isolated or repeated
7 incident;
- 8 (g) any social conditions which may have contributed to the
9 commission of the crime or offense; and
- 10 (h) any evidence of rehabilitation, including good conduct in
11 prison or in the community, counseling or psychiatric treatment
12 received, acquisition of additional academic or vocational
13 schooling, successful participation in correctional work-release
14 programs, or the recommendation of those who have had the
15 individual under their supervision.
- 16 e. The commission shall issue a permit to operate or be an
17 owner, director, officer, or employee of, or a significantly involved
18 person in, a medical cannabis cultivator, medical cannabis
19 manufacturer, or medical cannabis dispensary if the commission
20 finds that issuing such a permit would be consistent with the
21 purposes of P.L.2009, c.307 (C.24:6I-1 et al.) and the requirements
22 of this section and section 11 of P.L.2019, c.153 (C.24:6I-7.1) are
23 met. The denial of an application shall be considered a final agency
24 decision, subject to review by the Appellate Division of the
25 Superior Court. A permit to operate a medical cannabis cultivator,
26 medical cannabis manufacturer, or medical cannabis dispensary
27 issued on or after the effective date of P.L.2019, c.153 (C.24:6I-5.1
28 et al.) shall be valid for one year and shall be renewable annually.
- 29 f. A person who has been issued a permit pursuant to this
30 section or a clinical registrant permit pursuant to section 13 of
31 P.L.2019, c.153 (C.24:6I-7.3) shall display the permit at the front
32 entrance to the premises of the permitted facility at all times when
33 the facility is engaged in conduct authorized pursuant to P.L.2009,
34 c.307 (C.24:6I-1 et al.) involving medical cannabis, including, but
35 not limited to, the cultivating, manufacturing, or dispensing of
36 medical cannabis.
- 37 g. A medical cannabis cultivator, medical cannabis
38 manufacturer, medical cannabis dispensary, or clinical registrant
39 shall report any change in information to the commission not later
40 than 10 days after such change, or the permit shall be deemed null
41 and void.
- 42 h. Each medical cannabis dispensary and clinical registrant
43 shall maintain and make available on its Internet website, if any, a
44 standard price list that shall apply to all medical cannabis, medical
45 cannabis products, and related supplies and paraphernalia sold or
46 dispensed by the medical cannabis dispensary or clinical registrant,
47 which prices shall be reasonable and consistent with the actual costs
48 incurred by the medical cannabis dispensary or clinical registrant in

1 connection with acquiring and selling, transferring, or dispensing
2 the medical cannabis or medical cannabis product and related
3 supplies and paraphernalia. The prices charged by the medical
4 cannabis dispensary or clinical registrant shall not deviate from the
5 prices indicated on the entity's current price list, provided that a
6 price list maintained by a medical cannabis dispensary or clinical
7 registrant may allow for medical cannabis to be made available at a
8 reduced price or without charge to qualifying patients who have a
9 demonstrated financial hardship, as that term shall be defined by the
10 commission by regulation. A price list required pursuant to this
11 subsection may be revised no more than once per month, and each
12 medical cannabis dispensary and clinical registrant shall be
13 responsible for ensuring that the commission has a copy of the
14 facility's current price list. A medical cannabis dispensary or
15 clinical registrant shall be liable to a civil penalty of \$1,000 for
16 each sale that occurs at a price that deviates from the entity's current
17 price list, and to a civil penalty of \$10,000 for each week during
18 which the entity's current price list is not on file with the
19 commission. Any civil penalties collected by the commission
20 pursuant to this section shall be deposited in the "Cannabis
21 Regulatory, Enforcement Assistance, and Marketplace
22 Modernization Fund" established under section 41 of P.L.2021, c.16
23 (C.24:6I-50), and used by the commission for the purposes of
24 administering the State medical cannabis program.

25 i. The commission shall adopt regulations to:

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

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

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

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

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

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

12 (2) Each medical cannabis dispensary and clinical registrant
13 shall consider whether to make interpreter services available to the
14 population served, including for individuals with a visual or hearing
15 impairment. The commission shall provide assistance to any
16 medical cannabis dispensary or clinical registrant that seeks to
17 provide such services in locating appropriate interpreter resources.
18 A medical cannabis dispensary or clinical registrant shall assume
19 the cost of providing interpreter services pursuant to this
20 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.)
23 shall be authorized to sell or transfer such permit and other assets to
24 a for-profit entity, provided that: the sale or transfer is approved by
25 the 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
28 record background check pursuant to subsection d. of this section,
29 provided that nothing in this subsection shall be construed to
30 require any individual to undergo a criminal history record
31 background check if the individual would otherwise be exempt from
32 undergoing a criminal history record background check pursuant to
33 subsection d. of this section; the commission finds that the sale or
34 transfer of the permit would be consistent with the purposes of
35 P.L.2009, c.307 (C.24:6I-1 et al.); and no such sale or transfer shall
36 be authorized more than one year after the effective date of
37 P.L.2019, c.153 (C.24:6I-5.1 et al.). The sale or transfer of a permit
38 pursuant to this subsection shall not be subject to the requirements
39 of the "New Jersey Nonprofit Corporation Act," N.J.S.15A:1-1 et
40 seq., provided that, prior to or at the time of the sale or transfer, all
41 debts and obligations of the nonprofit entity are either paid in full or
42 assumed by the for-profit entity purchasing or acquiring the permit,
43 or a reserve fund is established for the purpose of paying in full the
44 debts and obligations of the nonprofit entity, and the for-profit
45 entity pays the full value of all assets held by the nonprofit entity,
46 as reflected on the nonprofit entity's balance sheet, in addition to the
47 agreed-upon price for the sale or transfer of the entity's alternative
48 treatment center permit. Until such time as the members of the

1 Cannabis Regulatory Commission are appointed and the
2 commission first organizes, the Department of Health shall have
3 full authority to approve a sale or transfer pursuant to this
4 paragraph.

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

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

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

41 (cf: P.L.2023, c.162, s.3)

42

43 2. This act shall take effect immediately.

[Second Reprint]

SENATE, No. 3486

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 24, 2024

Sponsored by:

Senator VIN GOPAL

District 11 (Monmouth)

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

SYNOPSIS

Concerns satellite cannabis dispensaries, Cannabis Regulatory Commission membership, and post-employment restrictions on State employees.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 26, 2025, with amendments.



(Sponsorship Updated As Of: 6/30/2025)

1 AN ACT concerning satellite locations of medical cannabis
2 dispensaries, ²Cannabis Regulatory Commission membership, and
3 employment rights of State employees,² and amending P.L.2009,
4 c.307 ², P.L.2019, c.153, and P.L.1981, c.142².

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

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

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

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

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

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

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

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 May 29, 2025.

²Senate SBA committee amendments adopted June 26, 2025.

1 provided that no additional permit shall be awarded to the permit
2 holder during the 18-month period.

3 (c) (i) The provisions of subparagraph (a) of this paragraph shall
4 not apply to any alternative treatment center that was issued a permit
5 prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), to any
6 alternative treatment center that was issued a permit after the effective
7 date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an application
8 submitted prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et
9 al.), to one of the four alternative treatment centers issued a permit
10 pursuant to an application submitted after the effective date of
11 P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to a request for
12 applications published in the New Jersey Register prior to the effective
13 date of P.L.2019, c.153 (C.24:6I-5.1 et al.) that are expressly exempt
14 from the provisions of subparagraph (i) of subparagraph (a) of this
15 paragraph, or to one of the three alternative treatment centers issued a
16 permit pursuant to section 11 of P.L.2019, c.153 (C.24:6I-7.1) that are
17 expressly exempt from the provisions of subparagraph (i) of
18 subparagraph (a) of this paragraph, which alternative treatment centers
19 shall be deemed to concurrently hold a medical cannabis cultivator
20 permit, a medical cannabis manufacturer permit, and a medical
21 cannabis dispensary permit, and shall be authorized to engage in any
22 conduct authorized pursuant to those permits in relation to the
23 cultivation, manufacturing, and dispensing of medical cannabis.

24 (ii) In addition, each of the alternative treatment centers described
25 in subparagraph (i) of this subparagraph, to which the provisions of
26 subparagraph (a) of this paragraph shall not apply, shall, upon the
27 adoption of the initial rules and regulations by the commission
28 pursuant to subparagraph (a) of paragraph (1) of subsection d. of
29 section 6 of P.L.2021, c.16 (C.24:6I-34), be deemed to either
30 concurrently hold a Class 1 Cannabis Cultivator license, a Class 2
31 Cannabis Manufacturer License, a Class 5 Cannabis Retailer license,
32 plus an additional Class 5 Cannabis Retailer license for each satellite
33 dispensary authorized and established by the alternative treatment
34 center pursuant to subparagraph (d) of this paragraph, and a Class 6
35 Cannabis Delivery license, or hold a Class 3 Cannabis Wholesaler
36 license, and may also be deemed to hold a Class 4 Cannabis
37 Distributor license. Any alternative treatment center deemed to hold
38 one or more licenses as described in this subparagraph may begin
39 to operate as any authorized class of cannabis establishment, or
40 establishment and delivery service, or as a cannabis wholesaler and
41 distributor, upon receipt of written approval from the municipality in
42 which the proposed establishment or delivery service, or distributor is
43 to be located and obtaining an initial license or licenses, as applicable,
44 issued by the commission pursuant to paragraph (3) of subsection a. of
45 section 33 of P.L.2021, c.16 (C.24:6I-46).

46 (d) (i) No entity may be issued or concurrently hold more than one
47 medical cannabis cultivator permit, one medical cannabis
48 manufacturer permit, or one medical cannabis dispensary permit at one

1 time], and no medical cannabis dispensary shall be authorized to
 2 establish a satellite location on or after the effective date of P.L.2019,
 3 c.153 (C.24:6I-5.1 et al.),]. [except that an] An alternative treatment
 4 center ²[that was issued a permit prior to the effective date of
 5 P.L.2019, c.153 (C.24:6I-5.1 et al.) or that was issued a permit after
 6 the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an
 7 application submitted prior to the effective date of P.L.2019, c.153
 8 (C.24:6I-5.1 et al.)] which has been issued a permit to dispense
 9 medical cannabis from a medical cannabis dispensary² shall be
 10 authorized to maintain up to two satellite dispensaries ²], including
 11 any satellite dispensary that was approved pursuant to an application
 12 submitted prior to or within 18 months after the effective date of
 13 P.L.2019, c.153 (C.24:6I-5.1 et al.). The three alternative treatment
 14 centers issued permits pursuant to section 11 of P.L.2019, c.153
 15 (C.24:6I-7.1) that are expressly exempt from the provisions of
 16 subsubparagraph (i) of subparagraph (a) of this paragraph shall be
 17 authorized to establish and maintain up to one satellite dispensary
 18 location, provided that the satellite dispensary was approved pursuant
 19 to an application submitted within 18 months after the effective date of
 20 P.L.2019, c.153 (C.24:6I-5.1 et al.)]². A medical cannabis dispensary
 21 seeking to establish a satellite dispensary location shall obtain
 22 commission approval in accordance with P.L.2009, c.307 (C.24:6I-1 et
 23 al.) and P.L.2021, c.16 (C.24:6I-31 et al.) and, upon commission
 24 approval, shall be authorized to establish and maintain up to ¹[one]
 25 two¹ satellite dispensary ¹[location] locations¹.

26 (ii) Notwithstanding the provisions of subsubparagraph (i) of this
 27 subparagraph, an investor, investor group, or fund that provides
 28 significant financial or technical assistance or the significant use of
 29 intellectual property, or a combination thereof, to an applicant for a
 30 medical cannabis dispensary permit, which applicant has been certified
 31 as a minority business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et
 32 seq.), a women's business pursuant to P.L.1986, c.195 (C.52:27H-
 33 21.18 et seq.), or is a disabled-veterans' business, as defined in section
 34 2 of P.L.2015, c.116 (C.52:32-31.2), may own up to a 35 percent
 35 interest in up to seven entities that have been issued a medical
 36 cannabis dispensary permit, provided that each such medical cannabis
 37 dispensary is a certified minority or women's business or a disabled-
 38 veterans' business, and the terms of the agreement to provide
 39 significant financial or technical assistance or the significant use of
 40 intellectual property, or a combination thereof, whether provided in the
 41 form of equity, a loan, or otherwise, including interest rates, returns,
 42 and fees, are commercially reasonable based on the terms generally
 43 provided to comparable businesses. The terms of the agreement for
 44 the provision of significant financial or technical assistance or the
 45 significant use of intellectual property, or a combination thereof, may
 46 include performance, quality, and other requirements as a condition of
 47 providing the financial or technical assistance or use of intellectual

1 property. An applicant for a medical cannabis dispensary permit that
2 has or will receive significant financial or technical assistance or the
3 significant use of intellectual property under this subsubparagraph
4 shall include with the permit application materials submitted to the
5 commission a copy of the agreement to provide significant financial or
6 technical assistance or significant use of intellectual property, or a
7 combination thereof, which agreement shall be subject to review by
8 the commission as provided in subsection f. of section 11 of P.L.2019,
9 c.153 (C.24:6I-7.1).

10 An applicant for a medical cannabis dispensary permit that
11 receives significant financial or technical assistance or the significant
12 use of intellectual property under this subsubparagraph shall pay back
13 to the investor, investor group, or fund the full value of the financial or
14 technical assistance or intellectual property provided under the
15 agreement, plus any applicable interest and fees, in a period not less
16 than five years after the date of the agreement if the full value of the
17 assistance or property is less than \$100,000, in a period not less than
18 seven years after the date of the agreement if the full value of the
19 assistance or property is between \$100,001 and \$250,000, in a period
20 not less than 10 years after the date of agreement if the full value of
21 the assistance or property is between \$250,001 and \$500,000, and,
22 subject to any terms and conditions imposed by a lender, in a period
23 not less than 10 years after the date of the agreement if the full value
24 of the assistance or property is greater than \$500,000. An investor,
25 investor group, or fund that has acquired an ownership interest in one
26 or more entities that have been issued a medical cannabis dispensary
27 permit as authorized under this subsubparagraph may maintain the
28 ownership interest after the date the full value of the financial or
29 technical assistance or use of intellectual property provided under the
30 agreement, plus interest and fees, has been repaid by the applicant that
31 received the assistance or use of intellectual property.

32 In no case may the controlling interest in the entity that holds a
33 medical cannabis dispensary permit in which an investor, investor
34 group, or fund owns an interest as authorized under this
35 subsubparagraph revert to the investor, investor group, or fund in the
36 event of a default or failure by the certified minority or women's
37 business or disabled-veterans' business, as applicable, and any such
38 controlling interest may only be transferred to a certified minority or
39 women's business or a disabled-veterans' business.

40 An entity issued a medical cannabis cultivator, medical cannabis
41 manufacturer, or medical cannabis dispensary permit, or an individual
42 associated with the ownership or management of such entity, may
43 invest in or participate in an investor group or a fund that meets the
44 requirements of this subsubparagraph with respect to a Class 5
45 cannabis retailer license or an alternative treatment center permit.

46 (e) No entity issued a medical cannabis cultivator, medical
47 cannabis manufacturer, or medical cannabis dispensary permit may
48 concurrently hold a clinical registrant permit issued pursuant to section

1 13 of P.L.2019, c.153 (C.24:6I-7.3), and no entity issued a clinical
2 registrant permit pursuant to section 13 of P.L.2019, c.153 (C.24:6I-
3 7.3) may concurrently hold a medical cannabis cultivator permit, a
4 medical cannabis manufacturer permit, or a medical cannabis
5 dispensary permit.

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

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

34 As used in this subparagraph, "bona fide labor organization" means
35 a labor organization of any kind or employee representation
36 committee, group, or association, in which employees participate and
37 which exists and is constituted for the purpose, in whole or in part, of
38 collective bargaining or otherwise dealing with medical or personal
39 use cannabis employers concerning grievances, labor disputes, terms
40 or conditions of employment, including wages and rates of pay, or
41 other mutual aid or protection in connection with employment, and
42 may be characterized by: it being a party to one or more executed
43 collective bargaining agreements with medical or personal use
44 cannabis employers, in this State or another state; it having a written
45 constitution or bylaws in the three immediately preceding years; it
46 filing the annual financial report required of labor organizations
47 pursuant to subsection (b) of 29 U.S.C. s.431, or it having at least one
48 audited financial report in the three immediately preceding years; it

1 being affiliated with any regional or national association of unions,
2 including but not limited to state and federal labor councils; or it being
3 a member of a national labor organization that has at least 500 general
4 members in a majority of the 50 states of the United States.

5 (h) An alternative treatment center that was issued a permit prior to
6 the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that was
7 issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-5.1
8 et al.) pursuant to an application submitted 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.), or that was issued a permit
11 after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant
12 to an application submitted prior to the effective date of P.L.2019,
13 c.153 (C.24:6I-5.1 et al.), shall be permitted to cultivate from up to
14 two physical locations, provided that the alternative treatment center's
15 combined mature cannabis plant grow canopy between both locations
16 shall not exceed 150,000 square feet of bloom space or the square
17 footage of canopy permitted under the largest tier in the tiered system
18 adopted by the commission pursuant to paragraph (2) of subsection b.
19 of section 21 of P.L.2021, c.16 (C.24:6I-38).

20 (3) The commission shall seek to ensure the availability of a
21 sufficient number of medical cannabis cultivators, medical cannabis
22 manufacturers, and medical cannabis dispensaries throughout the
23 State, pursuant to need, including at least two each in the northern,
24 central, and southern regions of the State. Medical cannabis
25 cultivators, medical cannabis manufacturers, and medical cannabis
26 dispensaries issued permits pursuant to this section may be nonprofit
27 or for-profit entities.

28 (4) The commission shall periodically evaluate whether the
29 number of medical cannabis cultivator, medical cannabis
30 manufacturer, and medical cannabis dispensary permits issued are
31 sufficient to meet the needs of qualifying patients in the State, and
32 shall accept new applications and issue such additional permits as shall
33 be necessary to meet those needs. The types of permits requested and
34 issued, and the locations of any additional permits that are authorized,
35 shall be in the discretion of the commission based on the needs of
36 qualifying patients in the State.

37 (5) (a) A medical cannabis cultivator shall be authorized to:
38 acquire a reasonable initial and ongoing inventory, as determined by
39 the commission, of cannabis seeds or seedlings and paraphernalia;
40 possess, cultivate, plant, grow, harvest, and package medical cannabis,
41 including prerolled forms, for any authorized purpose, including, but
42 not limited to, research purposes; and deliver, transfer, transport,
43 distribute, supply, or sell medical cannabis and related supplies to any
44 medical cannabis cultivator, medical cannabis manufacturer, medical
45 cannabis dispensary, or clinical registrant in the State. In no case shall
46 a medical cannabis cultivator operate or be located on land that is
47 valued, assessed or taxed as an agricultural or horticultural use

1 pursuant to the "Farmland Assessment Act of 1964," P.L.1964, c.48
2 (C.54:4-23.1 et seq.).

3 (b) A medical cannabis manufacturer shall be authorized to:
4 purchase or acquire medical cannabis from any medical cannabis
5 cultivator, medical cannabis manufacturer, or clinical registrant in the
6 State; possess and utilize medical cannabis in the manufacture and
7 creation of medical cannabis products; and deliver, transfer, transport,
8 supply, or sell medical cannabis products and related supplies to any
9 medical cannabis manufacturer, medical cannabis dispensary, or
10 clinical registrant in the State.

11 (c) A medical cannabis dispensary shall be authorized to: purchase
12 or acquire medical cannabis from any medical cannabis cultivator,
13 medical cannabis dispensary, or clinical registrant in the State and
14 medical cannabis products and related supplies from any medical
15 cannabis manufacturer, medical cannabis dispensary, or clinical
16 registrant in the State; purchase or acquire paraphernalia from any
17 legal source; and distribute, supply, sell, or dispense medical cannabis,
18 medical cannabis products, paraphernalia, and related supplies to
19 qualifying patients or their designated or institutional caregivers who
20 are registered with the commission pursuant to section 4 of P.L.2009,
21 c.307 (C.24:6I-4). A medical cannabis dispensary may furnish
22 medical cannabis, medical cannabis products, paraphernalia, and
23 related supplies to a medical cannabis handler for delivery to a
24 registered qualifying patient, designated caregiver, or institutional
25 caregiver consistent with the requirements of subsection i. of section
26 27 of P.L.2019, c.153 (C.24:6I-20).

27 (6) A medical cannabis cultivator shall not be limited in the
28 number of strains of medical cannabis cultivated, and a medical
29 cannabis manufacturer shall not be limited in the number or type of
30 medical cannabis products manufactured or created. A medical
31 cannabis manufacturer may package, and a medical cannabis
32 dispensary may directly dispense medical cannabis and medical
33 cannabis products to qualifying patients and their designated and
34 institutional caregivers in any authorized form. Authorized forms shall
35 include dried form, oral lozenges, topical formulations, transdermal
36 form, sublingual form, tincture form, or edible form, or any other form
37 as authorized by the commission. Edible form shall include pills,
38 tablets, capsules, drops or syrups, oils, chewable forms, and any other
39 form as authorized by the commission, except that the edible forms
40 made available to minor patients shall be limited to forms that are
41 medically appropriate for children, including pills, tablets, capsules,
42 chewable forms, and drops, oils, syrups, and other liquids.

43 (7) Nonprofit medical cannabis cultivators, medical cannabis
44 manufacturers, and medical cannabis dispensaries need not be
45 recognized as a 501(c)(3) organization by the federal Internal Revenue
46 Service.

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

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

20 d. (1) The commission shall require each applicant seeking a
21 permit to operate as, to be a director, officer, or employee of, or to be a
22 significantly involved person in, a medical cannabis cultivator,
23 medical cannabis manufacturer, medical cannabis dispensary, or
24 clinical registrant to undergo a criminal history record background
25 check.

26 Any individual seeking to become a director, officer, or employee
27 of a medical cannabis cultivator, medical cannabis manufacturer,
28 medical cannabis dispensary, or clinical registrant, after issuance of an
29 initial permit shall notify the commission and shall complete a
30 criminal history record background check and provide all information
31 as may be required by the commission as a condition of assuming a
32 position as director, officer, or employee of the permitted entity. An
33 individual who secures an investment interest or gains the authority to
34 make controlling decisions in a permitted entity that makes the
35 individual a significantly involved person shall notify the commission,
36 complete a criminal history record background check, and provide all
37 information as may be required by the commission no later than 30
38 days after the date the individual becomes a significantly involved
39 person, or any permit issued to the individual or group of which the
40 significantly involved person is a member shall be revoked and the
41 individual or group shall be deemed ineligible to hold any ownership
42 or investment interest in a medical cannabis cultivator, medical
43 cannabis manufacturer, medical cannabis dispensary, or clinical
44 registrant for a period of at least two years, commencing from the date
45 of revocation, and for such additional period of time as the
46 commission deems appropriate, based on the duration of the
47 nondisclosure, the size of the individual's or group's investment
48 interest in the permitted entity, the amount of profits, revenue, or

1 income realized by the individual or group from the permitted entity
2 during the period of nondisclosure, and whether the individual had a
3 disqualifying conviction or would otherwise have been deemed
4 ineligible to be a significantly involved person in a medical cannabis
5 cultivator, medical cannabis manufacturer, medical cannabis
6 dispensary, or clinical registrant.

7 For purposes of this section, the term "applicant" shall include any
8 owner, director, officer, or employee of, and any significantly involved
9 person in, a medical cannabis cultivator, medical cannabis
10 manufacturer, medical cannabis dispensary, or clinical registrant. The
11 commission is authorized to exchange fingerprint data with and
12 receive criminal history record background information from the
13 Division of State Police and the Federal Bureau of Investigation
14 consistent with the provisions of applicable State and federal laws,
15 rules, and regulations. The Division of State Police shall forward
16 criminal history record background information to the commission in a
17 timely manner when requested pursuant to the provisions of this
18 section.

19 An applicant who is required to undergo a criminal history record
20 background check pursuant to this section shall submit to being
21 fingerprinted in accordance with applicable State and federal laws,
22 rules, and regulations. No check of criminal history record
23 background information shall be performed pursuant to this section
24 unless the applicant has furnished the applicant's written consent to
25 that check. An applicant who is required to undergo a criminal history
26 record background check pursuant to this section who refuses to
27 consent to, or cooperate in, the securing of a check of criminal history
28 record background information shall not be considered for a permit to
29 operate, or authorization to be employed at or to be a significantly
30 involved person in, a medical cannabis cultivator, medical cannabis
31 manufacturer, medical cannabis dispensary, or clinical registrant. An
32 applicant shall bear the cost for the criminal history record background
33 check, including all costs of administering and processing the check.

34 (2) The commission shall not approve an applicant for a permit to
35 operate, or authorization to be employed at or to be a significantly
36 involved person in, a medical cannabis cultivator, medical cannabis
37 manufacturer, medical cannabis dispensary, or clinical registrant if the
38 criminal history record background information of the applicant
39 reveals a disqualifying conviction as set forth in subsection c. of this
40 section.

41 (3) Upon receipt of the criminal history record background
42 information from the Division of State Police and the Federal Bureau
43 of Investigation, the commission shall provide written notification to
44 the applicant of the applicant's qualification or disqualification for a
45 permit to operate or be a director, officer, or employee of, or a
46 significantly involved person in, a medical cannabis cultivator,
47 medical cannabis manufacturer, medical cannabis dispensary, or
48 clinical registrant.

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

5 (4) The Division of State Police shall promptly notify the
6 commission in the event that an individual who was the subject of a
7 criminal history record background check conducted pursuant to this
8 section is convicted of a crime or offense in this State after the date the
9 background check was performed. Upon receipt of that notification,
10 the commission shall make a determination regarding the continued
11 eligibility to operate or be a director, officer, or employee of, or a
12 significantly involved person in, a medical cannabis cultivator,
13 medical cannabis manufacturer, medical cannabis dispensary, or
14 clinical registrant.

15 (5) Notwithstanding the provisions of subsection c. of this section
16 to the contrary, the commission may offer provisional authority for an
17 applicant to be an owner, 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 for a period not to exceed three months if the
21 applicant submits to the commission a sworn statement attesting that
22 the person has not been convicted of any disqualifying conviction
23 pursuant to this section.

24 (6) Notwithstanding the provisions of subsection c. of this section
25 to the contrary, no applicant to be an owner, director, officer, or
26 employee of, or a significantly involved person in, a medical cannabis
27 cultivator, medical cannabis manufacturer, medical cannabis
28 dispensary, or clinical registrant shall be disqualified on the basis of
29 any conviction disclosed by a criminal history record background
30 check conducted pursuant to this section if the individual has
31 affirmatively demonstrated to the commission clear and convincing
32 evidence of rehabilitation. In determining whether clear and
33 convincing evidence of rehabilitation has been demonstrated, the
34 following factors shall be considered:

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

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

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

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

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

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

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

46 (h) any evidence of rehabilitation, including good conduct in
47 prison or in the community, counseling or psychiatric treatment
48 received, acquisition of additional academic or vocational schooling,

1 successful participation in correctional work-release programs, or the
2 recommendation of those who have had the individual under their
3 supervision.

4 e. The commission shall issue a permit to operate or be an owner,
5 director, officer, or employee of, or a significantly involved person in,
6 a medical cannabis cultivator, medical cannabis manufacturer, or
7 medical cannabis dispensary if the commission finds that issuing such
8 a permit would be consistent with the purposes of P.L.2009, c.307
9 (C.24:6I-1 et al.) and the requirements of this section and section 11 of
10 P.L.2019, c.153 (C.24:6I-7.1) are met. The denial of an application
11 shall be considered a final agency decision, subject to review by the
12 Appellate Division of the Superior Court. A permit to operate a
13 medical cannabis cultivator, medical cannabis manufacturer, or
14 medical cannabis dispensary issued on or after the effective date of
15 P.L.2019, c.153 (C.24:6I-5.1 et al.) shall be valid for one year and
16 shall be renewable annually.

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

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

28 h. Each medical cannabis dispensary and clinical registrant shall
29 maintain and make available on its Internet website, if any, a standard
30 price list that shall apply to all medical cannabis, medical cannabis
31 products, and related supplies and paraphernalia sold or dispensed by
32 the medical cannabis dispensary or clinical registrant, which prices
33 shall be reasonable and consistent with the actual costs incurred by the
34 medical cannabis dispensary or clinical registrant in connection with
35 acquiring and selling, transferring, or dispensing the medical cannabis
36 or medical cannabis product and related supplies and paraphernalia.
37 The prices charged by the medical cannabis dispensary or clinical
38 registrant shall not deviate from the prices indicated on the entity's
39 current price list, provided that a price list maintained by a medical
40 cannabis dispensary or clinical registrant may allow for medical
41 cannabis to be made available at a reduced price or without charge to
42 qualifying patients who have a demonstrated financial hardship, as that
43 term shall be defined by the commission by regulation. A price list
44 required pursuant to this subsection may be revised no more than once
45 per month, and each medical cannabis dispensary and clinical
46 registrant shall be responsible for ensuring that the commission has a
47 copy of the facility's current price list. A medical cannabis dispensary
48 or clinical registrant shall be liable to a civil penalty of \$1,000 for each

1 sale that occurs at a price that deviates from the entity's current price
2 list, and to a civil penalty of \$10,000 for each week during which the
3 entity's current price list is not on file with the commission. Any civil
4 penalties collected by the commission pursuant to this section shall be
5 deposited in the "Cannabis Regulatory, Enforcement Assistance, and
6 Marketplace Modernization Fund" established under section 41 of
7 P.L.2021, c.16 (C.24:6I-50), and used by the commission for the
8 purposes of administering the State medical cannabis program.

9 i. The commission shall adopt regulations to:

10 (1) require such written documentation of each delivery or
11 dispensation of cannabis to, and pickup of cannabis for, a registered
12 qualifying patient, including the date and amount dispensed, and, in
13 the case of delivery, the date and times the delivery commenced and
14 was completed, the address where the medical cannabis was delivered,
15 the name of the patient or caregiver to whom the medical cannabis was
16 delivered, and the name, handler certification number, and delivery
17 certification number of the medical cannabis handler who performed
18 the delivery, to be maintained in the records of the medical cannabis
19 dispensary or clinical registrant, as the commission determines
20 necessary to ensure effective documentation of the operations of each
21 medical cannabis dispensary or clinical registrant;

22 (2) monitor, oversee, and investigate all activities performed by
23 medical cannabis cultivators, medical cannabis manufacturers, medical
24 cannabis dispensaries, and clinical registrants;

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

27 (4) establish thresholds for administrative action to be taken
28 against a medical cannabis cultivator, medical cannabis manufacturer,
29 medical cannabis dispensary, or clinical registrant and its employees,
30 officers, investors, directors, or governing board pursuant to
31 subsection m. of this section, including, but not limited to, specific
32 penalties or disciplinary actions that may be imposed in a summary
33 proceeding.

34 j. (1) Each medical cannabis cultivator, medical cannabis
35 manufacturer, medical cannabis dispensary, and clinical registrant
36 shall require the owners, directors, officers, and employees at the
37 permitted facility to complete at least eight hours of ongoing training
38 each calendar year. The training shall be tailored to the roles and
39 responsibilities of the individual's job function, and shall include
40 training on confidentiality and such other topics as shall be required by
41 the commission.

42 (2) Each medical cannabis dispensary and clinical registrant shall
43 consider whether to make interpreter services available to the
44 population served, including for individuals with a visual or hearing
45 impairment. The commission shall provide assistance to any medical
46 cannabis dispensary or clinical registrant that seeks to provide such
47 services in locating appropriate interpreter resources. A medical

1 cannabis dispensary or clinical registrant shall assume the cost of
2 providing interpreter services pursuant to this subsection.

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

33 (2) The sale or transfer of any interest of five percent or more in a
34 medical cannabis cultivator, medical cannabis manufacturer, medical
35 cannabis dispensary, or clinical registrant permit shall be subject to
36 approval by the commission and conditioned on the entity that is
37 purchasing or receiving transfer of the interest in the medical cannabis
38 cultivator, medical cannabis manufacturer, medical cannabis
39 dispensary, or clinical registrant permit completing a criminal history
40 record background check pursuant to the requirements of subsection d.
41 of this section.

42 l. No employee of any department, division, agency, board, or
43 other State, county, or local government entity involved in the process
44 of reviewing, processing, or making determinations with regard to
45 medical cannabis cultivator, medical cannabis manufacturer, medical
46 cannabis dispensary, or clinical registrant permit applications shall
47 have any direct or indirect financial interest in the cultivating,
48 manufacturing, or dispensing of medical cannabis or related

1 paraphernalia, or otherwise receive anything of value from an
2 applicant for a medical cannabis cultivator, medical cannabis
3 manufacturer, medical cannabis dispensary, or clinical registrant
4 permit in exchange for reviewing, processing, or making any
5 recommendations with respect to a permit application.

6 m. In the event that a medical cannabis cultivator, medical
7 cannabis manufacturer, medical cannabis dispensary, or clinical
8 registrant fails to comply with any requirements set forth in P.L.2009,
9 c.307 (C.24:6I-1 et al.) or any related law or regulation, the
10 commission may invoke penalties or take administrative action against
11 the medical cannabis cultivator, medical cannabis manufacturer,
12 medical cannabis dispensary, or clinical registrant and its employees,
13 officers, investors, directors, or governing board, including, but not
14 limited to, assessing fines, referring matters to another State agency,
15 and suspending or terminating any permit held by the medical
16 cannabis cultivator, medical cannabis manufacturer, medical cannabis
17 dispensary, or clinical registrant. Any penalties imposed or
18 administrative actions taken by the commission pursuant to this
19 subsection may be imposed in a summary proceeding.

20 (cf: P.L.2023, c.162, s.3)

21
22 ²2. Section 31 of P.L.2019, c.153 (C.24:6I-24) is amended to read
23 as follows:

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

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

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

47 b. (1) The commission shall consist of five members, one of whom
48 shall be designated by the Governor as the chair, and one of whom

1 shall be designated the vice-chair in accordance with the appointment
2 process set forth in paragraph (7) of this subsection.

3 (2) The members of the commission shall be directly appointed
4 **【by the Governor】** as follows:

5 (a) One member shall be appointed **【upon recommendation of】** by
6 the Senate President;

7 (b) One member shall be appointed **【upon recommendation of】** by
8 the Speaker of the General Assembly;

9 (c) Three members, including the chair, shall be appointed
10 **【without any needed recommendation】** by the Governor.

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

20 (4) All five members shall be residents of this State. At least one
21 member shall be a State representative of a national organization or
22 State branch of a national organization with a stated mission of
23 studying, advocating, or adjudicating against minority historical
24 oppression, past and present discrimination, unemployment, poverty
25 and income inequality, and other forms of social injustice or
26 inequality, and all five members shall possess education, training, or
27 experience with legal, policy, or criminal justice issues, corporate or
28 industry management, finance, securities, or production or distribution,
29 medicine or pharmacology, or public health, mental health, or
30 substance use disorders.

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

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

1 **(b) Notwithstanding subparagraph (a) of this paragraph, a member**
2 **may hold local elected office, provided that, in the judgment of the**
3 **State Ethics Commission and Local Finance Board of the Department**
4 **of Community Affairs, such office or employment will not interfere**
5 **with the member's responsibilities to the commission, and will not**
6 **create a conflict of interest, or reasonable risk of the public perception**
7 **of a conflict of interest, on the part of the member.**

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

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

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

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

44 c. (1) The commission shall establish, and from time to time alter,
45 a plan of organization, and employ personnel as it deems necessary
46 under the direct supervision of a full-time executive director for the
47 commission. The plan of organization shall include the Office of
48 Minority, Disabled Veterans, and Women Cannabis Business

1 Development established by section 32 of P.L.2019, c.153 (C.24:6I-
2 25).

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

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

21 (ii) If, as a result of transferring powers, duties, and responsibilities
22 with regard to the regulation and oversight of activities authorized
23 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of
24 Health to the commission pursuant to subsection a. of this section, the
25 commission needs to employ an individual to fill a position,
26 employees of the department who performed the duties of the position
27 to be filled shall be given a one-time right of first refusal offer of
28 employment with the commission, and such employees may be
29 removed by the commission for cause or if deemed unqualified to hold
30 the position, notwithstanding any other provision of law to the
31 contrary. A department employee who becomes employed by the
32 commission shall retain as an employee of the commission the
33 seniority, and all rights related to seniority, that the employee had with
34 the department as of the last day of employment with the department;
35 provided, however, that such seniority and seniority rights shall be
36 retained only by an employee who was transferred from employment
37 with the department to employment with the commission, and shall not
38 be retained by an employee who was removed from employment with
39 the department due to layoff procedures or who resigned from a
40 position with the department prior to being hired by the commission.

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

47 (3) The commission may incur additional expenses within the
48 limits of funds available to it in order to carry out its duties, functions,

1 and powers under P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2021, c.16
2 (C.24:6I-31 et al.).

3 d. With respect to the activities of the commission, neither the
4 President of the Senate or the Speaker of the General Assembly shall
5 be permitted to appear or practice or act in any capacity whatsoever
6 before the commission regarding any matter whatsoever, nor shall any
7 member of the immediate family of the Governor, President of the
8 Senate, or Speaker of the General Assembly be permitted to so
9 practice or appear in any capacity whatsoever before the commission
10 regarding any matter whatsoever. As used in this subsection,
11 "immediate family" means the spouse, domestic partner, or civil union
12 partner, and any dependent child or stepchild, recognized by blood or
13 by law, of the Governor, President of the Senate, or Speaker of the
14 General Assembly, or of the spouse, domestic partner, or civil union
15 partner residing in the same household as the Governor, President of
16 the Senate, or Speaker of the General Assembly.

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

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

25 (1) the commission's organization;

26 (2) the commission's regulation and enforcement activities;

27 (3) the overall effectiveness of the commission as a full time
28 entity; and

29 (4) whether the regulation and oversight of medical cannabis or
30 personal use cannabis could be more effectively and efficiently
31 managed through a reorganization of the commission, consolidation of
32 the commission within the Department of Health or another Executive
33 Branch department, conversion to a part-time commission, or the
34 transfer of some or all of the commission's operations elsewhere
35 within the Executive Branch.

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

41 (cf: P.L.2021, c.16, s.5)

42

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

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

46 (1) (a) with respect to casino activity, activity related to medical
47 cannabis authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), and
48 activity related to personal use cannabis authorized pursuant to

1 P.L.2021, c.16 (C.24:6I-31 et al.): the Governor; the President of the
2 Senate; the Speaker of the General Assembly; any full-time member of
3 the Judiciary; any full-time professional employee of the Office of the
4 Governor; the head of a principal department; the assistant or deputy
5 heads of a principal department, including all assistant and deputy
6 commissioners; the head of any division of a principal department;

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

14 (c) with respect to activity related to medical cannabis authorized
15 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) and activity related to
16 personal use cannabis authorized pursuant to P.L.2021, c.16 (C.24:6I-
17 31 et al.): any State officer or employee subject to financial disclosure
18 by law or executive order and any other State officer or employee with
19 responsibility for matters affecting medical cannabis activity or
20 personal use cannabis activity; any special State officer or employee
21 with responsibility for matters affecting medical cannabis activity or
22 personal use cannabis activity; members of the Cannabis Regulatory
23 Commission; or

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

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

41 b. (1) No State officer or employee, nor any person, nor any
42 member of the immediate family of any State officer or employee, or
43 person, nor any partnership, firm, or corporation with which any such
44 State officer or employee or person is associated or in which he has an
45 interest, nor any partner, officer, director, or employee while he is
46 associated with such partnership, firm, or corporation, shall hold,
47 directly or indirectly, an interest in, or hold employment with, or
48 represent, appear for, or negotiate on behalf of, any holder of, or

1 applicant for, a casino license, or any holding or intermediary
2 company with respect thereto, in connection with any cause,
3 application, or matter, except as provided in section 3 of P.L.2009,
4 c.26 (C.52:13D-17.3), and except that (a) a State officer or employee
5 other than a State officer or employee included in the definition of
6 person, and (b) a member of the immediate family of a State officer or
7 employee, or of a person, may hold employment with the holder of, or
8 applicant for, a casino license if, in the judgment of the State Ethics
9 Commission, the Joint Legislative Committee on Ethical Standards, or
10 the Supreme Court, as appropriate, such employment will not interfere
11 with the responsibilities of the State officer or employee, or person,
12 and will not create a conflict of interest, or reasonable risk of the
13 public perception of a conflict of interest, on the part of the State
14 officer or employee, or person.

15 No special State officer or employee without responsibility for
16 matters affecting casino activity, excluding those serving in the
17 Departments of Education, Health, and Human Services and the Office
18 of the Secretary of Higher Education, shall hold, directly or indirectly,
19 an interest in any holder of, or applicant for, a casino license, or any
20 holding or intermediary company with respect thereto. However, a
21 special State officer or employee without responsibility for matters
22 affecting casino activity may hold employment directly with, or may
23 represent, appear for, or negotiate on behalf of, any holder of or
24 applicant for a casino license or any holding or intermediary company
25 thereof and if so employed may hold, directly or indirectly, an interest
26 in, or represent, appear for, or negotiate on behalf of, that employer,
27 except as otherwise prohibited by law.

28 (2) No State officer or employee, nor any person, nor any member
29 of the immediate family of any State officer or employee, or person,
30 nor any partnership, firm, or corporation with which any such State
31 officer or employee or person is associated or in which he has an
32 interest, nor any partner, officer, director, or employee while he is
33 associated with such partnership, firm, or corporation, shall hold,
34 directly or indirectly, an interest in, or hold employment with, or
35 represent, appear for, or negotiate on behalf of, or derive any
36 remuneration, payment, benefit, or any other thing of value for any
37 services, including but not limited to consulting or similar services,
38 from any holder of, or applicant for, a license, permit, or other
39 approval to conduct Internet gaming, or any holding or intermediary
40 company with respect thereto, or any Internet gaming affiliate of any
41 holder of, or applicant for, a casino license, or any holding or
42 intermediary company with respect thereto, or any business,
43 association, enterprise, or other entity that is organized, in whole or in
44 part, for the purpose of promoting, advocating for, or advancing the
45 interests of the Internet gaming industry generally or any Internet
46 gaming-related business or businesses in connection with any cause,
47 application, or matter, except as provided in section 3 of P.L.2009,
48 c.26 (C.52:13D-17.3), and except that (a) a State officer or employee

1 other than a State officer or employee included in the definition of
2 person, and (b) a member of the immediate family of a State officer or
3 employee, or of a person, may hold employment with the holder of, or
4 applicant for, a license, permit, or other approval to conduct Internet
5 gaming, or any holding or intermediary company with respect thereto,
6 or any Internet gaming affiliate of any holder of, or applicant for, a
7 casino license, or any holding or intermediary company with respect
8 thereto if, in the judgment of the State Ethics Commission, the Joint
9 Legislative Committee on Ethical Standards, or the Supreme Court, as
10 appropriate, such employment will not interfere with the
11 responsibilities of the State officer or employee, or person, and will
12 not create a conflict of interest, or reasonable risk of the public
13 perception of a conflict of interest, on the part of the State officer or
14 employee, or person.

15 (3) No State officer or employee, nor any person, nor any member
16 of the immediate family of any State officer or employee, or person,
17 nor any partnership, firm, or corporation with which any such State
18 officer or employee or person is associated or in which he has an
19 interest, nor any partner, officer, director, or employee while he is
20 associated with such partnership, firm, or corporation, shall hold,
21 directly or indirectly, an interest in, or hold employment with, or
22 represent, appear for, or negotiate on behalf of, any holder of, or
23 applicant for, a medical cannabis cultivator, medical cannabis
24 manufacturer, medical cannabis dispensary, or clinical registrant
25 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any
26 entity that employs any certified medical cannabis handler to perform
27 transfers or deliveries of medical cannabis, or any holding or
28 intermediary company with respect thereto, or a cannabis cultivator,
29 cannabis manufacturer, cannabis wholesaler, cannabis distributor,
30 cannabis retailer, or cannabis delivery service license issued pursuant
31 to P.L.2021, c.16 (C.24:6I-31 et al.), or any entity that employs or uses
32 a certified personal use cannabis handler to perform work for or on
33 behalf of a licensed cannabis establishment, distributor, or delivery
34 service, or any holding or intermediary company with respect thereto,
35 in connection with any cause, application, or matter, except as
36 provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except
37 that (a) a State officer or employee other than a State officer or
38 employee included in the definition of person, and (b) a member of the
39 immediate family of a State officer or employee, or of a person, may
40 hold employment with the holder of, or applicant for, a medical
41 cannabis cultivator, medical cannabis manufacturer, medical cannabis
42 dispensary, or clinical registrant permit or any entity that employs any
43 certified medical cannabis handler to perform transfers or deliveries of
44 medical cannabis, or a cannabis cultivator, cannabis manufacturer,
45 cannabis wholesaler, cannabis distributor, cannabis retailer, or
46 cannabis delivery service license or any entity that employs or uses a
47 certified personal use cannabis handler to perform work for or on
48 behalf of a licensed cannabis establishment, distributor, or delivery

1 service, if, in the judgment of the State Ethics Commission, the Joint
2 Legislative Committee on Ethical Standards, or the Supreme Court, as
3 appropriate, such employment will not interfere with the
4 responsibilities of the State officer or employee, or person, and will
5 not create a conflict of interest, or reasonable risk of the public
6 perception of a conflict of interest, on the part of the State officer or
7 employee, or person.

8 No special State officer or employee without responsibility for
9 matters affecting medical cannabis activity or personal use cannabis
10 activity , excluding those serving in the Departments of Education,
11 Health, and Human Services and the Office of the Secretary of Higher
12 Education, shall hold, directly or indirectly, an interest in any holder
13 of, or applicant for, a medical cannabis cultivator, medical cannabis
14 manufacturer, medical cannabis dispensary, or clinical registrant
15 permit or any entity that employs any certified medical cannabis
16 handler to perform transfers or deliveries of medical cannabis, or any
17 holding or intermediary company with respect thereto, or a cannabis
18 cultivator, cannabis manufacturer, cannabis wholesaler, cannabis
19 distributor, cannabis retailer, or cannabis delivery service license or
20 any entity that employs or uses a certified personal use cannabis
21 handler to perform work for or on behalf of a licensed cannabis
22 establishment, distributor, or delivery service, or any holding or
23 intermediary company with respect thereto. However, a special State
24 officer or employee without responsibility for matters affecting
25 medical cannabis activity or personal use cannabis activity may hold
26 employment directly with, or may represent, appear for, or negotiate
27 on behalf of, any holder of or applicant for a medical cannabis
28 cultivator, medical cannabis manufacturer, medical cannabis
29 dispensary, or clinical registrant permit, or any entity that employs any
30 certified medical cannabis handler to perform transfers or deliveries of
31 medical cannabis, or any holding or intermediary company thereof, or
32 a cannabis cultivator, cannabis manufacturer, cannabis wholesaler,
33 cannabis distributor, cannabis retailer, or cannabis delivery service
34 license or any entity that employs or uses a certified personal use
35 cannabis handler to perform work for or on behalf of a licensed
36 cannabis establishment, distributor, or delivery service, or any holding
37 or intermediary company with respect thereto, and if so employed may
38 hold, directly or indirectly, an interest in, or represent, appear for, or
39 negotiate on behalf of, that employer, except as otherwise prohibited
40 by law.

41 c. (1) No person or any member of his immediate family, nor any
42 partnership, firm, or corporation with which such person is associated
43 or in which he has an interest, nor any partner, officer, director, or
44 employee while he is associated with such partnership, firm or
45 corporation, shall, within two years next subsequent to the termination
46 of the office or employment of such person, hold, directly or
47 indirectly, an interest in, or hold employment with, or represent,
48 appear for, or negotiate on behalf of, any holder of, or applicant for, a

1 casino license in connection with any cause, application or matter, or
2 any holding or intermediary company with respect to such holder of,
3 or applicant for, a casino license in connection with any phase of
4 casino development, permitting, licensure, or any other matter
5 whatsoever related to casino activity, except as provided in section 3
6 of P.L.2009, c.26 (C.52:13D-17.3), and except that:

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

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

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

32 (c) any partnership, firm, or corporation engaged in the practice of
33 law or in providing any other professional services with which any
34 person included in subparagraphs (a) and (b) of paragraph (1) of
35 subsection a. of this section, or a member of the immediate family of
36 that person, is associated, and any partner, officer, director, or
37 employee thereof, other than that person, or immediate family
38 member, may represent, appear for or negotiate on behalf of any
39 holder of, or applicant for, a casino license in connection with any
40 cause, application or matter or any holding company or intermediary
41 company with respect to such holder of, or applicant for, a casino
42 license in connection with any phase of casino development,
43 permitting, licensure or any other matter whatsoever related to casino
44 activity, and that person or immediate family member shall not be
45 barred from association with such partnership, firm or corporation, if
46 for a period of two years next subsequent to the termination of the
47 person's office or employment, the person or immediate family
48 member (i) is screened from personal participation in any such

1 representation, appearance or negotiation; and (ii) is associated with
2 the partnership, firm or corporation in a position which does not entail
3 any equity interest in the partnership, firm or corporation. The
4 exception provided in this subparagraph shall not apply to a former
5 Governor, Lieutenant Governor, Attorney General, member of the
6 Legislature, person included in subparagraph (a) of paragraph (2) of
7 subsection a. of this section, or to the members of their immediate
8 families.

9 (2) No person or any member of the person's immediate family,
10 nor any partnership, firm, or corporation with which such person is
11 associated or in which the person has an interest, nor any partner,
12 officer, director, or employee while the person is associated with such
13 partnership, firm, or corporation, shall, within two years next
14 subsequent to the termination of the office or employment of such
15 person, hold, directly or indirectly, an interest in, or hold employment
16 with, or represent, appear for, or negotiate on behalf of, any holder of,
17 or applicant for, a medical cannabis cultivator, medical cannabis
18 manufacturer, medical cannabis dispensary, or clinical registrant
19 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any
20 entity that employs any certified medical cannabis handler to perform
21 transfers or deliveries of medical cannabis, or a cannabis cultivator,
22 cannabis manufacturer, cannabis wholesaler, cannabis distributor,
23 cannabis retailer, or cannabis delivery service license issued pursuant
24 to P.L.2021, c.16 (C.24:6I-31 et al.) or any entity that employs or uses
25 a certified personal use cannabis handler to perform work for or on
26 behalf of a licensed cannabis establishment, distributor, or delivery
27 service in connection with any cause, application, or matter, or any
28 holding or intermediary company with respect to such holder of, or
29 applicant for, a medical cannabis cultivator, medical cannabis
30 manufacturer, medical cannabis dispensary, or clinical registrant
31 permit or any entity that employs any certified medical cannabis
32 handler to perform transfers or deliveries of medical cannabis, or a
33 cannabis cultivator, cannabis manufacturer, cannabis wholesaler,
34 cannabis distributor, cannabis retailer, or cannabis delivery service
35 license or any entity that employs or uses a certified personal use
36 cannabis handler to perform work for or on behalf of a licensed
37 cannabis establishment, distributor, or delivery service in connection
38 with any phase of development, permitting, licensure, or any other
39 matter whatsoever related to medical cannabis activity or personal use
40 cannabis activity, except as provided in section 3 of P.L.2009, c.26
41 (C.52:13D-17.3), and except that:

42 (a) a member of the immediate family of a person may hold
43 employment with the holder of, or applicant for, a medical cannabis
44 cultivator, medical cannabis manufacturer, medical cannabis
45 dispensary, or clinical registrant permit issued pursuant to P.L.2009,
46 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
47 medical cannabis handler to perform transfers or deliveries of medical
48 cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis

1 wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery
2 service license issued pursuant to P.L.2021, c.16 (C.24:6I-31 et al.) or
3 any entity that employs or uses a certified personal use cannabis
4 handler to perform work for or on behalf of a licensed cannabis
5 establishment, distributor, or delivery service if, in the judgment of the
6 State Ethics Commission, the Joint Legislative Committee on Ethical
7 Standards, or the Supreme Court, as appropriate, such employment
8 will not interfere with the responsibilities of the person and will not
9 create a conflict of interest, or reasonable risk of the public perception
10 of a conflict of interest, on the part of the person;

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

35 (c) any partnership, firm, or corporation engaged in the practice of
36 law or in providing any other professional services with which any
37 person included in subparagraphs (a) and (c) of paragraph (1) of
38 subsection a. of this section, or a member of the immediate family of
39 that person, is associated, and any partner, officer, director, or
40 employee thereof, other than that person, or immediate family
41 member, may represent, appear for, or negotiate on behalf of any
42 holder of, or applicant for, a medical cannabis cultivator, medical
43 cannabis manufacturer, medical cannabis dispensary, or clinical
44 registrant permit or any entity that employs any certified medical
45 cannabis handler to perform transfers or deliveries of medical
46 cannabis, or a cannabis cultivator, cannabis manufacturer, cannabis
47 wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery
48 service license or any entity that employs or uses a certified personal

1 use cannabis handler to perform work for or on behalf of a licensed
2 cannabis establishment, distributor, or delivery service in connection
3 with any cause, application, or matter or any holding company or
4 intermediary company with respect to such holder of, or applicant for,
5 a medical cannabis cultivator, medical cannabis manufacturer, medical
6 cannabis dispensary, or clinical registrant permit or any entity that
7 employs any certified medical cannabis handler to perform transfers or
8 deliveries of medical cannabis, or a cannabis cultivator, cannabis
9 manufacturer, cannabis wholesaler, cannabis distributor, cannabis
10 retailer, or cannabis delivery service license or any entity that employs
11 or uses a certified personal use cannabis handler to perform work for
12 or on behalf of a licensed cannabis establishment, distributor, or
13 delivery service in connection with any phase of development,
14 permitting, licensing, or any other matter whatsoever related to
15 medical cannabis activity or personal use cannabis activity, and that
16 person or immediate family member shall not be barred from
17 association with such partnership, firm, or corporation, if for a period
18 of **【two years】** one year next subsequent to the termination of the
19 person's office or employment, the person or immediate family
20 member **【(i)】** is screened from personal participation in any such
21 representation, appearance or negotiation**【; and (ii) is associated with**
22 **the partnership, firm, or corporation in a position which does not entail**
23 **any equity interest in the partnership, firm, or corporation】**. The
24 exception provided in this subparagraph shall not apply to a former
25 Governor, Lieutenant Governor, Attorney General, the President of the
26 Senate, the Speaker of the General Assembly, to a person included in
27 subparagraph (b) of paragraph (2) of subsection a. of this section, or to
28 the members of their immediate families.

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

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

45 f. (1) No person shall solicit or accept, directly or indirectly, any
46 complimentary service or discount from any casino applicant or
47 licensee which he knows or has reason to know is other than a service

1 or discount that is offered to members of the general public in like
2 circumstance.

3 (2) No person shall solicit or accept, directly or indirectly, any
4 complimentary service or discount from any holder of, or applicant
5 for, a medical cannabis cultivator, medical cannabis manufacturer,
6 medical cannabis dispensary, or clinical registrant permit issued
7 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that
8 employs any certified medical cannabis handler to perform transfers or
9 deliveries of medical cannabis, or a cannabis cultivator, cannabis
10 manufacturer, cannabis wholesaler, cannabis distributor, cannabis
11 retailer, or cannabis delivery service license issued pursuant to
12 P.L.2021, c.16 (C.24:6I-31 et al.) or any entity that employs or uses a
13 certified personal use cannabis handler to perform work for or on
14 behalf of a licensed cannabis establishment, distributor, or delivery
15 service which the person knows or has reason to know is other than a
16 service or discount that is offered to members of the general public in
17 like circumstance.

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

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

45 h. Any person who willfully violates the provisions of this section
46 is a disorderly person and shall be subject to a fine not to exceed
47 \$1,000, or imprisonment not to exceed six months, or both.

1 In addition, for violations of subsection c. of this section occurring
2 after the effective date of P.L.2005, c.382, a civil penalty of not less
3 than \$500 nor more than \$10,000 shall be imposed upon a former State
4 officer or employee or former special State officer or employee of a
5 State agency in the Executive Branch upon a finding of a violation by
6 the State Ethics Commission, which penalty may be collected in a
7 summary proceeding pursuant to the "Penalty Enforcement Law of
8 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).²
9 (cf: P.L.2023, c.291, s.1)

10

11 ¹**[2.]** 3.¹ This act shall take effect immediately.

SENATE JUDICIARY COMMITTEE

STATEMENT TO

SENATE, No. 3486

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 29, 2025

The Senate Judiciary Committee reports favorably and with committee amendments Senate Bill No. 3486.

Since the enactment of P.L.2019, c.153 (C.24:6I-5.1 et al.), which created a dedicated permit to operate a medical cannabis dispensary, an entity that has obtained this permit from the Cannabis Regulatory Commission has been prohibited from establishing a satellite location from which it may also dispense medical cannabis to registered qualifying patients. The bill would authorize an entity with this permit, upon approval of the commission, to establish and maintain up to two satellite locations.

The committee amendments to the bill:

- authorize a medical cannabis dispensary to operate up to two satellite locations, instead of just one such location per the bill as introduced.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 3486

With committee amendments

STATE OF NEW JERSEY

DATED: JUNE 26, 2025

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 3486 (1R).

Since the enactment of P.L.2019, c.153 (C.24:6I-5.1 et al.), which created a permit process to operate a medical cannabis dispensary, an entity that has obtained this permit from the Cannabis Regulatory Commission (CRC) has been prohibited from establishing a satellite location from which it may also dispense medical cannabis to registered qualifying patients. The bill would authorize an entity with this permit, upon approval of the commission, to establish and maintain up to two satellite locations. Under the bill, a medical cannabis dispensary is permitted to operate two satellite locations. As amended, the bill also permits an alternative treatment center which has been issued a permit to dispense medical cannabis from a medical cannabis dispensary to maintain up to two satellite dispensary locations.

Under current law, a CRC member is prohibited from holding outside employment. As amended, the bill permits a CRC member to hold local elected office, provided that, in the judgment of the State Ethics Commission and the Local Finance Board of the Department of Community affairs, such office or employment will not interfere with the member's responsibilities to the commission, 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 CRC member.

As amended, the bill revises the post-employment restrictions for employees with respect to partnerships, firms, and corporations being prohibited from representing or appearing for a cannabis business from two years to one year.

The amended bill also clarifies the appointment process for membership of the commission. Under current law, one member is appointed by the Governor upon recommendations by each of the Senate President and the Speaker of the General Assembly, and three members are appointed by the Governor without requiring a recommendation. The amended bill clarifies that members are directly appointed as follows: one by the Senate President; one by

the Speaker of the General Assembly; and three by the Governor. The Governor's three appointees will remain subject to the Senate's advice and consent.

COMMITTEE AMENDMENTS:

The committee amendments to the bill:

(1) permit any ATC, including those issued a permit prior to P.L.2019, c.153, to maintain up to two satellite dispensaries;

(2) permit a CRC member to hold local elected office under certain circumstances;

(3) clarify the appointment process of CRC members; and

(4) clarify post-employment restrictions placed on State employees.

FISCAL IMPACT:

This bill has not been certified as requiring a fiscal note.

Governor Murphy Takes Action on Legislation

Posted on - 07/1/2025

TRENTON – Today, Governor Murphy signed the following bills into law:

S-3418wGR/A-4556 (Beach, Pennacchio/Lampitt, Greenwald, Katz) - Authorizes certain types of permanent structures, recently constructed or erected on preserved farmland, to be used, in certain cases, for purposes of holding special occasion events thereon

S-1320wGR/A-4390 (Burzichelli, Pou/Stanley, Speight, Atkins) - Requires certain information be included in certain contracts with licensed public adjusters

ACS for A-3361wGR/SS for S-2953 (Hutchison, Moen, McCann Stamato/Moriarty, Cryan) - Establishes limit on rent increase for certain dwelling sites for modular or industrialized buildings or manufactured homes

A-4937/S-3486 (Atkins, Speight, Peterpaul/Gopal, Turner) - Concerns satellite cannabis dispensaries, Cannabis Regulatory Commission membership, and post-employment restrictions on State employees

A-5199/S-4105 (Donlon, Ramirez, Drulis/Gopal, Mukherji) - Requires resident and fellow physicians employed by Rutgers, The State University of New Jersey, who are eligible for coverage in SHBP, to be eligible to enroll and receive health insurance on first day of employment