



**A4461 (3R)**

<b>INTRODUCED BILL:</b> (Includes sponsor(s) statement)	Yes	
<b>REPRINT(S):</b>	Yes	AHE 6/17/24 1R AAP 6/24/24 2R ABU 6/26/24 3R
<b>TECHNICAL REVIEW:</b>	No	
<b>COMMITTEE STATEMENT:</b>	<b>ASSEMBLY:</b>	Yes Health Appropriations Budget
	<b>SENATE:</b>	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](http://www.njleg.state.nj.us))

<b>FLOOR AMENDMENT STATEMENT:</b>	No
<b>LEGISLATIVE FISCAL ESTIMATE:</b>	Yes
<b>VETO MESSAGE:</b>	No
<b>GOVERNOR'S PRESS RELEASE ON SIGNING:</b>	Yes

**FOLLOWING WERE PRINTED:**

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<b>REPORTS:</b>	No
<b>HEARINGS:</b>	No
<b>NEWSPAPER ARTICLES:</b>	Available Upon Request

Jelani Gibson - For Times of Trenton, 'Murphy signs hemp crackdown, despite 'issues' Measure seeks to shield kids from such intoxicating products, but critics argue it's too strict.', *Times, The* (online), 14 Sep 2024 001

CL/MM

P.L. 2024, CHAPTER 73, *approved September 12, 2024*  
Senate, No. 3235 (*Third Reprint*)

1 AN ACT concerning intoxicating hemp products, supplementing  
2 Title 24 of the New Jersey Statutes, and amending various  
3 sections of statutory law.  
4

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

8 1. Section 3 of P.L.2019, c.238 (C.4:28-8) is amended to read as  
9 follows:

10 3. As used in sections 1 through 9 of P.L.2019, c.238 (C.4:28-6 et  
11 al.), unless the context otherwise requires:

12 "Agent" means an employee or contractor of a hemp producer.

13 "Applicant" means a person, or for a business entity, any person  
14 authorized to act on behalf of the business entity, who applies to the  
15 department to be a hemp producer in the State.

16 "Commercial sale" means the sale of a product in the stream of  
17 commerce at retail, at wholesale, or on the Internet.

18 "Cultivate" means to plant, water, grow, or harvest a plant or crop.

19 "Department" means the New Jersey Department of Agriculture.

20 "Federally defined THC level for hemp" means a delta-9  
21 tetrahydrocannabinol concentration of not more than 0.3 percent on a  
22 dry weight basis for hemp or in a hemp product.

23 "Handle" means to possess or store a hemp plant on premises  
24 owned, operated, or controlled by a hemp producer for any period of  
25 time or in a vehicle for any period of time other than during the actual  
26 transport of the plant between premises owned, operated, or controlled  
27 by hemp producers or persons or entities authorized to produce hemp  
28 pursuant to 7 U.S.C. s.1639o et seq. and any state law or rule or  
29 regulation adopted pursuant thereto. "Handle" does not mean  
30 possession or storage of finished hemp products.

31 "Hemp" means the plant *Cannabis sativa* L. and any part of that  
32 plant, including the seeds of the plant and all derivatives, extracts,  
33 cannabinoids, isomers, acids, salts, and salts of isomers, whether  
34 growing or not, with a **【delta-9】** total tetrahydrocannabinol  
35 concentration of not more than 0.3 percent on a dry weight basis.

**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:

<sup>1</sup>Senate SJU committee amendments adopted May 16, 2024.

<sup>2</sup>Senate SBA committee amendments adopted June 24, 2024.

<sup>3</sup>Senate SBA committee amendments adopted June 26, 2024.

1 Hemp and hemp-derived cannabinoids, including cannabidiol, shall be  
2 considered an agricultural commodity and not a controlled substance  
3 due to the presence of hemp or hemp-derived cannabinoids.

4 "Hemp producer" means a person or business entity authorized by  
5 the department to cultivate, handle, or process hemp in the State.

6 "Hemp product" means a finished product with a **【delta-9】** total  
7 tetrahydrocannabinol concentration of not more than 0.3 percent, and  
8 not more than 0.5 milligrams of total THC per serving and 2.5  
9 milligrams of total THC per package, that is derived from or made by  
10 processing a hemp plant or plant part and prepared in a form available  
11 for commercial sale. The term includes cosmetics, personal care  
12 products, food intended for human or animal consumption, cloth,  
13 cordage, fiber, fuel, paint, paper, particleboard, plastics, and any  
14 product containing one or more hemp-derived cannabinoids such as  
15 cannabidiol. Hemp products shall not be considered controlled  
16 substances due to the presence of hemp or hemp-derived cannabinoids.  
17 "Hemp product" shall not mean a cannabinoid product that is not  
18 derived from naturally occurring biologically active chemical  
19 constituents and shall not mean an intoxicating hemp product as  
20 defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

21 "Process" means to convert hemp into a marketable form.

22 "Secretary" means the Secretary of the New Jersey Department of  
23 Agriculture.

24 "Transport" means the movement or shipment of hemp by a hemp  
25 producer, a person or entity authorized to produce hemp pursuant to 7  
26 U.S.C. s.1639o et seq. and any state law or rule or regulation adopted  
27 pursuant thereto, or a hemp producer's or authorized entity's third-  
28 party carrier or agent. "Transport" shall not mean the movement or  
29 shipment of hemp products.

30 "Total THC" means the total concentration of all  
31 tetrahydrocannabinols in <sup>1</sup>【a cannabis item】 hemp or a  
32 hemp product<sup>1</sup>, including delta-8, delta-9, delta-10,  
33 tetrahydrocannabinolic acid and any other chemically similar  
34 compound, substance, derivative, or isomer of tetrahydrocannabinol,  
35 regardless of how derived or manufactured, and any other  
36 cannabinoid, other than cannabidiol, identified by the Cannabis  
37 Regulatory Commission, in consultation with the Department of  
38 Agriculture and the Attorney General, as causing intoxication.

39 (cf: P.L.2019, c.238, s.3)

40

41 2. Section 3 of P.L.2021, c.16 (C.24:6I-33) is amended to read  
42 as follows:

43 3. Definitions.

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

46 "Alternative treatment center" means an organization issued a  
47 permit pursuant to the "Jake Honig Compassionate Use Medical  
48 Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) to operate as a

1 medical cannabis cultivator, medical cannabis manufacturer,  
2 medical cannabis dispensary, or clinical registrant, as well as any  
3 alternative treatment center deemed pursuant to section 7 of that act  
4 (C.24:6I-7) to concurrently hold a medical cannabis cultivator  
5 permit, a medical cannabis manufacturer permit, and a medical  
6 cannabis dispensary permit.

7 "Cannabis" means all parts of the plant *Cannabis sativa* L.,  
8 whether growing or not, the seeds thereof, and every compound,  
9 manufacture, salt, derivative, mixture, or preparation of the plant or  
10 its seeds, except those containing resin extracted from the plant,  
11 which are cultivated and, when applicable, manufactured in  
12 accordance with P.L.2021, c.16 (C.24:6I-31 et al.) for use in  
13 cannabis products as set forth in this act, but shall not include the  
14 weight of any other ingredient combined with cannabis to prepare  
15 topical or oral administrations, food, drink, or other product.  
16 "Cannabis" does not include: medical cannabis dispensed to  
17 registered qualifying patients pursuant to the "Jake Honig  
18 Compassionate Use Medical Cannabis Act," P.L.2009, c.307  
19 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);  
20 marijuana as defined in N.J.S.2C:35-2 and applied to any offense  
21 set forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey  
22 Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or marihuana as  
23 defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to  
24 any offense set forth in the "New Jersey Controlled Dangerous  
25 Substances Act," P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a  
26 hemp product cultivated, handled, processed, transported, or sold  
27 pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238  
28 (C.4:28-6 et al.).

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

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

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

10 "Cannabis distributor" means any licensed person or entity that  
11 transports cannabis in bulk intrastate from one licensed cannabis  
12 cultivator to another licensed cannabis cultivator, or transports  
13 cannabis items in bulk intrastate from any one class of licensed  
14 cannabis establishment to another class of licensed cannabis  
15 establishment, and may engage in the temporary storage of cannabis  
16 or cannabis items as necessary to carry out transportation activities.  
17 This person or entity shall hold a Class 4 Cannabis Distributor  
18 license.

19 "Cannabis establishment" means a cannabis cultivator, a  
20 cannabis manufacturer, a cannabis wholesaler, or a cannabis  
21 retailer.

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

29 "Cannabis flower" means the flower of the plant *Cannabis sativa*  
30 L. within the plant family Cannabaceae.

31 "Cannabis item" means any usable cannabis, cannabis product,  
32 cannabis extract, intoxicating hemp product, and any other cannabis  
33 resin. "Cannabis item" does not include: any form of medical  
34 cannabis dispensed to registered qualifying patients pursuant to the  
35 "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009,  
36 c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et  
37 al.); or hemp or a hemp product cultivated, handled, processed,  
38 transported, or sold pursuant to the "New Jersey Hemp Farming  
39 Act," P.L.2019, c.238 (C.4:28-6 et al.).

40 "Cannabis leaf" means the leaf of the plant *Cannabis sativa* L.  
41 within the plant family Cannabaceae.

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

1 "Cannabis paraphernalia" means any equipment, products, or  
2 materials of any kind which are used, intended for use, or designed  
3 for use in planting, propagating, cultivating, growing, harvesting,  
4 composting, manufacturing, compounding, converting, producing,  
5 processing, preparing, testing, analyzing, packaging, repackaging,  
6 storing, vaporizing, or containing cannabis, or for ingesting,  
7 inhaling, or otherwise introducing a cannabis item into the human  
8 body. "Cannabis paraphernalia" does not include drug  
9 paraphernalia as defined in N.J.S.2C:36-1 and which is used or  
10 intended for use to commit a violation of chapter 35 or 36 of Title  
11 2C of the New Jersey Statutes.

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

19 "Cannabis resin" means the resin extracted from any part of the  
20 plant *Cannabis sativa* L., including cannabis extract and resin  
21 extracted using non-chemical processes, processed and used in  
22 accordance with P.L.2021, c.16 (C.24:6I-31 et al.). "Cannabis  
23 resin" does not include: any form of medical cannabis dispensed to  
24 registered qualifying patients pursuant to the "Jake Honig  
25 Compassionate Use Medical Cannabis Act," P.L.2009, c.307  
26 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);  
27 hashish as defined in N.J.S.2C:35-2 and applied to any offense set  
28 forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey  
29 Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or as defined in  
30 section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense  
31 of the "New Jersey Controlled Dangerous Substances Act,"  
32 P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product  
33 cultivated, handled, processed, transported, or sold pursuant to the  
34 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

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

46 "Cannabis testing facility" means an independent, third-party  
47 entity meeting accreditation requirements established by the  
48 Cannabis Regulatory Commission that is licensed to analyze and

1 certify cannabis items and medical cannabis for compliance with  
2 applicable health, safety, and potency standards.

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

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

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

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

28 "Consumption" means the act of ingesting, inhaling, or otherwise  
29 introducing cannabis items into the human body.

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

42 "Department" means the Department of Health.

43 "Director" means the Director of the Office of Minority,  
44 Disabled Veterans, and Women Cannabis Business Development in  
45 the Cannabis Regulatory Commission.

46 "Executive director" means the executive director of the  
47 Cannabis Regulatory Commission.

1 "Financial consideration" means value that is given or received  
2 either directly or indirectly through sales, barter, trade, fees,  
3 charges, dues, contributions, or donations.

4 "Immature cannabis plant" means a cannabis plant that is not  
5 flowering.

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

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

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

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

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

35 (a) with a population of less than 60,000 according to the most  
36 recently compiled federal decennial census, that for calendar year  
37 2019 ranks in the top 40 percent of municipalities in the State for  
38 marijuana- or hashish-related arrests for violation of paragraph (4)  
39 of subsection a. of N.J.S.2C:35-10; has a crime index total of 1,000  
40 or higher based upon the indexes listed in the 2019 annual Uniform  
41 Crime Report by the Division of State Police; but for calendar year  
42 2019 does not have a local average annual unemployment rate that  
43 ranks in the top 15 percent of all municipalities, based upon average  
44 annual unemployment rates estimated for the relevant calendar year  
45 by the Office of Research and Information in the Department of  
46 Labor and Workforce Development; or

47 (b) with a population of not less than 60,000 or more than  
48 80,000 according to the most recently compiled federal decennial

1 census; has a crime index total of 650 or higher based upon the  
2 indexes listed in the 2019 annual Uniform Crime Report; and for  
3 calendar year 2019 has a local average annual unemployment rate  
4 of 3.0 percent or higher using the same estimated annual  
5 unemployment rates.

6 “Intoxicating hemp product” means any product cultivated,  
7 derived, or manufactured <sup>3</sup>in this State<sup>3</sup> from hemp regulated  
8 pursuant to the “Agricultural Improvement Act of 2018,”  
9 Pub.L.115-334 or the “New Jersey Hemp Farming Act,” P.L.2019,  
10 c.238 (C.4:28-6 et al.) that is sold in this State that has a  
11 concentration of total THC greater than 0.5 milligrams per serving  
12 or 2.5 milligrams per package. “Intoxicating hemp product” shall  
13 not include a cannabinoid product that is not derived from naturally  
14 occurring biologically active chemical constituents and shall not  
15 include hemp products as defined in section 3 of P.L.2019, c.238  
16 (C.4:28-8).

17 "License" means a license issued under P.L.2021, c.16 (C.24:6I-  
18 31 et al.), including a license that is designated as either a Class 1  
19 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer  
20 license, a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis  
21 Distributor license, a Class 5 Cannabis Retailer license, or a Class 6  
22 Cannabis Delivery license. The term includes a conditional license  
23 for a designated class, except when the context of the provisions of  
24 P.L.2021, c.16 (C.24:6I-31 et al.) otherwise intend to only apply to  
25 a license and not a conditional license.

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

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

39 "Manufacture" means the drying, processing, compounding, or  
40 conversion of usable cannabis into cannabis products or cannabis  
41 resins. "Manufacture" does not include packaging or labeling.

42 "Mature cannabis plant" means a cannabis plant that is not an  
43 immature cannabis plant.

44 "Medical cannabis" means cannabis dispensed to registered  
45 qualifying patients pursuant to the "Jake Honig Compassionate Use  
46 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and  
47 P.L.2015, c.158 (C.18A:40-12.22 et al.). "Medical cannabis" does  
48 not include any cannabis or cannabis item which is cultivated,

1 produced, processed, and consumed in accordance with P.L.2021,  
2 c.16 (C.24:6I-31 et al.).

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

25 "Noncommercial" means not dependent or conditioned upon the  
26 provision or receipt of financial consideration.

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

38 "Produce" means the planting, cultivation, growing or harvesting  
39 of cannabis. "Produce" does not include the drying of cannabis by a  
40 cannabis manufacturer, if the cannabis manufacturer is not  
41 otherwise manufacturing cannabis.

42 "Public place" means any place to which the public has access  
43 that is not privately owned; or any place to which the public has  
44 access where alcohol consumption is not allowed, including, but not  
45 limited to, a public street, road, thoroughfare, sidewalk, bridge,  
46 alley, plaza, park, playground, swimming pool, shopping area,  
47 public transportation facility, vehicle used for public transportation,

1 parking lot, public library, or any other public building, structure, or  
2 area.

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

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

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

26 "THC" means delta-9-tetrahydrocannabinol and its precursor,  
27 tetrahydrocannabinolic acid, the main psychoactive chemicals  
28 contained in the cannabis plant.

29 "Total THC" means the total concentration of all  
30 tetrahydrocannabinols in <sup>1</sup>[a cannabis item] hemp or a hemp  
31 product<sup>1</sup>, including delta-8, delta-9, delta-10,  
32 tetrahydrocannabinolic acid and any other chemically similar  
33 compound, substance, derivative, or isomer of  
34 tetrahydrocannabinol, regardless of how derived or manufactured,  
35 and any other cannabinoid, other than cannabidiol, identified by the  
36 Cannabis Regulatory Commission, in consultation with the  
37 Department of Agriculture and the Attorney General, as causing  
38 intoxication.

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

42 (cf: P.L.2021, c.16, s.3)

43

44 3. Section 5 of P.L.1970, c.226 (C.24:21-5) is amended to read  
45 as follows:

46 5. a. Tests. The director shall place a substance in  
47 Schedule I if he finds that the substance: (1) has high potential for  
48 abuse; and (2) has no accepted medical use in treatment in the

1 United States; or lacks accepted safety for use in treatment under  
2 medical supervision.

3 b. The controlled dangerous substances listed in this section are  
4 included in Schedule I, subject to any revision and republishing by  
5 the director pursuant to subsection d. of section 3 of P.L.1970,  
6 c.226 (C.24:21-3), and except to the extent provided in any other  
7 schedule.

8 c. Any of the following opiates, including their isomers, esters,  
9 and ethers, unless specifically excepted, whenever the existence of  
10 such isomers, esters, ethers and salts is possible within the specific  
11 chemical designation:

- 12 (1) Acetylmethadol
- 13 (2) Allylprodine
- 14 (3) Alphacetylmethadol
- 15 (4) Alphameprodine
- 16 (5) Alphamethadol
- 17 (6) Benzethidine
- 18 (7) Betacetylmethadol
- 19 (8) Betameprodine
- 20 (9) Betamethadol
- 21 (10) Betaprodine
- 22 (11) Clonitazene
- 23 (12) Dextromoramide
- 24 (13) Dextrorphan
- 25 (14) Diampromide
- 26 (15) Diethylthiambutene
- 27 (16) Dimenoxadol
- 28 (17) Dimepheptanol
- 29 (18) Dimethylthiambutene
- 30 (19) Dioxaphetyl butyrate
- 31 (20) Dipipanone
- 32 (21) Ethylmethylthiambutene
- 33 (22) Etonitazene
- 34 (23) Etoxeridine
- 35 (24) Furethidine
- 36 (25) Hydroxypethidine
- 37 (26) Ketobemidone
- 38 (27) Levomoramide
- 39 (28) Levophenacylmorphan
- 40 (29) Morpheridine
- 41 (30) Noracymethadol
- 42 (31) Norlevorphanol
- 43 (32) Normethadone
- 44 (33) Norpipanone
- 45 (34) Phenadoxone
- 46 (35) Phenampromide
- 47 (36) Phenomorphan
- 48 (37) Phenoperidine

- 1 (38) Piritramide
- 2 (39) Proheptazine
- 3 (40) Properidine
- 4 (41) Racemoramide
- 5 (42) Trimeperidine.

6 d. Any of the following narcotic substances, their salts, isomers  
7 and salts of isomers, unless specifically excepted, whenever the  
8 existence of such salts, isomers and salts of isomers is possible  
9 within the specific chemical designation:

- 10 (1) Acetorphine
- 11 (2) Acetylcodeine
- 12 (3) Acetyldihydrocodeine
- 13 (4) Benzylmorphine
- 14 (5) Codeine methylbromide
- 15 (6) Codeine-N-Oxide
- 16 (7) Cyprenorphine
- 17 (8) Desomorphine
- 18 (9) Dihydromorphine
- 19 (10) Etorphine
- 20 (11) Heroin
- 21 (12) Hydromorphanol
- 22 (13) Methyldesorphine
- 23 (14) Methylhydromorphine
- 24 (15) Morphine methylbromide
- 25 (16) Morphine methylsulfonate
- 26 (17) Morphine-N-Oxide
- 27 (18) Myrophine
- 28 (19) Nicocodeine
- 29 (20) Nicomorphine
- 30 (21) Normorphine
- 31 (22) Phocloine
- 32 (23) Thebacon.

33 e. Any material, compound, mixture or preparation which  
34 contains any quantity of the following hallucinogenic substances,  
35 their salts, isomers and salts of isomers, unless specifically  
36 excepted, whenever the existence of such salts, isomers, and salts of  
37 isomers is possible within the specific chemical designation:

- 38 (1) 3,4-methylenedioxy amphetamine
- 39 (2) 5-methoxy-3,4-methylenedioxy amphetamine
- 40 (3) 3,4,5-trimethoxy amphetamine
- 41 (4) Bufotenine
- 42 (5) Diethyltryptamine
- 43 (6) Dimethyltryptamine
- 44 (7) 4-methyl-2,5-dimethoxylamphetamine
- 45 (8) Ibogaine
- 46 (9) Lysergic acid diethylamide

47 (10) **【Marihuana】** Marijuana; except that on and after the  
48 effective date of the "New Jersey Cannabis Regulatory,

1 Enforcement Assistance, and Marketplace Modernization Act,"  
 2 P.L.2021, c.16 (C.24:6I-31 et al.), **【marihuana】** marijuana shall no  
 3 longer be included in Schedule I, and shall not be designated or  
 4 rescheduled and included in any other schedule by the director  
 5 pursuant to the director's designation and rescheduling authority set  
 6 forth in section 3 of P.L.1970, c.226 (C.24:21-3).

- 7 (11) Mescaline  
 8 (12) Peyote  
 9 (13) N-ethyl-3-piperidyl benzilate  
 10 (14) N-methyl-3-piperidyl benzilate  
 11 (15) Psilocybin  
 12 (16) Psilocyn  
 13 (17) Tetrahydrocannabinols, including those produced by way of  
 14 manufacture, except when found in hemp or a hemp product  
 15 cultivated, handled, processed, transported, or sold pursuant to the  
 16 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.),  
 17 or cannabis or a cannabis item, as those terms are defined in section  
 18 3 of P.L.2021, c.16 (C.24:6I-33), that is grown, cultivated,  
 19 produced, **【or】** manufactured, or sold in accordance with the "New  
 20 Jersey Cannabis Regulatory, Enforcement Assistance, and  
 21 Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.).  
 22 (cf: P.L.2021, c.16, s.44)

23  
 24 4. (New section) a. A person shall not sell or distribute any  
 25 intoxicating hemp product unless:

26 (1) the person is licensed by the Cannabis Regulatory  
 27 Commission in accordance with P.L.2021, c.16 (C.24:6I-31 et al.);  
 28 <sup>2</sup>or

29 (2) the person is a holder of any valid and unrevoked <sup>3</sup>plenary  
 30 wholesale license or <sup>3</sup> plenary retail distribution license, as <sup>3</sup>those  
 31 terms are<sup>3</sup> defined in <sup>3</sup>R.S.33:1-11 and<sup>3</sup> R.S.33:1-12, and is  
 32 approved by the commission to sell intoxicating hemp beverages in  
 33 accordance with section 5 of P.L. , c. (C. ) (pending before  
 34 the Legislature as this bill);<sup>2</sup> and

35 <sup>2</sup>**【(2)】** (3)<sup>2</sup> the product complies with the provisions of  
 36 P.L.2021, c.16 (C.24:6I-31 et al.) and any <sup>2</sup>【applicable commission  
 37 regulations applicable to cannabis items】 rules or regulations  
 38 adopted pursuant thereto<sup>2</sup>.

39 b. (1) It shall be unlawful to sell or distribute a hemp product  
 40 or cannabis item that is not derived from naturally occurring  
 41 biologically active chemical constituents.

42 (2) Except as otherwise provided by law, it shall be unlawful to  
 43 sell or distribute a product intended for human consumption that  
 44 contains tetrahydrocannabinol in any detectable amount to a person  
 45 under 21 years of age.

46 c. In addition to any other penalty provided by law, any person  
 47 licensed by the commission <sup>2</sup>, or any person approved by the

1 commission to sell intoxicating hemp beverages pursuant to section  
2 5 of P.L. , c. (C. ) (pending before the Legislature as this  
3 bill),<sup>2</sup> who violates subsection a. or b. of this section shall be  
4 subject to any civil penalties or fines adopted by the commission in  
5 accordance with P.L.2021, c.16 (C.24:6I-31 et al.).

6 d. (1) Notwithstanding any provision of the “Administrative  
7 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), <sup>2</sup>or  
8 subsection d. of section 5 of P.L. , c. (C. ) (pending before  
9 the Legislature as this bill)<sup>2</sup> to the contrary, and in accordance with  
10 the authority established pursuant to section 18 of P.L.2021, c.16  
11 (C.24:6I-35), the commission, in consultation with the Department  
12 of Agriculture and the Attorney General, and within 180 days of the  
13 effective date of P.L. , c. (C. ) (pending before the  
14 Legislature as this bill), is authorized to adopt immediately upon  
15 filing with the Office of Administrative Law rules and regulations  
16 necessary to implement this act.

17 (2) Following any rules or regulations established by the  
18 commission in accordance with subparagraph (1) of this subsection,  
19 the commission shall, in consultation the Department of Agriculture  
20 and the Attorney General, and in accordance with the  
21 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et  
22 seq.), adopt rules and regulations as necessary to implement the  
23 provisions of P.L. , c. (C. ) (pending before the Legislature  
24 as this bill).

25 e. (1) Nothing in P.L. , c. (C. ) (pending before the  
26 Legislature as this bill) shall be construed or interpreted to limit the  
27 enforceability or applicability of the “Agriculture Improvement Act  
28 of 2018,” Pub.L.115-334 or the “New Jersey Hemp Farming Act,”  
29 P.L.2019, c.238 (C.4:28-6 et al.).

30 (2) <sup>2</sup>The requirements of this section and section 5 of P.L. , c.  
31 (C. ) (pending before the Legislature as this bill) shall apply to  
32 any online retail sale of an intoxicating hemp product sold in this  
33 State.

34 (3)<sup>2</sup> The imposition of any fine or other remedy under this act  
35 shall not preclude prosecution for a violation of the criminal laws of  
36 this State.

37  
38 <sup>2</sup>5. (New section) a. (1) Notwithstanding P.L.2021, c.16  
39 (C.24:6I-31 et al.), or any rule or regulation adopted pursuant  
40 thereto, the holder of any valid and unrevoked <sup>3</sup>plenary wholesale  
41 license or <sup>3</sup> plenary retail distribution license, as <sup>3</sup>those terms are<sup>3</sup>  
42 defined in <sup>3</sup>R.S.33:1-11 and<sup>3</sup> R.S.33:1-12, may sell or distribute  
43 intoxicating hemp beverages in accordance with this section and  
44 section 4 of P.L. , c. (C. ) (pending before the Legislature  
45 as this bill) and the rules and regulations adopted by the Cannabis  
46 Regulatory Commission pursuant to subsection d. of this section.

1       (2) Any intoxicating hemp beverage sold or offered for sale  
2 pursuant to paragraph (1) of this section shall not be sold to any  
3 person under the age of 21, and shall be stored or displayed in a  
4 place that is not accessible to customers without the assistance of an  
5 employee of the establishment.

6       b. (1) Upon the effective date of P.L. , c. (C. )  
7 (pending before the Legislature as this bill) the holder of any valid  
8 and unrevoked <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary retail  
9 distribution license shall not sell any intoxicating hemp beverages.

10       (2) Upon the adoption of rules and regulations by the  
11 commission pursuant to subsection d. of this section, any holder of  
12 a valid and unrevoked <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary retail  
13 distribution license may submit an application to the commission, in  
14 a form and manner as determined by the commission, for approval  
15 to sell intoxicating hemp beverages. The commission may approve  
16 a valid holder of a <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary retail  
17 distribution license to sell intoxicating hemp beverages in  
18 accordance with P.L. , c. (C. ) (pending before the  
19 Legislature as this bill) and the rules and regulations adopted by the  
20 commission.

21       c. Any sale of an intoxicating hemp beverage by a holder of  
22 any valid and unrevoked <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary  
23 retail distribution license shall be subject to:

24       (1) the sales tax imposed on cannabis in accordance with the  
25 “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.); and

26       (2) the same local cannabis transfer and user tax imposed on  
27 cannabis by a municipality pursuant to section 40 of P.L.2021, c.16  
28 (C.40:48I-1).

29       All taxes, fees, penalties, and revenues collected pursuant to this  
30 section shall be deposited in accordance with section 41 of  
31 P.L.2021, c.16 (C.24:6I-50).

32       d. (1) Notwithstanding the rules and regulations adopted  
33 pursuant to subsection d. of section 4 of P.L. , c. (C. )  
34 (pending before the Legislature as this bill), no later than 12 months  
35 after the effective date of this section, the commission, in  
36 consultation with the Division of Alcoholic Beverage Control shall  
37 adopt, immediately upon filing with the Office of Administrative  
38 Law, rules and regulations necessary to implement this section. The  
39 rules and regulations adopted pursuant to this section shall be  
40 effective for a period not to exceed 18 months following the date of  
41 filing and may thereafter be amended, adopted, or readopted by the  
42 <sup>3</sup>[director] commission<sup>3</sup> in accordance with the requirements of  
43 P.L.1968, c.410 (C.52:14B-1 et seq.).

44       (2) The rules and regulations adopted pursuant to this section  
45 shall include, but not be limited to, provisions concerning:

46       (a) packaging;

47       (b) labeling;

1       (c) product testing and safety standards;

2       (d) tetrahydrocannabinol amounts permitted in intoxicating hemp  
3 beverages;

4       (e) the number of intoxicating hemp beverages that may be sold  
5 to a customer at any given time; and

6       (f) a fee to be charged by the commission to cover the reasonable  
7 costs of administering this section.

8       For the purposes of this section, “intoxicating hemp beverage”  
9 means a beverage that is an intoxicating hemp product as that term  
10 is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).<sup>2</sup>

11

12       <sup>2</sup>6. R.S.33:1-12 is amended to read as follows:

13       33:1-12. Class C licenses shall be subdivided and classified as  
14 follows:

15       Plenary retail consumption license. 1. The holder of this license  
16 shall be entitled, subject to rules and regulations, to sell any alcoholic  
17 beverages for consumption on the licensed premises by the glass or  
18 other open receptacle, and also to sell any alcoholic beverages in  
19 original containers for consumption off the licensed premises; but this  
20 license shall not be issued to permit the sale of alcoholic beverages in  
21 or upon any premises in which a grocery, delicatessen, drug store or  
22 other mercantile business is carried on, except as hereinafter provided.  
23 The holder of this license shall be permitted to conduct consumer  
24 wine, beer and spirits tasting events and samplings for a fee or on a  
25 complimentary basis pursuant to conditions established by rules and  
26 regulations of the Division of Alcoholic Beverage Control, provided  
27 however, that the holder of this license complies with the terms and  
28 conditions set forth in section 3 of P.L.2009, c.216 (C.33:1-12d).  
29 Subject to such rules and regulations established from time to time by  
30 the director, the holder of this license shall be permitted to sell  
31 alcoholic beverages in or upon the premises in which any of the  
32 following is carried on: the keeping of a hotel or restaurant including  
33 the sale of mercantile items incidental thereto as an accommodation to  
34 patrons; the sale, at an entertainment facility as defined in R.S.33:1-1,  
35 having a seating capacity for no less than 4,000 patrons, of mercantile  
36 items traditionally associated with the type of event or program held at  
37 the site; the sale of distillers', brewers' and vintners' packaged  
38 merchandise prepacked as a unit with other suitable objects as gift  
39 items to be sold only as a unit; the sale of novelty wearing apparel  
40 identified with the name of the establishment licensed under the  
41 provisions of this section; the sale of cigars, cigarettes, packaged  
42 crackers, chips, nuts and similar snacks and ice at retail as an  
43 accommodation to patrons, or the retail sale of nonalcoholic beverages  
44 as accessory beverages to alcoholic beverages; or, in commercial  
45 bowling establishments, the retail sale or rental of bowling accessories  
46 and the retail sale from vending machines of candy, ice cream and  
47 nonalcoholic beverages. The fee for this license shall be fixed by the  
48 governing board or body of the municipality in which the licensed

1 premises are situated, by ordinance, at not less than \$250 and not more  
2 than \$2,500. No ordinance shall be enacted which shall raise or lower  
3 the fee to be charged for this license by more than 20% from that  
4 charged in the preceding license year or \$500.00, whichever is the  
5 lesser. The governing board or body of each municipality may, by  
6 ordinance, enact that no plenary retail consumption license shall be  
7 granted within its respective municipality.

8 The holder of this license shall be permitted to obtain a restricted  
9 brewery license issued pursuant to subsection 1c. of R.S.33:1-10 and  
10 to operate a restricted brewery immediately adjoining the licensed  
11 premises in accordance with the restrictions set forth in that  
12 subsection. All fees related to the issuance of both licenses shall be  
13 paid in accordance with statutory law.

14 Seasonal retail consumption license. 2. (1) The holder of this  
15 license shall be entitled, subject to rules and regulations, to sell any  
16 alcoholic beverages for consumption on the licensed premises by the  
17 glass or other open receptacle, and also to sell any alcoholic beverages  
18 in original containers for consumption off the licensed premises,  
19 during the summer season from May 1 until November 14, inclusive,  
20 or during the winter season from November 15 until April 30,  
21 inclusive.

22 (2) In addition, the director shall issue to the holder of this license,  
23 upon request by the licensee, one-day permits that shall entitle the  
24 license holder to sell alcoholic beverages for consumption on the  
25 licensed premises during the season when the license holder is not  
26 authorized to sell alcoholic beverages pursuant to subparagraph (1) of  
27 this subsection. The number of one-day permits issued to a licensee  
28 pursuant to this subsection shall not exceed an aggregate of 14 permits  
29 in one calendar year. A one-day permit issued pursuant to this  
30 subsection shall be valid for 24 consecutive hours. The fee for each  
31 one-day permit shall be \$500.

32 The governing body of the municipality in which the licensed  
33 premises is situated may place reasonable conditions upon a one-day  
34 permit for the purpose of maintaining public safety on the licensed  
35 premises and immediately surrounding area. The costs associated with  
36 the reasonable conditions placed on the one-day permit shall be  
37 assumed by the holder of this license.

38 (3) This license shall not be issued to permit the sale of alcoholic  
39 beverages in or upon any premises in which a grocery, delicatessen,  
40 drug store or other mercantile business is carried on, except as  
41 hereinafter provided. Subject to such rules and regulations established  
42 from time to time by the director, the holder of this license shall be  
43 permitted to sell alcoholic beverages in or upon the premises in which  
44 any of the following is carried on: the keeping of a hotel or restaurant  
45 including the sale of mercantile items incidental thereto as an  
46 accommodation to patrons; the sale of distillers', brewers' and vintners'  
47 packaged merchandise prepacked as a unit with other suitable objects  
48 as gift items to be sold only as a unit; the sale of novelty wearing

1 apparel identified with the name of the establishment licensed under  
2 the provisions of this section; the sale of cigars, cigarettes, packaged  
3 crackers, chips, nuts and similar snacks and ice at retail as an  
4 accommodation to patrons; or the retail sale of nonalcoholic beverages  
5 as accessory beverages to alcoholic beverages. The fee for this license  
6 shall be fixed by the governing board or body of the municipality in  
7 which the licensed premises are situated, by ordinance, at 75% of the  
8 fee fixed by said board or body for plenary retail consumption  
9 licenses. The governing board or body of each municipality may, by  
10 ordinance, enact that no seasonal retail consumption license shall be  
11 granted within its respective municipality.

12 Plenary retail distribution license. 3. a. The holder of this license  
13 shall be entitled, subject to rules and regulations, to sell any alcoholic  
14 beverages or intoxicating hemp beverages pursuant to section 5 of  
15 P.L. , c. (C. ) (pending before the Legislature as this bill), for  
16 consumption off the licensed premises, but only in original containers;  
17 except that licensees shall be permitted to conduct consumer wine,  
18 beer, and spirits tasting events and samplings on a complimentary  
19 basis pursuant to conditions established by rules and regulations of the  
20 Division of Alcoholic Beverage Control, provided however, that the  
21 holder of this license complies with the terms and conditions set forth  
22 in section 3 of P.L.2009, c.216 (C.33:1-12d).

23 The governing board or body of each municipality may, by  
24 ordinance, enact that this license shall not be issued to permit the sale  
25 of alcoholic beverages in or upon any premises in which any other  
26 mercantile business is carried on, except that any such ordinance,  
27 heretofore or hereafter adopted, shall not prohibit the retail sale of  
28 distillers', brewers' and vintners' packaged merchandise prepacked as a  
29 unit with other suitable objects as gift items to be sold only as a unit;  
30 the sale of novelty wearing apparel identified with the name of the  
31 establishment licensed under the provisions of this act; cigars,  
32 cigarettes, packaged crackers, chips, nuts and similar snacks, ice, and  
33 nonalcoholic beverages as accessory beverages to alcoholic beverages.  
34 The fee for this license shall be fixed by the governing board or body  
35 of the municipality in which the licensed premises are situated, by  
36 ordinance, at not less than \$125 and not more than \$2,500. No  
37 ordinance shall be enacted which shall raise or lower the fee to be  
38 charged for this license by more than 20% from that charged in the  
39 preceding license year or \$500.00, whichever is the lesser. The  
40 governing board or body of each municipality may, by ordinance,  
41 enact that no plenary retail distribution license shall be granted within  
42 its respective municipality.

43 Limited retail distribution license. 3. b. The holder of this license  
44 shall be entitled, subject to rules and regulations, to sell any unchilled,  
45 brewed, malt alcoholic beverages in quantities of not less than 72 fluid  
46 ounces for consumption off the licensed premises, but only in original  
47 containers; provided, however, that this license shall be issued only for  
48 premises operated and conducted by the licensee as a bona fide

1 grocery store, meat market, meat and grocery store, delicatessen, or  
2 other type of bona fide food store at which groceries or other  
3 foodstuffs are sold at retail; and provided further that this license shall  
4 not be issued except for premises at which the sale of groceries or  
5 other foodstuffs is the primary and principal business and at which the  
6 sale of alcoholic beverages is merely incidental and subordinate  
7 thereto. The fee for this license shall be fixed by the governing body  
8 or board of the municipality in which the licensed premises are  
9 situated, by ordinance, at not less than \$31 and not more than \$63.  
10 The governing board or body of each municipality may, by ordinance,  
11 enact that no limited retail distribution license shall be granted within  
12 its respective municipality.

13 Plenary retail transit license. 4. The holder of this license shall be  
14 entitled, subject to rules and regulations, to sell any alcoholic  
15 beverages, for consumption only, on railroad trains, airplanes,  
16 limousines and boats, while in transit. The fee for this license for use  
17 by a railroad or air transport company shall be \$375, for use by the  
18 owners of limousines shall be \$31 per vehicle, and for use on a boat  
19 shall be \$63 on a boat 65 feet or less in length, \$125 on a boat more  
20 than 65 feet in length but not more than 110 feet in length, and \$375  
21 on a boat more than 110 feet in length; such boat lengths shall be  
22 determined in the manner prescribed by the Bureau of Customs of the  
23 United States Government or any federal agency successor thereto for  
24 boat measurement in connection with issuance of marine documents.  
25 A license issued under this provision to a railroad or air transport  
26 company shall cover all railroad cars and planes operated by any such  
27 company within the State of New Jersey. A license for a boat or  
28 limousine issued under this provision shall apply only to the particular  
29 boat or limousine for which issued, and shall permit the purchase of  
30 alcoholic beverages for sale or service in a boat or limousine to be  
31 made from any Class A and B licensee or from any Class C licensee  
32 whose license privilege permits the sale of alcoholic beverages in  
33 original containers for off-premises consumption. An interest in a  
34 plenary retail transit license issued in accordance with this section  
35 shall be excluded in determining the maximum number of retail  
36 licenses permitted under P.L.1962, c.152 (C.33:1-12.31 et seq.).

37 Club license. 5. The holder of this license shall be entitled, subject  
38 to rules and regulations, to sell any alcoholic beverages but only for  
39 immediate consumption on the licensed premises and only to bona fide  
40 club members and their guests. The fee for this license shall be fixed  
41 by the governing board or body of the municipality in which the  
42 licensed premises are situated, by ordinance, at not less than \$63 and  
43 not more than \$188. The governing board or body of each  
44 municipality may, by ordinance, enact that no club licenses shall be  
45 granted within its respective municipality. Club licenses may be  
46 issued only to such corporations, associations and organizations as are  
47 operated for benevolent, charitable, fraternal, social, religious,  
48 recreational, athletic, or similar purposes, and not for private gain, and

1 which comply with all conditions which may be imposed by the  
2 Director of the Division of Alcoholic Beverage Control by rules and  
3 regulations.

4 The provisions of section 23 of P.L.2003, c.117 amendatory of this  
5 section shall apply to licenses issued or transferred on or after July 1,  
6 2003, and to license renewals commencing on or after July 1, 2003.

7 Sporting facility license. 6. The holder of this license shall be  
8 entitled, subject to rules and regulations, to sell at retail or to serve any  
9 alcoholic beverages as the owner, operator, lessee, or concessionaire of  
10 a sporting facility by the glass or other receptacle or in original  
11 containers only on the premises of the sporting facility.

12 Notwithstanding any other provision of Title 33 of the Revised  
13 Statutes and subject to conditions established by the director, the  
14 holder of this license may share direction and control of the premises  
15 to be licensed and share proceeds and profits from the sale of alcoholic  
16 beverages with the owner, operator, concessionaire, or lessee of the  
17 facility. The holder of this license shall be permitted to conduct  
18 consumer wine, beer, and spirits tasting events and samplings for a fee  
19 or on a complimentary basis provided, however, the license holder  
20 complies with the provisions of section 3 of P.L.2009, c.216 (C.33:1-  
21 12d) and rules and regulations promulgated thereto. Notwithstanding  
22 any law, rule or regulation to the contrary, the holder of this license  
23 shall be entitled to establish an all-inclusive area within the licensed  
24 sporting facility, provided the all-inclusive area is limited to one area  
25 within the sporting facility for each game or event and the capacity of  
26 the all-inclusive area does not exceed 500 persons.

27 The fee for this license shall be \$2,500 for venues with a capacity  
28 of less than 7,500 persons; \$5,000 for venues with a capacity of not  
29 less than 7,500 persons but not more than 14,999 persons; \$7,500 for  
30 venues with a capacity of not less than 15,000 persons but not more  
31 than 22,499 persons; and \$10,000 for venues with a capacity of 22,500  
32 persons or more.

33 For the purposes of this subsection:

34 "Sporting facility" means a stadium, arena, team training facility,  
35 or similar venue located on public property where alcoholic beverages  
36 are served or sold at retail for consumption on the premises by the  
37 glass or other open receptacle or in original containers.

38 "Team training facility" shall include team offices and team  
39 headquarters.<sup>2</sup>

40 (cf: P.L.2018, c.147, s.1)

41

42 <sup>27</sup>. Section 41 of P.L.2021, c.16 (C.24:6I-50) is amended to read  
43 as follows:

44 41. Cannabis Regulatory, Enforcement Assistance, and  
45 Marketplace Modernization Fund.

46 a. All fees and penalties collected by the commission, and all  
47 tax revenues on retail sales of cannabis items, and all tax revenues  
48 collected pursuant to the provisions of the "Jake Honig

1 Compassionate Use Medical Cannabis Act," P.L.2009, c.307  
2 (C.24:6I-1 et al.), except for amounts credited to the Property Tax  
3 Reform Account in the Property Tax Relief Fund pursuant to  
4 paragraph 7 of Section I of Article VIII of the New Jersey  
5 Constitution, [as well as] all revenues, if any, collected for the  
6 Social Equity Excise Fee pursuant to section 39 of P.L.2021, c.16  
7 (C.54:47F-1), <sup>3</sup>[as well as]<sup>3</sup> all tax revenues on the retail sale of  
8 intoxicating hemp beverages by any plenary retail distribution  
9 license holder <sup>3</sup>, as well as any fees associated with the approval  
10 provided to any plenary wholesale license holder to sell intoxicating  
11 hemp beverages<sup>3</sup>, as defined pursuant to section 5 of P.L. \_\_\_\_\_, c.  
12 (C. \_\_\_\_\_) (pending before the Legislature as this bill), shall be  
13 deposited in a special nonlapsing fund which shall be known as the  
14 "Cannabis Regulatory, Enforcement Assistance, and Marketplace  
15 Modernization Fund," with 15 percent of the monies deposited  
16 being placed into an account within the fund to be known as the  
17 "Underage Deterrence and Prevention Account."

18 b. Monies in the fund, other than any monies derived from the  
19 Social Equity Excise Fee to be appropriated annually in accordance  
20 with subsection d. of this section and the monies placed into the  
21 "Underage Deterrence and Prevention Account" within the fund for  
22 the commission to fund programs and services in accordance with  
23 subsection e. of this section, shall be appropriated annually as  
24 follows:

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

34 (a) to oversee the development, regulation, and enforcement of  
35 activities associated with the personal use of cannabis pursuant to  
36 P.L.2021, c.16 (C.24:6I-31 et al.), and assist with assuming  
37 responsibility from the Department of Health for the further  
38 development and expansion, regulation, and enforcement of  
39 activities associated with the medical use of cannabis pursuant to  
40 the "Jake Honig Compassionate Use Medical Cannabis Act,"  
41 P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-  
42 12.22 et al.);

43 (b) to reimburse the expenses incurred by any county or  
44 municipality for the training costs associated with the attendance  
45 and participation of a police officer from its law enforcement unit,  
46 as those terms are defined in section 2 of P.L.1961, c.56 (C.52:17B-  
47 67), in a program provided by an approved school, also defined in  
48 that section, which trains and certifies the police officer, including a

1 police officer with a working dog as that term is defined in section  
2 1 of P.L.2006, c.88 (C.10:5-29.7), as a Drug Recognition Expert for  
3 detecting, identifying, and apprehending drug-impaired motor  
4 vehicle operators, and pay for the same training costs incurred by  
5 the Division of State Police in the Department of Law and Public  
6 Safety for the training of a State police officer or trooper, including  
7 an officer or trooper with a working dog, as a Drug Recognition  
8 Expert, as well as its costs in furnishing additional program  
9 instructors to provide Drug Recognition Expert training to police  
10 officers, troopers, and working dogs. A municipality or county  
11 seeking reimbursement shall apply to the commission, itemizing the  
12 costs, with appropriate proofs, for which reimbursement is  
13 requested and provide a copy of the certificate issued to the police  
14 officer to indicate the successful completion of the program by the  
15 police officer, and that officer's working dog, if applicable; and

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

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

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

29 d. (1) (a) Not less than 60 days prior to the first day of each State  
30 fiscal year, the commission shall consult and make  
31 recommendations to the Governor and Legislature for making social  
32 equity appropriations based upon the amount of any revenues  
33 collected during the current fiscal year for the Social Equity Excise  
34 Fee pursuant to section 39 of P.L.2021, c.16 (C.54:47F-1), or, if the  
35 commission has not imposed or adjusted the excise fee in the  
36 current fiscal year pursuant to that section, then appropriations to be  
37 made from the General Fund in an amount equal to the revenues  
38 that would have been collected had it imposed or adjusted the fee,  
39 in order to invest, through grants, loans, reimbursements of  
40 expenses, and other financial assistance, in private for-profit and  
41 non-profit organizations, public entities, including any municipality  
42 defined as an "impact zone" pursuant to section 3 of P.L.2021, c.16  
43 (C.24:6I-33) as well as provide direct financial assistance to  
44 qualifying persons as determined by the commission, in order to  
45 create, expand, or promote educational and economic opportunities  
46 and activities, and the health and well-being of both communities  
47 and individuals.

1 (b) Not less than 30 days prior to submitting its  
2 recommendations to the Governor and Legislature pursuant to  
3 subparagraph (a) of this paragraph, the commission shall hold at  
4 least three regional public hearings throughout the State, with at  
5 least one hearing in the northern, central, and southern regions of  
6 the State, to solicit the public input on the social equity investments  
7 to be made as described in this section.

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

11 (a) educational support, including literacy programs, extended  
12 learning time programs that endeavor to close the achievement gap  
13 and provide services for enrolled students after the traditional  
14 school day, GED application and preparedness assistance, tutoring  
15 programs, vocational programming, and financial literacy;

16 (b) economic development, including the encouragement and  
17 support of community activities so as to stimulate economic activity  
18 or increase or preserve residential amenities, and business  
19 marketing, and job skills and readiness training, specific  
20 employment training, and apprenticeships;

21 (c) social support services, including food assistance, mental  
22 health services, substance use disorders treatment and recovery,  
23 youth recreation and mentoring services, life skills support services,  
24 and reentry and other rehabilitative services for adults and juveniles  
25 being released from incarceration; and

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

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

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

43 e. The monies deposited in the "Underage Deterrence and  
44 Prevention Account" within the fund shall be used by the  
45 commission, based on the acceptance of applications submitted on a  
46 form and through an approval or denial process promulgated by the  
47 commission, to fund private for-profit and non-profit organizations,  
48 and county and municipal programs and services that offer social

1 services, educational, recreational, and employment opportunities,  
2 and local economic development designed to encourage, improve,  
3 and support youthful community activities to divert and prevent  
4 persons under 18 years of age from activities associated with the  
5 consumption of cannabis items, or marijuana or hashish.<sup>2</sup>

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

7  
8 <sup>2</sup>[5.] 8.<sup>2</sup> (New section) a. A person who sells, offers for sale, or  
9 distributes any intoxicating hemp product or a hemp product or  
10 cannabis item that is not derived from naturally occurring biologically  
11 active chemical constituents, in violation of section 4 of P.L. , c.  
12 (C. ) (pending before the Legislature as this bill), shall be liable to  
13 a civil penalty of not less than \$100 for the first violation, not less than  
14 \$1,000 for the second violation, and not less than \$10,000 for the third  
15 and each subsequent violation. The penalty prescribed by this section  
16 shall be collected and enforced by summary proceedings under the  
17 "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et  
18 seq.).

19 b. An official authorized by statute or ordinance to enforce this act  
20 or the State or local health codes or consumer protection laws or a law  
21 enforcement officer having enforcement authority in that municipality  
22 may issue a summons for a violation of the provisions of section 4 of  
23 P.L. , c. (C. ) (pending before the Legislature as this bill), and  
24 may serve and execute all process with respect to the enforcement of  
25 this section consistent with the Rules of Court.

26 c. A penalty recovered under the provisions of this section shall be  
27 recovered by and in the name of the State by the local health or  
28 consumer protection agency or other authorized government entity,  
29 including but not limited to the Division of Consumer Affairs in the  
30 Department of Law and Public Safety and the Cannabis Regulatory  
31 Commission established pursuant to section 31 of P.L.2019, c.153  
32 (C.24:6I-24). With respect to an enforcement action brought by a  
33 municipal official, half of any monetary penalty shall be paid into the  
34 treasury of the municipality in which the violation occurred for the  
35 general uses of the municipality, and half shall be deposited in the  
36 special nonlapsing fund known as the "Cannabis Regulatory,  
37 Enforcement Assistance, and Marketplace Modernization Fund,"  
38 established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-50).  
39 With respect to an enforcement action brought by any other  
40 government entity, any monetary penalty collected pursuant to P.L. ,  
41 c. (C. ) (pending before the Legislature as this bill) shall be  
42 deposited in the special nonlapsing fund known as the "Cannabis  
43 Regulatory, Enforcement Assistance, and Marketplace Modernization  
44 Fund," established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-  
45 50).

46 d. A law enforcement officer, local health official, or other  
47 government official from an agency authorized to enforce this section  
48 may confiscate any intoxicating hemp product, hemp product, or

1 cannabis item that is sold, offered for sale, or distributed in violation of  
2 section 4 of P.L. , , c. (C. ) (pending before the Legislature as  
3 this bill).

4 e. In addition to the civil penalty authorized under subsection a. of  
5 this section, a business found to have committed more than two  
6 violations of section 4 of P.L. , c. (C. ) (pending before the  
7 Legislature as this bill) or found to have committed a third or  
8 subsequent violation at any individual location within one year shall be  
9 deemed a public nuisance. Notwithstanding any other provision of  
10 law, a municipality shall have the power to impose restrictions on the  
11 operation, including closure, of any business determined to constitute a  
12 public nuisance pursuant to this subsection.

13 <sup>2</sup>f. The provisions of P.L. , c. (C. ) (pending before the  
14 Legislature as this bill) shall not be construed to impose liability on  
15 news media that accept, publish, or both, advertising for products or  
16 services that fall within the scope of P.L. , c. (C. ) (pending  
17 before the Legislature as this bill).<sup>2</sup>

18

19 <sup>2</sup>9. Section 40 of P.L.2021, c.16 (C.40:48I-1) is amended to read  
20 as follows:

21 40. Optional Local Cannabis Transfer Tax and User Tax.

22 a. (1) A municipality may adopt an ordinance imposing a transfer  
23 tax on the sale of cannabis or cannabis items by a cannabis  
24 establishment or a holder of a <sup>3</sup>plenary wholesale license or<sup>3</sup>  
25 plenary retail distribution license selling an intoxicating hemp  
26 beverage in accordance with section 5 of P.L. , c. (C. )  
27 (pending before the Legislature as this bill) that is located in the  
28 municipality. At the discretion of the municipality, the tax may be  
29 imposed on: receipts from the sale of cannabis by a cannabis  
30 cultivator to another cannabis cultivator; receipts from the sale of  
31 cannabis items from one cannabis establishment to another cannabis  
32 establishment; receipts from the retail sales of cannabis items or  
33 intoxicating hemp beverages by a cannabis retailer or a holder of a  
34 <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary retail distribution license to  
35 retail consumers who are 21 years of age or older; or any  
36 combination thereof. Each municipality shall set its own rate or  
37 rates, but in no case shall a rate exceed: two percent of the receipts  
38 from each sale by a cannabis cultivator; two percent of the receipts  
39 from each sale by a cannabis manufacturer; one percent of the  
40 receipts from each sale by a cannabis wholesaler; and two percent  
41 of the receipts from each sale by a cannabis retailer or holder of a  
42 <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary retail distribution license.

43 (2) A local tax ordinance adopted pursuant to paragraph (1) of  
44 this subsection shall also include provisions for imposing a user tax,  
45 at the equivalent transfer tax rates, on any concurrent license  
46 holder, as permitted by section 33 of P.L.2021, c.16 (C.24:6I-46),  
47 operating more than one cannabis establishment , or on any

1 concurrent holder of <sup>3</sup>plenary wholesale licenses or<sup>3</sup> plenary retail  
2 distribution licenses. The user tax shall be imposed on the value of  
3 each transfer or use of cannabis or cannabis items not otherwise  
4 subject to the transfer tax imposed pursuant to paragraph (1) of this  
5 subsection, from the license holder's establishment that is located in  
6 the municipality to any of the other license holder's establishments,  
7 whether located in the municipality or another municipality.

8 b. (1) A transfer tax or user tax imposed pursuant to this section  
9 shall be in addition to any other tax imposed by law. Any  
10 transaction for which the transfer tax or user tax is imposed, or  
11 could be imposed, pursuant to this section, other than those which  
12 generate receipts from the retail sales by cannabis retailers or a  
13 holder of a <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary retail distribution  
14 license, shall be exempt from the tax imposed under the "Sales and  
15 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.). The transfer tax  
16 or user tax shall be collected or paid, and remitted to the  
17 municipality by the cannabis establishment or the holder of the  
18 <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary retail distributor license from  
19 the cannabis establishment <sup>3</sup>, plenary wholesale license holder,<sup>3</sup> or  
20 plenary retail distributor purchasing or receiving the cannabis or  
21 cannabis item, or from the consumer at the point of sale, on behalf  
22 of the municipality by the cannabis retailer <sup>3</sup>, plenary wholesale  
23 license holder,<sup>3</sup> or plenary retail distributor selling the cannabis  
24 item to that consumer. The transfer tax or user tax shall be stated,  
25 charged, and shown separately on any sales slip, invoice, receipt, or  
26 other statement or memorandum of the price paid or payable, or  
27 equivalent value of the transfer, for the cannabis or cannabis item.

28 (2) Every cannabis establishment <sup>3</sup>, plenary wholesale license  
29 holder,<sup>3</sup> or plenary retail distributor required to collect a transfer tax  
30 or user tax imposed by ordinance pursuant to this section shall be  
31 personally liable for the transfer tax or user tax imposed, collected,  
32 or required to be collected under this section. Any cannabis  
33 establishment <sup>3</sup>, plenary wholesale license holder,<sup>3</sup> or plenary retail  
34 distributor shall have the same right with respect to collecting the  
35 transfer tax or user tax from another cannabis establishment ,  
36 plenary retail distributor <sup>3</sup>, plenary whole license holder,<sup>3</sup> or the  
37 consumer as if the transfer tax or user tax was a part of the sale and  
38 payable at the same time, or with respect to non-payment of the  
39 transfer tax or user tax by the cannabis establishment, plenary retail  
40 distributor <sup>3</sup>, plenary whole license holder,<sup>3</sup> or consumer, as if the  
41 transfer tax or user tax was a part of the purchase price of the  
42 cannabis or cannabis item, or equivalent value of the transfer of the  
43 cannabis or cannabis item, and payable at the same time; provided,  
44 however, that the chief fiscal officer of the municipality which  
45 imposes the transfer tax or user tax shall be joined as a party in any  
46 action or proceeding brought to collect the transfer tax or user tax.

1 (3) No cannabis establishment <sup>3</sup>, plenary wholesale license  
2 holder,<sup>3</sup> or plenary retail distributor required to collect a transfer tax  
3 or user tax imposed by ordinance pursuant to this section shall  
4 advertise or hold out to any person or to the public in general, in  
5 any manner, directly or indirectly, that the transfer tax or user tax  
6 will not be separately charged and stated to another cannabis  
7 establishment, plenary retail distributor, <sup>3</sup>, plenary whole license  
8 holder,<sup>3</sup> or the consumer, or that the transfer tax or user tax will be  
9 refunded to the cannabis establishment, plenary retail distributor, <sup>3</sup>,  
10 plenary whole license holder,<sup>3</sup> or the consumer.

11 c. (1) All revenues collected from a transfer tax or user tax  
12 imposed by ordinance pursuant to this section shall be remitted to  
13 the chief financial officer of the municipality in a manner  
14 prescribed by the municipality. The chief financial officer shall  
15 collect and administer any transfer tax or user tax imposed by  
16 ordinance pursuant to this section. The municipality shall enforce  
17 the payment of delinquent taxes or transfer fees imposed by  
18 ordinance pursuant to this section in the same manner as provided  
19 for municipal real property taxes.

20 (2) (a) In the event that the transfer tax or user tax imposed by  
21 ordinance pursuant to this section is not paid as and when due by a  
22 cannabis establishment <sup>3</sup>, plenary wholesale license holder,<sup>3</sup> or  
23 plenary retail distributor, the unpaid balance, and any interest  
24 accruing thereon, shall be a lien on the parcel of real property  
25 comprising the cannabis establishment's <sup>3</sup>, plenary wholesale  
26 license holder,<sup>3</sup> or plenary retail distributor premises in the same  
27 manner as all other unpaid municipal taxes, fees, or other charges.  
28 The lien shall be superior and paramount to the interest in the parcel  
29 of any owner, lessee, tenant, mortgagee, or other person, except the  
30 lien of municipal taxes, and shall be on a parity with and deemed  
31 equal to the municipal lien on the parcel for unpaid property taxes  
32 due and owing in the same year.

33 (b) A municipality shall file in the office of its tax collector a  
34 statement showing the amount and due date of the unpaid balance  
35 and identifying the lot and block number of the parcel of real  
36 property that comprises the delinquent cannabis establishment's <sup>3</sup>,  
37 plenary wholesale license holder,<sup>3</sup> or plenary retail distributor  
38 premises. The lien shall be enforced as a municipal lien in the same  
39 manner as all other municipal liens are enforced.

40 d. As used in this section:

41 "Cannabis" means the same as that term is defined in section 3 of  
42 P.L.2021, c.16 (C.24:6I-33).

43 "Cannabis cultivator" means the same as that term is defined in  
44 section 3 of P.L.2021, c.16 (C.24:6I-33).

45 "Cannabis establishment" means the same as that term is defined  
46 in section 3 of P.L.2021, c.16 (C.24:6I-33).

1 "Cannabis items" means the same as that term is defined in  
2 section 3 of P.L.2021, c.16 (C.24:6I-33).

3 "Cannabis manufacturer" means the same as that term is defined  
4 in section 3 of P.L.2021, c.16 (C.24:6I-33).

5 "Cannabis retailer" means the same as that term is defined in  
6 section 3 of P.L.2021, c.16 (C.24:6I-33).

7 "Cannabis wholesaler" means the same as that term is defined in  
8 section 3 of P.L.2021, c.16 (C.24:6I-33).

9 "Consumer" means the same as that term is defined in section 3  
10 of P.L.2021, c.16 (C.24:6I-33).

11 "Premises" means the same as that term is defined in section 3 of  
12 P.L.2021, c.16 (C.24:6I-33).<sup>2</sup>  
13 (cf: P.L.2021, c.16, s.40)

14

15 <sup>3</sup>10. R.S.33:1-11 is amended to read as follows:

16 33:1-11. Class B licenses shall be subdivided and classified as  
17 follows:

18 Plenary wholesale license. 1. The holder of this license shall be  
19 entitled, subject to rules and regulations, to sell and distribute  
20 alcoholic beverages or intoxicating hemp beverages, in accordance  
21 with section 5 of P.L. \_\_\_\_\_, c. \_\_\_\_\_ (C. \_\_\_\_\_) (pending before the  
22 Legislature as this bill), to retailers and wholesalers licensed in  
23 accordance with this chapter, and to sell and distribute without this  
24 State to any persons pursuant to the laws of the places of such sale  
25 and distribution, and to maintain a warehouse and salesroom;  
26 provided, however, that the delivery of such alcoholic beverages by  
27 the holder of this license to retailers licensed under this Title shall  
28 be from inventory in a warehouse located in New Jersey which is  
29 operated under a plenary wholesale license. The fee for this license  
30 shall be \$8,750.

31 Limited wholesale license. 2a. The holder of this license shall be  
32 entitled, subject to rules and regulations, to sell and distribute  
33 brewed malt alcoholic beverages and naturally fermented wines to  
34 retailers and wholesalers licensed in accordance with this chapter,  
35 and to sell and distribute without this State to any persons pursuant  
36 to the laws of the places of such sale and distribution, and to  
37 maintain a warehouse and salesroom. The fee for this license shall  
38 be \$1,875.

39 Wine wholesale license. 2b. The holder of this license shall be  
40 entitled, subject to rules and regulations, to sell and distribute any  
41 naturally fermented, treated, blended, fortified and sparkling wines  
42 to retailers and wholesalers licensed in accordance with this  
43 chapter, and to sell and distribute without this State to any persons  
44 pursuant to the laws of the places of such sale and distribution, and  
45 to maintain a warehouse and salesroom; provided, however, that the  
46 delivery of such wines by the holder of this license to retailers  
47 licensed under this Title shall be from inventory in a warehouse

1 located in New Jersey which is operated under a wine wholesale  
2 license. The fee for this license shall be \$3,750.

3 State beverage distributor's license. 2c.(1) The holder of this  
4 license shall be entitled, subject to rules and regulations, to sell and  
5 distribute unchilled, brewed, malt alcoholic beverages in original  
6 containers only, in quantities of not less than 144 fluid ounces and  
7 chilled draught malt alcoholic beverages in kegs, barrels or other  
8 similar containers of at least one fluid gallon in capacity, to retailers  
9 licensed in accordance with this chapter, and to sell and distribute  
10 without this State to any person pursuant to the laws of the places of  
11 such sale and distribution, and to maintain a warehouse and  
12 salesroom. The holder of this license may sell unchilled, brewed,  
13 malt alcoholic beverages in original containers only, in quantities of  
14 not less than 144 fluid ounces and chilled draught malt alcoholic  
15 beverages in kegs, barrels or other similar containers of at least 7.75  
16 fluid gallons in capacity, at retail; provided, however, that such  
17 sales shall be made only for consumption off the licensed premises.  
18 This license shall not be issued to any person holding a plenary or  
19 limited brewery license, nor shall it be issued to any person directly  
20 or indirectly interested in any brewery within or without this State.  
21 This license shall not be issued for premises in or upon which any  
22 retail business, except the sale of malt alcoholic beverages and  
23 nonalcoholic beverages, is carried on. The fee for this license shall  
24 be \$1,031.

25 (2) After the effective date of P.L.1995, c. 309 any license  
26 issued or transferred pursuant to this subsection for a premises  
27 located in a municipality in a county of the fifth or sixth class shall  
28 be limited to prohibit retail sales.

29 (3) The holder of a license issued pursuant to this subsection  
30 shall not be entitled to sell malt alcoholic beverages at retail as  
31 provided in paragraph (1) of this subsection, at hours of the day or  
32 on days of the week during which sales by holders of plenary retail  
33 distributors licenses are prohibited in the municipality in which the  
34 licensed premises is located or in a municipality which, in  
35 accordance with the provisions of this title, prohibits all retail sales  
36 of wine and malt alcoholic beverages in original bottle or can  
37 containers.

38 The provisions of section 22 of P.L.2003 , c.117 amendatory of  
39 this section shall apply to licenses issued or transferred on or after  
40 July 1, 2003, and to license renewals commencing on or after July  
41 1, 2003.<sup>3</sup>

42 (cf: P.L.2003, c.117, s.22)

43

44 <sup>2</sup>~~6.~~ <sup>3</sup>~~10.~~ <sup>2</sup>~~11.~~ <sup>3</sup> (New section) The Cannabis Regulatory  
45 Commission, in consultation with the Division of Consumer Affairs in  
46 the Department of Law and Public Safety <sup>2</sup>~~and~~ <sup>2</sup> the Business  
47 Action Center in the Department of State, <sup>2</sup>~~and the Division of~~  
48 Alcoholic Beverage Control in the Department of Law and Public

1 Safety<sup>2</sup> shall develop and implement a public education program to  
2 educate businesses across the State on the provisions of P.L. , c.  
3 (C. ) (pending before the Legislature as this bill).

4  
5 <sup>2</sup>~~[7.]~~ <sup>3</sup>~~[11.]~~ <sup>2</sup>~~12.~~ <sup>3</sup> <sup>2</sup>Paragraph (2) of subsection b. of section 4  
6 and section 6 of this act shall take effect immediately. The remainder  
7 of this act shall take effect 180 days after enactment, except that the  
8 Cannabis Regulatory Commission may take any anticipatory  
9 administrative action in advance as shall be necessary for the  
10 implementation of this act] This act shall take effect as follows:

11 a. Paragraph (2) of subsection b. of section 4 shall take effect  
12 immediately;

13 b. The remainder of this act shall take effect 30 days after  
14 enactment, except that the Cannabis Regulatory Commission may take  
15 any anticipatory administrative action in advance as shall be necessary  
16 for the implementation of this act<sup>2</sup>.

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Regulates production and sale of certain intoxicating hemp products.

## CHAPTER 73

AN ACT concerning intoxicating hemp products, supplementing Title 24 of the New Jersey Statutes, and amending various sections of statutory law.

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

1. Section 3 of P.L.2019, c.238 (C.4:28-8) is amended to read as follows:

C.4:28-8 Definitions relative to hemp.

3. As used in sections 1 through 9 of P.L.2019, c.238 (C.4:28-6 et al.), unless the context otherwise requires:

"Agent" means an employee or contractor of a hemp producer.

"Applicant" means a person, or for a business entity, any person authorized to act on behalf of the business entity, who applies to the department to be a hemp producer in the State.

"Commercial sale" means the sale of a product in the stream of commerce at retail, at wholesale, or on the Internet.

"Cultivate" means to plant, water, grow, or harvest a plant or crop.

"Department" means the New Jersey Department of Agriculture.

"Federally defined THC level for hemp" means a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis for hemp or in a hemp product.

"Handle" means to possess or store a hemp plant on premises owned, operated, or controlled by a hemp producer for any period of time or in a vehicle for any period of time other than during the actual transport of the plant between premises owned, operated, or controlled by hemp producers or persons or entities authorized to produce hemp pursuant to 7 U.S.C. s.1639o et seq. and any state law or rule or regulation adopted pursuant thereto. "Handle" does not mean possession or storage of finished hemp products.

"Hemp" means the plant *Cannabis sativa* L. and any part of that plant, including the seeds of the plant and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a total tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis. Hemp and hemp-derived cannabinoids, including cannabidiol, shall be considered an agricultural commodity and not a controlled substance due to the presence of hemp or hemp-derived cannabinoids.

"Hemp producer" means a person or business entity authorized by the department to cultivate, handle, or process hemp in the State.

"Hemp product" means a finished product with a total tetrahydrocannabinol concentration of not more than 0.3 percent, and not more than 0.5 milligrams of total THC per serving and 2.5 milligrams of total THC per package, that is derived from or made by processing a hemp plant or plant part and prepared in a form available for commercial sale. The term includes cosmetics, personal care products, food intended for human or animal consumption, cloth, cordage, fiber, fuel, paint, paper, particleboard, plastics, and any product containing one or more hemp-derived cannabinoids such as cannabidiol. Hemp products shall not be considered controlled substances due to the presence of hemp or hemp-derived cannabinoids. "Hemp product" shall not mean a cannabinoid product that is not derived from naturally occurring biologically active chemical constituents and shall not mean an intoxicating hemp product as defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Process" means to convert hemp into a marketable form.

"Secretary" means the Secretary of the New Jersey Department of Agriculture.

"Transport" means the movement or shipment of hemp by a hemp producer, a person or entity authorized to produce hemp pursuant to 7 U.S.C. s.1639o et seq. and any state law or

rule or regulation adopted pursuant thereto, or a hemp producer's or authorized entity's third-party carrier or agent. "Transport" shall not mean the movement or shipment of hemp products.

"Total THC" means the total concentration of all tetrahydrocannabinols in hemp or a hemp product, including delta-8, delta-9, delta-10, tetrahydrocannabinolic acid and any other chemically similar compound, substance, derivative, or isomer of tetrahydrocannabinol, regardless of how derived or manufactured, and any other cannabinoid, other than cannabidiol, identified by the Cannabis Regulatory Commission, in consultation with the Department of Agriculture and the Attorney General, as causing intoxication.

2. Section 3 of P.L.2021, c.16 (C.24:6I-33) is amended to read as follows:

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

3. Definitions.

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

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

"Cannabis" means all parts of the plant *Cannabis sativa* L., whether growing or not, the seeds thereof, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds, except those containing resin extracted from the plant, which are cultivated and, when applicable, manufactured in accordance with P.L.2021, c.16 (C.24:6I-31 et al.) for use in cannabis products as set forth in this act, but shall not include the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other product. "Cannabis" does not include: medical cannabis dispensed to registered qualifying patients pursuant to the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); marijuana as defined in N.J.S.2C:35-2 and applied to any offense set forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or marihuana as defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense set forth in the "New Jersey Controlled Dangerous Substances Act," P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product cultivated, handled, processed, transported, or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

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

"Cannabis cultivator" means any licensed person or entity that grows, cultivates, or produces cannabis in this State, and sells, and may transport, this cannabis to other cannabis cultivators,

or usable cannabis to cannabis manufacturers, cannabis wholesalers, or cannabis retailers, but not to consumers. This person or entity shall hold a Class 1 Cannabis Cultivator license.

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

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

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

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

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

"Cannabis item" means any usable cannabis, cannabis product, cannabis extract, intoxicating hemp product, and any other cannabis resin. "Cannabis item" does not include: any form of medical cannabis dispensed to registered qualifying patients pursuant to the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.) or hemp or a hemp product cultivated, handled, processed, transported, or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

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

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

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

"Cannabis product" means a product containing usable cannabis, cannabis extract, or any other cannabis resin and other ingredients intended for human consumption or use, including

a product intended to be applied to the skin or hair, edible cannabis products, ointments, and tinctures. "Cannabis product" does not include: (1) usable cannabis by itself; or (2) cannabis extract by itself; or (3) any other cannabis resin by itself.

"Cannabis resin" means the resin extracted from any part of the plant *Cannabis sativa* L., including cannabis extract and resin extracted using non-chemical processes, processed and used in accordance with P.L.2021, c.16 (C.24:6I-31 et al.). "Cannabis resin" does not include: any form of medical cannabis dispensed to registered qualifying patients pursuant to the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); hashish as defined in N.J.S.2C:35-2 and applied to any offense set forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or as defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense of the "New Jersey Controlled Dangerous Substances Act," P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product cultivated, handled, processed, transported, or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

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

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

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

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

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

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

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

"Delivery" means the transportation of cannabis items and related supplies to a consumer. "Delivery" also includes the use by a licensed cannabis retailer of any third party technology

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

"Department" means the Department of Health.

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

"Executive director" means the executive director of the Cannabis Regulatory Commission.

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

"Immature cannabis plant" means a cannabis plant that is not flowering.

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

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

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

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

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

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

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

“Intoxicating hemp product” means any product cultivated, derived, or manufactured in this State from hemp regulated pursuant to the “Agricultural Improvement Act of 2018,” Pub.L.115-334 or the “New Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.) that is sold in this State that has a concentration of total THC greater than 0.5 milligrams per serving or 2.5 milligrams per package. “Intoxicating hemp product” shall not include a cannabinoid product that is not derived from naturally occurring biologically active chemical constituents and shall not include hemp products as defined in section 3 of P.L.2019, c.238 (C.4:28-8).

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

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

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

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

"Mature cannabis plant" means a cannabis plant that is not an immature cannabis plant.

"Medical cannabis" means cannabis dispensed to registered qualifying patients pursuant to the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.). "Medical cannabis" does not include any cannabis or cannabis item which is cultivated, produced, processed, and consumed in accordance with P.L.2021, c.16 (C.24:6I-31 et al.).

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

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

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

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

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

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

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

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

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

"Total THC" means the total concentration of all tetrahydrocannabinols in hemp or a hemp product, including delta-8, delta-9, delta-10, tetrahydrocannabinolic acid and any other chemically similar compound, substance, derivative, or isomer of tetrahydrocannabinol, regardless of how derived or manufactured, and any other cannabinoid, other than cannabidiol, identified by the Cannabis Regulatory Commission, in consultation with the Department of Agriculture and the Attorney General, as causing intoxication.

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

3. Section 5 of P.L.1970, c.226 (C.24:21-5) is amended to read as follows:

C.24:21-5 Schedule I.

5. a. Tests. The director shall place a substance in Schedule I if he finds that the substance: (1) has high potential for abuse; and (2) has no accepted medical use in treatment in the United States; or lacks accepted safety for use in treatment under medical supervision.

b. The controlled dangerous substances listed in this section are included in Schedule I, subject to any revision and republishing by the director pursuant to subsection d. of section 3 of P.L.1970, c.226 (C.24:21-3), and except to the extent provided in any other schedule.

c. Any of the following opiates, including their isomers, esters, and ethers, unless specifically excepted, whenever the existence of such isomers, esters, ethers and salts is possible within the specific chemical designation:

- (1) Acetylmethadol
- (2) Allyprodine
- (3) Alphacetylmethadol
- (4) Alphameprodine
- (5) Alphamethadol
- (6) Benzethidine
- (7) Betacetylmethadol
- (8) Betameprodine
- (9) Betamethadol
- (10) Betaprodine
- (11) Clonitazene
- (12) Dextromoramide
- (13) Dextrorphan
- (14) Diampromide
- (15) Diethylthiambutene
- (16) Dimenoxadol
- (17) Dimepheptanol
- (18) Dimethylthiambutene
- (19) Dioxaphetyl butyrate
- (20) Dipipanone
- (21) Ethylmethylthiambutene
- (22) Etonitazene
- (23) Etoxeridine
- (24) Furethidine
- (25) Hydroxypethidine
- (26) Ketobemidone
- (27) Levomoramide
- (28) Levophenacylmorphan
- (29) Morpheridine
- (30) Noracymethadol
- (31) Norlevorphanol
- (32) Normethadone
- (33) Norpipanone
- (34) Phenadoxone
- (35) Phenampromide
- (36) Phenomorphan

- (37) Phenoperidine
- (38) Piritramide
- (39) Proheptazine
- (40) Properidine
- (41) Racemoramide
- (42) Trimeperidine.

d. Any of the following narcotic substances, their salts, isomers and salts of isomers, unless specifically excepted, whenever the existence of such salts, isomers and salts of isomers is possible within the specific chemical designation:

- (1) Acetorphine
- (2) Acetylcodone
- (3) Acetyldihydrocodeine
- (4) Benzylmorphine
- (5) Codeine methylbromide
- (6) Codeine-N-Oxide
- (7) Cyprenorphine
- (8) Desomorphine
- (9) Dihydromorphine
- (10) Etorphine
- (11) Heroin
- (12) Hydromorphanol
- (13) Methyldesorphine
- (14) Methylhydromorphine
- (15) Morphine methylbromide
- (16) Morphine methylsulfonate
- (17) Morphine-N-Oxide
- (18) Myrophine
- (19) Nicocodeine
- (20) Nicomorphine
- (21) Normorphine
- (22) Phoclodine
- (23) Thebacon.

e. Any material, compound, mixture or preparation which contains any quantity of the following hallucinogenic substances, their salts, isomers and salts of isomers, unless specifically excepted, whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:

- (1) 3,4-methylenedioxy amphetamine
- (2) 5-methoxy-3,4-methylenedioxy amphetamine
- (3) 3,4,5-trimethoxy amphetamine
- (4) Bufotenine
- (5) Diethyltryptamine
- (6) Dimethyltryptamine
- (7) 4-methyl-2,5-dimethoxylamphetamine
- (8) Ibogaine
- (9) Lysergic acid diethylamide

(10) Marijuana; except that on and after the effective date of the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.), marijuana shall no longer be included in Schedule I and shall not be

designated or rescheduled and included in any other schedule by the director pursuant to the director's designation and rescheduling authority set forth in section 3 of P.L.1970, c.226 (C.24:21-3).

(11) Mescaline

(12) Peyote

(13) N-ethyl-3-piperidyl benzilate

(14) N-methyl-3-piperidyl benzilate

(15) Psilocybin

(16) Psilocyn

(17) Tetrahydrocannabinols, including those produced by way of manufacture, except when found in hemp or a hemp product cultivated, handled, processed, transported, or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.), or cannabis or a cannabis item, as those terms are defined in section 3 of P.L.2021, c.16 (C.24:6I-33), that is grown, cultivated, produced, manufactured, or sold in accordance with the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.).

C.24:6I-48.1 Intoxicating hemp product distribution restrictions; rules, regulations.

4. a. A person shall not sell or distribute any intoxicating hemp product unless:

(1) the person is licensed by the Cannabis Regulatory Commission in accordance with P.L.2021, c.16 (C.24:6I-31 et al.); or

(2) the person is a holder of any valid and unrevoked plenary wholesale license or plenary retail distribution license, as those terms are defined in R.S.33:1-11 and R.S.33:1-12, and is approved by the commission to sell intoxicating hemp beverages in accordance with section 5 of P.L.2024, c.73 (C.24:6I-48.2); and

(3) the product complies with the provisions of P.L.2021, c.16 (C.24:6I-31 et al.) and any rules or regulations adopted pursuant thereto.

b. (1) It shall be unlawful to sell or distribute a hemp product or cannabis item that is not derived from naturally occurring biologically active chemical constituents.

(2) Except as otherwise provided by law, it shall be unlawful to sell or distribute a product intended for human consumption that contains tetrahydrocannabinol in any detectable amount to a person under 21 years of age.

c. In addition to any other penalty provided by law, any person licensed by the commission, or any person approved by the commission to sell intoxicating hemp beverages pursuant to section 5 of P.L.2024, c.73 (C.24:6I-48.2), who violates subsection a. or b. of this section shall be subject to any civil penalties or fines adopted by the commission in accordance with P.L.2021, c.16 (C.24:6I-31 et al.).

d. (1) Notwithstanding any provision of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), or subsection d. of section 5 of P.L.2024, c.73 (C.24:6I-48.2) to the contrary, and in accordance with the authority established pursuant to section 18 of P.L.2021, c.16 (C.24:6I-35), the commission, in consultation with the Department of Agriculture and the Attorney General, and within 180 days of the effective date of P.L.2024, c.73 (C.24:6I-48.1 et al.), is authorized to adopt immediately upon filing with the Office of Administrative Law rules and regulations necessary to implement this act.

(2) Following any rules or regulations established by the commission in accordance with subparagraph (1) of this subsection, the commission shall, in consultation the Department of Agriculture and the Attorney General, and in accordance with the "Administrative Procedure

Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), adopt rules and regulations as necessary to implement the provisions of P.L.2024, c.73 (C.24:6I-48.1 et al.).

e. (1) Nothing in P.L.2024, c.73 (C.24:6I-48.1 et al.) shall be construed or interpreted to limit the enforceability or applicability of the “Agriculture Improvement Act of 2018,” Pub.L.115-334 or the “New Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.).

(2) The requirements of this section and section 5 of P.L.2024, c.73 (C.24:6I-48.2) shall apply to any online retail sale of an intoxicating hemp product sold in this State.

(3) The imposition of any fine or other remedy under this act shall not preclude prosecution for a violation of the criminal laws of this State.

C.24:6I-48.2 Sale, distribution of intoxicating hemp beverages, restrictions; rules, regulations.

5. a. (1) Notwithstanding P.L.2021, c.16 (C.24:6I-31 et al.), or any rule or regulation adopted pursuant thereto, the holder of any valid and unrevoked plenary wholesale license or plenary retail distribution license, as those terms are defined in R.S.33:1-11 and R.S.33:1-12, may sell or distribute intoxicating hemp beverages in accordance with this section and section 4 of P.L.2024, c.73 (C.24:6I-48.1) and the rules and regulations adopted by the Cannabis Regulatory Commission pursuant to subsection d. of this section.

(2) Any intoxicating hemp beverage sold or offered for sale pursuant to paragraph (1) of this section shall not be sold to any person under the age of 21, and shall be stored or displayed in a place that is not accessible to customers without the assistance of an employee of the establishment.

b. (1) Upon the effective date of P.L.2024, c.73 (C.24:6I-48.1 et al.) the holder of any valid and unrevoked plenary wholesale license or plenary retail distribution license shall not sell any intoxicating hemp beverages.

(2) Upon the adoption of rules and regulations by the commission pursuant to subsection d. of this section, any holder of a valid and unrevoked plenary wholesale license or plenary retail distribution license may submit an application to the commission, in a form and manner as determined by the commission, for approval to sell intoxicating hemp beverages. The commission may approve a valid holder of a plenary wholesale license or plenary retail distribution license to sell intoxicating hemp beverages in accordance with P.L.2024, c.73 (C.24:6I-48.1 et al.) and the rules and regulations adopted by the commission.

c. Any sale of an intoxicating hemp beverage by a holder of any valid and unrevoked plenary wholesale license or plenary retail distribution license shall be subject to:

(1) the sales tax imposed on cannabis in accordance with the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.); and

(2) the same local cannabis transfer and user tax imposed on cannabis by a municipality pursuant to section 40 of P.L.2021, c.16 (C.40:48I-1).

All taxes, fees, penalties, and revenues collected pursuant to this section shall be deposited in accordance with section 41 of P.L.2021, c.16 (C.24:6I-50).

d. (1) Notwithstanding the rules and regulations adopted pursuant to subsection d. of section 4 of P.L.2024, c.73 (C.24:6I-48.1), no later than 12 months after the effective date of this section, the commission, in consultation with the Division of Alcoholic Beverage Control shall adopt, immediately upon filing with the Office of Administrative Law, rules and regulations necessary to implement this section. The rules and regulations adopted pursuant to this section shall be effective for a period not to exceed 18 months following the date of filing and may thereafter be amended, adopted, or readopted by the commission in accordance with the requirements of P.L.1968, c.410 (C.52:14B-1 et seq.).

(2) The rules and regulations adopted pursuant to this section shall include, but not be limited to, provisions concerning:

- (a) packaging;
- (b) labeling;
- (c) product testing and safety standards;
- (d) tetrahydrocannabinol amounts permitted in intoxicating hemp beverages;
- (e) the number of intoxicating hemp beverages that may be sold to a customer at any given time; and
- (f) a fee to be charged by the commission to cover the reasonable costs of administering this section.

For the purposes of this section, “intoxicating hemp beverage” means a beverage that is an intoxicating hemp product as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

6. R.S.33:1-12 is amended to read as follows:

Class C licenses; classifications; fees.

33:1-12. Class C licenses shall be subdivided and classified as follows:

Plenary retail consumption license. 1. The holder of this license shall be entitled, subject to rules and regulations, to sell any alcoholic beverages for consumption on the licensed premises by the glass or other open receptacle, and also to sell any alcoholic beverages in original containers for consumption off the licensed premises; but this license shall not be issued to permit the sale of alcoholic beverages in or upon any premises in which a grocery, delicatessen, drug store or other mercantile business is carried on, except as hereinafter provided. The holder of this license shall be permitted to conduct consumer wine, beer and spirits tasting events and samplings for a fee or on a complimentary basis pursuant to conditions established by rules and regulations of the Division of Alcoholic Beverage Control, provided however, that the holder of this license complies with the terms and conditions set forth in section 3 of P.L.2009, c.216 (C.33:1-12d). Subject to such rules and regulations established from time to time by the director, the holder of this license shall be permitted to sell alcoholic beverages in or upon the premises in which any of the following is carried on: the keeping of a hotel or restaurant including the sale of mercantile items incidental thereto as an accommodation to patrons; the sale, at an entertainment facility as defined in R.S.33:1-1, having a seating capacity for no less than 4,000 patrons, of mercantile items traditionally associated with the type of event or program held at the site; the sale of distillers', brewers' and vintners' packaged merchandise prepacked as a unit with other suitable objects as gift items to be sold only as a unit; the sale of novelty wearing apparel identified with the name of the establishment licensed under the provisions of this section; the sale of cigars, cigarettes, packaged crackers, chips, nuts and similar snacks and ice at retail as an accommodation to patrons, or the retail sale of nonalcoholic beverages as accessory beverages to alcoholic beverages; or, in commercial bowling establishments, the retail sale or rental of bowling accessories and the retail sale from vending machines of candy, ice cream and nonalcoholic beverages. The fee for this license shall be fixed by the governing board or body of the municipality in which the licensed premises are situated, by ordinance, at not less than \$250 and not more than \$2,500. No ordinance shall be enacted which shall raise or lower the fee to be charged for this license by more than 20% from that charged in the preceding license year or \$500.00, whichever is the lesser. The governing board or body of each municipality may, by ordinance, enact that no plenary retail consumption license shall be granted within its respective municipality.

The holder of this license shall be permitted to obtain a restricted brewery license issued pursuant to subsection 1c. of R.S.33:1-10 and to operate a restricted brewery immediately adjoining the licensed premises in accordance with the restrictions set forth in that subsection. All fees related to the issuance of both licenses shall be paid in accordance with statutory law.

Seasonal retail consumption license. 2. (1) The holder of this license shall be entitled, subject to rules and regulations, to sell any alcoholic beverages for consumption on the licensed premises by the glass or other open receptacle, and also to sell any alcoholic beverages in original containers for consumption off the licensed premises, during the summer season from May 1 until November 14, inclusive, or during the winter season from November 15 until April 30, inclusive.

(2) In addition, the director shall issue to the holder of this license, upon request by the licensee, one-day permits that shall entitle the license holder to sell alcoholic beverages for consumption on the licensed premises during the season when the license holder is not authorized to sell alcoholic beverages pursuant to subparagraph (1) of this subsection. The number of one-day permits issued to a licensee pursuant to this subsection shall not exceed an aggregate of 14 permits in one calendar year. A one-day permit issued pursuant to this subsection shall be valid for 24 consecutive hours. The fee for each one-day permit shall be \$500.

The governing body of the municipality in which the licensed premises is situated may place reasonable conditions upon a one-day permit for the purpose of maintaining public safety on the licensed premises and immediately surrounding area. The costs associated with the reasonable conditions placed on the one-day permit shall be assumed by the holder of this license.

(3) This license shall not be issued to permit the sale of alcoholic beverages in or upon any premises in which a grocery, delicatessen, drug store or other mercantile business is carried on, except as hereinafter provided. Subject to such rules and regulations established from time to time by the director, the holder of this license shall be permitted to sell alcoholic beverages in or upon the premises in which any of the following is carried on: the keeping of a hotel or restaurant including the sale of mercantile items incidental thereto as an accommodation to patrons; the sale of distillers', brewers' and vintners' packaged merchandise prepacked as a unit with other suitable objects as gift items to be sold only as a unit; the sale of novelty wearing apparel identified with the name of the establishment licensed under the provisions of this section; the sale of cigars, cigarettes, packaged crackers, chips, nuts and similar snacks and ice at retail as an accommodation to patrons; or the retail sale of nonalcoholic beverages as accessory beverages to alcoholic beverages. The fee for this license shall be fixed by the governing board or body of the municipality in which the licensed premises are situated, by ordinance, at 75% of the fee fixed by said board or body for plenary retail consumption licenses. The governing board or body of each municipality may, by ordinance, enact that no seasonal retail consumption license shall be granted within its respective municipality.

Plenary retail distribution license. 3. a. The holder of this license shall be entitled, subject to rules and regulations, to sell any alcoholic beverages or intoxicating hemp beverages pursuant to section 5 of P.L.2024, c.73 (C.24:6I-48.2), for consumption off the licensed premises, but only in original containers except that licensees shall be permitted to conduct consumer wine, beer, and spirits tasting events and samplings on a complimentary basis pursuant to conditions established by rules and regulations of the Division of Alcoholic Beverage Control, provided however, that the holder of this license complies with the terms and conditions set forth in section 3 of P.L.2009, c.216 (C.33:1-12d).

The governing board or body of each municipality may, by ordinance, enact that this license shall not be issued to permit the sale of alcoholic beverages in or upon any premises in which any other mercantile business is carried on, except that any such ordinance, heretofore

or hereafter adopted, shall not prohibit the retail sale of distillers', brewers' and vintners' packaged merchandise prepacked as a unit with other suitable objects as gift items to be sold only as a unit; the sale of novelty wearing apparel identified with the name of the establishment licensed under the provisions of this act; cigars, cigarettes, packaged crackers, chips, nuts and similar snacks, ice, and nonalcoholic beverages as accessory beverages to alcoholic beverages. The fee for this license shall be fixed by the governing board or body of the municipality in which the licensed premises are situated, by ordinance, at not less than \$125 and not more than \$2,500. No ordinance shall be enacted which shall raise or lower the fee to be charged for this license by more than 20% from that charged in the preceding license year or \$500.00, whichever is the lesser. The governing board or body of each municipality may, by ordinance, enact that no plenary retail distribution license shall be granted within its respective municipality.

Limited retail distribution license. 3. b. The holder of this license shall be entitled, subject to rules and regulations, to sell any unchilled, brewed, malt alcoholic beverages in quantities of not less than 72 fluid ounces for consumption off the licensed premises, but only in original containers; provided, however, that this license shall be issued only for premises operated and conducted by the licensee as a bona fide grocery store, meat market, meat and grocery store, delicatessen, or other type of bona fide food store at which groceries or other foodstuffs are sold at retail; and provided further that this license shall not be issued except for premises at which the sale of groceries or other foodstuffs is the primary and principal business and at which the sale of alcoholic beverages is merely incidental and subordinate thereto. The fee for this license shall be fixed by the governing body or board of the municipality in which the licensed premises are situated, by ordinance, at not less than \$31 and not more than \$63. The governing board or body of each municipality may, by ordinance, enact that no limited retail distribution license shall be granted within its respective municipality.

Plenary retail transit license. 4. The holder of this license shall be entitled, subject to rules and regulations, to sell any alcoholic beverages, for consumption only, on railroad trains, airplanes, limousines and boats, while in transit. The fee for this license for use by a railroad or air transport company shall be \$375, for use by the owners of limousines shall be \$31 per vehicle, and for use on a boat shall be \$63 on a boat 65 feet or less in length, \$125 on a boat more than 65 feet in length but not more than 110 feet in length, and \$375 on a boat more than 110 feet in length; such boat lengths shall be determined in the manner prescribed by the Bureau of Customs of the United States Government or any federal agency successor thereto for boat measurement in connection with issuance of marine documents. A license issued under this provision to a railroad or air transport company shall cover all railroad cars and planes operated by any such company within the State of New Jersey. A license for a boat or limousine issued under this provision shall apply only to the particular boat or limousine for which issued, and shall permit the purchase of alcoholic beverages for sale or service in a boat or limousine to be made from any Class A and B licensee or from any Class C licensee whose license privilege permits the sale of alcoholic beverages in original containers for off-premises consumption. An interest in a plenary retail transit license issued in accordance with this section shall be excluded in determining the maximum number of retail licenses permitted under P.L.1962, c.152 (C.33:1-12.31 et seq.).

Club license. 5. The holder of this license shall be entitled, subject to rules and regulations, to sell any alcoholic beverages but only for immediate consumption on the licensed premises and only to bona fide club members and their guests. The fee for this license shall be fixed by the governing board or body of the municipality in which the licensed premises are situated, by ordinance, at not less than \$63 and not more than \$188. The governing board or body of

each municipality may, by ordinance, enact that no club licenses shall be granted within its respective municipality. Club licenses may be issued only to such corporations, associations and organizations as are operated for benevolent, charitable, fraternal, social, religious, recreational, athletic, or similar purposes, and not for private gain, and which comply with all conditions which may be imposed by the Director of the Division of Alcoholic Beverage Control by rules and regulations.

The provisions of section 23 of P.L.2003, c.117 amendatory of this section shall apply to licenses issued or transferred on or after July 1, 2003, and to license renewals commencing on or after July 1, 2003.

Sporting facility license. 6. The holder of this license shall be entitled, subject to rules and regulations, to sell at retail or to serve any alcoholic beverages as the owner, operator, lessee, or concessionaire of a sporting facility by the glass or other receptacle or in original containers only on the premises of the sporting facility.

Notwithstanding any other provision of Title 33 of the Revised Statutes and subject to conditions established by the director, the holder of this license may share direction and control of the premises to be licensed and share proceeds and profits from the sale of alcoholic beverages with the owner, operator, concessionaire, or lessee of the facility. The holder of this license shall be permitted to conduct consumer wine, beer, and spirits tasting events and samplings for a fee or on a complimentary basis provided, however, the license holder complies with the provisions of section 3 of P.L.2009, c.216 (C.33:1-12d) and rules and regulations promulgated thereto. Notwithstanding any law, rule or regulation to the contrary, the holder of this license shall be entitled to establish an all-inclusive area within the licensed sporting facility, provided the all-inclusive area is limited to one area within the sporting facility for each game or event and the capacity of the all-inclusive area does not exceed 500 persons.

The fee for this license shall be \$2,500 for venues with a capacity of less than 7,500 persons; \$5,000 for venues with a capacity of not less than 7,500 persons but not more than 14,999 persons; \$7,500 for venues with a capacity of not less than 15,000 persons but not more than 22,499 persons; and \$10,000 for venues with a capacity of 22,500 persons or more.

For the purposes of this subsection:

"Sporting facility" means a stadium, arena, team training facility, or similar venue located on public property where alcoholic beverages are served or sold at retail for consumption on the premises by the glass or other open receptacle or in original containers.

"Team training facility" shall include team offices and team headquarters.

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

C.24:6I-50 Cannabis regulatory, enforcement assistance, and marketplace modernization fund.

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

a. All fees and penalties collected by the commission, all tax revenues on retail sales of cannabis items, all tax revenues collected pursuant to the provisions of the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), except for amounts credited to the Property Tax Reform Account in the Property Tax Relief Fund pursuant to paragraph 7 of Section I of Article VIII of the New Jersey Constitution, all revenues, if any, collected for the Social Equity Excise Fee pursuant to section 39 of P.L.2021, c.16 (C.54:47F-1), and all tax revenues on the retail sale of intoxicating hemp beverages by any plenary retail distribution license holder, as well as any fees associated with the approval provided to any plenary wholesale license holder to sell intoxicating hemp beverages, as defined pursuant to

section 5 of P.L.2024, c.73 (C.24:6I-48.2), shall be deposited in a special nonlapsing fund which shall be known as the "Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund," with 15 percent of the monies deposited being placed into an account within the fund to be known as the "Underage Deterrence and Prevention Account."

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

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

(a) to oversee the development, regulation, and enforcement of activities associated with the personal use of cannabis pursuant to P.L.2021, c.16 (C.24:6I-31 et al.), and assist with assuming responsibility from the Department of Health for the further development and expansion, regulation, and enforcement of activities associated with the medical use of cannabis pursuant to the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);

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

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

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

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

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

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

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

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

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

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

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

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

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

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

e. The monies deposited in the "Underage Deterrence and Prevention Account" within the fund shall be used by the commission, based on the acceptance of applications submitted on a form and through an approval or denial process promulgated by the commission, to fund private for-profit and non-profit organizations, and county and municipal programs and services that offer social services, educational, recreational, and employment opportunities, and local economic development designed to encourage, improve, and support youthful

community activities to divert and prevent persons under 18 years of age from activities associated with the consumption of cannabis items, or marijuana or hashish.

C.24:6I-48.3 Penalties, violations regarding intoxicating hemp products not derived from naturally occurring biologically active chemical constituents.

8. a. A person who sells, offers for sale, or distributes any intoxicating hemp product or a hemp product or cannabis item that is not derived from naturally occurring biologically active chemical constituents, in violation of section 4 of P.L.2024, c.73 (C.24:6I-48.1), shall be liable to a civil penalty of not less than \$100 for the first violation, not less than \$1,000 for the second violation, and not less than \$10,000 for the third and each subsequent violation. The penalty prescribed by this section shall be collected and enforced by summary proceedings under the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

b. An official authorized by statute or ordinance to enforce this act, the State or local health codes, or consumer protection laws or a law enforcement officer having enforcement authority in that municipality may issue a summons for a violation of the provisions of section 4 of P.L.2024, c.73 (C.24:6I-48.1), and may serve and execute all process with respect to the enforcement of this section consistent with the Rules of Court.

c. A penalty recovered under the provisions of this section shall be recovered by and in the name of the State by the local health or consumer protection agency or other authorized government entity, including, but not limited to, the Division of Consumer Affairs in the Department of Law and Public Safety and the Cannabis Regulatory Commission established pursuant to section 31 of P.L.2019, c.153 (C.24:6I-24). With respect to an enforcement action brought by a municipal official, half of any monetary penalty shall be paid into the treasury of the municipality in which the violation occurred for the general uses of the municipality, and half shall be deposited in the special nonlapsing fund known as the "Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund," established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-50). With respect to an enforcement action brought by any other government entity, any monetary penalty collected pursuant to P.L.2024, c.73 (C.24:6I-48.1 et al.) shall be deposited in the special nonlapsing fund known as the "Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund," established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-50).

d. A law enforcement officer, local health official, or other government official from an agency authorized to enforce this section may confiscate any intoxicating hemp product, hemp product, or cannabis item that is sold, offered for sale, or distributed in violation of section 4 of P.L.2024, c.73 (C.24:6I-48.1).

e. In addition to the civil penalty authorized under subsection a. of this section, a business found to have committed more than two violations of section 4 of P.L.2024, c.73 (C.24:6I-48.1) or found to have committed a third or subsequent violation at any individual location within one year shall be deemed a public nuisance. Notwithstanding any other provision of law, a municipality shall have the power to impose restrictions on the operation, including closure, of any business determined to constitute a public nuisance pursuant to this subsection.

f. The provisions of P.L.2024, c.73 (C.24:6I-48.1 et al.) shall not be construed to impose liability on news media that accept or publish, or both, advertising for products or services that fall within the scope of P.L.2024, c.73 (C.24:6I-48.1 et al.).

9. Section 40 of P.L.2021, c.16 (C.40:48I-1) is amended to read as follows:

C.40:48I-1 Optional local cannabis transfer tax and user tax.

#### 40. Optional Local Cannabis Transfer Tax and User Tax.

a. (1) A municipality may adopt an ordinance imposing a transfer tax on the sale of cannabis or cannabis items by a cannabis establishment or a holder of a plenary wholesale license or plenary retail distribution license selling an intoxicating hemp beverage in accordance with section 5 of P.L.2024, c.73 (C.24:6I-48.2) that is located in the municipality. At the discretion of the municipality, the tax may be imposed on: receipts from the sale of cannabis by a cannabis cultivator to another cannabis cultivator; receipts from the sale of cannabis items from one cannabis establishment to another cannabis establishment; receipts from the retail sales of cannabis items or intoxicating hemp beverages by a cannabis retailer or a holder of a plenary wholesale license or plenary retail distribution license to retail consumers who are 21 years of age or older; or any combination thereof. Each municipality shall set its own rate or rates, but in no case shall a rate exceed: two percent of the receipts from each sale by a cannabis cultivator; two percent of the receipts from each sale by a cannabis manufacturer; one percent of the receipts from each sale by a cannabis wholesaler; and two percent of the receipts from each sale by a cannabis retailer or holder of a plenary wholesale license or plenary retail distribution license.

(2) A local tax ordinance adopted pursuant to paragraph (1) of this subsection shall also include provisions for imposing a user tax, at the equivalent transfer tax rates, on any concurrent license holder, as permitted by section 33 of P.L.2021, c.16 (C.24:6I-46), operating more than one cannabis establishment, or on any concurrent holder of plenary wholesale licenses or plenary retail distribution licenses. The user tax shall be imposed on the value of each transfer or use of cannabis or cannabis items not otherwise subject to the transfer tax imposed pursuant to paragraph (1) of this subsection, from the license holder's establishment that is located in the municipality to any of the other license holder's establishments, whether located in the municipality or another municipality.

b. (1) A transfer tax or user tax imposed pursuant to this section shall be in addition to any other tax imposed by law. Any transaction for which the transfer tax or user tax is imposed, or could be imposed, pursuant to this section, other than those which generate receipts from the retail sales by cannabis retailers or a holder of a plenary wholesale license or plenary retail distribution license, shall be exempt from the tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.). The transfer tax or user tax shall be collected or paid, and remitted to the municipality by the cannabis establishment or the holder of the plenary wholesale license or plenary retail distributor license from the cannabis establishment, plenary wholesale license holder, or plenary retail distributor purchasing or receiving the cannabis or cannabis item, or from the consumer at the point of sale, on behalf of the municipality by the cannabis retailer, plenary wholesale license holder, or plenary retail distributor selling the cannabis item to that consumer. The transfer tax or user tax shall be stated, charged, and shown separately on any sales slip, invoice, receipt, or other statement or memorandum of the price paid or payable, or equivalent value of the transfer, for the cannabis or cannabis item.

(2) Every cannabis establishment, plenary wholesale license holder, or plenary retail distributor required to collect a transfer tax or user tax imposed by ordinance pursuant to this section shall be personally liable for the transfer tax or user tax imposed, collected, or required to be collected under this section. Any cannabis establishment, plenary wholesale license holder, or plenary retail distributor shall have the same right with respect to collecting the transfer tax or user tax from another cannabis establishment, plenary retail distributor, plenary whole license holder, or the consumer as if the transfer tax or user tax was a part of the sale and payable at the same time, or with respect to non-payment of the transfer tax or user tax by the cannabis establishment, plenary retail distributor, plenary whole license holder, or

consumer, as if the transfer tax or user tax was a part of the purchase price of the cannabis or cannabis item, or equivalent value of the transfer of the cannabis or cannabis item, and payable at the same time, provided, however, that the chief fiscal officer of the municipality which imposes the transfer tax or user tax shall be joined as a party in any action or proceeding brought to collect the transfer tax or user tax.

(3) No cannabis establishment, plenary wholesale license holder, or plenary retail distributor required to collect a transfer tax or user tax imposed by ordinance pursuant to this section shall advertise or hold out to any person or to the public in general, in any manner, directly or indirectly, that the transfer tax or user tax will not be separately charged and stated to another cannabis establishment, plenary retail distributor, plenary whole license holder, or the consumer, or that the transfer tax or user tax will be refunded to the cannabis establishment, plenary retail distributor, plenary whole license holder, or the consumer.

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

(2) (a) In the event that the transfer tax or user tax imposed by ordinance pursuant to this section is not paid as and when due by a cannabis establishment, plenary wholesale license holder, or plenary retail distributor, the unpaid balance, and any interest accruing thereon, shall be a lien on the parcel of real property comprising the cannabis establishment's, plenary wholesale license holder's, or plenary retail distributor's premises in the same manner as all other unpaid municipal taxes, fees, or other charges. The lien shall be superior and paramount to the interest in the parcel of any owner, lessee, tenant, mortgagee, or other person, except the lien of municipal taxes, and shall be on a parity with and deemed equal to the municipal lien on the parcel for unpaid property taxes due and owing in the same year.

(b) A municipality shall file in the office of its tax collector a statement showing the amount and due date of the unpaid balance and identifying the lot and block number of the parcel of real property that comprises the delinquent cannabis establishment's, plenary wholesale license holder's, or plenary retail distributor's premises. The lien shall be enforced as a municipal lien in the same manner as all other municipal liens are enforced.

d. As used in this section:

"Cannabis" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Cannabis cultivator" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Cannabis establishment" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Cannabis items" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Cannabis manufacturer" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Cannabis retailer" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Cannabis wholesaler" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Consumer" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Premises" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

10. R.S.33:1-11 is amended to read as follows:

Class B alcoholic licenses; subdivisions, classifications; fees.

33:1-11. Class B licenses shall be subdivided and classified as follows:

Plenary wholesale license. 1. The holder of this license shall be entitled, subject to rules and regulations, to sell and distribute alcoholic beverages or intoxicating hemp beverages, in accordance with section 5 of P.L.2024, c.73 (C.24:6I-48.2), to retailers and wholesalers licensed in accordance with this chapter, and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse and salesroom; provided, however, that the delivery of such alcoholic beverages by the holder of this license to retailers licensed under this Title shall be from inventory in a warehouse located in New Jersey which is operated under a plenary wholesale license. The fee for this license shall be \$8,750.

Limited wholesale license. 2a. The holder of this license shall be entitled, subject to rules and regulations, to sell and distribute brewed malt alcoholic beverages and naturally fermented wines to retailers and wholesalers licensed in accordance with this chapter, and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse and salesroom. The fee for this license shall be \$1,875.

Wine wholesale license. 2b. The holder of this license shall be entitled, subject to rules and regulations, to sell and distribute any naturally fermented, treated, blended, fortified and sparkling wines to retailers and wholesalers licensed in accordance with this chapter, and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse and salesroom; provided, however, that the delivery of such wines by the holder of this license to retailers licensed under this Title shall be from inventory in a warehouse located in New Jersey which is operated under a wine wholesale license. The fee for this license shall be \$3,750.

State beverage distributor's license. 2c.(1) The holder of this license shall be entitled, subject to rules and regulations, to sell and distribute unchilled, brewed, malt alcoholic beverages in original containers only, in quantities of not less than 144 fluid ounces and chilled draught malt alcoholic beverages in kegs, barrels or other similar containers of at least one fluid gallon in capacity, to retailers licensed in accordance with this chapter, and to sell and distribute without this State to any person pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse and salesroom. The holder of this license may sell unchilled, brewed, malt alcoholic beverages in original containers only, in quantities of not less than 144 fluid ounces and chilled draught malt alcoholic beverages in kegs, barrels or other similar containers of at least 7.75 fluid gallons in capacity, at retail; provided, however, that such sales shall be made only for consumption off the licensed premises. This license shall not be issued to any person holding a plenary or limited brewery license, nor shall it be issued to any person directly or indirectly interested in any brewery within or without this State. This license shall not be issued for premises in or upon which any retail business, except the sale of malt alcoholic beverages and nonalcoholic beverages, is carried on. The fee for this license shall be \$1,031.

(2) After the effective date of P.L.1995, c. 309 any license issued or transferred pursuant to this subsection for a premises located in a municipality in a county of the fifth or sixth class shall be limited to prohibit retail sales.

(3) The holder of a license issued pursuant to this subsection shall not be entitled to sell malt alcoholic beverages at retail as provided in paragraph (1) of this subsection, at hours of the day or on days of the week during which sales by holders of plenary retail distributors

licenses are prohibited in the municipality in which the licensed premises is located or in a municipality which, in accordance with the provisions of this title, prohibits all retail sales of wine and malt alcoholic beverages in original bottle or can containers.

The provisions of section 22 of P.L.2003, c.117 amendatory of this section shall apply to licenses issued or transferred on or after July 1, 2003, and to license renewals commencing on or after July 1, 2003.

C.24:6I-48.4 Public education campaign, businesses, intoxicating hemp beverages.

11. The Cannabis Regulatory Commission, in consultation with the Division of Consumer Affairs in the Department of Law and Public Safety, the Business Action Center in the Department of State, and the Division of Alcoholic Beverage Control in the Department of Law and Public Safety shall develop and implement a public education program to educate businesses across the State on the provisions of P.L.2024, c.73 (C.24:6I-48.1 et al.).

12. This act shall take effect as follows:

- a. Paragraph (2) of subsection b. of section 4 shall take effect immediately;
- b. The remainder of this act shall take effect 30 days after enactment, except that the Cannabis Regulatory Commission may take any anticipatory administrative action in advance as shall be necessary for the implementation of this act.

Approved September 12, 2024.

**SENATE, No. 3235**

**STATE OF NEW JERSEY**

**221st LEGISLATURE**

INTRODUCED MAY 13, 2024

**Sponsored by:**

**Senator M. TERESA RUIZ**

**District 29 (Essex and Hudson)**

**Senator PAUL D. MORIARTY**

**District 4 (Atlantic, Camden and Gloucester)**

**SYNOPSIS**

Regulates production and sale of certain intoxicating hemp products.

**CURRENT VERSION OF TEXT**

As introduced.



S3235 RUIZ, MORIARTY

2

1 AN ACT concerning intoxicating hemp products, supplementing  
2 Title 24 of the New Jersey Statutes, and amending various  
3 sections of statutory law.

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

7  
8 1. Section 3 of P.L.2019, c.238 (C.4:28-8) is amended to read  
9 as follows:

10 3. As used in sections 1 through 9 of P.L.2019, c.238 (C.4:28-6  
11 et al.), unless the context otherwise requires:

12 "Agent" means an employee or contractor of a hemp producer.

13 "Applicant" means a person, or for a business entity, any person  
14 authorized to act on behalf of the business entity, who applies to the  
15 department to be a hemp producer in the State.

16 "Commercial sale" means the sale of a product in the stream of  
17 commerce at retail, at wholesale, or on the Internet.

18 "Cultivate" means to plant, water, grow, or harvest a plant or  
19 crop.

20 "Department" means the New Jersey Department of Agriculture.

21 "Federally defined THC level for hemp" means a delta-9  
22 tetrahydrocannabinol concentration of not more than 0.3 percent on  
23 a dry weight basis for hemp or in a hemp product.

24 "Handle" means to possess or store a hemp plant on premises  
25 owned, operated, or controlled by a hemp producer for any period  
26 of time or in a vehicle for any period of time other than during the  
27 actual transport of the plant between premises owned, operated, or  
28 controlled by hemp producers or persons or entities authorized to  
29 produce hemp pursuant to 7 U.S.C. s.1639o et seq. and any state  
30 law or rule or regulation adopted pursuant thereto. "Handle" does  
31 not mean possession or storage of finished hemp products.

32 "Hemp" means the plant *Cannabis sativa* L. and any part of that  
33 plant, including the seeds of the plant and all derivatives, extracts,  
34 cannabinoids, isomers, acids, salts, and salts of isomers, whether  
35 growing or not, with a **【delta-9】 total** tetrahydrocannabinol  
36 concentration of not more than 0.3 percent on a dry weight basis.  
37 Hemp and hemp-derived cannabinoids, including cannabidiol, shall  
38 be considered an agricultural commodity and not a controlled  
39 substance due to the presence of hemp or hemp-derived  
40 cannabinoids.

41 "Hemp producer" means a person or business entity authorized  
42 by the department to cultivate, handle, or process hemp in the State.

43 "Hemp product" means a finished product with a **【delta-9】 total**  
44 tetrahydrocannabinol concentration of not more than 0.3 percent,  
45 and not more than 0.5 milligrams of total THC per serving and 2.5

**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 milligrams of total THC per package, that is derived from or made  
2 by processing a hemp plant or plant part and prepared in a form  
3 available for commercial sale. The term includes cosmetics,  
4 personal care products, food intended for human or animal  
5 consumption, cloth, cordage, fiber, fuel, paint, paper, particleboard,  
6 plastics, and any product containing one or more hemp-derived  
7 cannabinoids such as cannabidiol. Hemp products shall not be  
8 considered controlled substances due to the presence of hemp or  
9 hemp-derived cannabinoids. “Hemp product” shall not mean a  
10 cannabinoid product that is not derived from naturally occurring  
11 biologically active chemical constituents and shall not mean an  
12 intoxicating hemp product as defined in section 3 of P.L.2021, c.16  
13 (C.24:6I-33).

14 "Process" means to convert hemp into a marketable form.

15 "Secretary" means the Secretary of the New Jersey Department  
16 of Agriculture.

17 "Transport" means the movement or shipment of hemp by a  
18 hemp producer, a person or entity authorized to produce hemp  
19 pursuant to 7 U.S.C. s.1639o et seq. and any state law or rule or  
20 regulation adopted pursuant thereto, or a hemp producer's or  
21 authorized entity's third-party carrier or agent. "Transport" shall  
22 not mean the movement or shipment of hemp products.

23 “Total THC” means the total concentration of all  
24 tetrahydrocannabinols in a cannabis item, including delta-8, delta-9,  
25 delta-10, tetrahydrocannabinolic acid and any other chemically  
26 similar compound, substance, derivative, or isomer of  
27 tetrahydrocannabinol, regardless of how derived or manufactured,  
28 and any other cannabinoid, other than cannabidiol, identified by the  
29 Cannabis Regulatory Commission, in consultation with the  
30 Department of Agriculture and the Attorney General, as causing  
31 intoxication.

32 (cf: P.L.2019, c.238, s.3)

33

34 2. Section 3 of P.L.2021, c.16 (C.24:6I-33) is amended to read  
35 as follows:

36 3. Definitions.

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

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

1 "Cannabis" means all parts of the plant *Cannabis sativa* L.,  
2 whether growing or not, the seeds thereof, and every compound,  
3 manufacture, salt, derivative, mixture, or preparation of the plant or  
4 its seeds, except those containing resin extracted from the plant,  
5 which are cultivated and, when applicable, manufactured in  
6 accordance with P.L.2021, c.16 (C.24:6I-31 et al.) for use in  
7 cannabis products as set forth in this act, but shall not include the  
8 weight of any other ingredient combined with cannabis to prepare  
9 topical or oral administrations, food, drink, or other product.  
10 "Cannabis" does not include: medical cannabis dispensed to  
11 registered qualifying patients pursuant to the "Jake Honig  
12 Compassionate Use Medical Cannabis Act," P.L.2009, c.307  
13 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);  
14 marijuana as defined in N.J.S.2C:35-2 and applied to any offense  
15 set forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey  
16 Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or marihuana as  
17 defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to  
18 any offense set forth in the "New Jersey Controlled Dangerous  
19 Substances Act," P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a  
20 hemp product cultivated, handled, processed, transported, or sold  
21 pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238  
22 (C.4:28-6 et al.).

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

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

42 "Cannabis delivery service" means any licensed person or entity  
43 that provides courier services for consumer purchases of cannabis  
44 items and related supplies fulfilled by a cannabis retailer in order to  
45 make deliveries of the cannabis items and related supplies to that  
46 consumer, and which services include the ability of a consumer to  
47 purchase the cannabis items directly through the cannabis delivery  
48 service, which after presenting the purchase order to the cannabis

1 retailer for fulfillment, is delivered to that consumer. This person  
2 or entity shall hold a Class 6 Cannabis Delivery license.

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

12 "Cannabis establishment" means a cannabis cultivator, a  
13 cannabis manufacturer, a cannabis wholesaler, or a cannabis  
14 retailer.

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

22 "Cannabis flower" means the flower of the plant *Cannabis sativa*  
23 L. within the plant family Cannabaceae.

24 "Cannabis item" means any usable cannabis, cannabis product,  
25 cannabis extract, intoxicating hemp product, and any other cannabis  
26 resin. "Cannabis item" does not include: any form of medical  
27 cannabis dispensed to registered qualifying patients pursuant to the  
28 "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009,  
29 c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et  
30 al.); or hemp or a hemp product cultivated, handled, processed,  
31 transported, or sold pursuant to the "New Jersey Hemp Farming  
32 Act," P.L.2019, c.238 (C.4:28-6 et al.).

33 "Cannabis leaf" means the leaf of the plant *Cannabis sativa* L.  
34 within the plant family Cannabaceae.

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

42 "Cannabis paraphernalia" means any equipment, products, or  
43 materials of any kind which are used, intended for use, or designed  
44 for use in planting, propagating, cultivating, growing, harvesting,  
45 composting, manufacturing, compounding, converting, producing,  
46 processing, preparing, testing, analyzing, packaging, repackaging,  
47 storing, vaporizing, or containing cannabis, or for ingesting,  
48 inhaling, or otherwise introducing a cannabis item into the human

1 body. "Cannabis paraphernalia" does not include drug  
2 paraphernalia as defined in N.J.S.2C:36-1 and which is used or  
3 intended for use to commit a violation of chapter 35 or 36 of Title  
4 2C of the New Jersey Statutes.

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

12 "Cannabis resin" means the resin extracted from any part of the  
13 plant *Cannabis sativa* L., including cannabis extract and resin  
14 extracted using non-chemical processes, processed and used in  
15 accordance with P.L.2021, c.16 (C.24:6I-31 et al.). "Cannabis  
16 resin" does not include: any form of medical cannabis dispensed to  
17 registered qualifying patients pursuant to the "Jake Honig  
18 Compassionate Use Medical Cannabis Act," P.L.2009, c.307  
19 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);  
20 hashish as defined in N.J.S.2C:35-2 and applied to any offense set  
21 forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey  
22 Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or as defined in  
23 section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense  
24 of the "New Jersey Controlled Dangerous Substances Act,"  
25 P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product  
26 cultivated, handled, processed, transported, or sold pursuant to the  
27 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

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

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

44 "Cannabis wholesaler" means any licensed person or entity that  
45 purchases or otherwise obtains, stores, sells or otherwise transfers,  
46 and may transport, cannabis items for the purpose of resale or other  
47 transfer to either another cannabis wholesaler or to a cannabis

1 retailer, but not to consumers. This person or entity shall hold a  
2 Class 3 Cannabis Wholesaler license.

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

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

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

22 "Consumption" means the act of ingesting, inhaling, or otherwise  
23 introducing cannabis items into the human body.

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

36 "Department" means the Department of Health.

37 "Director" means the Director of the Office of Minority,  
38 Disabled Veterans, and Women Cannabis Business Development in  
39 the Cannabis Regulatory Commission.

40 "Executive director" means the executive director of the  
41 Cannabis Regulatory Commission.

42 "Financial consideration" means value that is given or received  
43 either directly or indirectly through sales, barter, trade, fees,  
44 charges, dues, contributions, or donations.

45 "Immature cannabis plant" means a cannabis plant that is not  
46 flowering.

47 "Impact zone" means any municipality, based on past criminal  
48 marijuana enterprises contributing to higher concentrations of law

1 enforcement activity, unemployment, and poverty, or any  
2 combination thereof, within parts of or throughout the municipality,  
3 that:

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

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

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

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

28 (a) with a population of less than 60,000 according to the most  
29 recently compiled federal decennial census, that for calendar year  
30 2019 ranks in the top 40 percent of municipalities in the State for  
31 marijuana- or hashish-related arrests for violation of paragraph (4)  
32 of subsection a. of N.J.S.2C:35-10; has a crime index total of 1,000  
33 or higher based upon the indexes listed in the 2019 annual Uniform  
34 Crime Report by the Division of State Police; but for calendar year  
35 2019 does not have a local average annual unemployment rate that  
36 ranks in the top 15 percent of all municipalities, based upon average  
37 annual unemployment rates estimated for the relevant calendar year  
38 by the Office of Research and Information in the Department of  
39 Labor and Workforce Development; or

40 (b) with a population of not less than 60,000 or more than  
41 80,000 according to the most recently compiled federal decennial  
42 census; has a crime index total of 650 or higher based upon the  
43 indexes listed in the 2019 annual Uniform Crime Report; and for  
44 calendar year 2019 has a local average annual unemployment rate  
45 of 3.0 percent or higher using the same estimated annual  
46 unemployment rates.

47 “Intoxicating hemp product” means any product cultivated,  
48 derived, or manufactured from hemp regulated pursuant to the

1 “Agricultural Improvement Act of 2018,” Pub.L.115-334 or the  
2 “New Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.)  
3 that is sold in this State that has a concentration of total THC  
4 greater than 0.5 milligrams per serving or 2.5 milligrams per  
5 package. “Intoxicating hemp product” shall not include a  
6 cannabinoid product that is not derived from naturally occurring  
7 biologically active chemical constituents and shall not include hemp  
8 products as defined in section 3 of P.L.2019, c.238 (C.4:28-8).

9 "License" means a license issued under P.L.2021, c.16 (C.24:6I-  
10 31 et al.), including a license that is designated as either a Class 1  
11 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer  
12 license, a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis  
13 Distributor license, a Class 5 Cannabis Retailer license, or a Class 6  
14 Cannabis Delivery license. The term includes a conditional license  
15 for a designated class, except when the context of the provisions of  
16 P.L.2021, c.16 (C.24:6I-31 et al.) otherwise intend to only apply to  
17 a license and not a conditional license.

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

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

31 "Manufacture" means the drying, processing, compounding, or  
32 conversion of usable cannabis into cannabis products or cannabis  
33 resins. "Manufacture" does not include packaging or labeling.

34 "Mature cannabis plant" means a cannabis plant that is not an  
35 immature cannabis plant.

36 "Medical cannabis" means cannabis dispensed to registered  
37 qualifying patients pursuant to the "Jake Honig Compassionate Use  
38 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and  
39 P.L.2015, c.158 (C.18A:40-12.22 et al.). "Medical cannabis" does  
40 not include any cannabis or cannabis item which is cultivated,  
41 produced, processed, and consumed in accordance with P.L.2021,  
42 c.16 (C.24:6I-31 et al.).

43 "Microbusiness" means a person or entity licensed under  
44 P.L.2021, c.16 (C.24:6I-31 et al.) as a cannabis cultivator, cannabis  
45 manufacturer, cannabis wholesaler, cannabis distributor, cannabis  
46 retailer, or cannabis delivery service that may only, with respect to  
47 its business operations, and capacity and quantity of product: (1)  
48 employ no more than 10 employees; (2) operate a cannabis

1 establishment occupying an area of no more than 2,500 square feet,  
2 and in the case of a cannabis cultivator, grow cannabis on an area  
3 no more than 2,500 square feet measured on a horizontal plane and  
4 grow above that plane not higher than 24 feet; (3) possess no more  
5 than 1,000 cannabis plants each month, except that a cannabis  
6 distributor's possession of cannabis plants for transportation shall  
7 not be subject to this limit; (4) acquire each month, in the case of a  
8 cannabis manufacturer, no more than 1,000 pounds of usable  
9 cannabis; (5) acquire for resale each month, in the case of a  
10 cannabis wholesaler, no more than 1,000 pounds of usable cannabis,  
11 or the equivalent amount in any form of manufactured cannabis  
12 product or cannabis resin, or any combination thereof; and (6)  
13 acquire for retail sale each month, in the case of a cannabis retailer,  
14 no more than 1,000 pounds of usable cannabis, or the equivalent  
15 amount in any form of manufactured cannabis product or cannabis  
16 resin, or any combination thereof.

17 "Noncommercial" means not dependent or conditioned upon the  
18 provision or receipt of financial consideration.

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

30 "Produce" means the planting, cultivation, growing or harvesting  
31 of cannabis. "Produce" does not include the drying of cannabis by a  
32 cannabis manufacturer, if the cannabis manufacturer is not  
33 otherwise manufacturing cannabis.

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

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

46 "Significantly involved person" means a person or entity who  
47 holds at least a five percent investment interest in a proposed or  
48 licensed cannabis cultivator, cannabis manufacturer, cannabis

1 wholesaler, cannabis distributor, cannabis retailer, or cannabis  
2 delivery service, or who is a decision making member of a group  
3 that holds at least a 20 percent investment interest in a proposed or  
4 licensed cannabis cultivator, cannabis manufacturer, cannabis  
5 wholesaler, cannabis distributor, cannabis retailer, or cannabis  
6 delivery service, in which no member of that group holds more than  
7 a five percent interest in the total group investment interest, and the  
8 person or entity makes controlling decisions regarding the proposed  
9 or licensed cannabis cultivator, cannabis manufacturer, cannabis  
10 wholesaler, cannabis distributor, cannabis retailer, or cannabis  
11 delivery service operations.

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

17 "THC" means delta-9-tetrahydrocannabinol and its precursor,  
18 tetrahydrocannabinolic acid, the main psychoactive chemicals  
19 contained in the cannabis plant.

20 "Total THC" means the total concentration of all  
21 tetrahydrocannabinols in a cannabis item, including delta-8, delta-9,  
22 delta-10, tetrahydrocannabinolic acid and any other chemically  
23 similar compound, substance, derivative, or isomer of  
24 tetrahydrocannabinol, regardless of how derived or manufactured,  
25 and any other cannabinoid, other than cannabidiol, identified by the  
26 Cannabis Regulatory Commission, in consultation with the  
27 Department of Agriculture and the Attorney General, as causing  
28 intoxication.

29 "Usable cannabis" means the dried leaves and flowers of the  
30 female plant Cannabis sativa L., and does not include the seedlings,  
31 seeds, stems, stalks, or roots of the plant.

32 (cf: P.L.2021, c.16, s.3)

33

34 3. Section 5 of P.L.1970, c.226 (C.24:21-5) is amended to read  
35 as follows:

36 a. Tests. The director shall place a substance in Schedule I if he  
37 finds that the substance: (1) has high potential for abuse; and (2)  
38 has no accepted medical use in treatment in the United States; or  
39 lacks accepted safety for use in treatment under medical  
40 supervision.

41 b. The controlled dangerous substances listed in this section are  
42 included in Schedule I, subject to any revision and republishing by  
43 the director pursuant to subsection d. of section 3 of P.L.1970,  
44 c.226 (C.24:21-3), and except to the extent provided in any other  
45 schedule.

46 c. Any of the following opiates, including their isomers, esters,  
47 and ethers, unless specifically excepted, whenever the existence of

1 such isomers, esters, ethers and salts is possible within the specific  
2 chemical designation:

- 3 (1) Acetylmethadol
- 4 (2) Allylprodine
- 5 (3) Alphacetylmethadol
- 6 (4) Alphameprodine
- 7 (5) Alphamethadol
- 8 (6) Benzethidine
- 9 (7) Betacetylmethadol
- 10 (8) Betameprodine
- 11 (9) Betamethadol
- 12 (10) Betaprodine
- 13 (11) Clonitazene
- 14 (12) Dextromoramide
- 15 (13) Dextrophan
- 16 (14) Diampromide
- 17 (15) Diethylthiambutene
- 18 (16) Dimenoxadol
- 19 (17) Dimepheptanol
- 20 (18) Dimethylthiambutene
- 21 (19) Dioxaphetyl butyrate
- 22 (20) Dipipanone
- 23 (21) Ethylmethylthiambutene
- 24 (22) Etonitazene
- 25 (23) Etoxeridine
- 26 (24) Furethidine
- 27 (25) Hydroxypethidine
- 28 (26) Ketobemidone
- 29 (27) Levomoramide
- 30 (28) Levophenacylmorphin
- 31 (29) Morpheridine
- 32 (30) Noracetylmethadol
- 33 (31) Norlevorphanol
- 34 (32) Normethadone
- 35 (33) Norpipanone
- 36 (34) Phenadoxone
- 37 (35) Phenampromide
- 38 (36) Phenomorphan
- 39 (37) Phenoperidine
- 40 (38) Piritramide
- 41 (39) Proheptazine
- 42 (40) Properidine
- 43 (41) Racemoramide
- 44 (42) Trimeperidine.

45 d. Any of the following narcotic substances, their salts, isomers  
46 and salts of isomers, unless specifically excepted, whenever the  
47 existence of such salts, isomers and salts of isomers is possible  
48 within the specific chemical designation:

- 1 (1) Acetorphine
- 2 (2) Acetylcodeine
- 3 (3) Acetyldihydrocodeine
- 4 (4) Benzylmorphine
- 5 (5) Codeine methylbromide
- 6 (6) Codeine-N-Oxide
- 7 (7) Cyprenorphine
- 8 (8) Desomorphine
- 9 (9) Dihydromorphine
- 10 (10) Etorphine
- 11 (11) Heroin
- 12 (12) Hydromorphanol
- 13 (13) Methyldesorphine
- 14 (14) Methylhydromorphine
- 15 (15) Morphine methylbromide
- 16 (16) Morphine methylsulfonate
- 17 (17) Morphine-N-Oxide
- 18 (18) Myorphine
- 19 (19) Nicocodeine
- 20 (20) Nicomorphine
- 21 (21) Normorphine
- 22 (22) Phoclodine
- 23 (23) Thebacon.

24 e. Any material, compound, mixture or preparation which  
25 contains any quantity of the following hallucinogenic substances,  
26 their salts, isomers and salts of isomers, unless specifically  
27 excepted, whenever the existence of such salts, isomers, and salts of  
28 isomers is possible within the specific chemical designation:

- 29 (1) 3,4-methylenedioxy amphetamine
- 30 (2) 5-methoxy-3,4-methylenedioxy amphetamine
- 31 (3) 3,4,5-trimethoxy amphetamine
- 32 (4) Bufotenine
- 33 (5) Diethyltryptamine
- 34 (6) Dimethyltryptamine
- 35 (7) 4-methyl-2,5-dimethoxylamphetamine
- 36 (8) Ibogaine
- 37 (9) Lysergic acid diethylamide

38 (10) **【Marihuana】** Marijuana; except that on and after the  
39 effective date of the "New Jersey Cannabis Regulatory,  
40 Enforcement Assistance, and Marketplace Modernization Act,"  
41 P.L.2021, c.16 (C.24:6I-31 et al.), **【marihuana】** marijuana shall no  
42 longer be included in Schedule I, and shall not be designated or  
43 rescheduled and included in any other schedule by the director  
44 pursuant to the director's designation and rescheduling authority set  
45 forth in section 3 of P.L.1970, c.226 (C.24:21-3).

- 46 (11) Mescaline
- 47 (12) Peyote
- 48 (13) N-ethyl-3-piperidyl benzilate

1 (14) N-methyl-3-piperidyl benzilate

2 (15) Psilocybin

3 (16) Psilocyn

4 (17) Tetrahydrocannabinols, including those produced by way of  
5 manufacture, except when found in hemp or a hemp product  
6 cultivated, handled, processed, transported, or sold pursuant to the  
7 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.),  
8 or cannabis or a cannabis item, as those terms are defined in section  
9 3 of P.L.2021, c.16 (C.24:6I-33), that is grown, cultivated,  
10 produced, **[or]** manufactured, or sold in accordance with the "New  
11 Jersey Cannabis Regulatory, Enforcement Assistance, and  
12 Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.).  
13 (cf: P.L.2021, c.16, s.44)

14

15 4. (New section) a. A person shall not sell or distribute any  
16 intoxicating hemp product unless:

17 (1) the person is licensed by the Cannabis Regulatory  
18 Commission in accordance with P.L.2021, c.16 (C.24:6I-31 et al.);  
19 and

20 (2) the product complies with the provisions of P.L.2021, c.16  
21 (C.24:6I-31 et al.) and any applicable commission regulations  
22 applicable to cannabis items.

23 b. (1) It shall be unlawful to sell or distribute a hemp product  
24 or cannabis item that is not derived from naturally occurring  
25 biologically active chemical constituents.

26 (2) Except as otherwise provided by law, it shall be unlawful to  
27 sell or distribute a product intended for human consumption that  
28 contains tetrahydrocannabinol in any detectable amount to a person  
29 under 21 years of age.

30 c. In addition to any other penalty provided by law, any person  
31 licensed by the commission who violates subsection a. or b. of this  
32 section shall be subject to any civil penalties or fines adopted by the  
33 commission in accordance with P.L.2021, c.16 (C.24:6I-31 et al.).

34 d. (1) Notwithstanding any provision of the "Administrative  
35 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the  
36 contrary, and in accordance with the authority established pursuant  
37 to section 18 of P.L.2021, c.16 (C.24:6I-35), the commission, in  
38 consultation with the Department of Agriculture and the Attorney  
39 General, and within 180 days of the effective date of P.L. , c.  
40 (C. ) (pending before the Legislature as this bill), is authorized  
41 to adopt immediately upon filing with the Office of Administrative  
42 Law rules and regulations necessary to implement this act.

43 (2) Following any rules or regulations established by the  
44 commission in accordance with subparagraph (1) of this subsection,  
45 the commission shall, in consultation the Department of Agriculture  
46 and the Attorney General, and in accordance with the  
47 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
48 seq.), adopt rules and regulations as necessary to implement the

1 provisions of P.L. , c. (C. ) (pending before the Legislature  
2 as this bill).

3 e. (1) Nothing in P.L. , c. (C. ) (pending before the  
4 Legislature as this bill) shall be construed or interpreted to limit the  
5 enforceability or applicability of the “Agriculture Improvement Act  
6 of 2018,” Pub.L.115-334 or the “New Jersey Hemp Farming Act,”  
7 P.L.2019, c.238 (C.4:28-6 et al.).

8 (2) The imposition of any fine or other remedy under this act  
9 shall not preclude prosecution for a violation of the criminal laws of  
10 this State.

11

12 5. (New section) a. A person who sells, offers for sale, or  
13 distributes any intoxicating hemp product or a hemp product or  
14 cannabis item that is not derived from naturally occurring  
15 biologically active chemical constituents, in violation of section 4  
16 of P.L. , c. (C. ) (pending before the Legislature as this  
17 bill), shall be liable to a civil penalty of not less than \$100 for the  
18 first violation, not less than \$1,000 for the second violation, and not  
19 less than \$10,000 for the third and each subsequent violation. The  
20 penalty prescribed by this section shall be collected and enforced by  
21 summary proceedings under the "Penalty Enforcement Law of  
22 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

23 b. An official authorized by statute or ordinance to enforce this  
24 act or the State or local health codes or consumer protection laws or  
25 a law enforcement officer having enforcement authority in that  
26 municipality may issue a summons for a violation of the provisions  
27 of section 4 of P.L. , c. (C. ) (pending before the  
28 Legislature as this bill), and may serve and execute all process with  
29 respect to the enforcement of this section consistent with the Rules  
30 of Court.

31 c. A penalty recovered under the provisions of this section shall  
32 be recovered by and in the name of the State by the local health or  
33 consumer protection agency or other authorized government entity,  
34 including but not limited to the Division of Consumer Affairs in the  
35 Department of Law and Public Safety and the Cannabis Regulatory  
36 Commission established pursuant to section 31 of P.L.2019, c.153  
37 (C.24:6I-24). With respect to an enforcement action brought by a  
38 municipal official, half of any monetary penalty shall be paid into  
39 the treasury of the municipality in which the violation occurred for  
40 the general uses of the municipality, and half shall be deposited in  
41 the special nonlapsing fund known as the “Cannabis Regulatory,  
42 Enforcement Assistance, and Marketplace Modernization Fund,”  
43 established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-50).  
44 With respect to an enforcement action brought by any other  
45 government entity, any monetary penalty collected pursuant to  
46 P.L. , c. (C. ) (pending before the Legislature as this bill)  
47 shall be deposited in the special nonlapsing fund known as the  
48 “Cannabis Regulatory, Enforcement Assistance, and Marketplace

1 Modernization Fund,” established pursuant to section 41 of  
2 P.L.2021, c.16 (C.24:6I-50).

3 d. A law enforcement officer, local health official, or other  
4 government official from an agency authorized to enforce this  
5 section may confiscate any intoxicating hemp product, hemp  
6 product, or cannabis item that is sold, offered for sale, or distributed  
7 in violation of section 4 of P.L. . . . , c. (C. ) (pending before  
8 the Legislature as this bill).

9 e. In addition to the civil penalty authorized under subsection a.  
10 of this section, a business found to have committed more than two  
11 violations of section 4 of P.L. , c. (C. ) (pending before the  
12 Legislature as this bill) or found to have committed a third or  
13 subsequent violation at any individual location within one year shall  
14 be deemed a public nuisance. Notwithstanding any other provision  
15 of law, a municipality shall have the power to impose restrictions  
16 on the operation, including closure, of any business determined to  
17 constitute a public nuisance pursuant to this subsection.

18

19 6. (New section) The Cannabis Regulatory Commission, in  
20 consultation with the Division of Consumer Affairs in the  
21 Department of Law and Public Safety and the Business Action  
22 Center in the Department of State, shall develop and implement a  
23 public education program to educate businesses across the State on  
24 the provisions of P.L. , c. (C. ) (pending before the  
25 Legislature as this bill).

26

27 7. Paragraph (2) of subsection b. of section 4 and section 6 of  
28 this act shall take effect immediately. The remainder of this act  
29 shall take effect 180 days after enactment, except that the Cannabis  
30 Regulatory Commission may take any anticipatory administrative  
31 action in advance as shall be necessary for the implementation of  
32 this act.

33

34

35 STATEMENT

36

37 This bill regulates the production and sale of intoxicating hemp  
38 products.

39

40 AGENCY RESPONSIBILITIES

41 Under current law, three entities within the State maintain  
42 jurisdiction over the cannabis plant. The Cannabis Regulatory  
43 Commission (commission) regulates adult-use and medical  
44 cannabis, the Department of Agriculture (department) regulates  
45 hemp, and the Attorney General (AG) enforces criminal penalties  
46 against illegal marijuana and tetrahydrocannabinol (THC).

47 The bill synchronizes the definitions of hemp, hemp products,  
48 and THC in order to regulate the sale of intoxicating hemp

1 products. By means of updating the definitions of hemp, hemp  
2 products, and THC, and adding a definition of intoxicating hemp  
3 products, the bill clarifies the role of each agency. The commission  
4 would be responsible for regulating the sale of all legally produced  
5 intoxicating cannabis items, whether hemp or cannabis; the  
6 department would continue to regulate the cultivation and  
7 processing of hemp as an agricultural commodity; and the AG  
8 would maintain the jurisdiction over illegally produced marijuana  
9 and THC, including any businesses or individuals who fail to sell  
10 cannabis items through a licensed retailer.

11

#### 12 LICENSING AND COMPLIANCE

13 Pursuant to N.J.S.A.24:6I-35, and through the amended  
14 definition of cannabis item to include intoxicating hemp product,  
15 the commission is required to promulgate regulations related to the  
16 sale and purchase of cannabis items. Further, pursuant to  
17 N.J.S.A.24:6I-42, an entity is required to be licensed as a Class 5  
18 Cannabis Retailer in order to operate a business in which cannabis  
19 items are retailed. Thus, in order to sell an intoxicating hemp  
20 product, the business is required to be a Class 5 licensee and is  
21 subject to product testing, labeling requirements, and limitations on  
22 the sale of products to persons of a certain age as established by the  
23 commission.

24 “Intoxicating hemp product” is defined as any product cultivated,  
25 derived, or manufactured from hemp regulated pursuant to the  
26 “Agricultural Improvement Act of 2018,” Pub.L.115-334 or the  
27 “New Jersey Hemp Farming Act,” P.L.2019, c.238 (N.J.S.A.4:28-6  
28 et al.) that is sold in this State that has a concentration of total THC  
29 greater than 0.5 milligrams per serving or 2.5 milligrams per  
30 package. “Intoxicating hemp product” does not include a  
31 cannabinoid product that is not derived from naturally occurring  
32 biologically active chemical constituents and shall not include hemp  
33 products as newly defined under this bill in the “New Jersey Hemp  
34 Farming Act, P.L.2019, c.238 (C.4:28-6 et seq.).

35

#### 36 LEGAL FRAMEWORK AMENDMENTS

37 Further, the bill amends the “New Jersey Hemp Farming Act,”  
38 P.L.2019, c.238 (C.4:28-6 et seq.), to set limits on the amount of  
39 THC that can be sold in hemp or hemp products. This limit is set at  
40 a total THC concentration of not more than 0.3 percent on a dry  
41 weight basis and additionally, for a hemp product, not more than  
42 0.5 milligrams of total THC per serving, and 2.5 milligrams of total  
43 THC per package. “Total THC” is defined as the total  
44 concentration of all tetrahydrocannabinols in a cannabis item,  
45 including delta-8, delta-9, delta-10, tetrahydrocannabinolic acid and  
46 any other chemically similar compound, substance, derivative, or  
47 isomer of tetrahydrocannabinol, regardless of how derived or  
48 manufactured, and any other cannabinoid, other than cannabidiol,

1 identified by the commission, in consultation with the Department  
2 of Agriculture and the Attorney General, as causing intoxication.  
3 This definitional change clarifies the department's role in the  
4 regulation of hemp, and limits it to hemp or hemp products that  
5 meet the limitations established in the bill.

6 The bill also clarifies the definition of THC in the Schedule I  
7 controlled dangerous substance statute, N.J.S.A.24:21-5, to ensure  
8 THC produced by way of manufacture, and which is not produced  
9 or sold in accordance with the "New Jersey Hemp Farming Act,"  
10 P.L.2019, c.238 (C.4:28-6 et seq.), or the Cannabis Regulatory,  
11 Enforcement Assistance, and Marketplace Modernization Act,"  
12 (CREAMMA) P.L.2021, c.16 (C.24:6I-31 et al.) is included on the  
13 Schedule I list. N.J.S.A.24:21-2 defines "manufacture" to mean the  
14 production, preparation, propagation, compounding, conversion, or  
15 processing of a controlled dangerous substance, either directly or by  
16 extraction from substances of natural origin, or independently by  
17 means of chemical synthesis, or by a combination of extraction and  
18 chemical synthesis, and includes any packaging or repackaging of  
19 the substance or labeling or relabeling of its container, except that  
20 this term does not include the preparation or compounding of a  
21 controlled dangerous substance by an individual for the individual's  
22 own use or the preparation, compounding, packaging, or labeling of  
23 a controlled dangerous substance: (1) by a practitioner as an  
24 incident to the practitioner's administering or dispensing of a  
25 controlled dangerous substance in the course of the practitioner's  
26 professional practice, or (2) by a practitioner, or under the  
27 practitioner's supervision, for the purpose of, or as an incident to,  
28 research, teaching, or chemical analysis and not for sale.

29

#### 30 UNLICENSED SALE AND PENALTIES

31 Under the bill, a person is prohibited from selling or distributing  
32 a hemp product unless the person is licensed by the commission and  
33 the product complies with CREAMMA and any commission  
34 regulations. Further, it is unlawful to sell or distribute a hemp  
35 product or cannabis item that is not derived from naturally  
36 occurring biologically active chemical constituents.

37 Under the bill, it is unlawful, except as otherwise provided by  
38 law, to sell or distribute a product that contains THC to any person  
39 under the age of 21.

40 The bill establishes the penalties for an owner or operator of a  
41 business who sells an intoxicating hemp product in violation of the  
42 bill. The penalties are as follows:

- 43 (1) for a first offense, a fine of not less than \$100;
- 44 (2) for a second offense, a fine of not less than \$1,000; and
- 45 (3) for a third offense, a fine of not less than \$10,000.

46 Each product sold in violation of this bill constitutes an  
47 additional separate and distinct offense.

1 ENFORCEMENT AND EDUCATION

2 The bill also permits an official authorized by statute or  
3 ordinance, or State or local health codes or consumer protection  
4 laws, or a law enforcement office having enforcement authority in  
5 that municipality to issue the summons for any alleged violation of  
6 the bill.

7 Finally, the bill requires the commission, in consultation with the  
8 Division of Consumer Affairs, and the Business Action Center in  
9 the Department of State, to develop and implement a public  
10 education program for businesses across the State on the bill.

[First Reprint]

**SENATE, No. 3235**

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**STATE OF NEW JERSEY**

**221st LEGISLATURE**

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INTRODUCED MAY 13, 2024

**Sponsored by:**

**Senator M. TERESA RUIZ**

**District 29 (Essex and Hudson)**

**Senator PAUL D. MORIARTY**

**District 4 (Atlantic, Camden and Gloucester)**

**SYNOPSIS**

Regulates production and sale of certain intoxicating hemp products.

**CURRENT VERSION OF TEXT**

As reported by the Senate Judiciary Committee on May 16, 2024, with amendments.



1 AN ACT concerning intoxicating hemp products, supplementing  
2 Title 24 of the New Jersey Statutes, and amending various  
3 sections of statutory law.

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

7  
8 1. Section 3 of P.L.2019, c.238 (C.4:28-8) is amended to read as  
9 follows:

10 3. As used in sections 1 through 9 of P.L.2019, c.238 (C.4:28-6 et  
11 al.), unless the context otherwise requires:

12 "Agent" means an employee or contractor of a hemp producer.

13 "Applicant" means a person, or for a business entity, any person  
14 authorized to act on behalf of the business entity, who applies to the  
15 department to be a hemp producer in the State.

16 "Commercial sale" means the sale of a product in the stream of  
17 commerce at retail, at wholesale, or on the Internet.

18 "Cultivate" means to plant, water, grow, or harvest a plant or crop.

19 "Department" means the New Jersey Department of Agriculture.

20 "Federally defined THC level for hemp" means a delta-9  
21 tetrahydrocannabinol concentration of not more than 0.3 percent on a  
22 dry weight basis for hemp or in a hemp product.

23 "Handle" means to possess or store a hemp plant on premises  
24 owned, operated, or controlled by a hemp producer for any period of  
25 time or in a vehicle for any period of time other than during the actual  
26 transport of the plant between premises owned, operated, or controlled  
27 by hemp producers or persons or entities authorized to produce hemp  
28 pursuant to 7 U.S.C. s.1639o et seq. and any state law or rule or  
29 regulation adopted pursuant thereto. "Handle" does not mean  
30 possession or storage of finished hemp products.

31 "Hemp" means the plant *Cannabis sativa* L. and any part of that  
32 plant, including the seeds of the plant and all derivatives, extracts,  
33 cannabinoids, isomers, acids, salts, and salts of isomers, whether  
34 growing or not, with a **【delta-9】 total** tetrahydrocannabinol  
35 concentration of not more than 0.3 percent on a dry weight basis.  
36 Hemp and hemp-derived cannabinoids, including cannabidiol, shall be  
37 considered an agricultural commodity and not a controlled substance  
38 due to the presence of hemp or hemp-derived cannabinoids.

39 "Hemp producer" means a person or business entity authorized by  
40 the department to cultivate, handle, or process hemp in the State.

41 "Hemp product" means a finished product with a **【delta-9】 total**  
42 tetrahydrocannabinol concentration of not more than 0.3 percent, and  
43 not more than 0.5 milligrams of total THC per serving and 2.5  
44 milligrams of total THC per package, that is derived from or made by  
45 processing a hemp plant or plant part and prepared in a form available

**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:

<sup>1</sup>Senate SJU committee amendments adopted May 16, 2024.

1 for commercial sale. The term includes cosmetics, personal care  
2 products, food intended for human or animal consumption, cloth,  
3 cordage, fiber, fuel, paint, paper, particleboard, plastics, and any  
4 product containing one or more hemp-derived cannabinoids such as  
5 cannabidiol. Hemp products shall not be considered controlled  
6 substances due to the presence of hemp or hemp-derived cannabinoids.  
7 “Hemp product” shall not mean a cannabinoid product that is not  
8 derived from naturally occurring biologically active chemical  
9 constituents and shall not mean an intoxicating hemp product as  
10 defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

11 "Process" means to convert hemp into a marketable form.

12 "Secretary" means the Secretary of the New Jersey Department of  
13 Agriculture.

14 "Transport" means the movement or shipment of hemp by a hemp  
15 producer, a person or entity authorized to produce hemp pursuant to 7  
16 U.S.C. s.1639o et seq. and any state law or rule or regulation adopted  
17 pursuant thereto, or a hemp producer's or authorized entity's third-  
18 party carrier or agent. "Transport" shall not mean the movement or  
19 shipment of hemp products.

20 “Total THC” means the total concentration of all  
21 tetrahydrocannabinols in <sup>1</sup>[a cannabis item] hemp or a  
22 hemp product<sup>1</sup>, including delta-8, delta-9, delta-10,  
23 tetrahydrocannabinolic acid and any other chemically similar  
24 compound, substance, derivative, or isomer of tetrahydrocannabinol,  
25 regardless of how derived or manufactured, and any other  
26 cannabinoid, other than cannabidiol, identified by the Cannabis  
27 Regulatory Commission, in consultation with the Department of  
28 Agriculture and the Attorney General, as causing intoxication.

29 (cf: P.L.2019, c.238, s.3)

30

31 2. Section 3 of P.L.2021, c.16 (C.24:6I-33) is amended to read  
32 as follows:

33 3. Definitions.

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

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

45 "Cannabis" means all parts of the plant *Cannabis sativa* L., whether  
46 growing or not, the seeds thereof, and every compound, manufacture,  
47 salt, derivative, mixture, or preparation of the plant or its seeds, except  
48 those containing resin extracted from the plant, which are cultivated

1 and, when applicable, manufactured in accordance with P.L.2021, c.16  
2 (C.24:6I-31 et al.) for use in cannabis products as set forth in this act,  
3 but shall not include the weight of any other ingredient combined with  
4 cannabis to prepare topical or oral administrations, food, drink, or  
5 other product. "Cannabis" does not include: medical cannabis  
6 dispensed to registered qualifying patients pursuant to the "Jake Honig  
7 Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-  
8 1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); marijuana as  
9 defined in N.J.S.2C:35-2 and applied to any offense set forth in  
10 chapters 35, 35A, and 36 of Title 2C of the New Jersey Statutes, or  
11 P.L.2001, c.114 (C.2C:35B-1 et seq.), or marihuana as defined in  
12 section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense set  
13 forth in the "New Jersey Controlled Dangerous Substances Act,"  
14 P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product  
15 cultivated, handled, processed, transported, or sold pursuant to the  
16 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

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

30 "Cannabis cultivator" means any licensed person or entity that  
31 grows, cultivates, or produces cannabis in this State, and sells, and  
32 may transport, this cannabis to other cannabis cultivators, or usable  
33 cannabis to cannabis manufacturers, cannabis wholesalers, or cannabis  
34 retailers, but not to consumers. This person or entity shall hold a Class  
35 1 Cannabis Cultivator license.

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

45 "Cannabis distributor" means any licensed person or entity that  
46 transports cannabis in bulk intrastate from one licensed cannabis  
47 cultivator to another licensed cannabis cultivator, or transports  
48 cannabis items in bulk intrastate from any one class of licensed

1 cannabis establishment to another class of licensed cannabis  
2 establishment, and may engage in the temporary storage of cannabis or  
3 cannabis items as necessary to carry out transportation activities. This  
4 person or entity shall hold a Class 4 Cannabis Distributor license.

5 "Cannabis establishment" means a cannabis cultivator, a cannabis  
6 manufacturer, a cannabis wholesaler, or a cannabis retailer.

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

14 "Cannabis flower" means the flower of the plant *Cannabis sativa*  
15 L. within the plant family Cannabaceae.

16 "Cannabis item" means any usable cannabis, cannabis product,  
17 cannabis extract, intoxicating hemp product, and any other cannabis  
18 resin. "Cannabis item" does not include: any form of medical cannabis  
19 dispensed to registered qualifying patients pursuant to the "Jake Honig  
20 Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-  
21 1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); or hemp or a  
22 hemp product cultivated, handled, processed, transported, or sold  
23 pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238  
24 (C.4:28-6 et al.).

25 "Cannabis leaf" means the leaf of the plant *Cannabis sativa* L.  
26 within the plant family Cannabaceae.

27 "Cannabis manufacturer" means any licensed person or entity that  
28 processes cannabis items in this State by purchasing or otherwise  
29 obtaining usable cannabis, manufacturing, preparing, and packaging  
30 cannabis items, and selling, and optionally transporting, these items to  
31 other cannabis manufacturers, cannabis wholesalers, or cannabis  
32 retailers, but not to consumers. This person or entity shall hold a Class  
33 2 Cannabis Manufacturer license."

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

45 "Cannabis product" means a product containing usable cannabis,  
46 cannabis extract, or any other cannabis resin and other ingredients  
47 intended for human consumption or use, including a product intended  
48 to be applied to the skin or hair, edible cannabis products, ointments,

1 and tinctures. "Cannabis product" does not include: (1) usable  
2 cannabis by itself; or (2) cannabis extract by itself; or (3) any other  
3 cannabis resin by itself.

4 "Cannabis resin" means the resin extracted from any part of the  
5 plant *Cannabis sativa* L., including cannabis extract and resin extracted  
6 using non-chemical processes, processed and used in accordance with  
7 P.L.2021, c.16 (C.24:6I-31 et al.). "Cannabis resin" does not include:  
8 any form of medical cannabis dispensed to registered qualifying  
9 patients pursuant to the "Jake Honig Compassionate Use Medical  
10 Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158  
11 (C.18A:40-12.22 et al.); hashish as defined in N.J.S.2C:35-2 and  
12 applied to any offense set forth in chapters 35, 35A, and 36 of Title 2C  
13 of the New Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or  
14 as defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to  
15 any offense of the "New Jersey Controlled Dangerous Substances  
16 Act," P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product  
17 cultivated, handled, processed, transported, or sold pursuant to the  
18 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

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

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

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

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

43 "Conditional license" means a temporary license designated as  
44 either a Class 1 Cannabis Cultivator license, a Class 2 Cannabis  
45 Manufacturer license, a Class 3 Cannabis Wholesaler license, a Class 4  
46 Cannabis Distributor license, a Class 5 Cannabis Retailer license, or a  
47 Class 6 Cannabis Delivery license that allows the holder to lawfully  
48 act as a cannabis cultivator, cannabis manufacturer, cannabis

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

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

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

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

25 "Department" means the Department of Health.

26 "Director" means the Director of the Office of Minority, Disabled  
27 Veterans, and Women Cannabis Business Development in the  
28 Cannabis Regulatory Commission.

29 "Executive director" means the executive director of the Cannabis  
30 Regulatory Commission.

31 "Financial consideration" means value that is given or received  
32 either directly or indirectly through sales, barter, trade, fees, charges,  
33 dues, contributions, or donations.

34 "Immature cannabis plant" means a cannabis plant that is not  
35 flowering.

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

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

43 (2) based upon data for calendar year 2019, ranks in the top 40  
44 percent of municipalities in the State for marijuana- or hashish-related  
45 arrests for violation of paragraph (4) of subsection a. of N.J.S.2C:35-  
46 10; has a crime index total of 825 or higher based upon the indexes  
47 listed in the annual Uniform Crime Report by the Division of State  
48 Police; and has a local average annual unemployment rate that ranks in

1 the top 15 percent of all municipalities, based upon average annual  
2 unemployment rates estimated for the relevant calendar year by the  
3 Office of Research and Information in the Department of Labor and  
4 Workforce Development;

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

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

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

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

32 “Intoxicating hemp product” means any product cultivated,  
33 derived, or manufactured from hemp regulated pursuant to the  
34 “Agricultural Improvement Act of 2018,” Pub.L.115-334 or the “New  
35 Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.) that is  
36 sold in this State that has a concentration of total THC greater than 0.5  
37 milligrams per serving or 2.5 milligrams per package. “Intoxicating  
38 hemp product” shall not include a cannabinoid product that is not  
39 derived from naturally occurring biologically active chemical  
40 constituents and shall not include hemp products as defined in section  
41 3 of P.L.2019, c.238 (C.4:28-8).

42 "License" means a license issued under P.L.2021, c.16 (C.24:6I-31  
43 et al.), including a license that is designated as either a Class 1  
44 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer license,  
45 a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis Distributor  
46 license, a Class 5 Cannabis Retailer license, or a Class 6 Cannabis  
47 Delivery license. The term includes a conditional license for a  
48 designated class, except when the context of the provisions of

1 P.L.2021, c.16 (C.24:6I-31 et al.) otherwise intend to only apply to a  
2 license and not a conditional license.

3 "Licensee" means a person or entity that holds a license issued  
4 under P.L.2021, c.16 (C.24:6I-31 et al.), including a license that is  
5 designated as either a Class 1 Cannabis Cultivator license, a Class 2  
6 Cannabis Manufacturer license, a Class 3 Cannabis Wholesaler  
7 license, a Class 4 Cannabis Distributor license, a Class 5 Cannabis  
8 Retailer license, or a Class 6 Cannabis Delivery license, and includes a  
9 person or entity that holds a conditional license for a designated class,  
10 except when the context of the provisions of P.L.2021, c.16 (C.24:6I-  
11 31 et al.) otherwise intend to only apply to a person or entity that holds  
12 a license and not a conditional license.

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

16 "Manufacture" means the drying, processing, compounding, or  
17 conversion of usable cannabis into cannabis products or cannabis  
18 resins. "Manufacture" does not include packaging or labeling.

19 "Mature cannabis plant" means a cannabis plant that is not an  
20 immature cannabis plant.

21 "Medical cannabis" means cannabis dispensed to registered  
22 qualifying patients pursuant to the "Jake Honig Compassionate Use  
23 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and  
24 P.L.2015, c.158 (C.18A:40-12.22 et al.). "Medical cannabis" does not  
25 include any cannabis or cannabis item which is cultivated, produced,  
26 processed, and consumed in accordance with P.L.2021, c.16 (C.24:6I-  
27 31 et al.).

28 "Microbusiness" means a person or entity licensed under P.L.2021,  
29 c.16 (C.24:6I-31 et al.) as a cannabis cultivator, cannabis  
30 manufacturer, cannabis wholesaler, cannabis distributor, cannabis  
31 retailer, or cannabis delivery service that may only, with respect to its  
32 business operations, and capacity and quantity of product: (1) employ  
33 no more than 10 employees; (2) operate a cannabis establishment  
34 occupying an area of no more than 2,500 square feet, and in the case of  
35 a cannabis cultivator, grow cannabis on an area no more than 2,500  
36 square feet measured on a horizontal plane and grow above that plane  
37 not higher than 24 feet; (3) possess no more than 1,000 cannabis plants  
38 each month, except that a cannabis distributor's possession of cannabis  
39 plants for transportation shall not be subject to this limit; (4) acquire  
40 each month, in the case of a cannabis manufacturer, no more than  
41 1,000 pounds of usable cannabis; (5) acquire for resale each month, in  
42 the case of a cannabis wholesaler, no more than 1,000 pounds of  
43 usable cannabis, or the equivalent amount in any form of  
44 manufactured cannabis product or cannabis resin, or any combination  
45 thereof; and (6) acquire for retail sale each month, in the case of a  
46 cannabis retailer, no more than 1,000 pounds of usable cannabis, or the  
47 equivalent amount in any form of manufactured cannabis product or  
48 cannabis resin, or any combination thereof.

1 "Noncommercial" means not dependent or conditioned upon the  
2 provision or receipt of financial consideration.

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

13 "Produce" means the planting, cultivation, growing or harvesting  
14 of cannabis. "Produce" does not include the drying of cannabis by a  
15 cannabis manufacturer, if the cannabis manufacturer is not otherwise  
16 manufacturing cannabis.

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

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

28 "Significantly involved person" means a person or entity who  
29 holds at least a five percent investment interest in a proposed or  
30 licensed cannabis cultivator, cannabis manufacturer, cannabis  
31 wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery  
32 service, or who is a decision making member of a group that holds at  
33 least a 20 percent investment interest in a proposed or licensed  
34 cannabis cultivator, cannabis manufacturer, cannabis wholesaler,  
35 cannabis distributor, cannabis retailer, or cannabis delivery service, in  
36 which no member of that group holds more than a five percent interest  
37 in the total group investment interest, and the person or entity makes  
38 controlling decisions regarding the proposed or licensed cannabis  
39 cultivator, cannabis manufacturer, cannabis wholesaler, cannabis  
40 distributor, cannabis retailer, or cannabis delivery service operations.

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

45 "THC" means delta-9-tetrahydrocannabinol and its precursor,  
46 tetrahydrocannabinolic acid, the main psychoactive chemicals  
47 contained in the cannabis plant.

1       “Total THC” means the total concentration of all  
2 tetrahydrocannabinols in <sup>1</sup>[a cannabis item] hemp or a hemp  
3 product<sup>1</sup>, including delta-8, delta-9, delta-10, tetrahydrocannabinolic  
4 acid and any other chemically similar compound, substance,  
5 derivative, or isomer of tetrahydrocannabinol, regardless of how  
6 derived or manufactured, and any other cannabinoid, other than  
7 cannabidiol, identified by the Cannabis Regulatory Commission, in  
8 consultation with the Department of Agriculture and the Attorney  
9 General, as causing intoxication.

10       "Usable cannabis" means the dried leaves and flowers of the  
11 female plant Cannabis sativa L., and does not include the seedlings,  
12 seeds, stems, stalks, or roots of the plant.

13 (cf: P.L.2021, c.16, s.3)

14  
15       3. Section 5 of P.L.1970, c.226 (C.24:21-5) is amended to read  
16 as follows:

17       5. a. Tests. The director shall place a substance in  
18 Schedule I if he finds that the substance: (1) has high potential for  
19 abuse; and (2) has no accepted medical use in treatment in the  
20 United States; or lacks accepted safety for use in treatment under  
21 medical supervision.

22       b. The controlled dangerous substances listed in this section are  
23 included in Schedule I, subject to any revision and republishing by  
24 the director pursuant to subsection d. of section 3 of P.L.1970,  
25 c.226 (C.24:21-3), and except to the extent provided in any other  
26 schedule.

27       c. Any of the following opiates, including their isomers, esters,  
28 and ethers, unless specifically excepted, whenever the existence of  
29 such isomers, esters, ethers and salts is possible within the specific  
30 chemical designation:

- 31       (1) Acetylmethadol
- 32       (2) Allylprodine
- 33       (3) Alphacetylmethadol
- 34       (4) Alphameprodine
- 35       (5) Alphamethadol
- 36       (6) Benzethidine
- 37       (7) Betacetylmethadol
- 38       (8) Betameprodine
- 39       (9) Betamethadol
- 40       (10) Betaprodine
- 41       (11) Clonitazene
- 42       (12) Dextromoramide
- 43       (13) Dextrophan
- 44       (14) Diampromide
- 45       (15) Diethylthiambutene
- 46       (16) Dimenoxadol
- 47       (17) Dimepheptanol
- 48       (18) Dimethylthiambutene

- 1 (19) Dioxaphetyl butyrate
- 2 (20) Dipipanone
- 3 (21) Ethylmethylthiambutene
- 4 (22) Etonitazene
- 5 (23) Etoxeridine
- 6 (24) Furethidine
- 7 (25) Hydroxypethidine
- 8 (26) Ketobemidone
- 9 (27) Levomoramide
- 10 (28) Levophenacymorphan
- 11 (29) Morpheridine
- 12 (30) Noracymethadol
- 13 (31) Norlevorphanol
- 14 (32) Normethadone
- 15 (33) Norpipanone
- 16 (34) Phenadoxone
- 17 (35) Phenampromide
- 18 (36) Phenomorphan
- 19 (37) Phenoperidine
- 20 (38) Piritramide
- 21 (39) Proheptazine
- 22 (40) Properidine
- 23 (41) Racemoramide
- 24 (42) Trimeperidine.

25 d. Any of the following narcotic substances, their salts, isomers  
26 and salts of isomers, unless specifically excepted, whenever the  
27 existence of such salts, isomers and salts of isomers is possible  
28 within the specific chemical designation:

- 29 (1) Acetorphine
- 30 (2) Acetylcodeine
- 31 (3) Acetyldihydrocodeine
- 32 (4) Benzylmorphine
- 33 (5) Codeine methylbromide
- 34 (6) Codeine-N-Oxide
- 35 (7) Cyprenorphine
- 36 (8) Desomorphine
- 37 (9) Dihydromorphine
- 38 (10) Etorphine
- 39 (11) Heroin
- 40 (12) Hydromorphanol
- 41 (13) Methyldesorphine
- 42 (14) Methylhydromorphine
- 43 (15) Morphine methylbromide
- 44 (16) Morphine methylsulfonate
- 45 (17) Morphine-N-Oxide
- 46 (18) Myorphine
- 47 (19) Nicocodeine
- 48 (20) Nicomorphine

- 1 (21) Normorphine
- 2 (22) Phoclodine
- 3 (23) Thebacon.
- 4 e. Any material, compound, mixture or preparation which
- 5 contains any quantity of the following hallucinogenic substances,
- 6 their salts, isomers and salts of isomers, unless specifically
- 7 excepted, whenever the existence of such salts, isomers, and salts of
- 8 isomers is possible within the specific chemical designation:
  - 9 (1) 3,4-methylenedioxy amphetamine
  - 10 (2) 5-methoxy-3,4-methylenedioxy amphetamine
  - 11 (3) 3,4,5-trimethoxy amphetamine
  - 12 (4) Bufotenine
  - 13 (5) Diethyltryptamine
  - 14 (6) Dimethyltryptamine
  - 15 (7) 4-methyl-2,5-dimethoxylamphetamine
  - 16 (8) Ibogaine
  - 17 (9) Lysergic acid diethylamide
  - 18 (10) **【Marihuana】** Marijuana; except that on and after the
  - 19 effective date of the "New Jersey Cannabis Regulatory,
  - 20 Enforcement Assistance, and Marketplace Modernization Act,"
  - 21 P.L.2021, c.16 (C.24:6I-31 et al.), **【marihuana】** marijuana shall no
  - 22 longer be included in Schedule I, and shall not be designated or
  - 23 rescheduled and included in any other schedule by the director
  - 24 pursuant to the director's designation and rescheduling authority set
  - 25 forth in section 3 of P.L.1970, c.226 (C.24:21-3).
  - 26 (11) Mescaline
  - 27 (12) Peyote
  - 28 (13) N-ethyl-3-piperidyl benzilate
  - 29 (14) N-methyl-3-piperidyl benzilate
  - 30 (15) Psilocybin
  - 31 (16) Psilocyn
  - 32 (17) Tetrahydrocannabinols, including those produced by way of
  - 33 manufacture, except when found in hemp or a hemp product
  - 34 cultivated, handled, processed, transported, or sold pursuant to the
  - 35 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.),
  - 36 or cannabis or a cannabis item, as those terms are defined in section
  - 37 3 of P.L.2021, c.16 (C.24:6I-33), that is grown, cultivated,
  - 38 produced, **【or】** manufactured, or sold in accordance with the "New
  - 39 Jersey Cannabis Regulatory, Enforcement Assistance, and
  - 40 Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.).
  - 41 (cf: P.L.2021, c.16, s.44)
  - 42
  - 43 4. (New section) a. A person shall not sell or distribute any
  - 44 intoxicating hemp product unless:
    - 45 (1) the person is licensed by the Cannabis Regulatory
    - 46 Commission in accordance with P.L.2021, c.16 (C.24:6I-31 et al.);
    - 47 and

1 (2) the product complies with the provisions of P.L.2021, c.16  
2 (C.24:6I-31 et al.) and any applicable commission regulations  
3 applicable to cannabis items.

4 b. (1) It shall be unlawful to sell or distribute a hemp product  
5 or cannabis item that is not derived from naturally occurring  
6 biologically active chemical constituents.

7 (2) Except as otherwise provided by law, it shall be unlawful to  
8 sell or distribute a product intended for human consumption that  
9 contains tetrahydrocannabinol in any detectable amount to a person  
10 under 21 years of age.

11 c. In addition to any other penalty provided by law, any person  
12 licensed by the commission who violates subsection a. or b. of this  
13 section shall be subject to any civil penalties or fines adopted by the  
14 commission in accordance with P.L.2021, c.16 (C.24:6I-31 et al.).

15 d. (1) Notwithstanding any provision of the “Administrative  
16 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to the  
17 contrary, and in accordance with the authority established pursuant  
18 to section 18 of P.L.2021, c.16 (C.24:6I-35), the commission, in  
19 consultation with the Department of Agriculture and the Attorney  
20 General, and within 180 days of the effective date of P.L. , c.  
21 (C. ) (pending before the Legislature as this bill), is authorized  
22 to adopt immediately upon filing with the Office of Administrative  
23 Law rules and regulations necessary to implement this act.

24 (2) Following any rules or regulations established by the  
25 commission in accordance with subparagraph (1) of this subsection,  
26 the commission shall, in consultation the Department of Agriculture  
27 and the Attorney General, and in accordance with the  
28 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et  
29 seq.), adopt rules and regulations as necessary to implement the  
30 provisions of P.L. , c. (C. ) (pending before the Legislature  
31 as this bill).

32 e. (1) Nothing in P.L. , c. (C. ) (pending before the  
33 Legislature as this bill) shall be construed or interpreted to limit the  
34 enforceability or applicability of the “Agriculture Improvement Act  
35 of 2018,” Pub.L.115-334 or the “New Jersey Hemp Farming Act,”  
36 P.L.2019, c.238 (C.4:28-6 et al.).

37 (2) The imposition of any fine or other remedy under this act  
38 shall not preclude prosecution for a violation of the criminal laws of  
39 this State.

40

41 5. (New section) a. A person who sells, offers for sale, or  
42 distributes any intoxicating hemp product or a hemp product or  
43 cannabis item that is not derived from naturally occurring  
44 biologically active chemical constituents, in violation of section 4  
45 of P.L. , c. (C. ) (pending before the Legislature as this  
46 bill), shall be liable to a civil penalty of not less than \$100 for the  
47 first violation, not less than \$1,000 for the second violation, and not  
48 less than \$10,000 for the third and each subsequent violation. The

1 penalty prescribed by this section shall be collected and enforced by  
2 summary proceedings under the "Penalty Enforcement Law of  
3 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

4 b. An official authorized by statute or ordinance to enforce this  
5 act or the State or local health codes or consumer protection laws or  
6 a law enforcement officer having enforcement authority in that  
7 municipality may issue a summons for a violation of the provisions  
8 of section 4 of P.L. , c. (C. ) (pending before the  
9 Legislature as this bill), and may serve and execute all process with  
10 respect to the enforcement of this section consistent with the Rules  
11 of Court.

12 c. A penalty recovered under the provisions of this section shall  
13 be recovered by and in the name of the State by the local health or  
14 consumer protection agency or other authorized government entity,  
15 including but not limited to the Division of Consumer Affairs in the  
16 Department of Law and Public Safety and the Cannabis Regulatory  
17 Commission established pursuant to section 31 of P.L.2019, c.153  
18 (C.24:6I-24). With respect to an enforcement action brought by a  
19 municipal official, half of any monetary penalty shall be paid into  
20 the treasury of the municipality in which the violation occurred for  
21 the general uses of the municipality, and half shall be deposited in  
22 the special nonlapsing fund known as the "Cannabis Regulatory,  
23 Enforcement Assistance, and Marketplace Modernization Fund,"  
24 established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-50).  
25 With respect to an enforcement action brought by any other  
26 government entity, any monetary penalty collected pursuant to  
27 P.L. , c. (C. ) (pending before the Legislature as this bill)  
28 shall be deposited in the special nonlapsing fund known as the  
29 "Cannabis Regulatory, Enforcement Assistance, and Marketplace  
30 Modernization Fund," established pursuant to section 41 of  
31 P.L.2021, c.16 (C.24:6I-50).

32 d. A law enforcement officer, local health official, or other  
33 government official from an agency authorized to enforce this  
34 section may confiscate any intoxicating hemp product, hemp  
35 product, or cannabis item that is sold, offered for sale, or distributed  
36 in violation of section 4 of P.L. . , c. (C. ) (pending before  
37 the Legislature as this bill).

38 e. In addition to the civil penalty authorized under subsection a.  
39 of this section, a business found to have committed more than two  
40 violations of section 4 of P.L. , c. (C. ) (pending before the  
41 Legislature as this bill) or found to have committed a third or  
42 subsequent violation at any individual location within one year shall  
43 be deemed a public nuisance. Notwithstanding any other provision  
44 of law, a municipality shall have the power to impose restrictions  
45 on the operation, including closure, of any business determined to  
46 constitute a public nuisance pursuant to this subsection.

47

1       6. (New section) The Cannabis Regulatory Commission, in  
2 consultation with the Division of Consumer Affairs in the  
3 Department of Law and Public Safety and the Business Action  
4 Center in the Department of State, shall develop and implement a  
5 public education program to educate businesses across the State on  
6 the provisions of P.L.     , c.     (C.     ) (pending before the  
7 Legislature as this bill).

8  
9       7. Paragraph (2) of subsection b. of section 4 and section 6 of  
10 this act shall take effect immediately. The remainder of this act  
11 shall take effect 180 days after enactment, except that the Cannabis  
12 Regulatory Commission may take any anticipatory administrative  
13 action in advance as shall be necessary for the implementation of  
14 this act.

[Second Reprint]

**SENATE, No. 3235**

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**STATE OF NEW JERSEY**

**221st LEGISLATURE**

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INTRODUCED MAY 13, 2024

**Sponsored by:**

**Senator M. TERESA RUIZ**

**District 29 (Essex and Hudson)**

**Senator PAUL D. MORIARTY**

**District 4 (Atlantic, Camden and Gloucester)**

**SYNOPSIS**

Regulates production and sale of certain intoxicating hemp products.

**CURRENT VERSION OF TEXT**

As reported by the Senate Budget and Appropriations Committee on June 24, 2024, with amendments.



1 AN ACT concerning intoxicating hemp products, supplementing  
2 Title 24 of the New Jersey Statutes, and amending various  
3 sections of statutory law.

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

7  
8 1. Section 3 of P.L.2019, c.238 (C.4:28-8) is amended to read as  
9 follows:

10 3. As used in sections 1 through 9 of P.L.2019, c.238 (C.4:28-6 et  
11 al.), unless the context otherwise requires:

12 "Agent" means an employee or contractor of a hemp producer.

13 "Applicant" means a person, or for a business entity, any person  
14 authorized to act on behalf of the business entity, who applies to the  
15 department to be a hemp producer in the State.

16 "Commercial sale" means the sale of a product in the stream of  
17 commerce at retail, at wholesale, or on the Internet.

18 "Cultivate" means to plant, water, grow, or harvest a plant or crop.

19 "Department" means the New Jersey Department of Agriculture.

20 "Federally defined THC level for hemp" means a delta-9  
21 tetrahydrocannabinol concentration of not more than 0.3 percent on a  
22 dry weight basis for hemp or in a hemp product.

23 "Handle" means to possess or store a hemp plant on premises  
24 owned, operated, or controlled by a hemp producer for any period of  
25 time or in a vehicle for any period of time other than during the actual  
26 transport of the plant between premises owned, operated, or controlled  
27 by hemp producers or persons or entities authorized to produce hemp  
28 pursuant to 7 U.S.C. s.1639o et seq. and any state law or rule or  
29 regulation adopted pursuant thereto. "Handle" does not mean  
30 possession or storage of finished hemp products.

31 "Hemp" means the plant *Cannabis sativa* L. and any part of that  
32 plant, including the seeds of the plant and all derivatives, extracts,  
33 cannabinoids, isomers, acids, salts, and salts of isomers, whether  
34 growing or not, with a **【delta-9】** total tetrahydrocannabinol  
35 concentration of not more than 0.3 percent on a dry weight basis.  
36 Hemp and hemp-derived cannabinoids, including cannabidiol, shall be  
37 considered an agricultural commodity and not a controlled substance  
38 due to the presence of hemp or hemp-derived cannabinoids.

39 "Hemp producer" means a person or business entity authorized by  
40 the department to cultivate, handle, or process hemp in the State.

41 "Hemp product" means a finished product with a **【delta-9】** total  
42 tetrahydrocannabinol concentration of not more than 0.3 percent, and  
43 not more than 0.5 milligrams of total THC per serving and 2.5  
44 milligrams of total THC per package, that is derived from or made by

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:

<sup>1</sup>Senate SJU committee amendments adopted May 16, 2024.

<sup>2</sup>Senate SBA committee amendments adopted June 24, 2024.

1 processing a hemp plant or plant part and prepared in a form available  
2 for commercial sale. The term includes cosmetics, personal care  
3 products, food intended for human or animal consumption, cloth,  
4 cordage, fiber, fuel, paint, paper, particleboard, plastics, and any  
5 product containing one or more hemp-derived cannabinoids such as  
6 cannabidiol. Hemp products shall not be considered controlled  
7 substances due to the presence of hemp or hemp-derived cannabinoids.  
8 “Hemp product” shall not mean a cannabinoid product that is not  
9 derived from naturally occurring biologically active chemical  
10 constituents and shall not mean an intoxicating hemp product as  
11 defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

12 "Process" means to convert hemp into a marketable form.

13 "Secretary" means the Secretary of the New Jersey Department of  
14 Agriculture.

15 "Transport" means the movement or shipment of hemp by a hemp  
16 producer, a person or entity authorized to produce hemp pursuant to 7  
17 U.S.C. s.1639o et seq. and any state law or rule or regulation adopted  
18 pursuant thereto, or a hemp producer's or authorized entity's third-  
19 party carrier or agent. "Transport" shall not mean the movement or  
20 shipment of hemp products.

21 “Total THC” means the total concentration of all  
22 tetrahydrocannabinols in <sup>1</sup>[a cannabis item] hemp or a  
23 hemp product<sup>1</sup>, including delta-8, delta-9, delta-10,  
24 tetrahydrocannabinolic acid and any other chemically similar  
25 compound, substance, derivative, or isomer of tetrahydrocannabinol,  
26 regardless of how derived or manufactured, and any other  
27 cannabinoid, other than cannabidiol, identified by the Cannabis  
28 Regulatory Commission, in consultation with the Department of  
29 Agriculture and the Attorney General, as causing intoxication.

30 (cf: P.L.2019, c.238, s.3)

31

32 2. Section 3 of P.L.2021, c.16 (C.24:6I-33) is amended to read  
33 as follows:

34 3. Definitions.

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

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

46 "Cannabis" means all parts of the plant *Cannabis sativa* L., whether  
47 growing or not, the seeds thereof, and every compound, manufacture,  
48 salt, derivative, mixture, or preparation of the plant or its seeds, except

1 those containing resin extracted from the plant, which are cultivated  
2 and, when applicable, manufactured in accordance with P.L.2021, c.16  
3 (C.24:6I-31 et al.) for use in cannabis products as set forth in this act,  
4 but shall not include the weight of any other ingredient combined with  
5 cannabis to prepare topical or oral administrations, food, drink, or  
6 other product. "Cannabis" does not include: medical cannabis  
7 dispensed to registered qualifying patients pursuant to the "Jake Honig  
8 Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-  
9 1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); marijuana as  
10 defined in N.J.S.2C:35-2 and applied to any offense set forth in  
11 chapters 35, 35A, and 36 of Title 2C of the New Jersey Statutes, or  
12 P.L.2001, c.114 (C.2C:35B-1 et seq.), or marihuana as defined in  
13 section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense set  
14 forth in the "New Jersey Controlled Dangerous Substances Act,"  
15 P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product  
16 cultivated, handled, processed, transported, or sold pursuant to the  
17 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

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

31 "Cannabis cultivator" means any licensed person or entity that  
32 grows, cultivates, or produces cannabis in this State, and sells, and  
33 may transport, this cannabis to other cannabis cultivators, or usable  
34 cannabis to cannabis manufacturers, cannabis wholesalers, or cannabis  
35 retailers, but not to consumers. This person or entity shall hold a Class  
36 1 Cannabis Cultivator license.

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

46 "Cannabis distributor" means any licensed person or entity that  
47 transports cannabis in bulk intrastate from one licensed cannabis  
48 cultivator to another licensed cannabis cultivator, or transports

1 cannabis items in bulk intrastate from any one class of licensed  
2 cannabis establishment to another class of licensed cannabis  
3 establishment, and may engage in the temporary storage of cannabis or  
4 cannabis items as necessary to carry out transportation activities. This  
5 person or entity shall hold a Class 4 Cannabis Distributor license.

6 "Cannabis establishment" means a cannabis cultivator, a cannabis  
7 manufacturer, a cannabis wholesaler, or a cannabis retailer.

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

15 "Cannabis flower" means the flower of the plant *Cannabis sativa*  
16 L. within the plant family Cannabaceae.

17 "Cannabis item" means any usable cannabis, cannabis product,  
18 cannabis extract, intoxicating hemp product, and any other cannabis  
19 resin. "Cannabis item" does not include: any form of medical cannabis  
20 dispensed to registered qualifying patients pursuant to the "Jake Honig  
21 Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-  
22 1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); or hemp or a  
23 hemp product cultivated, handled, processed, transported, or sold  
24 pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238  
25 (C.4:28-6 et al.).

26 "Cannabis leaf" means the leaf of the plant *Cannabis sativa* L.  
27 within the plant family Cannabaceae.

28 "Cannabis manufacturer" means any licensed person or entity that  
29 processes cannabis items in this State by purchasing or otherwise  
30 obtaining usable cannabis, manufacturing, preparing, and packaging  
31 cannabis items, and selling, and optionally transporting, these items to  
32 other cannabis manufacturers, cannabis wholesalers, or cannabis  
33 retailers, but not to consumers. This person or entity shall hold a Class  
34 2 Cannabis Manufacturer license."

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

46 "Cannabis product" means a product containing usable cannabis,  
47 cannabis extract, or any other cannabis resin and other ingredients  
48 intended for human consumption or use, including a product intended

1 to be applied to the skin or hair, edible cannabis products, ointments,  
2 and tinctures. "Cannabis product" does not include: (1) usable  
3 cannabis by itself; or (2) cannabis extract by itself; or (3) any other  
4 cannabis resin by itself.

5 "Cannabis resin" means the resin extracted from any part of the  
6 plant *Cannabis sativa* L., including cannabis extract and resin extracted  
7 using non-chemical processes, processed and used in accordance with  
8 P.L.2021, c.16 (C.24:6I-31 et al.). "Cannabis resin" does not include:  
9 any form of medical cannabis dispensed to registered qualifying  
10 patients pursuant to the "Jake Honig Compassionate Use Medical  
11 Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158  
12 (C.18A:40-12.22 et al.); hashish as defined in N.J.S.2C:35-2 and  
13 applied to any offense set forth in chapters 35, 35A, and 36 of Title 2C  
14 of the New Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or  
15 as defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to  
16 any offense of the "New Jersey Controlled Dangerous Substances  
17 Act," P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product  
18 cultivated, handled, processed, transported, or sold pursuant to the  
19 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

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

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

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

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

44 "Conditional license" means a temporary license designated as  
45 either a Class 1 Cannabis Cultivator license, a Class 2 Cannabis  
46 Manufacturer license, a Class 3 Cannabis Wholesaler license, a Class 4  
47 Cannabis Distributor license, a Class 5 Cannabis Retailer license, or a  
48 Class 6 Cannabis Delivery license that allows the holder to lawfully

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

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

12 "Consumption" means the act of ingesting, inhaling, or otherwise  
13 introducing cannabis items into the human body.

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

26 "Department" means the Department of Health.

27 "Director" means the Director of the Office of Minority, Disabled  
28 Veterans, and Women Cannabis Business Development in the  
29 Cannabis Regulatory Commission.

30 "Executive director" means the executive director of the Cannabis  
31 Regulatory Commission.

32 "Financial consideration" means value that is given or received  
33 either directly or indirectly through sales, barter, trade, fees, charges,  
34 dues, contributions, or donations.

35 "Immature cannabis plant" means a cannabis plant that is not  
36 flowering.

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

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

44 (2) based upon data for calendar year 2019, ranks in the top 40  
45 percent of municipalities in the State for marijuana- or hashish-related  
46 arrests for violation of paragraph (4) of subsection a. of N.J.S.2C:35-  
47 10; has a crime index total of 825 or higher based upon the indexes  
48 listed in the annual Uniform Crime Report by the Division of State

1 Police; and has a local average annual unemployment rate that ranks in  
2 the top 15 percent of all municipalities, based upon average annual  
3 unemployment rates estimated for the relevant calendar year by the  
4 Office of Research and Information in the Department of Labor and  
5 Workforce Development;

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

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

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

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

33 “Intoxicating hemp product” means any product cultivated,  
34 derived, or manufactured from hemp regulated pursuant to the  
35 “Agricultural Improvement Act of 2018,” Pub.L.115-334 or the “New  
36 Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.) that is  
37 sold in this State that has a concentration of total THC greater than 0.5  
38 milligrams per serving or 2.5 milligrams per package. “Intoxicating  
39 hemp product” shall not include a cannabinoid product that is not  
40 derived from naturally occurring biologically active chemical  
41 constituents and shall not include hemp products as defined in section  
42 3 of P.L.2019, c.238 (C.4:28-8).

43 "License" means a license issued under P.L.2021, c.16 (C.24:6I-31  
44 et al.), including a license that is designated as either a Class 1  
45 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer license,  
46 a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis Distributor  
47 license, a Class 5 Cannabis Retailer license, or a Class 6 Cannabis  
48 Delivery license. The term includes a conditional license for a

1 designated class, except when the context of the provisions of  
2 P.L.2021, c.16 (C.24:6I-31 et al.) otherwise intend to only apply to a  
3 license and not a conditional license.

4 "Licensee" means a person or entity that holds a license issued  
5 under P.L.2021, c.16 (C.24:6I-31 et al.), including a license that is  
6 designated as either a Class 1 Cannabis Cultivator license, a Class 2  
7 Cannabis Manufacturer license, a Class 3 Cannabis Wholesaler  
8 license, a Class 4 Cannabis Distributor license, a Class 5 Cannabis  
9 Retailer license, or a Class 6 Cannabis Delivery license, and includes a  
10 person or entity that holds a conditional license for a designated class,  
11 except when the context of the provisions of P.L.2021, c.16 (C.24:6I-  
12 31 et al.) otherwise intend to only apply to a person or entity that holds  
13 a license and not a conditional license.

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

17 "Manufacture" means the drying, processing, compounding, or  
18 conversion of usable cannabis into cannabis products or cannabis  
19 resins. "Manufacture" does not include packaging or labeling.

20 "Mature cannabis plant" means a cannabis plant that is not an  
21 immature cannabis plant.

22 "Medical cannabis" means cannabis dispensed to registered  
23 qualifying patients pursuant to the "Jake Honig Compassionate Use  
24 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and  
25 P.L.2015, c.158 (C.18A:40-12.22 et al.). "Medical cannabis" does not  
26 include any cannabis or cannabis item which is cultivated, produced,  
27 processed, and consumed in accordance with P.L.2021, c.16 (C.24:6I-  
28 31 et al.).

29 "Microbusiness" means a person or entity licensed under P.L.2021,  
30 c.16 (C.24:6I-31 et al.) as a cannabis cultivator, cannabis  
31 manufacturer, cannabis wholesaler, cannabis distributor, cannabis  
32 retailer, or cannabis delivery service that may only, with respect to its  
33 business operations, and capacity and quantity of product: (1) employ  
34 no more than 10 employees; (2) operate a cannabis establishment  
35 occupying an area of no more than 2,500 square feet, and in the case of  
36 a cannabis cultivator, grow cannabis on an area no more than 2,500  
37 square feet measured on a horizontal plane and grow above that plane  
38 not higher than 24 feet; (3) possess no more than 1,000 cannabis plants  
39 each month, except that a cannabis distributor's possession of cannabis  
40 plants for transportation shall not be subject to this limit; (4) acquire  
41 each month, in the case of a cannabis manufacturer, no more than  
42 1,000 pounds of usable cannabis; (5) acquire for resale each month, in  
43 the case of a cannabis wholesaler, no more than 1,000 pounds of  
44 usable cannabis, or the equivalent amount in any form of  
45 manufactured cannabis product or cannabis resin, or any combination  
46 thereof; and (6) acquire for retail sale each month, in the case of a  
47 cannabis retailer, no more than 1,000 pounds of usable cannabis, or the

1 equivalent amount in any form of manufactured cannabis product or  
2 cannabis resin, or any combination thereof.

3 "Noncommercial" means not dependent or conditioned upon the  
4 provision or receipt of financial consideration.

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

15 "Produce" means the planting, cultivation, growing or harvesting  
16 of cannabis. "Produce" does not include the drying of cannabis by a  
17 cannabis manufacturer, if the cannabis manufacturer is not otherwise  
18 manufacturing cannabis.

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

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

30 "Significantly involved person" means a person or entity who  
31 holds at least a five percent investment interest in a proposed or  
32 licensed cannabis cultivator, cannabis manufacturer, cannabis  
33 wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery  
34 service, or who is a decision making member of a group that holds at  
35 least a 20 percent investment interest in a proposed or licensed  
36 cannabis cultivator, cannabis manufacturer, cannabis wholesaler,  
37 cannabis distributor, cannabis retailer, or cannabis delivery service, in  
38 which no member of that group holds more than a five percent interest  
39 in the total group investment interest, and the person or entity makes  
40 controlling decisions regarding the proposed or licensed cannabis  
41 cultivator, cannabis manufacturer, cannabis wholesaler, cannabis  
42 distributor, cannabis retailer, or cannabis delivery service operations.

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

1 "THC" means delta-9-tetrahydrocannabinol and its precursor,  
2 tetrahydrocannabinolic acid, the main psychoactive chemicals  
3 contained in the cannabis plant.

4 "Total THC" means the total concentration of all  
5 tetrahydrocannabinols in <sup>1</sup>[a cannabis item] hemp or a hemp  
6 product<sup>1</sup>, including delta-8, delta-9, delta-10, tetrahydrocannabinolic  
7 acid and any other chemically similar compound, substance,  
8 derivative, or isomer of tetrahydrocannabinol, regardless of how  
9 derived or manufactured, and any other cannabinoid, other than  
10 cannabidiol, identified by the Cannabis Regulatory Commission, in  
11 consultation with the Department of Agriculture and the Attorney  
12 General, as causing intoxication.

13 "Usable cannabis" means the dried leaves and flowers of the  
14 female plant Cannabis sativa L., and does not include the seedlings,  
15 seeds, stems, stalks, or roots of the plant.

16 (cf: P.L.2021, c.16, s.3)

17  
18 3. Section 5 of P.L.1970, c.226 (C.24:21-5) is amended to read  
19 as follows:

20 5. a. Tests. The director shall place a substance in  
21 Schedule I if he finds that the substance: (1) has high potential for  
22 abuse; and (2) has no accepted medical use in treatment in the  
23 United States; or lacks accepted safety for use in treatment under  
24 medical supervision.

25 b. The controlled dangerous substances listed in this section are  
26 included in Schedule I, subject to any revision and republishing by  
27 the director pursuant to subsection d. of section 3 of P.L.1970,  
28 c.226 (C.24:21-3), and except to the extent provided in any other  
29 schedule.

30 c. Any of the following opiates, including their isomers, esters,  
31 and ethers, unless specifically excepted, whenever the existence of  
32 such isomers, esters, ethers and salts is possible within the specific  
33 chemical designation:

- 34 (1) Acetylmethadol
- 35 (2) Allylprodine
- 36 (3) Alphacetylmethadol
- 37 (4) Alphameprodine
- 38 (5) Alphamethadol
- 39 (6) Benzethidine
- 40 (7) Betacetylmethadol
- 41 (8) Betameprodine
- 42 (9) Betamethadol
- 43 (10) Betaprodine
- 44 (11) Clonitazene
- 45 (12) Dextromoramide
- 46 (13) Dextrorphan
- 47 (14) Diampromide
- 48 (15) Diethylthiambutene

- 1 (16) Dimenoxadol
- 2 (17) Dimepheptanol
- 3 (18) Dimethylthiambutene
- 4 (19) Dioxaphetyl butyrate
- 5 (20) Dipipanone
- 6 (21) Ethylmethylthiambutene
- 7 (22) Etonitazene
- 8 (23) Etoxeridine
- 9 (24) Furethidine
- 10 (25) Hydroxypethidine
- 11 (26) Ketobemidone
- 12 (27) Levomoramide
- 13 (28) Levophenacylmorphan
- 14 (29) Morpheridine
- 15 (30) Noracymethadol
- 16 (31) Norlevorphanol
- 17 (32) Normethadone
- 18 (33) Norpipanone
- 19 (34) Phenadoxone
- 20 (35) Phenampromide
- 21 (36) Phenomorphan
- 22 (37) Phenoperidine
- 23 (38) Piritramide
- 24 (39) Proheptazine
- 25 (40) Properidine
- 26 (41) Racemoramide
- 27 (42) Trimeperidine.

28 d. Any of the following narcotic substances, their salts, isomers  
29 and salts of isomers, unless specifically excepted, whenever the  
30 existence of such salts, isomers and salts of isomers is possible  
31 within the specific chemical designation:

- 32 (1) Acetorphine
- 33 (2) Acetylcodone
- 34 (3) Acetyldihydrocodeine
- 35 (4) Benzylmorphine
- 36 (5) Codeine methylbromide
- 37 (6) Codeine-N-Oxide
- 38 (7) Cyprenorphine
- 39 (8) Desomorphine
- 40 (9) Dihydromorphine
- 41 (10) Etorphine
- 42 (11) Heroin
- 43 (12) Hydromorphenol
- 44 (13) Methyl-desorphine
- 45 (14) Methylhydromorphine
- 46 (15) Morphine methylbromide
- 47 (16) Morphine methylsulfonate
- 48 (17) Morphine-N-Oxide

- 1 (18) Myrophine
- 2 (19) Nicocodeine
- 3 (20) Nicomorphine
- 4 (21) Normorphine
- 5 (22) Phoclodine
- 6 (23) Thebacon.
- 7 e. Any material, compound, mixture or preparation which
- 8 contains any quantity of the following hallucinogenic substances,
- 9 their salts, isomers and salts of isomers, unless specifically
- 10 excepted, whenever the existence of such salts, isomers, and salts of
- 11 isomers is possible within the specific chemical designation:
  - 12 (1) 3,4-methylenedioxy amphetamine
  - 13 (2) 5-methoxy-3,4-methylenedioxy amphetamine
  - 14 (3) 3,4,5-trimethoxy amphetamine
  - 15 (4) Bufotenine
  - 16 (5) Diethyltryptamine
  - 17 (6) Dimethyltryptamine
  - 18 (7) 4-methyl-2,5-dimethoxylamphetamine
  - 19 (8) Ibogaine
  - 20 (9) Lysergic acid diethylamide
  - 21 (10) **【Marihuana】** Marijuana; except that on and after the
  - 22 effective date of the "New Jersey Cannabis Regulatory,
  - 23 Enforcement Assistance, and Marketplace Modernization Act,"
  - 24 P.L.2021, c.16 (C.24:6I-31 et al.), **【marihuana】** marijuana shall no
  - 25 longer be included in Schedule I, and shall not be designated or
  - 26 rescheduled and included in any other schedule by the director
  - 27 pursuant to the director's designation and rescheduling authority set
  - 28 forth in section 3 of P.L.1970, c.226 (C.24:21-3).
  - 29 (11) Mescaline
  - 30 (12) Peyote
  - 31 (13) N-ethyl-3-piperidyl benzilate
  - 32 (14) N-methyl-3-piperidyl benzilate
  - 33 (15) Psilocybin
  - 34 (16) Psilocyn
  - 35 (17) Tetrahydrocannabinols, including those produced by way of
  - 36 manufacture, except when found in hemp or a hemp product
  - 37 cultivated, handled, processed, transported, or sold pursuant to the
  - 38 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.),
  - 39 or cannabis or a cannabis item, as those terms are defined in section
  - 40 3 of P.L.2021, c.16 (C.24:6I-33), that is grown, cultivated,
  - 41 produced, **【or】** manufactured, or sold in accordance with the "New
  - 42 Jersey Cannabis Regulatory, Enforcement Assistance, and
  - 43 Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.).
  - 44 (cf: P.L.2021, c.16, s.44)
  - 45
  - 46 4. (New section) a. A person shall not sell or distribute any
  - 47 intoxicating hemp product unless:

- 1 (1) the person is licensed by the Cannabis Regulatory Commission  
2 in accordance with P.L.2021, c.16 (C.24:6I-31 et al.); <sup>2</sup>or  
3 (2) the person is a holder of any valid and unrevoked plenary retail  
4 distribution license, as defined in R.S.33:1-12, and is approved by the  
5 commission to sell intoxicating hemp beverages in accordance with  
6 section 5 of P.L. , c. (C. ) (pending before the Legislature as  
7 this bill);<sup>2</sup> and  
8 <sup>2</sup>**[(2)] (3)<sup>2</sup>** the product complies with the provisions of P.L.2021,  
9 c.16 (C.24:6I-31 et al.) and any <sup>2</sup>**[applicable commission regulations**  
10 **applicable to cannabis items]** rules or regulations adopted pursuant  
11 thereto<sup>2</sup>.
- 12 b. (1) It shall be unlawful to sell or distribute a hemp product or  
13 cannabis item that is not derived from naturally occurring biologically  
14 active chemical constituents.
- 15 (2) Except as otherwise provided by law, it shall be unlawful to  
16 sell or distribute a product intended for human consumption that  
17 contains tetrahydrocannabinol in any detectable amount to a person  
18 under 21 years of age.
- 19 c. In addition to any other penalty provided by law, any person  
20 licensed by the commission <sup>2</sup>, or any person approved by the  
21 commission to sell intoxicating hemp beverages pursuant to section 5  
22 of P.L. , c. (C. ) (pending before the Legislature as this bill),<sup>2</sup>  
23 who violates subsection a. or b. of this section shall be subject to any  
24 civil penalties or fines adopted by the commission in accordance with  
25 P.L.2021, c.16 (C.24:6I-31 et al.).
- 26 d. (1) Notwithstanding any provision of the “Administrative  
27 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), <sup>2</sup>or subsection  
28 d. of section 5 of P.L. , c. (C. ) (pending before the  
29 Legislature as this bill)<sup>2</sup> to the contrary, and in accordance with the  
30 authority established pursuant to section 18 of P.L.2021, c.16 (C.24:6I-  
31 35), the commission, in consultation with the Department of  
32 Agriculture and the Attorney General, and within 180 days of the  
33 effective date of P.L. , c. (C. ) (pending before the Legislature  
34 as this bill), is authorized to adopt immediately upon filing with the  
35 Office of Administrative Law rules and regulations necessary to  
36 implement this act.
- 37 (2) Following any rules or regulations established by the  
38 commission in accordance with subparagraph (1) of this subsection,  
39 the commission shall, in consultation the Department of Agriculture  
40 and the Attorney General, and in accordance with the “Administrative  
41 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), adopt rules and  
42 regulations as necessary to implement the provisions of P.L. , c.  
43 (C. ) (pending before the Legislature as this bill).
- 44 e. (1) Nothing in P.L. , c. (C. ) (pending before the  
45 Legislature as this bill) shall be construed or interpreted to limit the  
46 enforceability or applicability of the “Agriculture Improvement Act of

1 2018,” Pub.L.115-334 or the “New Jersey Hemp Farming Act,”  
2 P.L.2019, c.238 (C.4:28-6 et al.).

3 (2) <sup>2</sup>The requirements of this section and section 5 of P.L. , c.  
4 (C. ) (pending before the Legislature as this bill) shall apply to any  
5 online retail sale of an intoxicating hemp product sold in this State.

6 (3)<sup>2</sup> The imposition of any fine or other remedy under this  
7 act shall not preclude prosecution for a violation of the criminal laws  
8 of this State.

9  
10 <sup>2</sup>5. (New section) a. (1) Notwithstanding P.L.2021, c.16 (C.24:6I-  
11 31 et al.), or any rule or regulation adopted pursuant thereto, the holder  
12 of any valid and unrevoked plenary retail distribution license, as  
13 defined in R.S.33:1-12, may sell or distribute intoxicating hemp  
14 beverages in accordance with this section and section 4 of P.L. , c.  
15 (C. ) (pending before the Legislature as this bill) and the rules and  
16 regulations adopted by the Cannabis Regulatory Commission pursuant  
17 to subsection d. of this section.

18 (2) Any intoxicating hemp beverage sold or offered for sale  
19 pursuant to paragraph (1) of this section shall not be sold to any person  
20 under the age of 21, and shall be stored or displayed in a place that is  
21 not accessible to customers without the assistance of an employee of  
22 the establishment.

23 b. (1) Upon the effective date of P.L. , c. (C. ) (pending  
24 before the Legislature as this bill) the holder of any valid and  
25 unrevoked plenary retail distribution license shall not sell any  
26 intoxicating hemp beverages.

27 (2) Upon the adoption of rules and regulations by the commission  
28 pursuant to subsection d. of this section, any holder of a valid and  
29 unrevoked plenary retail distribution license may submit an application  
30 to the commission, in a form and manner as determined by the  
31 commission, for approval to sell intoxicating hemp beverages. The  
32 commission may approve a valid holder of a plenary retail distribution  
33 license to sell intoxicating hemp beverages in accordance with P.L. ,  
34 c. (C. ) (pending before the Legislature as this bill) and the rules  
35 and regulations adopted by the commission.

36 c. Any sale of an intoxicating hemp beverage by a holder of any  
37 valid and unrevoked plenary retail distribution license shall be subject  
38 to:

39 (1) the sales tax imposed on cannabis in accordance with the  
40 “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.); and

41 (2) the same local cannabis transfer and user tax imposed on  
42 cannabis by a municipality pursuant to section 40 of P.L.2021, c.16  
43 (C.40:48I-1).

44 All taxes, fees, penalties, and revenues collected pursuant to this  
45 section shall be deposited in accordance with section 41 of P.L.2021,  
46 c.16 (C.24:6I-50).

47 d. (1) Notwithstanding the rules and regulations adopted pursuant  
48 to subsection d. of section 4 of P.L. , c. (C. ) (pending before

1 the Legislature as this bill), no later than 12 months after the effective  
2 date of this section, the commission, in consultation with the Division  
3 of Alcoholic Beverage Control shall adopt, immediately upon filing  
4 with the Office of Administrative Law, rules and regulations necessary  
5 to implement this section. The rules and regulations adopted pursuant  
6 to this section shall be effective for a period not to exceed 18 months  
7 following the date of filing and may thereafter be amended, adopted,  
8 or readopted by the director in accordance with the requirements of  
9 P.L.1968, c.410 (C.52:14B-1 et seq.).

10 (2) The rules and regulations adopted pursuant to this section shall  
11 include, but not be limited to, provisions concerning:

12 (a) packaging;

13 (b) labeling;

14 (c) product testing and safety standards;

15 (d) tetrahydrocannabinol amounts permitted in intoxicating hemp  
16 beverages;

17 (e) the number of intoxicating hemp beverages that may be sold to  
18 a customer at any given time; and

19 (f) a fee to be charged by the commission to cover the reasonable  
20 costs of administering this section.

21 For the purposes of this section, “intoxicating hemp beverage”  
22 means a beverage that is an intoxicating hemp product as that term is  
23 defined in section 3 of P.L.2021, c.16 (C.24:6I-33).<sup>2</sup>  
24

25 <sup>2</sup>6. R.S.33:1-12 is amended to read as follows:

26 33:1-12. Class C licenses shall be subdivided and classified as  
27 follows:

28 Plenary retail consumption license. 1. The holder of this license  
29 shall be entitled, subject to rules and regulations, to sell any alcoholic  
30 beverages for consumption on the licensed premises by the glass or  
31 other open receptacle, and also to sell any alcoholic beverages in  
32 original containers for consumption off the licensed premises; but this  
33 license shall not be issued to permit the sale of alcoholic beverages in  
34 or upon any premises in which a grocery, delicatessen, drug store or  
35 other mercantile business is carried on, except as hereinafter provided.  
36 The holder of this license shall be permitted to conduct consumer  
37 wine, beer and spirits tasting events and samplings for a fee or on a  
38 complimentary basis pursuant to conditions established by rules and  
39 regulations of the Division of Alcoholic Beverage Control, provided  
40 however, that the holder of this license complies with the terms and  
41 conditions set forth in section 3 of P.L.2009, c.216 (C.33:1-12d).  
42 Subject to such rules and regulations established from time to time by  
43 the director, the holder of this license shall be permitted to sell  
44 alcoholic beverages in or upon the premises in which any of the  
45 following is carried on: the keeping of a hotel or restaurant including  
46 the sale of mercantile items incidental thereto as an accommodation to  
47 patrons; the sale, at an entertainment facility as defined in R.S.33:1-1,  
48 having a seating capacity for no less than 4,000 patrons, of mercantile

1 items traditionally associated with the type of event or program held at  
2 the site; the sale of distillers', brewers' and vintners' packaged  
3 merchandise prepacked as a unit with other suitable objects as gift  
4 items to be sold only as a unit; the sale of novelty wearing apparel  
5 identified with the name of the establishment licensed under the  
6 provisions of this section; the sale of cigars, cigarettes, packaged  
7 crackers, chips, nuts and similar snacks and ice at retail as an  
8 accommodation to patrons, or the retail sale of nonalcoholic beverages  
9 as accessory beverages to alcoholic beverages; or, in commercial  
10 bowling establishments, the retail sale or rental of bowling accessories  
11 and the retail sale from vending machines of candy, ice cream and  
12 nonalcoholic beverages. The fee for this license shall be fixed by the  
13 governing board or body of the municipality in which the licensed  
14 premises are situated, by ordinance, at not less than \$250 and not more  
15 than \$2,500. No ordinance shall be enacted which shall raise or lower  
16 the fee to be charged for this license by more than 20% from that  
17 charged in the preceding license year or \$500.00, whichever is the  
18 lesser. The governing board or body of each municipality may, by  
19 ordinance, enact that no plenary retail consumption license shall be  
20 granted within its respective municipality.

21 The holder of this license shall be permitted to obtain a restricted  
22 brewery license issued pursuant to subsection 1c. of R.S.33:1-10 and  
23 to operate a restricted brewery immediately adjoining the licensed  
24 premises in accordance with the restrictions set forth in that  
25 subsection. All fees related to the issuance of both licenses shall be  
26 paid in accordance with statutory law.

27 Seasonal retail consumption license. 2. (1) The holder of this  
28 license shall be entitled, subject to rules and regulations, to sell any  
29 alcoholic beverages for consumption on the licensed premises by the  
30 glass or other open receptacle, and also to sell any alcoholic beverages  
31 in original containers for consumption off the licensed premises,  
32 during the summer season from May 1 until November 14, inclusive,  
33 or during the winter season from November 15 until April 30,  
34 inclusive.

35 (2) In addition, the director shall issue to the holder of this license,  
36 upon request by the licensee, one-day permits that shall entitle the  
37 license holder to sell alcoholic beverages for consumption on the  
38 licensed premises during the season when the license holder is not  
39 authorized to sell alcoholic beverages pursuant to subparagraph (1) of  
40 this subsection. The number of one-day permits issued to a licensee  
41 pursuant to this subsection shall not exceed an aggregate of 14 permits  
42 in one calendar year. A one-day permit issued pursuant to this  
43 subsection shall be valid for 24 consecutive hours. The fee for each  
44 one-day permit shall be \$500.

45 The governing body of the municipality in which the licensed  
46 premises is situated may place reasonable conditions upon a one-day  
47 permit for the purpose of maintaining public safety on the licensed  
48 premises and immediately surrounding area. The costs associated with

1 the reasonable conditions placed on the one-day permit shall be  
2 assumed by the holder of this license.

3 (3) This license shall not be issued to permit the sale of alcoholic  
4 beverages in or upon any premises in which a grocery, delicatessen,  
5 drug store or other mercantile business is carried on, except as  
6 hereinafter provided. Subject to such rules and regulations established  
7 from time to time by the director, the holder of this license shall be  
8 permitted to sell alcoholic beverages in or upon the premises in which  
9 any of the following is carried on: the keeping of a hotel or restaurant  
10 including the sale of mercantile items incidental thereto as an  
11 accommodation to patrons; the sale of distillers', brewers' and vintners'  
12 packaged merchandise prepacked as a unit with other suitable objects  
13 as gift items to be sold only as a unit; the sale of novelty wearing  
14 apparel identified with the name of the establishment licensed under  
15 the provisions of this section; the sale of cigars, cigarettes, packaged  
16 crackers, chips, nuts and similar snacks and ice at retail as an  
17 accommodation to patrons; or the retail sale of nonalcoholic beverages  
18 as accessory beverages to alcoholic beverages. The fee for this license  
19 shall be fixed by the governing board or body of the municipality in  
20 which the licensed premises are situated, by ordinance, at 75% of the  
21 fee fixed by said board or body for plenary retail consumption  
22 licenses. The governing board or body of each municipality may, by  
23 ordinance, enact that no seasonal retail consumption license shall be  
24 granted within its respective municipality.

25 Plenary retail distribution license. 3. a. The holder of this license  
26 shall be entitled, subject to rules and regulations, to sell any alcoholic  
27 beverages or intoxicating hemp beverages pursuant to section 5 of  
28 P.L. , c. (C. ) (pending before the Legislature as this bill), for  
29 consumption off the licensed premises, but only in original containers;  
30 except that licensees shall be permitted to conduct consumer wine,  
31 beer, and spirits tasting events and samplings on a complimentary  
32 basis pursuant to conditions established by rules and regulations of the  
33 Division of Alcoholic Beverage Control, provided however, that the  
34 holder of this license complies with the terms and conditions set forth  
35 in section 3 of P.L.2009, c.216 (C.33:1-12d).

36 The governing board or body of each municipality may, by  
37 ordinance, enact that this license shall not be issued to permit the sale  
38 of alcoholic beverages in or upon any premises in which any other  
39 mercantile business is carried on, except that any such ordinance,  
40 heretofore or hereafter adopted, shall not prohibit the retail sale of  
41 distillers', brewers' and vintners' packaged merchandise prepacked as a  
42 unit with other suitable objects as gift items to be sold only as a unit;  
43 the sale of novelty wearing apparel identified with the name of the  
44 establishment licensed under the provisions of this act; cigars,  
45 cigarettes, packaged crackers, chips, nuts and similar snacks, ice, and  
46 nonalcoholic beverages as accessory beverages to alcoholic beverages.  
47 The fee for this license shall be fixed by the governing board or body  
48 of the municipality in which the licensed premises are situated, by

1 ordinance, at not less than \$125 and not more than \$2,500. No  
2 ordinance shall be enacted which shall raise or lower the fee to be  
3 charged for this license by more than 20% from that charged in the  
4 preceding license year or \$500.00, whichever is the lesser. The  
5 governing board or body of each municipality may, by ordinance,  
6 enact that no plenary retail distribution license shall be granted within  
7 its respective municipality.

8 Limited retail distribution license. 3. b. The holder of this license  
9 shall be entitled, subject to rules and regulations, to sell any unchilled,  
10 brewed, malt alcoholic beverages in quantities of not less than 72 fluid  
11 ounces for consumption off the licensed premises, but only in original  
12 containers; provided, however, that this license shall be issued only for  
13 premises operated and conducted by the licensee as a bona fide  
14 grocery store, meat market, meat and grocery store, delicatessen, or  
15 other type of bona fide food store at which groceries or other  
16 foodstuffs are sold at retail; and provided further that this license shall  
17 not be issued except for premises at which the sale of groceries or  
18 other foodstuffs is the primary and principal business and at which the  
19 sale of alcoholic beverages is merely incidental and subordinate  
20 thereto. The fee for this license shall be fixed by the governing body  
21 or board of the municipality in which the licensed premises are  
22 situated, by ordinance, at not less than \$31 and not more than \$63.  
23 The governing board or body of each municipality may, by ordinance,  
24 enact that no limited retail distribution license shall be granted within  
25 its respective municipality.

26 Plenary retail transit license. 4. The holder of this license shall be  
27 entitled, subject to rules and regulations, to sell any alcoholic  
28 beverages, for consumption only, on railroad trains, airplanes,  
29 limousines and boats, while in transit. The fee for this license for use  
30 by a railroad or air transport company shall be \$375, for use by the  
31 owners of limousines shall be \$31 per vehicle, and for use on a boat  
32 shall be \$63 on a boat 65 feet or less in length, \$125 on a boat more  
33 than 65 feet in length but not more than 110 feet in length, and \$375  
34 on a boat more than 110 feet in length; such boat lengths shall be  
35 determined in the manner prescribed by the Bureau of Customs of the  
36 United States Government or any federal agency successor thereto for  
37 boat measurement in connection with issuance of marine documents.  
38 A license issued under this provision to a railroad or air transport  
39 company shall cover all railroad cars and planes operated by any such  
40 company within the State of New Jersey. A license for a boat or  
41 limousine issued under this provision shall apply only to the particular  
42 boat or limousine for which issued, and shall permit the purchase of  
43 alcoholic beverages for sale or service in a boat or limousine to be  
44 made from any Class A and B licensee or from any Class C licensee  
45 whose license privilege permits the sale of alcoholic beverages in  
46 original containers for off-premises consumption. An interest in a  
47 plenary retail transit license issued in accordance with this section

1 shall be excluded in determining the maximum number of retail  
2 licenses permitted under P.L.1962, c.152 (C.33:1-12.31 et seq.).

3 Club license. 5. The holder of this license shall be entitled, subject  
4 to rules and regulations, to sell any alcoholic beverages but only for  
5 immediate consumption on the licensed premises and only to bona fide  
6 club members and their guests. The fee for this license shall be fixed  
7 by the governing board or body of the municipality in which the  
8 licensed premises are situated, by ordinance, at not less than \$63 and  
9 not more than \$188. The governing board or body of each  
10 municipality may, by ordinance, enact that no club licenses shall be  
11 granted within its respective municipality. Club licenses may be  
12 issued only to such corporations, associations and organizations as are  
13 operated for benevolent, charitable, fraternal, social, religious,  
14 recreational, athletic, or similar purposes, and not for private gain, and  
15 which comply with all conditions which may be imposed by the  
16 Director of the Division of Alcoholic Beverage Control by rules and  
17 regulations.

18 The provisions of section 23 of P.L.2003, c.117 amendatory of this  
19 section shall apply to licenses issued or transferred on or after July 1,  
20 2003, and to license renewals commencing on or after July 1, 2003.

21 Sporting facility license. 6. The holder of this license shall be  
22 entitled, subject to rules and regulations, to sell at retail or to serve any  
23 alcoholic beverages as the owner, operator, lessee, or concessionaire of  
24 a sporting facility by the glass or other receptacle or in original  
25 containers only on the premises of the sporting facility.

26 Notwithstanding any other provision of Title 33 of the Revised  
27 Statutes and subject to conditions established by the director, the  
28 holder of this license may share direction and control of the premises  
29 to be licensed and share proceeds and profits from the sale of alcoholic  
30 beverages with the owner, operator, concessionaire, or lessee of the  
31 facility. The holder of this license shall be permitted to conduct  
32 consumer wine, beer, and spirits tasting events and samplings for a fee  
33 or on a complimentary basis provided, however, the license holder  
34 complies with the provisions of section 3 of P.L.2009, c.216 (C.33:1-  
35 12d) and rules and regulations promulgated thereto. Notwithstanding  
36 any law, rule or regulation to the contrary, the holder of this license  
37 shall be entitled to establish an all-inclusive area within the licensed  
38 sporting facility, provided the all-inclusive area is limited to one area  
39 within the sporting facility for each game or event and the capacity of  
40 the all-inclusive area does not exceed 500 persons.

41 The fee for this license shall be \$2,500 for venues with a capacity  
42 of less than 7,500 persons; \$5,000 for venues with a capacity of not  
43 less than 7,500 persons but not more than 14,999 persons; \$7,500 for  
44 venues with a capacity of not less than 15,000 persons but not more  
45 than 22,499 persons; and \$10,000 for venues with a capacity of 22,500  
46 persons or more.

47 For the purposes of this subsection:

1 "Sporting facility" means a stadium, arena, team training facility,  
2 or similar venue located on public property where alcoholic beverages  
3 are served or sold at retail for consumption on the premises by the  
4 glass or other open receptacle or in original containers.

5 "Team training facility" shall include team offices and team  
6 headquarters.<sup>2</sup>

7 (cf: P.L.2018, c.147, s.1)

8

9 <sup>2</sup>7. Section 41 of P.L.2021, c.16 (C.24:6I-50) is amended to read  
10 as follows:

11 41. Cannabis Regulatory, Enforcement Assistance, and  
12 Marketplace Modernization Fund.

13 a. All fees and penalties collected by the commission, and all tax  
14 revenues on retail sales of cannabis items, and all tax revenues  
15 collected pursuant to the provisions of the "Jake Honig Compassionate  
16 Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), except  
17 for amounts credited to the Property Tax Reform Account in the  
18 Property Tax Relief Fund pursuant to paragraph 7 of Section I of  
19 Article VIII of the New Jersey Constitution, [as well as] all revenues,  
20 if any, collected for the Social Equity Excise Fee pursuant to section  
21 39 of P.L.2021, c.16 (C.54:47F-1), as well as all tax revenues on the  
22 retail sale of intoxicating hemp beverages by any plenary retail  
23 distribution license holder, as defined pursuant to section 5 of P.L. .  
24 c. (C. ) (pending before the Legislature as this bill), shall be  
25 deposited in a special nonlapsing fund which shall be known as the  
26 "Cannabis Regulatory, Enforcement Assistance, and Marketplace  
27 Modernization Fund," with 15 percent of the monies deposited being  
28 placed into an account within the fund to be known as the "Underage  
29 Deterrence and Prevention Account."

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

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

44 (a) to 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.), and assist with assuming  
47 responsibility from the Department of Health for the further  
48 development and expansion, regulation, and enforcement of activities

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

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

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

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

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

38 d. (1) (a) Not less than 60 days prior to the first day of each State  
39 fiscal year, the commission shall consult and make recommendations  
40 to the Governor and Legislature for making social equity  
41 appropriations based upon the amount of any revenues collected  
42 during the current fiscal year for the Social Equity Excise Fee pursuant  
43 to section 39 of P.L.2021, c.16 (C.54:47F-1), or, if the commission has  
44 not imposed or adjusted the excise fee in the current fiscal year  
45 pursuant to that section, then appropriations to be made from the  
46 General Fund in an amount equal to the revenues that would have been  
47 collected had it imposed or adjusted the fee, in order to invest, through  
48 grants, loans, reimbursements of expenses, and other financial

1 assistance, in private for-profit and non-profit organizations, public  
2 entities, including any municipality defined as an "impact zone"  
3 pursuant to section 3 of P.L.2021, c.16 (C.24:6I-33) as well as provide  
4 direct financial assistance to qualifying persons as determined by the  
5 commission, in order to create, expand, or promote educational and  
6 economic opportunities and activities, and the health and well-being of  
7 both communities and individuals.

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

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

17 (a) educational support, including literacy programs, extended  
18 learning time programs that endeavor to close the achievement gap and  
19 provide services for enrolled students after the traditional school day,  
20 GED application and preparedness assistance, tutoring programs,  
21 vocational programming, and financial literacy;

22 (b) economic development, including the encouragement and  
23 support of community activities so as to stimulate economic activity or  
24 increase or preserve residential amenities, and business marketing, and  
25 job skills and readiness training, specific employment training, and  
26 apprenticeships;

27 (c) social support services, including food assistance, mental  
28 health services, substance use disorders treatment and recovery, youth  
29 recreation and mentoring services, life skills support services, and  
30 reentry and other rehabilitative services for adults and juveniles being  
31 released from incarceration; and

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

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

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

1 e. The monies deposited in the "Underage Deterrence and  
2 Prevention Account" within the fund shall be used by the commission,  
3 based on the acceptance of applications submitted on a form and  
4 through an approval or denial process promulgated by the commission,  
5 to fund private for-profit and non-profit organizations, and county and  
6 municipal programs and services that offer social services,  
7 educational, recreational, and employment opportunities, and local  
8 economic development designed to encourage, improve, and support  
9 youthful community activities to divert and prevent persons under 18  
10 years of age from activities associated with the consumption of  
11 cannabis items, or marijuana or hashish.<sup>2</sup>  
12 (cf: P.L.2021, c.25, s.5)

13  
14 <sup>2</sup>**[5.] 8.**<sup>2</sup> (New section) a. A person who sells, offers for sale, or  
15 distributes any intoxicating hemp product or a hemp product or  
16 cannabis item that is not derived from naturally occurring biologically  
17 active chemical constituents, in violation of section 4 of P.L. , c.  
18 (C. ) (pending before the Legislature as this bill), shall be liable to  
19 a civil penalty of not less than \$100 for the first violation, not less than  
20 \$1,000 for the second violation, and not less than \$10,000 for the third  
21 and each subsequent violation. The penalty prescribed by this section  
22 shall be collected and enforced by summary proceedings under the  
23 "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et  
24 seq.).

25 b. An official authorized by statute or ordinance to enforce this act  
26 or the State or local health codes or consumer protection laws or a law  
27 enforcement officer having enforcement authority in that municipality  
28 may issue a summons for a violation of the provisions of section 4 of  
29 P.L. , c. (C. ) (pending before the Legislature as this bill), and  
30 may serve and execute all process with respect to the enforcement of  
31 this section consistent with the Rules of Court.

32 c. A penalty recovered under the provisions of this section shall be  
33 recovered by and in the name of the State by the local health or  
34 consumer protection agency or other authorized government entity,  
35 including but not limited to the Division of Consumer Affairs in the  
36 Department of Law and Public Safety and the Cannabis Regulatory  
37 Commission established pursuant to section 31 of P.L.2019, c.153  
38 (C.24:6I-24). With respect to an enforcement action brought by a  
39 municipal official, half of any monetary penalty shall be paid into the  
40 treasury of the municipality in which the violation occurred for the  
41 general uses of the municipality, and half shall be deposited in the  
42 special nonlapsing fund known as the "Cannabis Regulatory,  
43 Enforcement Assistance, and Marketplace Modernization Fund,"  
44 established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-50).  
45 With respect to an enforcement action brought by any other  
46 government entity, any monetary penalty collected pursuant to P.L. ,  
47 c. (C. ) (pending before the Legislature as this bill) shall be  
48 deposited in the special nonlapsing fund known as the "Cannabis

1 Regulatory, Enforcement Assistance, and Marketplace Modernization  
2 Fund,” established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-  
3 50).

4 d. A law enforcement officer, local health official, or other  
5 government official from an agency authorized to enforce this section  
6 may confiscate any intoxicating hemp product, hemp product, or  
7 cannabis item that is sold, offered for sale, or distributed in violation of  
8 section 4 of P.L. , , c. (C. ) (pending before the Legislature as  
9 this bill).

10 e. In addition to the civil penalty authorized under subsection a. of  
11 this section, a business found to have committed more than two  
12 violations of section 4 of P.L. , c. (C. ) (pending before the  
13 Legislature as this bill) or found to have committed a third or  
14 subsequent violation at any individual location within one year shall be  
15 deemed a public nuisance. Notwithstanding any other provision of  
16 law, a municipality shall have the power to impose restrictions on the  
17 operation, including closure, of any business determined to constitute a  
18 public nuisance pursuant to this subsection.

19 <sup>2</sup>f. The provisions of P.L. , c. (C. ) (pending before the  
20 Legislature as this bill) shall not be construed to impose liability on  
21 news media that accept, publish, or both, advertising for products or  
22 services that fall within the scope of P.L. , c. (C. ) (pending  
23 before the Legislature as this bill).<sup>2</sup>

24  
25 <sup>2</sup>9. Section 40 of P.L.2021, c.16 (C.40:48I-1) is amended to read  
26 as follows:

27 40. Optional Local Cannabis Transfer Tax and User Tax.

28 a. (1) A municipality may adopt an ordinance imposing a transfer  
29 tax on the sale of cannabis or cannabis items by a cannabis  
30 establishment or a holder of a plenary retail distribution license selling  
31 an intoxicating hemp beverage in accordance with section 5 of P.L. ,  
32 c. (C. ) (pending before the Legislature as this bill) that is  
33 located in the municipality. At the discretion of the municipality, the  
34 tax may be imposed on: receipts from the sale of cannabis by a  
35 cannabis cultivator to another cannabis cultivator; receipts from the  
36 sale of cannabis items from one cannabis establishment to another  
37 cannabis establishment; receipts from the retail sales of cannabis items  
38 or intoxicating hemp beverages by a cannabis retailer or a holder of a  
39 plenary retail distribution license to retail consumers who are 21 years  
40 of age or older; or any combination thereof. Each municipality shall  
41 set its own rate or rates, but in no case shall a rate exceed: two percent  
42 of the receipts from each sale by a cannabis cultivator; two percent of  
43 the receipts from each sale by a cannabis manufacturer; one percent of  
44 the receipts from each sale by a cannabis wholesaler; and two percent  
45 of the receipts from each sale by a cannabis retailer or holder of a  
46 plenary retail distribution license.

47 (2) A local tax ordinance adopted pursuant to paragraph (1) of this  
48 subsection shall also include provisions for imposing a user tax, at the

1 equivalent transfer tax rates, on any concurrent license holder, as  
2 permitted by section 33 of P.L.2021, c.16 (C.24:6I-46), operating more  
3 than one cannabis establishment , or on any concurrent holder of  
4 plenary retail distribution licenses. The user tax shall be imposed on  
5 the value of each transfer or use of cannabis or cannabis items not  
6 otherwise subject to the transfer tax imposed pursuant to paragraph (1)  
7 of this subsection, from the license holder's establishment that is  
8 located in the municipality to any of the other license holder's  
9 establishments, whether located in the municipality or another  
10 municipality.

11 b. (1) A transfer tax or user tax imposed pursuant to this section  
12 shall be in addition to any other tax imposed by law. Any transaction  
13 for which the transfer tax or user tax is imposed, or could be imposed,  
14 pursuant to this section, other than those which generate receipts from  
15 the retail sales by cannabis retailers or a holder of a plenary retail  
16 distributor license, shall be exempt from the tax imposed under the  
17 "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.). The  
18 transfer tax or user tax shall be collected or paid, and remitted to the  
19 municipality by the cannabis establishment or the holder of the plenary  
20 retail distributor license from the cannabis establishment or plenary  
21 retail distributor purchasing or receiving the cannabis or cannabis item,  
22 or from the consumer at the point of sale, on behalf of the municipality  
23 by the cannabis retailer or plenary retail distributor selling the cannabis  
24 item to that consumer. The transfer tax or user tax shall be stated,  
25 charged, and shown separately on any sales slip, invoice, receipt, or  
26 other statement or memorandum of the price paid or payable, or  
27 equivalent value of the transfer, for the cannabis or cannabis item.

28 (2) Every cannabis establishment or plenary retail distributor  
29 required to collect a transfer tax or user tax imposed by ordinance  
30 pursuant to this section shall be personally liable for the transfer tax or  
31 user tax imposed, collected, or required to be collected under this  
32 section. Any cannabis establishment or plenary retail distributor shall  
33 have the same right with respect to collecting the transfer tax or user  
34 tax from another cannabis establishment, plenary retail distributor or  
35 the consumer as if the transfer tax or user tax was a part of the sale and  
36 payable at the same time, or with respect to non-payment of the  
37 transfer tax or user tax by the cannabis establishment, plenary retail  
38 distributor or consumer, as if the transfer tax or user tax was a part of  
39 the purchase price of the cannabis or cannabis item, or equivalent  
40 value of the transfer of the cannabis or cannabis item, and payable at  
41 the same time; provided, however, that the chief fiscal officer of the  
42 municipality which imposes the transfer tax or user tax shall be joined  
43 as a party in any action or proceeding brought to collect the transfer  
44 tax or user tax.

45 (3) No cannabis establishment or plenary retail distributor required  
46 to collect a transfer tax or user tax imposed by ordinance pursuant to  
47 this section shall advertise or hold out to any person or to the public in  
48 general, in any manner, directly or indirectly, that the transfer tax or

1 user tax will not be separately charged and stated to another cannabis  
2 establishment, plenary retail distributor, or the consumer, or that the  
3 transfer tax or user tax will be refunded to the cannabis establishment,  
4 plenary retail distributor, or the consumer.

5 c. (1) All revenues collected from a transfer tax or user tax  
6 imposed by ordinance pursuant to this section shall be remitted to the  
7 chief financial officer of the municipality in a manner prescribed by  
8 the municipality. The chief financial officer shall collect and  
9 administer any transfer tax or user tax imposed by ordinance pursuant  
10 to this section. The municipality shall enforce the payment of  
11 delinquent taxes or transfer fees imposed by ordinance pursuant to this  
12 section in the same manner as provided for municipal real property  
13 taxes.

14 (2) (a) In the event that the transfer tax or user tax imposed by  
15 ordinance pursuant to this section is not paid as and when due by a  
16 cannabis establishment or plenary retail distributor, the unpaid  
17 balance, and any interest accruing thereon, shall be a lien on the parcel  
18 of real property comprising the cannabis establishment's or plenary  
19 retail distributor's premises in the same manner as all other unpaid  
20 municipal taxes, fees, or other charges. The lien shall be superior and  
21 paramount to the interest in the parcel of any owner, lessee, tenant,  
22 mortgagee, or other person, except the lien of municipal taxes, and  
23 shall be on a parity with and deemed equal to the municipal lien on the  
24 parcel for unpaid property taxes due and owing in the same year.

25 (b) A municipality shall file in the office of its tax collector a  
26 statement showing the amount and due date of the unpaid balance and  
27 identifying the lot and block number of the parcel of real property that  
28 comprises the delinquent cannabis establishment's or plenary retail  
29 distributor's premises. The lien shall be enforced as a municipal lien  
30 in the same manner as all other municipal liens are enforced.

31 d. As used in this section:

32 "Cannabis" means the same as that term is defined in section 3 of  
33 P.L.2021, c.16 (C.24:6I-33).

34 "Cannabis cultivator" means the same as that term is defined in  
35 section 3 of P.L.2021, c.16 (C.24:6I-33).

36 "Cannabis establishment" means the same as that term is defined in  
37 section 3 of P.L.2021, c.16 (C.24:6I-33).

38 "Cannabis items" means the same as that term is defined in section  
39 3 of P.L.2021, c.16 (C.24:6I-33).

40 "Cannabis manufacturer" means the same as that term is defined in  
41 section 3 of P.L.2021, c.16 (C.24:6I-33).

42 "Cannabis retailer" means the same as that term is defined in  
43 section 3 of P.L.2021, c.16 (C.24:6I-33).

44 "Cannabis wholesaler" means the same as that term is defined in  
45 section 3 of P.L.2021, c.16 (C.24:6I-33).

46 "Consumer" means the same as that term is defined in section 3 of  
47 P.L.2021, c.16 (C.24:6I-33).

1 "Premises" means the same as that term is defined in section 3 of  
2 P.L.2021, c.16 (C.24:6I-33).<sup>2</sup>  
3 (cf: P.L.2021, c.16, s.40)

4  
5 <sup>2</sup>~~6.~~ 10.<sup>2</sup> (New section) The Cannabis Regulatory Commission,  
6 in consultation with the Division of Consumer Affairs in the  
7 Department of Law and Public Safety <sup>2</sup>~~and~~ <sup>2</sup> the Business Action  
8 Center in the Department of State, <sup>2</sup>~~and the Division of Alcoholic~~  
9 Beverage Control in the Department of Law and Public Safety<sup>2</sup> shall  
10 develop and implement a public education program to educate  
11 businesses across the State on the provisions of P.L. , c. (C. )  
12 (pending before the Legislature as this bill).

13  
14 <sup>2</sup>~~7.~~ 11.<sup>2</sup> <sup>2</sup>~~Paragraph (2) of subsection b. of section 4 and~~  
15 section 6 of this act shall take effect immediately. The remainder of  
16 this act shall take effect 180 days after enactment, except that the  
17 Cannabis Regulatory Commission may take any anticipatory  
18 administrative action in advance as shall be necessary for the  
19 implementation of this act] This act shall take effect as follows:

20 a. Paragraph (2) of subsection b. of section 4 shall take effect  
21 immediately;

22 b. The remainder of this act shall take effect 30 days after  
23 enactment, except that the Cannabis Regulatory Commission may take  
24 any anticipatory administrative action in advance as shall be necessary  
25 for the implementation of this act<sup>2</sup>.

[Third Reprint]

**SENATE, No. 3235**

**STATE OF NEW JERSEY**

**221st LEGISLATURE**

INTRODUCED MAY 13, 2024

**Sponsored by:**

**Senator M. TERESA RUIZ**

**District 29 (Essex and Hudson)**

**Senator PAUL D. MORIARTY**

**District 4 (Atlantic, Camden and Gloucester)**

**Assemblyman HERB CONAWAY, JR.**

**District 7 (Burlington)**

**Assemblyman CODY D. MILLER**

**District 4 (Atlantic, Camden and Gloucester)**

**Assemblyman WILLIAM B. SAMPSON, IV**

**District 31 (Hudson)**

**Co-Sponsored by:**

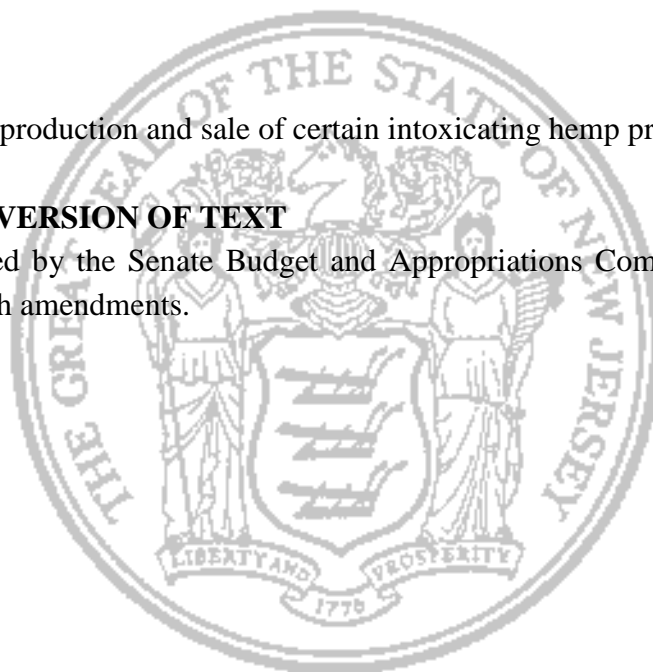
**Senators Turner, McKnight, Assemblywomen Speight, Quijano and Carter**

**SYNOPSIS**

Regulates production and sale of certain intoxicating hemp products.

**CURRENT VERSION OF TEXT**

As reported by the Senate Budget and Appropriations Committee on June 26, 2024, with amendments.



**(Sponsorship Updated As Of: 6/28/2024)**

1 AN ACT concerning intoxicating hemp products, supplementing  
2 Title 24 of the New Jersey Statutes, and amending various  
3 sections of statutory law.

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

7  
8 1. Section 3 of P.L.2019, c.238 (C.4:28-8) is amended to read as  
9 follows:

10 3. As used in sections 1 through 9 of P.L.2019, c.238 (C.4:28-6 et  
11 al.), unless the context otherwise requires:

12 "Agent" means an employee or contractor of a hemp producer.

13 "Applicant" means a person, or for a business entity, any person  
14 authorized to act on behalf of the business entity, who applies to the  
15 department to be a hemp producer in the State.

16 "Commercial sale" means the sale of a product in the stream of  
17 commerce at retail, at wholesale, or on the Internet.

18 "Cultivate" means to plant, water, grow, or harvest a plant or crop.

19 "Department" means the New Jersey Department of Agriculture.

20 "Federally defined THC level for hemp" means a delta-9  
21 tetrahydrocannabinol concentration of not more than 0.3 percent on a  
22 dry weight basis for hemp or in a hemp product.

23 "Handle" means to possess or store a hemp plant on premises  
24 owned, operated, or controlled by a hemp producer for any period of  
25 time or in a vehicle for any period of time other than during the actual  
26 transport of the plant between premises owned, operated, or controlled  
27 by hemp producers or persons or entities authorized to produce hemp  
28 pursuant to 7 U.S.C. s.1639o et seq. and any state law or rule or  
29 regulation adopted pursuant thereto. "Handle" does not mean  
30 possession or storage of finished hemp products.

31 "Hemp" means the plant *Cannabis sativa* L. and any part of that  
32 plant, including the seeds of the plant and all derivatives, extracts,  
33 cannabinoids, isomers, acids, salts, and salts of isomers, whether  
34 growing or not, with a **【delta-9】** total tetrahydrocannabinol  
35 concentration of not more than 0.3 percent on a dry weight basis.  
36 Hemp and hemp-derived cannabinoids, including cannabidiol, shall be  
37 considered an agricultural commodity and not a controlled substance  
38 due to the presence of hemp or hemp-derived cannabinoids.

39 "Hemp producer" means a person or business entity authorized by  
40 the department to cultivate, handle, or process hemp in the State.

41 "Hemp product" means a finished product with a **【delta-9】** total  
42 tetrahydrocannabinol concentration of not more than 0.3 percent, and  
43 not more than 0.5 milligrams of total THC per serving and 2.5

**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:

<sup>1</sup>Senate SJU committee amendments adopted May 16, 2024.

<sup>2</sup>Senate SBA committee amendments adopted June 24, 2024.

<sup>3</sup>Senate SBA committee amendments adopted June 26, 2024.

1 milligrams of total THC per package, that is derived from or made by  
2 processing a hemp plant or plant part and prepared in a form available  
3 for commercial sale. The term includes cosmetics, personal care  
4 products, food intended for human or animal consumption, cloth,  
5 cordage, fiber, fuel, paint, paper, particleboard, plastics, and any  
6 product containing one or more hemp-derived cannabinoids such as  
7 cannabidiol. Hemp products shall not be considered controlled  
8 substances due to the presence of hemp or hemp-derived cannabinoids.  
9 "Hemp product" shall not mean a cannabinoid product that is not  
10 derived from naturally occurring biologically active chemical  
11 constituents and shall not mean an intoxicating hemp product as  
12 defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

13 "Process" means to convert hemp into a marketable form.

14 "Secretary" means the Secretary of the New Jersey Department of  
15 Agriculture.

16 "Transport" means the movement or shipment of hemp by a hemp  
17 producer, a person or entity authorized to produce hemp pursuant to 7  
18 U.S.C. s.1639o et seq. and any state law or rule or regulation adopted  
19 pursuant thereto, or a hemp producer's or authorized entity's third-  
20 party carrier or agent. "Transport" shall not mean the movement or  
21 shipment of hemp products.

22 "Total THC" means the total concentration of all  
23 tetrahydrocannabinols in <sup>1</sup>[a cannabis item] hemp or a  
24 hemp product<sup>1</sup>, including delta-8, delta-9, delta-10,  
25 tetrahydrocannabinolic acid and any other chemically similar  
26 compound, substance, derivative, or isomer of tetrahydrocannabinol,  
27 regardless of how derived or manufactured, and any other  
28 cannabinoid, other than cannabidiol, identified by the Cannabis  
29 Regulatory Commission, in consultation with the Department of  
30 Agriculture and the Attorney General, as causing intoxication.

31 (cf: P.L.2019, c.238, s.3)

32

33 2. Section 3 of P.L.2021, c.16 (C.24:6I-33) is amended to read  
34 as follows:

35 3. Definitions.

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

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

47 "Cannabis" means all parts of the plant *Cannabis sativa* L.,  
48 whether growing or not, the seeds thereof, and every compound,

1 manufacture, salt, derivative, mixture, or preparation of the plant or  
2 its seeds, except those containing resin extracted from the plant,  
3 which are cultivated and, when applicable, manufactured in  
4 accordance with P.L.2021, c.16 (C.24:6I-31 et al.) for use in  
5 cannabis products as set forth in this act, but shall not include the  
6 weight of any other ingredient combined with cannabis to prepare  
7 topical or oral administrations, food, drink, or other product.  
8 "Cannabis" does not include: medical cannabis dispensed to  
9 registered qualifying patients pursuant to the "Jake Honig  
10 Compassionate Use Medical Cannabis Act," P.L.2009, c.307  
11 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);  
12 marijuana as defined in N.J.S.2C:35-2 and applied to any offense  
13 set forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey  
14 Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or marihuana as  
15 defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to  
16 any offense set forth in the "New Jersey Controlled Dangerous  
17 Substances Act," P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a  
18 hemp product cultivated, handled, processed, transported, or sold  
19 pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238  
20 (C.4:28-6 et al.).

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

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

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

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

10 "Cannabis establishment" means a cannabis cultivator, a  
11 cannabis manufacturer, a cannabis wholesaler, or a cannabis  
12 retailer.

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

20 "Cannabis flower" means the flower of the plant *Cannabis sativa*  
21 L. within the plant family Cannabaceae.

22 "Cannabis item" means any usable cannabis, cannabis product,  
23 cannabis extract, intoxicating hemp product, and any other cannabis  
24 resin. "Cannabis item" does not include: any form of medical  
25 cannabis dispensed to registered qualifying patients pursuant to the  
26 "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009,  
27 c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et  
28 al.); or hemp or a hemp product cultivated, handled, processed,  
29 transported, or sold pursuant to the "New Jersey Hemp Farming  
30 Act," P.L.2019, c.238 (C.4:28-6 et al.).

31 "Cannabis leaf" means the leaf of the plant *Cannabis sativa* L.  
32 within the plant family Cannabaceae.

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

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

1 intended for use to commit a violation of chapter 35 or 36 of Title  
2 2C of the New Jersey Statutes.

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

10 "Cannabis resin" means the resin extracted from any part of the  
11 plant *Cannabis sativa* L., including cannabis extract and resin  
12 extracted using non-chemical processes, processed and used in  
13 accordance with P.L.2021, c.16 (C.24:6I-31 et al.). "Cannabis  
14 resin" does not include: any form of medical cannabis dispensed to  
15 registered qualifying patients pursuant to the "Jake Honig  
16 Compassionate Use Medical Cannabis Act," P.L.2009, c.307  
17 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);  
18 hashish as defined in N.J.S.2C:35-2 and applied to any offense set  
19 forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey  
20 Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or as defined in  
21 section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense  
22 of the "New Jersey Controlled Dangerous Substances Act,"  
23 P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product  
24 cultivated, handled, processed, transported, or sold pursuant to the  
25 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

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

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

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

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

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

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

20 "Consumption" means the act of ingesting, inhaling, or otherwise  
21 introducing cannabis items into the human body.

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

34 "Department" means the Department of Health.

35 "Director" means the Director of the Office of Minority,  
36 Disabled Veterans, and Women Cannabis Business Development in  
37 the Cannabis Regulatory Commission.

38 "Executive director" means the executive director of the  
39 Cannabis Regulatory Commission.

40 "Financial consideration" means value that is given or received  
41 either directly or indirectly through sales, barter, trade, fees,  
42 charges, dues, contributions, or donations.

43 "Immature cannabis plant" means a cannabis plant that is not  
44 flowering.

45 "Impact zone" means any municipality, based on past criminal  
46 marijuana enterprises contributing to higher concentrations of law  
47 enforcement activity, unemployment, and poverty, or any

1 combination thereof, within parts of or throughout the municipality,  
2 that:

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

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

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

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

27 (a) with a population of less than 60,000 according to the most  
28 recently compiled federal decennial census, that for calendar year  
29 2019 ranks in the top 40 percent of municipalities in the State for  
30 marijuana- or hashish-related arrests for violation of paragraph (4)  
31 of subsection a. of N.J.S.2C:35-10; has a crime index total of 1,000  
32 or higher based upon the indexes listed in the 2019 annual Uniform  
33 Crime Report by the Division of State Police; but for calendar year  
34 2019 does not have a local average annual unemployment rate that  
35 ranks in the top 15 percent of all municipalities, based upon average  
36 annual unemployment rates estimated for the relevant calendar year  
37 by the Office of Research and Information in the Department of  
38 Labor and Workforce Development; or

39 (b) with a population of not less than 60,000 or more than  
40 80,000 according to the most recently compiled federal decennial  
41 census; has a crime index total of 650 or higher based upon the  
42 indexes listed in the 2019 annual Uniform Crime Report; and for  
43 calendar year 2019 has a local average annual unemployment rate  
44 of 3.0 percent or higher using the same estimated annual  
45 unemployment rates.

46 “Intoxicating hemp product” means any product cultivated,  
47 derived, or manufactured <sup>3</sup>in this State<sup>3</sup> from hemp regulated  
48 pursuant to the “Agricultural Improvement Act of 2018.”

1 Pub.L.115-334 or the “New Jersey Hemp Farming Act,” P.L.2019,  
2 c.238 (C.4:28-6 et al.) that is sold in this State that has a  
3 concentration of total THC greater than 0.5 milligrams per serving  
4 or 2.5 milligrams per package. “Intoxicating hemp product” shall  
5 not include a cannabinoid product that is not derived from naturally  
6 occurring biologically active chemical constituents and shall not  
7 include hemp products as defined in section 3 of P.L.2019, c.238  
8 (C.4:28-8).

9 "License" means a license issued under P.L.2021, c.16 (C.24:6I-  
10 31 et al.), including a license that is designated as either a Class 1  
11 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer  
12 license, a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis  
13 Distributor license, a Class 5 Cannabis Retailer license, or a Class 6  
14 Cannabis Delivery license. The term includes a conditional license  
15 for a designated class, except when the context of the provisions of  
16 P.L.2021, c.16 (C.24:6I-31 et al.) otherwise intend to only apply to  
17 a license and not a conditional license.

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

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

31 "Manufacture" means the drying, processing, compounding, or  
32 conversion of usable cannabis into cannabis products or cannabis  
33 resins. "Manufacture" does not include packaging or labeling.

34 "Mature cannabis plant" means a cannabis plant that is not an  
35 immature cannabis plant.

36 "Medical cannabis" means cannabis dispensed to registered  
37 qualifying patients pursuant to the "Jake Honig Compassionate Use  
38 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and  
39 P.L.2015, c.158 (C.18A:40-12.22 et al.). "Medical cannabis" does  
40 not include any cannabis or cannabis item which is cultivated,  
41 produced, processed, and consumed in accordance with P.L.2021,  
42 c.16 (C.24:6I-31 et al.).

43 "Microbusiness" means a person or entity licensed under  
44 P.L.2021, c.16 (C.24:6I-31 et al.) as a cannabis cultivator, cannabis  
45 manufacturer, cannabis wholesaler, cannabis distributor, cannabis  
46 retailer, or cannabis delivery service that may only, with respect to  
47 its business operations, and capacity and quantity of product: (1)  
48 employ no more than 10 employees; (2) operate a cannabis

1 establishment occupying an area of no more than 2,500 square feet,  
2 and in the case of a cannabis cultivator, grow cannabis on an area  
3 no more than 2,500 square feet measured on a horizontal plane and  
4 grow above that plane not higher than 24 feet; (3) possess no more  
5 than 1,000 cannabis plants each month, except that a cannabis  
6 distributor's possession of cannabis plants for transportation shall  
7 not be subject to this limit; (4) acquire each month, in the case of a  
8 cannabis manufacturer, no more than 1,000 pounds of usable  
9 cannabis; (5) acquire for resale each month, in the case of a  
10 cannabis wholesaler, no more than 1,000 pounds of usable cannabis,  
11 or the equivalent amount in any form of manufactured cannabis  
12 product or cannabis resin, or any combination thereof; and (6)  
13 acquire for retail sale each month, in the case of a cannabis retailer,  
14 no more than 1,000 pounds of usable cannabis, or the equivalent  
15 amount in any form of manufactured cannabis product or cannabis  
16 resin, or any combination thereof.

17 "Noncommercial" means not dependent or conditioned upon the  
18 provision or receipt of financial consideration.

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

30 "Produce" means the planting, cultivation, growing or harvesting  
31 of cannabis. "Produce" does not include the drying of cannabis by a  
32 cannabis manufacturer, if the cannabis manufacturer is not  
33 otherwise manufacturing cannabis.

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

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

46 "Significantly involved person" means a person or entity who  
47 holds at least a five percent investment interest in a proposed or  
48 licensed cannabis cultivator, cannabis manufacturer, cannabis

1 wholesaler, cannabis distributor, cannabis retailer, or cannabis  
2 delivery service, or who is a decision making member of a group  
3 that holds at least a 20 percent investment interest in a proposed or  
4 licensed cannabis cultivator, cannabis manufacturer, cannabis  
5 wholesaler, cannabis distributor, cannabis retailer, or cannabis  
6 delivery service, in which no member of that group holds more than  
7 a five percent interest in the total group investment interest, and the  
8 person or entity makes controlling decisions regarding the proposed  
9 or licensed cannabis cultivator, cannabis manufacturer, cannabis  
10 wholesaler, cannabis distributor, cannabis retailer, or cannabis  
11 delivery service operations.

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

17 "THC" means delta-9-tetrahydrocannabinol and its precursor,  
18 tetrahydrocannabinolic acid, the main psychoactive chemicals  
19 contained in the cannabis plant.

20 "Total THC" means the total concentration of all  
21 tetrahydrocannabinols in <sup>1</sup>[a cannabis item] hemp or a hemp  
22 product<sup>1</sup>, including delta-8, delta-9, delta-10,  
23 tetrahydrocannabinolic acid and any other chemically similar  
24 compound, substance, derivative, or isomer of  
25 tetrahydrocannabinol, regardless of how derived or manufactured,  
26 and any other cannabinoid, other than cannabidiol, identified by the  
27 Cannabis Regulatory Commission, in consultation with the  
28 Department of Agriculture and the Attorney General, as causing  
29 intoxication.

30 "Usable cannabis" means the dried leaves and flowers of the  
31 female plant Cannabis sativa L., and does not include the seedlings,  
32 seeds, stems, stalks, or roots of the plant.

33 (cf: P.L.2021, c.16, s.3)

34

35 3. Section 5 of P.L.1970, c.226 (C.24:21-5) is amended to read  
36 as follows:

37 5. a. Tests. The director shall place a substance in  
38 Schedule I if he finds that the substance: (1) has high potential for  
39 abuse; and (2) has no accepted medical use in treatment in the  
40 United States; or lacks accepted safety for use in treatment under  
41 medical supervision.

42 b. The controlled dangerous substances listed in this section are  
43 included in Schedule I, subject to any revision and republishing by  
44 the director pursuant to subsection d. of section 3 of P.L.1970,  
45 c.226 (C.24:21-3), and except to the extent provided in any other  
46 schedule.

47 c. Any of the following opiates, including their isomers, esters,  
48 and ethers, unless specifically excepted, whenever the existence of

1 such isomers, esters, ethers and salts is possible within the specific  
2 chemical designation:

- 3 (1) Acetylmethadol
- 4 (2) Allylprodine
- 5 (3) Alphacetylmethadol
- 6 (4) Alphameprodine
- 7 (5) Alphamethadol
- 8 (6) Benzethidine
- 9 (7) Betacetylmethadol
- 10 (8) Betameprodine
- 11 (9) Betamethadol
- 12 (10) Betaprodine
- 13 (11) Clonitazene
- 14 (12) Dextromoramide
- 15 (13) Dextrophan
- 16 (14) Diampromide
- 17 (15) Diethylthiambutene
- 18 (16) Dimenoxadol
- 19 (17) Dimepheptanol
- 20 (18) Dimethylthiambutene
- 21 (19) Dioxaphetyl butyrate
- 22 (20) Dipipanone
- 23 (21) Ethylmethylthiambutene
- 24 (22) Etonitazene
- 25 (23) Etoxeridine
- 26 (24) Furethidine
- 27 (25) Hydroxypethidine
- 28 (26) Ketobemidone
- 29 (27) Levomoramide
- 30 (28) Levophenacylmorphane
- 31 (29) Morpheridine
- 32 (30) Noracetylmethadol
- 33 (31) Norlevorphanol
- 34 (32) Normethadone
- 35 (33) Norpipanone
- 36 (34) Phenadoxone
- 37 (35) Phenampromide
- 38 (36) Phenomorphan
- 39 (37) Phenoperidine
- 40 (38) Piritramide
- 41 (39) Proheptazine
- 42 (40) Properidine
- 43 (41) Racemoramide
- 44 (42) Trimeperidine.

45 d. Any of the following narcotic substances, their salts, isomers  
46 and salts of isomers, unless specifically excepted, whenever the  
47 existence of such salts, isomers and salts of isomers is possible  
48 within the specific chemical designation:

- 1 (1) Acetorphine
- 2 (2) Acetylcodeine
- 3 (3) Acetyldihydrocodeine
- 4 (4) Benzylmorphine
- 5 (5) Codeine methylbromide
- 6 (6) Codeine-N-Oxide
- 7 (7) Cyprenorphine
- 8 (8) Desomorphine
- 9 (9) Dihydromorphine
- 10 (10) Etorphine
- 11 (11) Heroin
- 12 (12) Hydromorphanol
- 13 (13) Methyldesorphine
- 14 (14) Methylhydromorphine
- 15 (15) Morphine methylbromide
- 16 (16) Morphine methylsulfonate
- 17 (17) Morphine-N-Oxide
- 18 (18) Myorphine
- 19 (19) Nicocodeine
- 20 (20) Nicomorphine
- 21 (21) Normorphine
- 22 (22) Phocloidine
- 23 (23) Thebacon.

24 e. Any material, compound, mixture or preparation which  
25 contains any quantity of the following hallucinogenic substances,  
26 their salts, isomers and salts of isomers, unless specifically  
27 excepted, whenever the existence of such salts, isomers, and salts of  
28 isomers is possible within the specific chemical designation:

- 29 (1) 3,4-methylenedioxy amphetamine
- 30 (2) 5-methoxy-3,4-methylenedioxy amphetamine
- 31 (3) 3,4,5-trimethoxy amphetamine
- 32 (4) Bufotenine
- 33 (5) Diethyltryptamine
- 34 (6) Dimethyltryptamine
- 35 (7) 4-methyl-2,5-dimethoxylamphetamine
- 36 (8) Ibogaine
- 37 (9) Lysergic acid diethylamide

38 (10) **【Marihuana】** Marijuana; except that on and after the  
39 effective date of the "New Jersey Cannabis Regulatory,  
40 Enforcement Assistance, and Marketplace Modernization Act,"  
41 P.L.2021, c.16 (C.24:6I-31 et al.), **【marihuana】** marijuana shall no  
42 longer be included in Schedule I, and shall not be designated or  
43 rescheduled and included in any other schedule by the director  
44 pursuant to the director's designation and rescheduling authority set  
45 forth in section 3 of P.L.1970, c.226 (C.24:21-3).

- 46 (11) Mescaline
- 47 (12) Peyote
- 48 (13) N-ethyl-3-piperidyl benzilate

- 1 (14) N-methyl-3-piperidyl benzilate  
 2 (15) Psilocybin  
 3 (16) Psilocyn  
 4 (17) Tetrahydrocannabinols, including those produced by way of  
 5 manufacture, except when found in hemp or a hemp product  
 6 cultivated, handled, processed, transported, or sold pursuant to the  
 7 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.),  
 8 or cannabis or a cannabis item, as those terms are defined in section  
 9 3 of P.L.2021, c.16 (C.24:6I-33), that is grown, cultivated,  
 10 produced, **[or]** manufactured, or sold in accordance with the "New  
 11 Jersey Cannabis Regulatory, Enforcement Assistance, and  
 12 Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.).  
 13 (cf: P.L.2021, c.16, s.44)  
 14
- 15 4. (New section) a. A person shall not sell or distribute any  
 16 intoxicating hemp product unless:  
 17 (1) the person is licensed by the Cannabis Regulatory  
 18 Commission in accordance with P.L.2021, c.16 (C.24:6I-31 et al.);  
 19 <sup>2</sup>or  
 20 (2) the person is a holder of any valid and unrevoked <sup>3</sup>plenary  
 21 wholesale license or <sup>3</sup> plenary retail distribution license, as <sup>3</sup>those  
 22 terms are <sup>3</sup> defined in <sup>3</sup>R.S.33:1-11 and <sup>3</sup> R.S.33:1-12, and is  
 23 approved by the commission to sell intoxicating hemp beverages in  
 24 accordance with section 5 of P.L. , c. (C. ) (pending before  
 25 the Legislature as this bill);<sup>2</sup> and  
 26 <sup>2</sup>**[(2)] (3)<sup>2</sup>** the product complies with the provisions of  
 27 P.L.2021, c.16 (C.24:6I-31 et al.) and any <sup>2</sup>**[applicable commission**  
 28 **regulations applicable to cannabis items]** rules or regulations  
 29 adopted pursuant thereto<sup>2</sup>.
- 30 b. (1) It shall be unlawful to sell or distribute a hemp product  
 31 or cannabis item that is not derived from naturally occurring  
 32 biologically active chemical constituents.  
 33 (2) Except as otherwise provided by law, it shall be unlawful to  
 34 sell or distribute a product intended for human consumption that  
 35 contains tetrahydrocannabinol in any detectable amount to a person  
 36 under 21 years of age.
- 37 c. In addition to any other penalty provided by law, any person  
 38 licensed by the commission <sup>2</sup>, or any person approved by the  
 39 commission to sell intoxicating hemp beverages pursuant to section  
 40 5 of P.L. , c. (C. ) (pending before the Legislature as this  
 41 bill),<sup>2</sup> who violates subsection a. or b. of this section shall be  
 42 subject to any civil penalties or fines adopted by the commission in  
 43 accordance with P.L.2021, c.16 (C.24:6I-31 et al.).
- 44 d. (1) Notwithstanding any provision of the "Administrative  
 45 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), <sup>2</sup>or  
 46 subsection d. of section 5 of P.L. , c. (C. ) (pending before  
 47 the Legislature as this bill)<sup>2</sup> to the contrary, and in accordance with

1 the authority established pursuant to section 18 of P.L.2021, c.16  
2 (C.24:6I-35), the commission, in consultation with the Department  
3 of Agriculture and the Attorney General, and within 180 days of the  
4 effective date of P.L. , c. (C. ) (pending before the  
5 Legislature as this bill), is authorized to adopt immediately upon  
6 filing with the Office of Administrative Law rules and regulations  
7 necessary to implement this act.

8 (2) Following any rules or regulations established by the  
9 commission in accordance with subparagraph (1) of this subsection,  
10 the commission shall, in consultation the Department of Agriculture  
11 and the Attorney General, and in accordance with the  
12 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et  
13 seq.), adopt rules and regulations as necessary to implement the  
14 provisions of P.L. , c. (C. ) (pending before the Legislature  
15 as this bill).

16 e. (1) Nothing in P.L. , c. (C. ) (pending before the  
17 Legislature as this bill) shall be construed or interpreted to limit the  
18 enforceability or applicability of the “Agriculture Improvement Act  
19 of 2018,” Pub.L.115-334 or the “New Jersey Hemp Farming Act,”  
20 P.L.2019, c.238 (C.4:28-6 et al.).

21 (2) <sup>2</sup>The requirements of this section and section 5 of P.L. , c.  
22 (C. ) (pending before the Legislature as this bill) shall apply to  
23 any online retail sale of an intoxicating hemp product sold in this  
24 State.

25 (3)<sup>2</sup> The imposition of any fine or other remedy under this act  
26 shall not preclude prosecution for a violation of the criminal laws of  
27 this State.

28  
29 <sup>2</sup>5. (New section) a. (1) Notwithstanding P.L.2021, c.16  
30 (C.24:6I-31 et al.), or any rule or regulation adopted pursuant  
31 thereto, the holder of any valid and unrevoked <sup>3</sup>plenary wholesale  
32 license or <sup>3</sup> plenary retail distribution license, as <sup>3</sup>those terms are<sup>3</sup>  
33 defined in <sup>3</sup>R.S.33:1-11 and<sup>3</sup> R.S.33:1-12, may sell or distribute  
34 intoxicating hemp beverages in accordance with this section and  
35 section 4 of P.L. , c. (C. ) (pending before the Legislature  
36 as this bill) and the rules and regulations adopted by the Cannabis  
37 Regulatory Commission pursuant to subsection d. of this section.

38 (2) Any intoxicating hemp beverage sold or offered for sale  
39 pursuant to paragraph (1) of this section shall not be sold to any  
40 person under the age of 21, and shall be stored or displayed in a  
41 place that is not accessible to customers without the assistance of an  
42 employee of the establishment.

43 b. (1) Upon the effective date of P.L. , c. (C. )  
44 (pending before the Legislature as this bill) the holder of any valid  
45 and unrevoked <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary retail  
46 distribution license shall not sell any intoxicating hemp beverages.

1       (2) Upon the adoption of rules and regulations by the  
2 commission pursuant to subsection d. of this section, any holder of  
3 a valid and unrevoked <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary retail  
4 distribution license may submit an application to the commission, in  
5 a form and manner as determined by the commission, for approval  
6 to sell intoxicating hemp beverages. The commission may approve  
7 a valid holder of a <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary retail  
8 distribution license to sell intoxicating hemp beverages in  
9 accordance with P.L. , c. (C. ) (pending before the  
10 Legislature as this bill) and the rules and regulations adopted by the  
11 commission.

12       c. Any sale of an intoxicating hemp beverage by a holder of  
13 any valid and unrevoked <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary  
14 retail distribution license shall be subject to:

15       (1) the sales tax imposed on cannabis in accordance with the  
16 “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.); and

17       (2) the same local cannabis transfer and user tax imposed on  
18 cannabis by a municipality pursuant to section 40 of P.L.2021, c.16  
19 (C.40:48I-1).

20       All taxes, fees, penalties, and revenues collected pursuant to this  
21 section shall be deposited in accordance with section 41 of  
22 P.L.2021, c.16 (C.24:6I-50).

23       d. (1) Notwithstanding the rules and regulations adopted  
24 pursuant to subsection d. of section 4 of P.L. , c. (C. )  
25 (pending before the Legislature as this bill), no later than 12 months  
26 after the effective date of this section, the commission, in  
27 consultation with the Division of Alcoholic Beverage Control shall  
28 adopt, immediately upon filing with the Office of Administrative  
29 Law, rules and regulations necessary to implement this section. The  
30 rules and regulations adopted pursuant to this section shall be  
31 effective for a period not to exceed 18 months following the date of  
32 filing and may thereafter be amended, adopted, or readopted by the  
33 <sup>3</sup>[director] commission<sup>3</sup> in accordance with the requirements of  
34 P.L.1968, c.410 (C.52:14B-1 et seq.).

35       (2) The rules and regulations adopted pursuant to this section  
36 shall include, but not be limited to, provisions concerning:

37       (a) packaging;

38       (b) labeling;

39       (c) product testing and safety standards;

40       (d) tetrahydrocannabinol amounts permitted in intoxicating hemp  
41 beverages;

42       (e) the number of intoxicating hemp beverages that may be sold  
43 to a customer at any given time; and

44       (f) a fee to be charged by the commission to cover the reasonable  
45 costs of administering this section.

46       For the purposes of this section, “intoxicating hemp beverage”  
47 means a beverage that is an intoxicating hemp product as that term  
48 is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).<sup>2</sup>

1           <sup>2</sup>6. R.S.33:1-12 is amended to read as follows:

2           33:1-12. Class C licenses shall be subdivided and classified as  
3 follows:

4           Plenary retail consumption license. 1. The holder of this license  
5 shall be entitled, subject to rules and regulations, to sell any alcoholic  
6 beverages for consumption on the licensed premises by the glass or  
7 other open receptacle, and also to sell any alcoholic beverages in  
8 original containers for consumption off the licensed premises; but this  
9 license shall not be issued to permit the sale of alcoholic beverages in  
10 or upon any premises in which a grocery, delicatessen, drug store or  
11 other mercantile business is carried on, except as hereinafter provided.  
12 The holder of this license shall be permitted to conduct consumer  
13 wine, beer and spirits tasting events and samplings for a fee or on a  
14 complimentary basis pursuant to conditions established by rules and  
15 regulations of the Division of Alcoholic Beverage Control, provided  
16 however, that the holder of this license complies with the terms and  
17 conditions set forth in section 3 of P.L.2009, c.216 (C.33:1-12d).  
18 Subject to such rules and regulations established from time to time by  
19 the director, the holder of this license shall be permitted to sell  
20 alcoholic beverages in or upon the premises in which any of the  
21 following is carried on: the keeping of a hotel or restaurant including  
22 the sale of mercantile items incidental thereto as an accommodation to  
23 patrons; the sale, at an entertainment facility as defined in R.S.33:1-1,  
24 having a seating capacity for no less than 4,000 patrons, of mercantile  
25 items traditionally associated with the type of event or program held at  
26 the site; the sale of distillers', brewers' and vintners' packaged  
27 merchandise prepacked as a unit with other suitable objects as gift  
28 items to be sold only as a unit; the sale of novelty wearing apparel  
29 identified with the name of the establishment licensed under the  
30 provisions of this section; the sale of cigars, cigarettes, packaged  
31 crackers, chips, nuts and similar snacks and ice at retail as an  
32 accommodation to patrons, or the retail sale of nonalcoholic beverages  
33 as accessory beverages to alcoholic beverages; or, in commercial  
34 bowling establishments, the retail sale or rental of bowling accessories  
35 and the retail sale from vending machines of candy, ice cream and  
36 nonalcoholic beverages. The fee for this license shall be fixed by the  
37 governing board or body of the municipality in which the licensed  
38 premises are situated, by ordinance, at not less than \$250 and not more  
39 than \$2,500. No ordinance shall be enacted which shall raise or lower  
40 the fee to be charged for this license by more than 20% from that  
41 charged in the preceding license year or \$500.00, whichever is the  
42 lesser. The governing board or body of each municipality may, by  
43 ordinance, enact that no plenary retail consumption license shall be  
44 granted within its respective municipality.

45           The holder of this license shall be permitted to obtain a restricted  
46 brewery license issued pursuant to subsection 1c. of R.S.33:1-10 and  
47 to operate a restricted brewery immediately adjoining the licensed  
48 premises in accordance with the restrictions set forth in that

1 subsection. All fees related to the issuance of both licenses shall be  
2 paid in accordance with statutory law.

3 Seasonal retail consumption license. 2. (1) The holder of this  
4 license shall be entitled, subject to rules and regulations, to sell any  
5 alcoholic beverages for consumption on the licensed premises by the  
6 glass or other open receptacle, and also to sell any alcoholic beverages  
7 in original containers for consumption off the licensed premises,  
8 during the summer season from May 1 until November 14, inclusive,  
9 or during the winter season from November 15 until April 30,  
10 inclusive.

11 (2) In addition, the director shall issue to the holder of this license,  
12 upon request by the licensee, one-day permits that shall entitle the  
13 license holder to sell alcoholic beverages for consumption on the  
14 licensed premises during the season when the license holder is not  
15 authorized to sell alcoholic beverages pursuant to subparagraph (1) of  
16 this subsection. The number of one-day permits issued to a licensee  
17 pursuant to this subsection shall not exceed an aggregate of 14 permits  
18 in one calendar year. A one-day permit issued pursuant to this  
19 subsection shall be valid for 24 consecutive hours. The fee for each  
20 one-day permit shall be \$500.

21 The governing body of the municipality in which the licensed  
22 premises is situated may place reasonable conditions upon a one-day  
23 permit for the purpose of maintaining public safety on the licensed  
24 premises and immediately surrounding area. The costs associated with  
25 the reasonable conditions placed on the one-day permit shall be  
26 assumed by the holder of this license.

27 (3) This license shall not be issued to permit the sale of alcoholic  
28 beverages in or upon any premises in which a grocery, delicatessen,  
29 drug store or other mercantile business is carried on, except as  
30 hereinafter provided. Subject to such rules and regulations established  
31 from time to time by the director, the holder of this license shall be  
32 permitted to sell alcoholic beverages in or upon the premises in which  
33 any of the following is carried on: the keeping of a hotel or restaurant  
34 including the sale of mercantile items incidental thereto as an  
35 accommodation to patrons; the sale of distillers', brewers' and vintners'  
36 packaged merchandise prepacked as a unit with other suitable objects  
37 as gift items to be sold only as a unit; the sale of novelty wearing  
38 apparel identified with the name of the establishment licensed under  
39 the provisions of this section; the sale of cigars, cigarettes, packaged  
40 crackers, chips, nuts and similar snacks and ice at retail as an  
41 accommodation to patrons; or the retail sale of nonalcoholic beverages  
42 as accessory beverages to alcoholic beverages. The fee for this license  
43 shall be fixed by the governing board or body of the municipality in  
44 which the licensed premises are situated, by ordinance, at 75% of the  
45 fee fixed by said board or body for plenary retail consumption  
46 licenses. The governing board or body of each municipality may, by  
47 ordinance, enact that no seasonal retail consumption license shall be  
48 granted within its respective municipality.

1 Plenary retail distribution license. 3. a. The holder of this license  
2 shall be entitled, subject to rules and regulations, to sell any alcoholic  
3 beverages or intoxicating hemp beverages pursuant to section 5 of  
4 P.L. , c. (C. ) (pending before the Legislature as this bill), for  
5 consumption off the licensed premises, but only in original containers;  
6 except that licensees shall be permitted to conduct consumer wine,  
7 beer, and spirits tasting events and samplings on a complimentary  
8 basis pursuant to conditions established by rules and regulations of the  
9 Division of Alcoholic Beverage Control, provided however, that the  
10 holder of this license complies with the terms and conditions set forth  
11 in section 3 of P.L.2009, c.216 (C.33:1-12d).

12 The governing board or body of each municipality may, by  
13 ordinance, enact that this license shall not be issued to permit the sale  
14 of alcoholic beverages in or upon any premises in which any other  
15 mercantile business is carried on, except that any such ordinance,  
16 heretofore or hereafter adopted, shall not prohibit the retail sale of  
17 distillers', brewers' and vintners' packaged merchandise prepacked as a  
18 unit with other suitable objects as gift items to be sold only as a unit;  
19 the sale of novelty wearing apparel identified with the name of the  
20 establishment licensed under the provisions of this act; cigars,  
21 cigarettes, packaged crackers, chips, nuts and similar snacks, ice, and  
22 nonalcoholic beverages as accessory beverages to alcoholic beverages.  
23 The fee for this license shall be fixed by the governing board or body  
24 of the municipality in which the licensed premises are situated, by  
25 ordinance, at not less than \$125 and not more than \$2,500. No  
26 ordinance shall be enacted which shall raise or lower the fee to be  
27 charged for this license by more than 20% from that charged in the  
28 preceding license year or \$500.00, whichever is the lesser. The  
29 governing board or body of each municipality may, by ordinance,  
30 enact that no plenary retail distribution license shall be granted within  
31 its respective municipality.

32 Limited retail distribution license. 3. b. The holder of this license  
33 shall be entitled, subject to rules and regulations, to sell any unchilled,  
34 brewed, malt alcoholic beverages in quantities of not less than 72 fluid  
35 ounces for consumption off the licensed premises, but only in original  
36 containers; provided, however, that this license shall be issued only for  
37 premises operated and conducted by the licensee as a bona fide  
38 grocery store, meat market, meat and grocery store, delicatessen, or  
39 other type of bona fide food store at which groceries or other  
40 foodstuffs are sold at retail; and provided further that this license shall  
41 not be issued except for premises at which the sale of groceries or  
42 other foodstuffs is the primary and principal business and at which the  
43 sale of alcoholic beverages is merely incidental and subordinate  
44 thereto. The fee for this license shall be fixed by the governing body  
45 or board of the municipality in which the licensed premises are  
46 situated, by ordinance, at not less than \$31 and not more than \$63.  
47 The governing board or body of each municipality may, by ordinance,

1 enact that no limited retail distribution license shall be granted within  
2 its respective municipality.

3 Plenary retail transit license. 4. The holder of this license shall be  
4 entitled, subject to rules and regulations, to sell any alcoholic  
5 beverages, for consumption only, on railroad trains, airplanes,  
6 limousines and boats, while in transit. The fee for this license for use  
7 by a railroad or air transport company shall be \$375, for use by the  
8 owners of limousines shall be \$31 per vehicle, and for use on a boat  
9 shall be \$63 on a boat 65 feet or less in length, \$125 on a boat more  
10 than 65 feet in length but not more than 110 feet in length, and \$375  
11 on a boat more than 110 feet in length; such boat lengths shall be  
12 determined in the manner prescribed by the Bureau of Customs of the  
13 United States Government or any federal agency successor thereto for  
14 boat measurement in connection with issuance of marine documents.  
15 A license issued under this provision to a railroad or air transport  
16 company shall cover all railroad cars and planes operated by any such  
17 company within the State of New Jersey. A license for a boat or  
18 limousine issued under this provision shall apply only to the particular  
19 boat or limousine for which issued, and shall permit the purchase of  
20 alcoholic beverages for sale or service in a boat or limousine to be  
21 made from any Class A and B licensee or from any Class C licensee  
22 whose license privilege permits the sale of alcoholic beverages in  
23 original containers for off-premises consumption. An interest in a  
24 plenary retail transit license issued in accordance with this section  
25 shall be excluded in determining the maximum number of retail  
26 licenses permitted under P.L.1962, c.152 (C.33:1-12.31 et seq.).

27 Club license. 5. The holder of this license shall be entitled, subject  
28 to rules and regulations, to sell any alcoholic beverages but only for  
29 immediate consumption on the licensed premises and only to bona fide  
30 club members and their guests. The fee for this license shall be fixed  
31 by the governing board or body of the municipality in which the  
32 licensed premises are situated, by ordinance, at not less than \$63 and  
33 not more than \$188. The governing board or body of each  
34 municipality may, by ordinance, enact that no club licenses shall be  
35 granted within its respective municipality. Club licenses may be  
36 issued only to such corporations, associations and organizations as are  
37 operated for benevolent, charitable, fraternal, social, religious,  
38 recreational, athletic, or similar purposes, and not for private gain, and  
39 which comply with all conditions which may be imposed by the  
40 Director of the Division of Alcoholic Beverage Control by rules and  
41 regulations.

42 The provisions of section 23 of P.L.2003, c.117 amendatory of this  
43 section shall apply to licenses issued or transferred on or after July 1,  
44 2003, and to license renewals commencing on or after July 1, 2003.

45 Sporting facility license. 6. The holder of this license shall be  
46 entitled, subject to rules and regulations, to sell at retail or to serve any  
47 alcoholic beverages as the owner, operator, lessee, or concessionaire of

1 a sporting facility by the glass or other receptacle or in original  
2 containers only on the premises of the sporting facility.

3 Notwithstanding any other provision of Title 33 of the Revised  
4 Statutes and subject to conditions established by the director, the  
5 holder of this license may share direction and control of the premises  
6 to be licensed and share proceeds and profits from the sale of alcoholic  
7 beverages with the owner, operator, concessionaire, or lessee of the  
8 facility. The holder of this license shall be permitted to conduct  
9 consumer wine, beer, and spirits tasting events and samplings for a fee  
10 or on a complimentary basis provided, however, the license holder  
11 complies with the provisions of section 3 of P.L.2009, c.216 (C.33:1-  
12 12d) and rules and regulations promulgated thereto. Notwithstanding  
13 any law, rule or regulation to the contrary, the holder of this license  
14 shall be entitled to establish an all-inclusive area within the licensed  
15 sporting facility, provided the all-inclusive area is limited to one area  
16 within the sporting facility for each game or event and the capacity of  
17 the all-inclusive area does not exceed 500 persons.

18 The fee for this license shall be \$2,500 for venues with a capacity  
19 of less than 7,500 persons; \$5,000 for venues with a capacity of not  
20 less than 7,500 persons but not more than 14,999 persons; \$7,500 for  
21 venues with a capacity of not less than 15,000 persons but not more  
22 than 22,499 persons; and \$10,000 for venues with a capacity of 22,500  
23 persons or more.

24 For the purposes of this subsection:

25 "Sporting facility" means a stadium, arena, team training facility,  
26 or similar venue located on public property where alcoholic beverages  
27 are served or sold at retail for consumption on the premises by the  
28 glass or other open receptacle or in original containers.

29 "Team training facility" shall include team offices and team  
30 headquarters.<sup>2</sup>

31 (cf: P.L.2018, c.147, s.1)

32

33 <sup>2</sup>7. Section 41 of P.L.2021, c.16 (C.24:6I-50) is amended to read  
34 as follows:

35 41. Cannabis Regulatory, Enforcement Assistance, and  
36 Marketplace Modernization Fund.

37 a. All fees and penalties collected by the commission, and all  
38 tax revenues on retail sales of cannabis items, and all tax revenues  
39 collected pursuant to the provisions of the "Jake Honig  
40 Compassionate Use Medical Cannabis Act," P.L.2009, c.307  
41 (C.24:6I-1 et al.), except for amounts credited to the Property Tax  
42 Reform Account in the Property Tax Relief Fund pursuant to  
43 paragraph 7 of Section I of Article VIII of the New Jersey  
44 Constitution, **【as well as】** all revenues, if any, collected for the  
45 Social Equity Excise Fee pursuant to section 39 of P.L.2021, c.16  
46 (C.54:47F-1), <sup>3</sup>**【as well as】**<sup>3</sup> all tax revenues on the retail sale of  
47 intoxicating hemp beverages by any plenary retail distribution  
48 license holder <sup>3</sup>, as well as any fees associated with the approval

1 provided to any plenary wholesale license holder to sell intoxicating  
2 hemp beverages<sup>3</sup>, as defined pursuant to section 5 of P.L. \_\_\_\_\_, c.  
3 (C. \_\_\_\_\_) (pending before the Legislature as this bill), shall be  
4 deposited in a special nonlapsing fund which shall be known as the  
5 "Cannabis Regulatory, Enforcement Assistance, and Marketplace  
6 Modernization Fund," with 15 percent of the monies deposited  
7 being placed into an account within the fund to be known as the  
8 "Underage Deterrence and Prevention Account."

9 b. Monies in the fund, other than any monies derived from the  
10 Social Equity Excise Fee to be appropriated annually in accordance  
11 with subsection d. of this section and the monies placed into the  
12 "Underage Deterrence and Prevention Account" within the fund for  
13 the commission to fund programs and services in accordance with  
14 subsection e. of this section, shall be appropriated annually as  
15 follows:

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

25 (a) to oversee the development, regulation, and enforcement of  
26 activities associated with the personal use of cannabis pursuant to  
27 P.L.2021, c.16 (C.24:6I-31 et al.), and assist with assuming  
28 responsibility from the Department of Health for the further  
29 development and expansion, regulation, and enforcement of  
30 activities associated with the medical use of cannabis pursuant to  
31 the "Jake Honig Compassionate Use Medical Cannabis Act,"  
32 P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-  
33 12.22 et al.);

34 (b) to reimburse the expenses incurred by any county or  
35 municipality for the training costs associated with the attendance  
36 and participation of a police officer from its law enforcement unit,  
37 as those terms are defined in section 2 of P.L.1961, c.56 (C.52:17B-  
38 67), in a program provided by an approved school, also defined in  
39 that section, which trains and certifies the police officer, including a  
40 police officer with a working dog as that term is defined in section  
41 1 of P.L.2006, c.88 (C.10:5-29.7), as a Drug Recognition Expert for  
42 detecting, identifying, and apprehending drug-impaired motor  
43 vehicle operators, and pay for the same training costs incurred by  
44 the Division of State Police in the Department of Law and Public  
45 Safety for the training of a State police officer or trooper, including  
46 an officer or trooper with a working dog, as a Drug Recognition  
47 Expert, as well as its costs in furnishing additional program  
48 instructors to provide Drug Recognition Expert training to police

1 officers, troopers, and working dogs. A municipality or county  
2 seeking reimbursement shall apply to the commission, itemizing the  
3 costs, with appropriate proofs, for which reimbursement is  
4 requested and provide a copy of the certificate issued to the police  
5 officer to indicate the successful completion of the program by the  
6 police officer, and that officer's working dog, if applicable; and

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

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

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

20 d. (1) (a) Not less than 60 days prior to the first day of each State  
21 fiscal year, the commission shall consult and make  
22 recommendations to the Governor and Legislature for making social  
23 equity appropriations based upon the amount of any revenues  
24 collected during the current fiscal year for the Social Equity Excise  
25 Fee pursuant to section 39 of P.L.2021, c.16 (C.54:47F-1), or, if the  
26 commission has not imposed or adjusted the excise fee in the  
27 current fiscal year pursuant to that section, then appropriations to be  
28 made from the General Fund in an amount equal to the revenues  
29 that would have been collected had it imposed or adjusted the fee,  
30 in order to invest, through grants, loans, reimbursements of  
31 expenses, and other financial assistance, in private for-profit and  
32 non-profit organizations, public entities, including any municipality  
33 defined as an "impact zone" pursuant to section 3 of P.L.2021, c.16  
34 (C.24:6I-33) as well as provide direct financial assistance to  
35 qualifying persons as determined by the commission, in order to  
36 create, expand, or promote educational and economic opportunities  
37 and activities, and the health and well-being of both communities  
38 and individuals.

39 (b) Not less than 30 days prior to submitting its  
40 recommendations to the Governor and Legislature pursuant to  
41 subparagraph (a) of this paragraph, the commission shall hold at  
42 least three regional public hearings throughout the State, with at  
43 least one hearing in the northern, central, and southern regions of  
44 the State, to solicit the public input on the social equity investments  
45 to be made as described in this section.

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

1 (a) educational support, including literacy programs, extended  
2 learning time programs that endeavor to close the achievement gap  
3 and provide services for enrolled students after the traditional  
4 school day, GED application and preparedness assistance, tutoring  
5 programs, vocational programming, and financial literacy;

6 (b) economic development, including the encouragement and  
7 support of community activities so as to stimulate economic activity  
8 or increase or preserve residential amenities, and business  
9 marketing, and job skills and readiness training, specific  
10 employment training, and apprenticeships;

11 (c) social support services, including food assistance, mental  
12 health services, substance use disorders treatment and recovery,  
13 youth recreation and mentoring services, life skills support services,  
14 and reentry and other rehabilitative services for adults and juveniles  
15 being released from incarceration; and

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

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

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

33 e. The monies deposited in the "Underage Deterrence and  
34 Prevention Account" within the fund shall be used by the  
35 commission, based on the acceptance of applications submitted on a  
36 form and through an approval or denial process promulgated by the  
37 commission, to fund private for-profit and non-profit organizations,  
38 and county and municipal programs and services that offer social  
39 services, educational, recreational, and employment opportunities,  
40 and local economic development designed to encourage, improve,  
41 and support youthful community activities to divert and prevent  
42 persons under 18 years of age from activities associated with the  
43 consumption of cannabis items, or marijuana or hashish.<sup>2</sup>

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

45  
46 <sup>2</sup>[5.] 8.<sup>2</sup> (New section) a. A person who sells, offers for sale, or  
47 distributes any intoxicating hemp product or a hemp product or  
48 cannabis item that is not derived from naturally occurring biologically

1 active chemical constituents, in violation of section 4 of P.L. , c.  
2 (C. ) (pending before the Legislature as this bill), shall be liable to  
3 a civil penalty of not less than \$100 for the first violation, not less than  
4 \$1,000 for the second violation, and not less than \$10,000 for the third  
5 and each subsequent violation. The penalty prescribed by this section  
6 shall be collected and enforced by summary proceedings under the  
7 "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et  
8 seq.).

9 b. An official authorized by statute or ordinance to enforce this act  
10 or the State or local health codes or consumer protection laws or a law  
11 enforcement officer having enforcement authority in that municipality  
12 may issue a summons for a violation of the provisions of section 4 of  
13 P.L. , c. (C. ) (pending before the Legislature as this bill), and  
14 may serve and execute all process with respect to the enforcement of  
15 this section consistent with the Rules of Court.

16 c. A penalty recovered under the provisions of this section shall be  
17 recovered by and in the name of the State by the local health or  
18 consumer protection agency or other authorized government entity,  
19 including but not limited to the Division of Consumer Affairs in the  
20 Department of Law and Public Safety and the Cannabis Regulatory  
21 Commission established pursuant to section 31 of P.L.2019, c.153  
22 (C.24:6I-24). With respect to an enforcement action brought by a  
23 municipal official, half of any monetary penalty shall be paid into the  
24 treasury of the municipality in which the violation occurred for the  
25 general uses of the municipality, and half shall be deposited in the  
26 special nonlapsing fund known as the "Cannabis Regulatory,  
27 Enforcement Assistance, and Marketplace Modernization Fund,"  
28 established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-50).  
29 With respect to an enforcement action brought by any other  
30 government entity, any monetary penalty collected pursuant to P.L. ,  
31 c. (C. ) (pending before the Legislature as this bill) shall be  
32 deposited in the special nonlapsing fund known as the "Cannabis  
33 Regulatory, Enforcement Assistance, and Marketplace Modernization  
34 Fund," established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-  
35 50).

36 d. A law enforcement officer, local health official, or other  
37 government official from an agency authorized to enforce this section  
38 may confiscate any intoxicating hemp product, hemp product, or  
39 cannabis item that is sold, offered for sale, or distributed in violation of  
40 section 4 of P.L. , c. (C. ) (pending before the Legislature as  
41 this bill).

42 e. In addition to the civil penalty authorized under subsection a. of  
43 this section, a business found to have committed more than two  
44 violations of section 4 of P.L. , c. (C. ) (pending before the  
45 Legislature as this bill) or found to have committed a third or  
46 subsequent violation at any individual location within one year shall be  
47 deemed a public nuisance. Notwithstanding any other provision of  
48 law, a municipality shall have the power to impose restrictions on the

1 operation, including closure, of any business determined to constitute a  
2 public nuisance pursuant to this subsection.

3 <sup>2</sup>f. The provisions of P.L. , c. (C. ) (pending before the  
4 Legislature as this bill) shall not be construed to impose liability on  
5 news media that accept, publish, or both, advertising for products or  
6 services that fall within the scope of P.L. , c. (C. ) (pending  
7 before the Legislature as this bill).<sup>2</sup>

8  
9 <sup>2</sup>g. Section 40 of P.L.2021, c.16 (C.40:48I-1) is amended to read  
10 as follows:

11 40. Optional Local Cannabis Transfer Tax and User Tax.

12 a. (1) A municipality may adopt an ordinance imposing a transfer  
13 tax on the sale of cannabis or cannabis items by a cannabis  
14 establishment or a holder of a <sup>3</sup>plenary wholesale license or<sup>3</sup>  
15 plenary retail distribution license selling an intoxicating hemp  
16 beverage in accordance with section 5 of P.L. , c. (C. )  
17 (pending before the Legislature as this bill) that is located in the  
18 municipality. At the discretion of the municipality, the tax may be  
19 imposed on: receipts from the sale of cannabis by a cannabis  
20 cultivator to another cannabis cultivator; receipts from the sale of  
21 cannabis items from one cannabis establishment to another cannabis  
22 establishment; receipts from the retail sales of cannabis items or  
23 intoxicating hemp beverages by a cannabis retailer or a holder of a  
24 <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary retail distribution license to  
25 retail consumers who are 21 years of age or older; or any  
26 combination thereof. Each municipality shall set its own rate or  
27 rates, but in no case shall a rate exceed: two percent of the receipts  
28 from each sale by a cannabis cultivator; two percent of the receipts  
29 from each sale by a cannabis manufacturer; one percent of the  
30 receipts from each sale by a cannabis wholesaler; and two percent  
31 of the receipts from each sale by a cannabis retailer or holder of a  
32 <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary retail distribution license.

33 (2) A local tax ordinance adopted pursuant to paragraph (1) of  
34 this subsection shall also include provisions for imposing a user tax,  
35 at the equivalent transfer tax rates, on any concurrent license  
36 holder, as permitted by section 33 of P.L.2021, c.16 (C.24:6I-46),  
37 operating more than one cannabis establishment , or on any  
38 concurrent holder of <sup>3</sup>plenary wholesale licenses or<sup>3</sup> plenary retail  
39 distribution licenses. The user tax shall be imposed on the value of  
40 each transfer or use of cannabis or cannabis items not otherwise  
41 subject to the transfer tax imposed pursuant to paragraph (1) of this  
42 subsection, from the license holder's establishment that is located in  
43 the municipality to any of the other license holder's establishments,  
44 whether located in the municipality or another municipality.

45 b. (1) A transfer tax or user tax imposed pursuant to this section  
46 shall be in addition to any other tax imposed by law. Any  
47 transaction for which the transfer tax or user tax is imposed, or

1 could be imposed, pursuant to this section, other than those which  
2 generate receipts from the retail sales by cannabis retailers or a  
3 holder of a <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary retail distribution  
4 license, shall be exempt from the tax imposed under the "Sales and  
5 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.). The transfer tax  
6 or user tax shall be collected or paid, and remitted to the  
7 municipality by the cannabis establishment or the holder of the  
8 <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary retail distributor license from  
9 the cannabis establishment <sup>3</sup>, plenary wholesale license holder,<sup>3</sup> or  
10 plenary retail distributor purchasing or receiving the cannabis or  
11 cannabis item, or from the consumer at the point of sale, on behalf  
12 of the municipality by the cannabis retailer <sup>3</sup>, plenary wholesale  
13 license holder,<sup>3</sup> or plenary retail distributor selling the cannabis  
14 item to that consumer. The transfer tax or user tax shall be stated,  
15 charged, and shown separately on any sales slip, invoice, receipt, or  
16 other statement or memorandum of the price paid or payable, or  
17 equivalent value of the transfer, for the cannabis or cannabis item.

18 (2) Every cannabis establishment <sup>3</sup>, plenary wholesale license  
19 holder,<sup>3</sup> or plenary retail distributor required to collect a transfer tax  
20 or user tax imposed by ordinance pursuant to this section shall be  
21 personally liable for the transfer tax or user tax imposed, collected,  
22 or required to be collected under this section. Any cannabis  
23 establishment <sup>3</sup>, plenary wholesale license holder,<sup>3</sup> or plenary retail  
24 distributor shall have the same right with respect to collecting the  
25 transfer tax or user tax from another cannabis establishment ,  
26 plenary retail distributor <sup>3</sup>, plenary whole license holder,<sup>3</sup> or the  
27 consumer as if the transfer tax or user tax was a part of the sale and  
28 payable at the same time, or with respect to non-payment of the  
29 transfer tax or user tax by the cannabis establishment, plenary retail  
30 distributor <sup>3</sup>, plenary whole license holder,<sup>3</sup> or consumer, as if the  
31 transfer tax or user tax was a part of the purchase price of the  
32 cannabis or cannabis item, or equivalent value of the transfer of the  
33 cannabis or cannabis item, and payable at the same time; provided,  
34 however, that the chief fiscal officer of the municipality which  
35 imposes the transfer tax or user tax shall be joined as a party in any  
36 action or proceeding brought to collect the transfer tax or user tax.

37 (3) No cannabis establishment <sup>3</sup>, plenary wholesale license  
38 holder,<sup>3</sup> or plenary retail distributor required to collect a transfer tax  
39 or user tax imposed by ordinance pursuant to this section shall  
40 advertise or hold out to any person or to the public in general, in  
41 any manner, directly or indirectly, that the transfer tax or user tax  
42 will not be separately charged and stated to another cannabis  
43 establishment, plenary retail distributor, <sup>3</sup>, plenary whole license  
44 holder,<sup>3</sup> or the consumer, or that the transfer tax or user tax will be  
45 refunded to the cannabis establishment, plenary retail distributor, <sup>3</sup>,  
46 plenary whole license holder,<sup>3</sup> or the consumer.

1 c. (1) All revenues collected from a transfer tax or user tax  
2 imposed by ordinance pursuant to this section shall be remitted to  
3 the chief financial officer of the municipality in a manner  
4 prescribed by the municipality. The chief financial officer shall  
5 collect and administer any transfer tax or user tax imposed by  
6 ordinance pursuant to this section. The municipality shall enforce  
7 the payment of delinquent taxes or transfer fees imposed by  
8 ordinance pursuant to this section in the same manner as provided  
9 for municipal real property taxes.

10 (2) (a) In the event that the transfer tax or user tax imposed by  
11 ordinance pursuant to this section is not paid as and when due by a  
12 cannabis establishment <sup>3</sup>, plenary wholesale license holder, <sup>3</sup> or  
13 plenary retail distributor, the unpaid balance, and any interest  
14 accruing thereon, shall be a lien on the parcel of real property  
15 comprising the cannabis establishment's <sup>3</sup>, plenary wholesale  
16 license holder, <sup>3</sup> or plenary retail distributor premises in the same  
17 manner as all other unpaid municipal taxes, fees, or other charges.  
18 The lien shall be superior and paramount to the interest in the parcel  
19 of any owner, lessee, tenant, mortgagee, or other person, except the  
20 lien of municipal taxes, and shall be on a parity with and deemed  
21 equal to the municipal lien on the parcel for unpaid property taxes  
22 due and owing in the same year.

23 (b) A municipality shall file in the office of its tax collector a  
24 statement showing the amount and due date of the unpaid balance  
25 and identifying the lot and block number of the parcel of real  
26 property that comprises the delinquent cannabis establishment's <sup>3</sup>,  
27 plenary wholesale license holder, <sup>3</sup> or plenary retail distributor  
28 premises. The lien shall be enforced as a municipal lien in the same  
29 manner as all other municipal liens are enforced.

30 d. As used in this section:

31 "Cannabis" means the same as that term is defined in section 3 of  
32 P.L.2021, c.16 (C.24:6I-33).

33 "Cannabis cultivator" means the same as that term is defined in  
34 section 3 of P.L.2021, c.16 (C.24:6I-33).

35 "Cannabis establishment" means the same as that term is defined  
36 in section 3 of P.L.2021, c.16 (C.24:6I-33).

37 "Cannabis items" means the same as that term is defined in  
38 section 3 of P.L.2021, c.16 (C.24:6I-33).

39 "Cannabis manufacturer" means the same as that term is defined  
40 in section 3 of P.L.2021, c.16 (C.24:6I-33).

41 "Cannabis retailer" means the same as that term is defined in  
42 section 3 of P.L.2021, c.16 (C.24:6I-33).

43 "Cannabis wholesaler" means the same as that term is defined in  
44 section 3 of P.L.2021, c.16 (C.24:6I-33).

45 "Consumer" means the same as that term is defined in section 3  
46 of P.L.2021, c.16 (C.24:6I-33).

1 "Premises" means the same as that term is defined in section 3 of  
2 P.L.2021, c.16 (C.24:6I-33).<sup>2</sup>  
3 (cf: P.L.2021, c.16, s.40)  
4

5 <sup>3</sup>10. R.S.33:1-11 is amended to read as follows:

6 33:1-11. Class B licenses shall be subdivided and classified as  
7 follows:

8 Plenary wholesale license. 1. The holder of this license shall be  
9 entitled, subject to rules and regulations, to sell and distribute  
10 alcoholic beverages or intoxicating hemp beverages, in accordance  
11 with section 5 of P.L. , c. (C. ) (pending before the  
12 Legislature as this bill), to retailers and wholesalers licensed in  
13 accordance with this chapter, and to sell and distribute without this  
14 State to any persons pursuant to the laws of the places of such sale  
15 and distribution, and to maintain a warehouse and salesroom;  
16 provided, however, that the delivery of such alcoholic beverages by  
17 the holder of this license to retailers licensed under this Title shall  
18 be from inventory in a warehouse located in New Jersey which is  
19 operated under a plenary wholesale license. The fee for this license  
20 shall be \$8,750.

21 Limited wholesale license. 2a. The holder of this license shall be  
22 entitled, subject to rules and regulations, to sell and distribute  
23 brewed malt alcoholic beverages and naturally fermented wines to  
24 retailers and wholesalers licensed in accordance with this chapter,  
25 and to sell and distribute without this State to any persons pursuant  
26 to the laws of the places of such sale and distribution, and to  
27 maintain a warehouse and salesroom. The fee for this license shall  
28 be \$1,875.

29 Wine wholesale license. 2b. The holder of this license shall be  
30 entitled, subject to rules and regulations, to sell and distribute any  
31 naturally fermented, treated, blended, fortified and sparkling wines  
32 to retailers and wholesalers licensed in accordance with this  
33 chapter, and to sell and distribute without this State to any persons  
34 pursuant to the laws of the places of such sale and distribution, and  
35 to maintain a warehouse and salesroom; provided, however, that the  
36 delivery of such wines by the holder of this license to retailers  
37 licensed under this Title shall be from inventory in a warehouse  
38 located in New Jersey which is operated under a wine wholesale  
39 license. The fee for this license shall be \$3,750.

40 State beverage distributor's license. 2c.(1) The holder of this  
41 license shall be entitled, subject to rules and regulations, to sell and  
42 distribute unchilled, brewed, malt alcoholic beverages in original  
43 containers only, in quantities of not less than 144 fluid ounces and  
44 chilled draught malt alcoholic beverages in kegs, barrels or other  
45 similar containers of at least one fluid gallon in capacity, to retailers  
46 licensed in accordance with this chapter, and to sell and distribute  
47 without this State to any person pursuant to the laws of the places of  
48 such sale and distribution, and to maintain a warehouse and

1 salesroom. The holder of this license may sell unchilled, brewed,  
 2 malt alcoholic beverages in original containers only, in quantities of  
 3 not less than 144 fluid ounces and chilled draught malt alcoholic  
 4 beverages in kegs, barrels or other similar containers of at least 7.75  
 5 fluid gallons in capacity, at retail; provided, however, that such  
 6 sales shall be made only for consumption off the licensed premises.  
 7 This license shall not be issued to any person holding a plenary or  
 8 limited brewery license, nor shall it be issued to any person directly  
 9 or indirectly interested in any brewery within or without this State.  
 10 This license shall not be issued for premises in or upon which any  
 11 retail business, except the sale of malt alcoholic beverages and  
 12 nonalcoholic beverages, is carried on. The fee for this license shall  
 13 be \$1,031.

14 (2) After the effective date of P.L.1995, c. 309 any license  
 15 issued or transferred pursuant to this subsection for a premises  
 16 located in a municipality in a county of the fifth or sixth class shall  
 17 be limited to prohibit retail sales.

18 (3) The holder of a license issued pursuant to this subsection  
 19 shall not be entitled to sell malt alcoholic beverages at retail as  
 20 provided in paragraph (1) of this subsection, at hours of the day or  
 21 on days of the week during which sales by holders of plenary retail  
 22 distributors licenses are prohibited in the municipality in which the  
 23 licensed premises is located or in a municipality which, in  
 24 accordance with the provisions of this title, prohibits all retail sales  
 25 of wine and malt alcoholic beverages in original bottle or can  
 26 containers.

27 The provisions of section 22 of P.L.2003 , c.117 amendatory of  
 28 this section shall apply to licenses issued or transferred on or after  
 29 July 1, 2003, and to license renewals commencing on or after July  
 30 1, 2003.<sup>3</sup>

31 (cf: P.L.2003, c.117, s.22)

32

33 <sup>2</sup>[6.] <sup>3</sup>[10.<sup>2</sup>] 11.<sup>3</sup> (New section) The Cannabis Regulatory  
 34 Commission, in consultation with the Division of Consumer Affairs in  
 35 the Department of Law and Public Safety <sup>2</sup>[and] <sup>2</sup>, <sup>2</sup> the Business  
 36 Action Center in the Department of State, <sup>2</sup>and the Division of  
 37 Alcoholic Beverage Control in the Department of Law and Public  
 38 Safety<sup>2</sup> shall develop and implement a public education program to  
 39 educate businesses across the State on the provisions of P.L. , c.  
 40 (C. ) (pending before the Legislature as this bill).

41

42 <sup>2</sup>[7.] <sup>3</sup>[11.<sup>2</sup>] 12.<sup>3</sup> <sup>2</sup>[Paragraph (2) of subsection b. of section 4  
 43 and section 6 of this act shall take effect immediately. The remainder  
 44 of this act shall take effect 180 days after enactment, except that the  
 45 Cannabis Regulatory Commission may take any anticipatory  
 46 administrative action in advance as shall be necessary for the  
 47 implementation of this act] This act shall take effect as follows:

- 1        a. Paragraph (2) of subsection b. of section 4 shall take effect  
2 immediately;  
3        b. The remainder of this act shall take effect 30 days after  
4 enactment, except that the Cannabis Regulatory Commission may take  
5 any anticipatory administrative action in advance as shall be necessary  
6 for the implementation of this act<sup>2</sup>.

# SENATE JUDICIARY COMMITTEE

## STATEMENT TO

### **SENATE, No. 3235**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: MAY 16, 2024

The Senate Judiciary Committee reports favorably and with committee amendments Senate Bill No. 3235.

This bill regulates the production and sale of intoxicating hemp products.

#### AGENCY RESPONSIBILITIES

Under current law, three entities within the State maintain jurisdiction over the cannabis plant. The Cannabis Regulatory Commission (commission) regulates adult-use and medical cannabis, the Department of Agriculture (department) regulates hemp, and the Attorney General (AG) enforces criminal penalties against illegal marijuana and tetrahydrocannabinol (THC).

The bill synchronizes the definitions of hemp, hemp products, and definitions involving total THC concentration in order to regulate the sale of intoxicating hemp products as a form of cannabis item. By means of updating definitions, and adding a definition of intoxicating hemp products, the bill clarifies the role of each agency. The commission would be responsible for regulating the sale of all legally produced intoxicating cannabis items, whether hemp or cannabis; the department would continue to regulate the cultivation and processing of hemp as an agricultural commodity; and the AG would maintain the jurisdiction over illegally produced marijuana and THC, including any businesses or individuals who fail to sell cannabis items through a licensed retailer.

#### LICENSING AND COMPLIANCE RELATED TO INTOXICATING HEMP

By amending the definition of “cannabis item” to include an intoxicating hemp product, the commission is required, pursuant to section 18 of P.L.2021, c.16 (C.24:6I-35), to promulgate regulations related to the sale and purchase of such intoxicating products as a form of cannabis item. Further, pursuant to section 25 of P.L.2021, c.16 (C.24:6I-42), an entity is required to be licensed as a Class 5 Cannabis Retailer in order to operate a business in which any intoxicating products are retailed, and would be limited to selling products to persons 21 years of age or older. Additionally, treating

such products like cannabis items would subject them to cannabis item product testing and labeling requirements.

“Intoxicating hemp product” is defined as “any product cultivated, derived, or manufactured from hemp regulated pursuant to the ‘Agricultural Improvement Act of 2018,’ Pub.L.115-334 or the ‘New Jersey Hemp Farming Act,’ P.L.2019, c.238 (C.4:28-6 et al.) that is sold in this State that has a concentration of total THC greater than 0.5 milligrams per serving or 2.5 milligrams per package.” “Intoxicating hemp product” does not include “a cannabinoid product that is not derived from naturally occurring biologically active chemical constituents and shall not include hemp products as defined” under the “New Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.), as amended by the bill to synchronize with this new definition for intoxicating hemp.

#### UNLICENSED SALE AND PENALTIES REGARDING INTOXICATING PRODUCTS

Under the bill, a person would be prohibited from selling or distributing an intoxicating hemp product unless the person is licensed by the commission and the product complies with the “Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act” (CREAMMA), P.L.2021, c.16 (C.24:6I-31 et al.), and any commission regulations. Further, it would be unlawful to sell or distribute a hemp product or cannabis item that is not derived from naturally occurring biologically active chemical constituents.

It would be unlawful, except as otherwise provided by law, to sell or distribute a product that contains THC in any detectable amount to any person under the age of 21 years.

The bill establishes that for the above prohibited or unlawful acts, any civil penalties or fines adopted by the commission in accordance with CREAMMA shall apply to commission-licensed business committing any such prohibited or unlawful acts, in addition to any other penalty provided by law.

Also, any person who sells, offers for sale, or distributes any intoxicating hemp product, or hemp product or cannabis item not derived from naturally occurring biologically active chemical constituents, would be subject to the following penalties:

- (1) for a first violation, a civil penalty of not less than \$100;
- (2) for a second violation, a civil penalty of not less than \$1,000; and
- (3) for a third or subsequent penalty, a civil penalty of not less than \$10,000.

This penalty would be collected and enforced by summary proceedings under the “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.).

REGULATION OF HEMP AND NON-INTOXICATING HEMP PRODUCTS,  
AND MANUFACTURED THC

The bill amends the “New Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.), to set limits on the amount of THC that can be sold in hemp or (non-intoxicating) hemp products. This limit is set at a total THC concentration of not more than 0.3 percent on a dry weight basis and additionally, for a hemp product, not more than 0.5 milligrams of total THC per serving, and 2.5 milligrams of total THC per package. “Total THC” is defined as “the total concentration of all tetrahydrocannabinols in hemp or a hemp product, including delta-8, delta-9, delta-10, tetrahydrocannabinolic acid and any other chemically similar compound, substance, derivative, or isomer of tetrahydrocannabinol, regardless of how derived or manufactured, and any other cannabinoid, other than cannabidiol, identified by the [commission], in consultation with the Department of Agriculture and the Attorney General, as causing intoxication.” This definitional change clarifies the department’s role in the regulation of hemp, and limits it to hemp or hemp products that meet the limitations established in the bill.

The bill also clarifies the definition of THC in the Schedule I controlled dangerous substance statute, section 5 of P.L.1970, c.226 (C.24:21-5), to ensure THC produced by way of manufacture, and which is not produced or sold in accordance with the “New Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.), or CREAMMA, P.L.2021, c.16 (C.24:6I-31 et al.) is included on the Schedule I list. Section 2 of P.L.1970, c.226 (C.24:21-2) defines “manufacture” to mean “the production, preparation, propagation, compounding, conversion, or processing of a controlled dangerous substance, either directly or by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container, except that this term does not include the preparation or compounding of a controlled dangerous substance by an individual for the individual's own use or the preparation, compounding, packaging, or labeling of a controlled dangerous substance: (1) by a practitioner as an incident to the practitioner's administering or dispensing of a controlled dangerous substance in the course of the practitioner's professional practice, or (2) by a practitioner, or under the practitioner's supervision, for the purpose of, or as an incident to, research, teaching, or chemical analysis and not for sale.”

ENFORCEMENT AND EDUCATION

Finally, the bill requires the commission, in consultation with the Division of Consumer Affairs in the Department of Law and Public Safety and the Business Action Center in the Department of State,

to develop and implement a public education program for businesses across the State regarding the provisions of the bill.

The committee amendments to the bill:

- change the definition of “Total THC,” appearing in both the “New Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.), and the “Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act” (CREAMMA), P.L.2021, c.16 (C.24:6I-31 et al.), to address the total concentration of that chemical in hemp or hemp products, and not cannabis items, in order to address as well as differentiate the bill’s expressed higher total concentration in “intoxicating hemp products,” to be regulated by the Cannabis Regulatory Commission, versus the lower total concentration in “hemp” and “hemp products” that would remain under the regulation of the Department of Agriculture.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

## SENATE, No. 3235

with committee amendments

# STATE OF NEW JERSEY

DATED: JUNE 24, 2024

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 3235 (1R).

This bill regulates the production and sale of intoxicating hemp products.

### AGENCY RESPONSIBILITIES

Under current law, three entities within the State maintain jurisdiction over the cannabis plant. The Cannabis Regulatory Commission (commission) regulates adult-use and medical cannabis, the Department of Agriculture (department) regulates hemp, and the Attorney General (AG) enforces criminal penalties against illegal marijuana and tetrahydrocannabinol (THC).

The bill synchronizes the definitions of hemp, hemp products, and definitions involving total THC concentration in order to regulate the sale of intoxicating hemp products as a form of cannabis item. By means of updating definitions, and adding a definition of intoxicating hemp products, the bill clarifies the role of each agency. The commission would be responsible for regulating the sale of all legally produced intoxicating cannabis items, whether hemp or cannabis; the department would continue to regulate the cultivation and processing of hemp as an agricultural commodity; and the AG would maintain the jurisdiction over illegally produced marijuana and THC, including any businesses or individuals who fail to sell cannabis items through a licensed retailer.

### LICENSING AND COMPLIANCE RELATED TO INTOXICATING HEMP

By amending the definition of “cannabis item” to include an intoxicating hemp product, the commission is required, pursuant to N.J.S.A.24:6I-35, to promulgate regulations related to the sale and purchase of such intoxicating products as a form of cannabis item. Further, pursuant to N.J.S.A.24:6I-42, an entity is required to be licensed as a Class 5 Cannabis Retailer in order to operate a business in which any intoxicating products are retailed, and would be limited to selling products to persons 21 years of age or older.

Additionally, treating such products like cannabis items would subject them to cannabis item product testing and labeling requirements.

“Intoxicating hemp product” is defined as “any product cultivated, derived, or manufactured from hemp regulated pursuant to the “Agricultural Improvement Act of 2018,” Pub.L.115-334 or the “New Jersey Hemp Farming Act,” N.J.S.A.4:28-6 et al., that is sold in this State that has a concentration of total THC greater than 0.5 milligrams per serving or 2.5 milligrams per package.” “Intoxicating hemp product” does not include “a cannabinoid product that is not derived from naturally occurring biologically active chemical constituents and shall not include “hemp products” as defined under amended definition contained within the “New Jersey Hemp Farming Act.”

#### UNLICENSED SALE AND PENALTIES REGARDING INTOXICATING PRODUCTS

Under the bill, a person would be prohibited from selling or distributing an intoxicating hemp product unless the person is licensed by the commission or is a liquor store approved by the commission to sell intoxicating hemp beverages, and the product complies with the “Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act” (CREAMMA), N.J.S.A.24:6I-31 et al., and any commission regulations. Further, it would be unlawful to sell or distribute a hemp product or cannabis item that is not derived from naturally occurring biologically active chemical constituents. The prohibition on the sale of intoxicating hemp products also applies to any online retailer selling an intoxicating hemp product in the State.

It would be unlawful, except as otherwise provided by law, to sell or distribute a product that contains THC in any detectable amount to any person under the age of 21 years.

The bill establishes that for the above prohibited or unlawful acts, any civil penalties or fines adopted by the commission in accordance with CREAMMA shall apply to commission-licensed business committing any such prohibited or unlawful acts, in addition to any other penalty provided by law.

Also, any person who sells, offers for sale, or distributes any intoxicating hemp product, or hemp product or cannabis item not derived from naturally occurring biologically active chemical constituents, would be subject to the following penalties:

- (1) for a first violation, a civil penalty of not less than \$100;
- (2) for a second violation, a civil penalty of not less than \$1,000; and
- (3) for a third or subsequent penalty, a civil penalty of not less than \$10,000.

This penalty would be collected and enforced by summary proceedings under the “Penalty Enforcement Law of 1999,” N.J.S.A.2A:58-10 et seq..

REGULATION OF HEMP AND NON-INTOXICATING HEMP PRODUCTS,  
AND MANUFACTURED THC

The bill amends the “New Jersey Hemp Farming Act,” N.J.S.A.4:28-6 et al., to set limits on the amount of THC that can be sold in hemp or (non-intoxicating) hemp products. This limit is set at a total THC concentration of not more than 0.3 percent on a dry weight basis and additionally, for a hemp product, not more than 0.5 milligrams of total THC per serving, and 2.5 milligrams of total THC per package. “Total THC” is defined as “the total concentration of all tetrahydrocannabinols in hemp or a hemp product, including delta-8, delta-9, delta-10, tetrahydrocannabinolic acid and any other chemically similar compound, substance, derivative, or isomer of tetrahydrocannabinol, regardless of how derived or manufactured, and any other cannabinoid, other than cannabidiol, identified by the commission, in consultation with the Department and the AG, as causing intoxication.” This definitional change clarifies the department’s role in the regulation of hemp, and limits it to hemp or hemp products that meet the limitations established in the bill.

The bill also clarifies the definition of THC in the Schedule I controlled dangerous substance statute, N.J.S.A.24:21-5, to ensure THC produced by way of manufacture, and which is not produced or sold in accordance with the “New Jersey Hemp Farming Act” P, or CREAMMA is included on the Schedule I list. N.J.S.A.24:21-2 defines “manufacture” to mean “the production, preparation, propagation, compounding, conversion, or processing of a controlled dangerous substance, either directly or by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container, except that this term does not include the preparation or compounding of a controlled dangerous substance by an individual for the individual’s own use or the preparation, compounding, packaging, or labeling of a controlled dangerous substance: (1) by a practitioner as an incident to the practitioner’s administering or dispensing of a controlled dangerous substance in the course of the practitioner’s professional practice, or (2) by a practitioner, or under the practitioner’s supervision, for the purpose of, or as an incident to, research, teaching, or chemical analysis and not for sale.”

SALE OF INTOXICATING HEMP BEVERAGES

As amended, the bill permits the commission to permit liquor stores to sell intoxicating hemp beverages.

Under the amended bill, the commission is required to promulgate rules and regulations related to packaging, labeling, product testing and safety standards, THC amounts permitted in intoxicating hemp beverages, the number of intoxicating hemp beverages that may be sold to a customer at any given time, and a

fee to be charged by the commission to cover the reasonable costs of administering the intoxicating hemp beverage provisions.

Under the amended bill, a holder of a valid and unrevoked plenary retail distribution license, as defined pursuant to N.J.S.A.33:1-12, may apply to the commission for approval to sell intoxicating hemp beverages after the commission has promulgated rules and regulations related to the beverages. “Intoxicating hemp beverage” is defined as a beverage that is an intoxicating hemp product as that term is defined above.

A liquor store which currently sells intoxicating hemp products is required to stop the sale of the such products upon the effective date of the bill. Once approval is received, the liquor store may resume the sale of intoxicating hemp beverages. The prohibition against selling intoxicating hemp products to persons under the age of 21 also applies to the sale of intoxicating hemp beverages. Further, a store that sells intoxicating hemp beverages is required to store or display the items in a place that a customer must receive employee assistance to access the product.

Finally, the amended bill requires that any sale of an intoxicating hemp beverage by a holder of a plenary retail distribution license is subject to: (1) the sales tax imposed on cannabis; and (2) the same local cannabis transfer and user tax imposed on cannabis by a municipality. All taxes, fees, penalties, and revenues collected pursuant to under the bill upon the sale of an intoxicating hemp beverage are deposited in the CREAMM Fund, established pursuant to N.J.S.A.24:6I-50.

#### ENFORCEMENT AND EDUCATION

Finally, the bill requires the commission, in consultation with the Division of Consumer Affairs in the Department of Law and Public Safety and the Business Action Center in the Department of State, to develop and implement a public education program for businesses across the State regarding the provisions of the bill.

#### COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) require commission to adopt rules and regulations related to the sale of intoxicating hemp beverages and permit commission to approve liquor stores, upon application, to sell intoxicating hemp beverages;

(2) define intoxicating hemp beverage as a beverage that is an intoxicating hemp product as that term is defined under the bill; and

(3) exclude news media from liability provisions.

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the bill will result in an indeterminate annual increase in State revenues and expenditures.

The OLS does not have sufficient data on the demand for or future sales of intoxicating hemp products to project the tax revenues

generated from these in a regulated marketplace under the authority of the Cannabis Regulatory Commission. The OLS notes the bill requires that any sale of an intoxicating hemp beverage by a holder of a retail distribution license is subject to: (1) the sales tax imposed on cannabis; and (2) the same local cannabis transfer and user tax imposed on cannabis by a municipality. However, there is not enough data to project the tax revenues from the sales or demand for intoxicating hemp beverages.

The OLS also estimates indeterminate State revenue increases from civil penalties levied on an owner or operator of a business who sells an intoxicating hemp product in violation of the bill. The OLS cannot project the number or frequency of such violations. Also, the State's ability to collect fines and fees has historically been limited.

The OLS finds the bill will result in State expenditure increases for the Cannabis Regulatory Commission and the Department of Law and Public Safety to develop and implement a public education program for businesses across the State on the bill. Additionally, establishing a regulatory framework for intoxicating hemp products and the bill's enforcement provisions will lead to respective workload increases for the commission and the department. However, the OLS finds that these costs may be offset to some extent by the application and licensing fees.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[Second Reprint]

## SENATE, No. 3235

with committee amendments

# STATE OF NEW JERSEY

DATED: JUNE 26, 2024

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 3235 (2R).

This bill regulates the production and sale of intoxicating hemp products.

### AGENCY RESPONSIBILITIES

Under current law, three entities within the State maintain jurisdiction over the cannabis plant. The Cannabis Regulatory Commission (commission) regulates adult-use and medical cannabis, the Department of Agriculture (department) regulates hemp, and the Attorney General (AG) enforces criminal penalties against illegal marijuana and tetrahydrocannabinol (THC).

The bill synchronizes the definitions of hemp, hemp products, and definitions involving total THC concentration in order to regulate the sale of intoxicating hemp products as a form of cannabis item. By means of updating definitions, and adding a definition of intoxicating hemp products, the bill clarifies the role of each agency. The commission would be responsible for regulating the sale of all legally produced intoxicating cannabis items, whether hemp or cannabis; the department would continue to regulate the cultivation and processing of hemp as an agricultural commodity; and the AG would maintain the jurisdiction over illegally produced marijuana and THC, including any businesses or individuals who fail to sell cannabis items through a licensed retailer.

### LICENSING AND COMPLIANCE RELATED TO INTOXICATING HEMP

By amending the definition of “cannabis item” to include an intoxicating hemp product, the commission is required, pursuant to N.J.S.A.24:6I-35, to promulgate regulations related to the sale and purchase of such intoxicating products as a form of cannabis item. Further, pursuant to N.J.S.A.24:6I-42, an entity is required to be licensed as a Class 5 Cannabis Retailer in order to operate a business in which any intoxicating products are retailed, and would be limited to selling products to persons 21 years of age or older. Additionally,

treating such products like cannabis items would subject them to cannabis item product testing and labeling requirements.

As amended, “intoxicating hemp product” is defined as “any product cultivated, derived, or manufactured in this State from hemp regulated pursuant to the “Agricultural Improvement Act of 2018,” Pub.L.115-334 or the “New Jersey Hemp Farming Act,” N.J.S.A.4:28-6 et al., that is sold in this State that has a concentration of total THC greater than 0.5 milligrams per serving or 2.5 milligrams per package.” “Intoxicating hemp product” does not include “a cannabinoid product that is not derived from naturally occurring biologically active chemical constituents and shall not include “hemp products” as defined under amended definition contained within the “New Jersey Hemp Farming Act.”

#### UNLICENSED SALE AND PENALTIES REGARDING INTOXICATING PRODUCTS

Under the bill, a person would be prohibited from selling or distributing an intoxicating hemp product unless the person is licensed by the commission or is a liquor store approved by the commission to sell intoxicating hemp beverages, and the product complies with the “Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act” (CREAMMA), N.J.S.A.24:6I-31 et al., and any commission regulations. Further, it would be unlawful to sell or distribute a hemp product or cannabis item that is not derived from naturally occurring biologically active chemical constituents. The prohibition on the sale of intoxicating hemp products also applies to any online retailer selling an intoxicating hemp product in the State.

It would be unlawful, except as otherwise provided by law, to sell or distribute a product that contains THC in any detectable amount to any person under the age of 21 years.

The bill establishes that for the above prohibited or unlawful acts, any civil penalties or fines adopted by the commission in accordance with CREAMMA shall apply to commission-licensed business committing any such prohibited or unlawful acts, in addition to any other penalty provided by law.

Also, any person who sells, offers for sale, or distributes any intoxicating hemp product, or hemp product or cannabis item not derived from naturally occurring biologically active chemical constituents, would be subject to the following penalties:

- (1) for a first violation, a civil penalty of not less than \$100;
  - (2) for a second violation, a civil penalty of not less than \$1,000;
- and
- (3) for a third or subsequent penalty, a civil penalty of not less than \$10,000.

This penalty would be collected and enforced by summary proceedings under the “Penalty Enforcement Law of 1999,” N.J.S.A.2A:58-10 et seq..

REGULATION OF HEMP AND NON-INTOXICATING HEMP PRODUCTS, AND MANUFACTURED THC

The bill amends the “New Jersey Hemp Farming Act,” N.J.S.A.4:28-6 et al., to set limits on the amount of THC that can be sold in hemp or (non-intoxicating) hemp products. This limit is set at a total THC concentration of not more than 0.3 percent on a dry weight basis and additionally, for a hemp product, not more than 0.5 milligrams of total THC per serving, and 2.5 milligrams of total THC per package. “Total THC” is defined as “the total concentration of all tetrahydrocannabinols in hemp or a hemp product, including delta-8, delta-9, delta-10, tetrahydrocannabinolic acid and any other chemically similar compound, substance, derivative, or isomer of tetrahydrocannabinol, regardless of how derived or manufactured, and any other cannabinoid, other than cannabidiol, identified by the commission, in consultation with the Department and the AG, as causing intoxication.” This definitional change clarifies the department’s role in the regulation of hemp, and limits it to hemp or hemp products that meet the limitations established in the bill.

The bill also clarifies the definition of THC in the Schedule I controlled dangerous substance statute, N.J.S.A.24:21-5, to ensure THC produced by way of manufacture, and which is not produced or sold in accordance with the “New Jersey Hemp Farming Act” P, or CREAMMA is included on the Schedule I list. N.J.S.A.24:21-2 defines “manufacture” to mean “the production, preparation, propagation, compounding, conversion, or processing of a controlled dangerous substance, either directly or by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container, except that this term does not include the preparation or compounding of a controlled dangerous substance by an individual for the individual's own use or the preparation, compounding, packaging, or labeling of a controlled dangerous substance: (1) by a practitioner as an incident to the practitioner's administering or dispensing of a controlled dangerous substance in the course of the practitioner's professional practice, or (2) by a practitioner, or under the practitioner's supervision, for the purpose of, or as an incident to, research, teaching, or chemical analysis and not for sale.”

SALE OF INTOXICATING HEMP BEVERAGES

As amended, the bill permits the commission to permit liquor stores and wholesalers to sell intoxicating hemp beverages.

Under the amended bill, the commission is required to promulgate rules and regulations related to packaging, labeling, product testing and safety standards, THC amounts permitted in intoxicating hemp beverages, the number of intoxicating hemp beverages that may be sold to a customer at any given time, and a fee to be charged by the commission to cover the reasonable costs of administering the intoxicating hemp beverage provisions.

Under the amended bill, a holder of a valid and unrevoked plenary wholesale license or plenary retail distribution license, as those terms are defined in N.J.S.A.33:1-11 and N.J.S.A.33:1-12, may apply to the commission for approval to sell intoxicating hemp beverages after the commission has promulgated rules and regulations related to the beverages. “Intoxicating hemp beverage” is defined as a beverage that is an intoxicating hemp product as that term is defined above.

A liquor store or wholesaler which currently sells intoxicating hemp products is required to stop the sale of the such products upon the effective date of the bill. Once approval is received, the liquor store or wholesaler may resume the sale of intoxicating hemp beverages. The prohibition against selling intoxicating hemp products to persons under the age of 21 also applies to the sale of intoxicating hemp beverages. Further, a store or wholesaler that sells intoxicating hemp beverages is required to store or display the items in a place that a customer must receive employee assistance to access the product.

Finally, the amended bill requires that any sale of an intoxicating hemp beverage by a holder of a plenary wholesale license or retail distribution license is subject to: (1) the sales tax imposed on cannabis; and (2) the same local cannabis transfer and user tax imposed on cannabis by a municipality. All taxes, fees, penalties, and revenues collected pursuant to under the bill upon the sale of an intoxicating hemp beverage are deposited in the CREAMM Fund, established pursuant to N.J.S.A.24:6I-50.

#### ENFORCEMENT AND EDUCATION

Finally, the bill requires the commission, in consultation with the Division of Consumer Affairs in the Department of Law and Public Safety and the Business Action Center in the Department of State, to develop and implement a public education program for businesses across the State regarding the provisions of the bill.

#### COMMITTEE AMENDMENTS:

The committee amended the bill to:

- (1) clarify that the provisions related to intoxicating hemp beverages also apply to the holder of a plenary wholesale license; and
- (2) update the definition of “intoxicating hemp product” to clarify that it is a product cultivated, derived, or manufactured in this State.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the bill will result in an indeterminate annual increase in State revenues and expenditures.

The OLS does not have sufficient data on the demand for or future sales of intoxicating hemp products to project the tax revenues generated from these in a regulated marketplace under the authority of the Cannabis Regulatory Commission.

The OLS also estimates indeterminate State revenue increases from civil penalties levied on an owner or operator of a business who sells an intoxicating hemp product in violation of the bill. The OLS cannot project the number or frequency of such violations. Also, the State's ability to collect fines and fees has historically been limited.

The OLS finds the bill will result in State expenditure increases for the Cannabis Regulatory Commission and the Department of Law and Public Safety to develop and implement a public education program for businesses across the State on the bill. Additionally, establishing a regulatory framework for intoxicating hemp products and the bill's enforcement provisions will lead to respective workload increases for the commission and the department.

# LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

## SENATE, No. 3235 STATE OF NEW JERSEY 221st LEGISLATURE

DATED: JULY 3, 2024

### SUMMARY

- Synopsis:** Regulates production and sale of certain intoxicating hemp products.
- Type of Impact:** Annual State revenue and expenditure increases. Potential local revenue increase.
- Agencies Affected:** Department of Law and Public Safety; Cannabis Regulatory Commission; Department of Agriculture; Municipalities.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Annual</u></b>
<b>State Expenditure Increase</b>	Indeterminate
<b>State Revenue Increase</b>	Indeterminate
<b>Potential Local Revenue Increase</b>	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill will result in an indeterminate annual increase in State revenues and expenditures.
- The OLS does not have sufficient data on the demand for or future sales of intoxicating hemp beverages and other products to project the tax revenues generated from these in a regulated marketplace under the authority of the Cannabis Regulatory Commission.
- The OLS also estimates indeterminate State revenue increases from civil penalties levied on an owner or operator of a business who sells an intoxicating hemp product in violation of the bill. The OLS cannot project the number or frequency of such violations. Also, the State's ability to collect fines and fees has historically been limited.
- The OLS finds the bill will result in State expenditure increases for the Cannabis Regulatory Commission and the Department of Law and Public Safety to develop and implement a public education program for businesses across the State on the bill. Additionally, establishing and maintaining a regulatory framework for intoxicating hemp products and the bill's

enforcement provisions will lead to respective workload increases for the commission and the department.

## **BILL DESCRIPTION**

The bill synchronizes the definitions of hemp, hemp products, and definitions involving total tetrahydrocannabinol (THC) concentration in order to regulate the sale of intoxicating hemp products, particularly intoxicating hemp beverages, as a form of cannabis item. By means of updating definitions, and adding a definition of intoxicating hemp products, the bill clarifies the role of each agency. The Cannabis Regulatory Commission would be responsible for regulating the sale of all legally produced intoxicating cannabis items, whether hemp or cannabis; the Department of Agriculture would continue to regulate the cultivation and processing of hemp as an agricultural commodity; and the Attorney General would maintain the jurisdiction over illegally produced marijuana and THC, including any businesses or individuals who fail to sell cannabis items through a licensed retailer.

The bill requires that any sale of an intoxicating hemp beverage by a holder of a plenary retail distribution liquor license or plenary wholesale license is subject to: (1) the sales tax imposed on cannabis; and (2) the optional local cannabis transfer and user tax imposed on cannabis by a municipality.

A person who sells or distributes an intoxicating hemp product or hemp item not derived from naturally occurring biologically active chemical constituents, would be subject to civil penalties of not less than: \$100 for the first violation; \$1,000 for the second violation; and \$10,000 for the third and each subsequent violation.

The commission, in consultation with the Department of Law and Public Safety, would be required to develop and implement a public education program to educate businesses across the State on the bill's provisions.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS concludes that the bill will result in an indeterminate annual increase in State revenues and expenditures.

The OLS does not have sufficient data on the demand for or future sales of intoxicating hemp beverages and other products to project the tax revenues generated from these in a regulated marketplace under the authority of the Cannabis Regulatory Commission.

The bill requires that any sale of an intoxicating hemp beverage by a holder of a plenary retail distribution liquor license or plenary wholesale license is subject to: (1) the sales tax imposed on cannabis; and (2) the optional local cannabis transfer and user tax imposed on cannabis by a municipality. The OLS finds there is not enough data to estimate the revenues, to the State and municipalities that opt in, from the sale of such beverages or quantify the demand or future trends in sales of intoxicating hemp beverages.

The OLS also estimates indeterminate State revenue increases from civil penalties levied on an owner or operator of a business who sells an intoxicating hemp product in violation of the bill. The penalties ranges from at least \$100 for a first violation to at least \$10,000 for third and subsequent violations. The OLS cannot project the number or frequency of such violations. Also, the State's ability to collect fines and fees has historically been limited.

The OLS finds the bill will result in State expenditure increases for the Cannabis Regulatory Commission and the Department of Law and Public Safety to develop and implement a public education program for businesses across the State on the bill.

Additionally, establishing and maintaining a regulatory framework for intoxicating hemp products and the bill's enforcement provisions will lead to respective workload increases for the Cannabis Regulatory Commission and the Department of Law and Public Safety. The commission, which currently regulates adult-use and medical cannabis, will also regulate intoxicating hemp products under the bill. The OLS finds that this would broaden the commission's responsibilities and presumably increase its workload. The OLS also finds that enforcement relating to intoxicating hemp products may result in workload increases for the Attorney General's Office.

*Section:           Judiciary*

*Analyst:         Michael Davila  
                  Associate Counsel*

*Approved:       Thomas Koenig  
                  Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

# ASSEMBLY, No. 4461

## STATE OF NEW JERSEY

### 221st LEGISLATURE

INTRODUCED JUNE 3, 2024

**Sponsored by:**

**Assemblyman HERB CONAWAY, JR.**

**District 7 (Burlington)**

**Assemblyman CODY D. MILLER**

**District 4 (Atlantic, Camden and Gloucester)**

**Assemblyman WILLIAM B. SAMPSON, IV**

**District 31 (Hudson)**

**Co-Sponsored by:**

**Assemblywoman Speight**

**SYNOPSIS**

Regulates production and sale of certain intoxicating hemp products.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 6/17/2024)

1 AN ACT concerning intoxicating hemp products, supplementing Title  
2 24 of the New Jersey Statutes, and amending various sections of  
3 statutory law.

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

7  
8 1. Section 3 of P.L.2019, c.238 (C.4:28-8) is amended to read as  
9 follows:

10 3. As used in sections 1 through 9 of P.L.2019, c.238 (C.4:28-6  
11 et al.), unless the context otherwise requires:

12 "Agent" means an employee or contractor of a hemp producer.

13 "Applicant" means a person, or for a business entity, any person  
14 authorized to act on behalf of the business entity, who applies to the  
15 department to be a hemp producer in the State.

16 "Commercial sale" means the sale of a product in the stream of  
17 commerce at retail, at wholesale, or on the Internet.

18 "Cultivate" means to plant, water, grow, or harvest a plant or crop.

19 "Department" means the New Jersey Department of Agriculture.

20 "Federally defined THC level for hemp" means a delta-9  
21 tetrahydrocannabinol concentration of not more than 0.3 percent on  
22 a dry weight basis for hemp or in a hemp product.

23 "Handle" means to possess or store a hemp plant on premises  
24 owned, operated, or controlled by a hemp producer for any period of  
25 time or in a vehicle for any period of time other than during the actual  
26 transport of the plant between premises owned, operated, or  
27 controlled by hemp producers or persons or entities authorized to  
28 produce hemp pursuant to 7 U.S.C. s.1639o et seq. and any state law  
29 or rule or regulation adopted pursuant thereto. "Handle" does not  
30 mean possession or storage of finished hemp products.

31 "Hemp" means the plant *Cannabis sativa* L. and any part of that  
32 plant, including the seeds of the plant and all derivatives, extracts,  
33 cannabinoids, isomers, acids, salts, and salts of isomers, whether  
34 growing or not, with a **【delta-9】 total** tetrahydrocannabinol  
35 concentration of not more than 0.3 percent on a dry weight basis.  
36 Hemp and hemp-derived cannabinoids, including cannabidiol, shall  
37 be considered an agricultural commodity and not a controlled  
38 substance due to the presence of hemp or hemp-derived  
39 cannabinoids.

40 "Hemp producer" means a person or business entity authorized by  
41 the department to cultivate, handle, or process hemp in the State.

42 "Hemp product" means a finished product with a **【delta-9】 total**  
43 tetrahydrocannabinol concentration of not more than 0.3 percent, and  
44 not more than 0.5 milligrams of total THC per serving and 2.5  
45 milligrams of total THC per package, that is derived from or made

**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 by processing a hemp plant or plant part and prepared in a form  
2 available for commercial sale. The term includes cosmetics, personal  
3 care products, food intended for human or animal consumption,  
4 cloth, cordage, fiber, fuel, paint, paper, particleboard, plastics, and  
5 any product containing one or more hemp-derived cannabinoids such  
6 as cannabidiol. Hemp products shall not be considered controlled  
7 substances due to the presence of hemp or hemp-derived  
8 cannabinoids. "Hemp product" shall not mean a cannabinoid product  
9 that is not derived from naturally occurring biologically active  
10 chemical constituents and shall not mean an intoxicating hemp  
11 product as defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

12 "Process" means to convert hemp into a marketable form.

13 "Secretary" means the Secretary of the New Jersey Department of  
14 Agriculture.

15 "Transport" means the movement or shipment of hemp by a hemp  
16 producer, a person or entity authorized to produce hemp pursuant to  
17 7 U.S.C. s.1639o et seq. and any state law or rule or regulation  
18 adopted pursuant thereto, or a hemp producer's or authorized entity's  
19 third-party carrier or agent. "Transport" shall not mean the  
20 movement or shipment of hemp products.

21 "Total THC" means the total concentration of all  
22 tetrahydrocannabinols in a cannabis item, including delta-8, delta-9,  
23 delta-10, tetrahydrocannabinolic acid and any other chemically  
24 similar compound, substance, derivative, or isomer of  
25 tetrahydrocannabinol, regardless of how derived or manufactured,  
26 and any other cannabinoid, other than cannabidiol, identified by the  
27 Cannabis Regulatory Commission, in consultation with the  
28 Department of Agriculture and the Attorney General, as causing  
29 intoxication.

30 (cf: P.L.2019, c.238, s.3)

31

32 2. Section 3 of P.L.2021, c.16 (C.24:6I-33) is amended to read  
33 as follows:

34 3. Definitions.

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

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

46 "Cannabis" means all parts of the plant *Cannabis sativa* L.,  
47 whether growing or not, the seeds thereof, and every compound,  
48 manufacture, salt, derivative, mixture, or preparation of the plant or

1 its seeds, except those containing resin extracted from the plant,  
2 which are cultivated and, when applicable, manufactured in  
3 accordance with P.L.2021, c.16 (C.24:6I-31 et al.) for use in cannabis  
4 products as set forth in this act, but shall not include the weight of  
5 any other ingredient combined with cannabis to prepare topical or  
6 oral administrations, food, drink, or other product. "Cannabis" does  
7 not include: medical cannabis dispensed to registered qualifying  
8 patients pursuant to the "Jake Honig Compassionate Use Medical  
9 Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015,  
10 c.158 (C.18A:40-12.22 et al.); marijuana as defined in N.J.S.2C:35-  
11 2 and applied to any offense set forth in chapters 35, 35A, and 36 of  
12 Title 2C of the New Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1  
13 et seq.), or marihuana as defined in section 2 of P.L.1970, c.226  
14 (C.24:21-2) and applied to any offense set forth in the "New Jersey  
15 Controlled Dangerous Substances Act," P.L.1970, c.226 (C.24:21-1  
16 et al.); or hemp or a hemp product cultivated, handled, processed,  
17 transported, or sold pursuant to the "New Jersey Hemp Farming Act,"  
18 P.L.2019, c.238 (C.4:28-6 et al.).

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

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

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

47 "Cannabis distributor" means any licensed person or entity that  
48 transports cannabis in bulk intrastate from one licensed cannabis

1 cultivator to another licensed cannabis cultivator, or transports  
2 cannabis items in bulk intrastate from any one class of licensed  
3 cannabis establishment to another class of licensed cannabis  
4 establishment, and may engage in the temporary storage of cannabis  
5 or cannabis items as necessary to carry out transportation activities.  
6 This person or entity shall hold a Class 4 Cannabis Distributor  
7 license.

8 "Cannabis establishment" means a cannabis cultivator, a cannabis  
9 manufacturer, a cannabis wholesaler, or a cannabis retailer.

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

17 "Cannabis flower" means the flower of the plant *Cannabis sativa*  
18 L. within the plant family Cannabaceae.

19 "Cannabis item" means any usable cannabis, cannabis product,  
20 cannabis extract, intoxicating hemp product, and any other cannabis  
21 resin. "Cannabis item" does not include: any form of medical  
22 cannabis dispensed to registered qualifying patients pursuant to the  
23 "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009,  
24 c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);  
25 or hemp or a hemp product cultivated, handled, processed,  
26 transported, or sold pursuant to the "New Jersey Hemp Farming Act,"  
27 P.L.2019, c.238 (C.4:28-6 et al.).

28 "Cannabis leaf" means the leaf of the plant *Cannabis sativa* L.  
29 within the plant family Cannabaceae.

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

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

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

8 "Cannabis resin" means the resin extracted from any part of the  
9 plant *Cannabis sativa* L., including cannabis extract and resin  
10 extracted using non-chemical processes, processed and used in  
11 accordance with P.L.2021, c.16 (C.24:6I-31 et al.). "Cannabis resin"  
12 does not include: any form of medical cannabis dispensed to  
13 registered qualifying patients pursuant to the "Jake Honig  
14 Compassionate Use Medical Cannabis Act," P.L.2009, c.307  
15 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);  
16 hashish as defined in N.J.S.2C:35-2 and applied to any offense set  
17 forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey  
18 Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or as defined in  
19 section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense  
20 of the "New Jersey Controlled Dangerous Substances Act," P.L.1970,  
21 c.226 (C.24:21-1 et al.); or hemp or a hemp product cultivated,  
22 handled, processed, transported, or sold pursuant to the "New Jersey  
23 Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

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

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

40 "Cannabis wholesaler" means any licensed person or entity that  
41 purchases or otherwise obtains, stores, sells or otherwise transfers,  
42 and may transport, cannabis items for the purpose of resale or other  
43 transfer to either another cannabis wholesaler or to a cannabis  
44 retailer, but not to consumers. This person or entity shall hold a Class  
45 3 Cannabis Wholesaler license.

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

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

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

18 "Consumption" means the act of ingesting, inhaling, or otherwise  
19 introducing cannabis items into the human body.

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

32 "Department" means the Department of Health.

33 "Director" means the Director of the Office of Minority, Disabled  
34 Veterans, and Women Cannabis Business Development in the  
35 Cannabis Regulatory Commission.

36 "Executive director" means the executive director of the Cannabis  
37 Regulatory Commission.

38 "Financial consideration" means value that is given or received  
39 either directly or indirectly through sales, barter, trade, fees, charges,  
40 dues, contributions, or donations.

41 "Immature cannabis plant" means a cannabis plant that is not  
42 flowering.

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

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

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

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

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

24 (a) with a population of less than 60,000 according to the most  
25 recently compiled federal decennial census, that for calendar year  
26 2019 ranks in the top 40 percent of municipalities in the State for  
27 marijuana- or hashish-related arrests for violation of paragraph (4) of  
28 subsection a. of N.J.S.2C:35-10; has a crime index total of 1,000 or  
29 higher based upon the indexes listed in the 2019 annual Uniform  
30 Crime Report by the Division of State Police; but for calendar year  
31 2019 does not have a local average annual unemployment rate that  
32 ranks in the top 15 percent of all municipalities, based upon average  
33 annual unemployment rates estimated for the relevant calendar year  
34 by the Office of Research and Information in the Department of  
35 Labor and Workforce Development; or

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

42 “Intoxicating hemp product” means any product cultivated,  
43 derived, or manufactured from hemp regulated pursuant to the  
44 “Agricultural Improvement Act of 2018,” Pub.L.115-334 or the  
45 “New Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.)  
46 that is sold in this State that has a concentration of total THC greater  
47 than 0.5 milligrams per serving or 2.5 milligrams per package.  
48 “Intoxicating hemp product” shall not include a cannabinoid product

1 that is not derived from naturally occurring biologically active  
2 chemical constituents and shall not include hemp products as defined  
3 in section 3 of P.L.2019, c.238 (C.4:28-8).

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

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

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

26 "Manufacture" means the drying, processing, compounding, or  
27 conversion of usable cannabis into cannabis products or cannabis  
28 resins. "Manufacture" does not include packaging or labeling.

29 "Mature cannabis plant" means a cannabis plant that is not an  
30 immature cannabis plant.

31 "Medical cannabis" means cannabis dispensed to registered  
32 qualifying patients pursuant to the "Jake Honig Compassionate Use  
33 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and  
34 P.L.2015, c.158 (C.18A:40-12.22 et al.). "Medical cannabis" does  
35 not include any cannabis or cannabis item which is cultivated,  
36 produced, processed, and consumed in accordance with P.L.2021,  
37 c.16 (C.24:6I-31 et al.).

38 "Microbusiness" means a person or entity licensed under  
39 P.L.2021, c.16 (C.24:6I-31 et al.) as a cannabis cultivator, cannabis  
40 manufacturer, cannabis wholesaler, cannabis distributor, cannabis  
41 retailer, or cannabis delivery service that may only, with respect to  
42 its business operations, and capacity and quantity of product: (1)  
43 employ no more than 10 employees; (2) operate a cannabis  
44 establishment occupying an area of no more than 2,500 square feet,  
45 and in the case of a cannabis cultivator, grow cannabis on an area no  
46 more than 2,500 square feet measured on a horizontal plane and grow  
47 above that plane not higher than 24 feet; (3) possess no more than  
48 1,000 cannabis plants each month, except that a cannabis distributor's

1 possession of cannabis plants for transportation shall not be subject  
2 to this limit; (4) acquire each month, in the case of a cannabis  
3 manufacturer, no more than 1,000 pounds of usable cannabis; (5)  
4 acquire for resale each month, in the case of a cannabis wholesaler,  
5 no more than 1,000 pounds of usable cannabis, or the equivalent  
6 amount in any form of manufactured cannabis product or cannabis  
7 resin, or any combination thereof; and (6) acquire for retail sale each  
8 month, in the case of a cannabis retailer, no more than 1,000 pounds  
9 of usable cannabis, or the equivalent amount in any form of  
10 manufactured cannabis product or cannabis resin, or any combination  
11 thereof.

12 "Noncommercial" means not dependent or conditioned upon the  
13 provision or receipt of financial consideration.

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

25 "Produce" means the planting, cultivation, growing or harvesting  
26 of cannabis. "Produce" does not include the drying of cannabis by a  
27 cannabis manufacturer, if the cannabis manufacturer is not otherwise  
28 manufacturing cannabis.

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

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

40 "Significantly involved person" means a person or entity who  
41 holds at least a five percent investment interest in a proposed or  
42 licensed cannabis cultivator, cannabis manufacturer, cannabis  
43 wholesaler, cannabis distributor, cannabis retailer, or cannabis  
44 delivery service, or who is a decision making member of a group that  
45 holds at least a 20 percent investment interest in a proposed or  
46 licensed cannabis cultivator, cannabis manufacturer, cannabis  
47 wholesaler, cannabis distributor, cannabis retailer, or cannabis  
48 delivery service, in which no member of that group holds more than

1 a five percent interest in the total group investment interest, and the  
2 person or entity makes controlling decisions regarding the proposed  
3 or licensed cannabis cultivator, cannabis manufacturer, cannabis  
4 wholesaler, cannabis distributor, cannabis retailer, or cannabis  
5 delivery service operations.

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

10 "THC" means delta-9-tetrahydrocannabinol and its precursor,  
11 tetrahydrocannabinolic acid, the main psychoactive chemicals  
12 contained in the cannabis plant.

13 "Total THC" means the total concentration of all  
14 tetrahydrocannabinols in a cannabis item, including delta-8, delta-9,  
15 delta-10, tetrahydrocannabinolic acid and any other chemically  
16 similar compound, substance, derivative, or isomer of  
17 tetrahydrocannabinol, regardless of how derived or manufactured,  
18 and any other cannabinoid, other than cannabidiol, identified by the  
19 Cannabis Regulatory Commission, in consultation with the  
20 Department of Agriculture and the Attorney General, as causing  
21 intoxication.

22 "Usable cannabis" means the dried leaves and flowers of the  
23 female plant Cannabis sativa L., and does not include the seedlings,  
24 seeds, stems, stalks, or roots of the plant.

25 (cf: P.L.2021, c.16, s.3)

26

27 3. Section 5 of P.L.1970, c.226 (C.24:21-5) is amended to read  
28 as follows:

29 a. Tests. The director shall place a substance in Schedule I if he  
30 finds that the substance: (1) has high potential for abuse; and (2) has  
31 no accepted medical use in treatment in the United States; or lacks  
32 accepted safety for use in treatment under medical supervision.

33 b. The controlled dangerous substances listed in this section are  
34 included in Schedule I, subject to any revision and republishing by  
35 the director pursuant to subsection d. of section 3 of P.L.1970, c.226  
36 (C.24:21-3), and except to the extent provided in any other schedule.

37 c. Any of the following opiates, including their isomers, esters,  
38 and ethers, unless specifically excepted, whenever the existence of  
39 such isomers, esters, ethers and salts is possible within the specific  
40 chemical designation:

41 (1) Acetylmethadol

42 (2) Allylprodine

43 (3) Alphacetylmethadol

44 (4) Alphameprodine

45 (5) Alphamethadol

46 (6) Benzethidine

47 (7) Betacetylmethadol

48 (8) Betameprodine

- 1 (9) Betamethadol
- 2 (10) Betaprodine
- 3 (11) Clonitazene
- 4 (12) Dextromoramide
- 5 (13) Dextrorphan
- 6 (14) Diampromide
- 7 (15) Diethylthiambutene
- 8 (16) Dimenoxadol
- 9 (17) Dimepheptanol
- 10 (18) Dimethylthiambutene
- 11 (19) Dioxaphetyl butyrate
- 12 (20) Dipipanone
- 13 (21) Ethylmethylthiambutene
- 14 (22) Etonitazene
- 15 (23) Etoxeridine
- 16 (24) Furethidine
- 17 (25) Hydroxypethidine
- 18 (26) Ketobemidone
- 19 (27) Levomoramide
- 20 (28) Levophenacylmorphan
- 21 (29) Morpheridine
- 22 (30) Noracymethadol
- 23 (31) Norlevorphanol
- 24 (32) Normethadone
- 25 (33) Norpipanone
- 26 (34) Phenadoxone
- 27 (35) Phenampromide
- 28 (36) Phenomorphan
- 29 (37) Phenoperidine
- 30 (38) Piritramide
- 31 (39) Proheptazine
- 32 (40) Properidine
- 33 (41) Racemoramide
- 34 (42) Trimeperidine.

35 d. Any of the following narcotic substances, their salts, isomers  
36 and salts of isomers, unless specifically excepted, whenever the  
37 existence of such salts, isomers and salts of isomers is possible within  
38 the specific chemical designation:

- 39 (1) Acetorphine
- 40 (2) Acetylcodone
- 41 (3) Acetyldihydrocodeine
- 42 (4) Benzylmorphine
- 43 (5) Codeine methylbromide
- 44 (6) Codeine-N-Oxide
- 45 (7) Cyprenorphine
- 46 (8) Desomorphine
- 47 (9) Dihydromorphine
- 48 (10) Etorphine

- 1 (11) Heroin
- 2 (12) Hydromorphenol
- 3 (13) Methyldesorphine
- 4 (14) Methylhydromorphine
- 5 (15) Morphine methylbromide
- 6 (16) Morphine methylsulfonate
- 7 (17) Morphine-N-Oxide
- 8 (18) Myrophine
- 9 (19) Nicocodeine
- 10 (20) Nicomorphine
- 11 (21) Normorphine
- 12 (22) Phoclodine
- 13 (23) Thebacon.
- 14 e. Any material, compound, mixture or preparation which
- 15 contains any quantity of the following hallucinogenic substances,
- 16 their salts, isomers and salts of isomers, unless specifically excepted,
- 17 whenever the existence of such salts, isomers, and salts of isomers is
- 18 possible within the specific chemical designation:
- 19 (1) 3,4-methylenedioxy amphetamine
- 20 (2) 5-methoxy-3,4-methylenedioxy amphetamine
- 21 (3) 3,4,5-trimethoxy amphetamine
- 22 (4) Bufotenine
- 23 (5) Diethyltryptamine
- 24 (6) Dimethyltryptamine
- 25 (7) 4-methyl-2,5-dimethoxylamphetamine
- 26 (8) Ibogaine
- 27 (9) Lysergic acid diethylamide
- 28 (10) **【Marihuana】** Marijuana; except that on and after the effective
- 29 date of the "New Jersey Cannabis Regulatory, Enforcement
- 30 Assistance, and Marketplace Modernization Act," P.L.2021, c.16
- 31 (C.24:6I-31 et al.), **【marihuana】** marijuana shall no longer be
- 32 included in Schedule I, and shall not be designated or rescheduled
- 33 and included in any other schedule by the director pursuant to the
- 34 director's designation and rescheduling authority set forth in section
- 35 3 of P.L.1970, c.226 (C.24:21-3).
- 36 (11) Mescaline
- 37 (12) Peyote
- 38 (13) N-ethyl-3-piperidyl benzilate
- 39 (14) N-methyl-3-piperidyl benzilate
- 40 (15) Psilocybin
- 41 (16) Psilocyn
- 42 (17) Tetrahydrocannabinols, including those produced by way of
- 43 manufacture, except when found in hemp or a hemp product
- 44 cultivated, handled, processed, transported, or sold pursuant to the
- 45 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.),
- 46 or cannabis or a cannabis item, as those terms are defined in section
- 47 3 of P.L.2021, c.16 (C.24:6I-33), that is grown, cultivated, produced,
- 48 **【or】** manufactured, or sold in accordance with the "New Jersey

1 Cannabis Regulatory, Enforcement Assistance, and Marketplace  
2 Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.).

3 (cf: P.L.2021, c.16, s.44)

4

5 4. (New section) a. A person shall not sell or distribute any  
6 intoxicating hemp product unless:

7 (1) the person is licensed by the Cannabis Regulatory Commission  
8 in accordance with P.L.2021, c.16 (C.24:6I-31 et al.); and

9 (2) the product complies with the provisions of P.L.2021, c.16  
10 (C.24:6I-31 et al.) and any applicable commission regulations  
11 applicable to cannabis items.

12 b. (1) It shall be unlawful to sell or distribute a hemp product or  
13 cannabis item that is not derived from naturally occurring  
14 biologically active chemical constituents.

15 (2) Except as otherwise provided by law, it shall be unlawful to  
16 sell or distribute a product intended for human consumption that  
17 contains tetrahydrocannabinol in any detectable amount to a person  
18 under 21 years of age.

19 c. In addition to any other penalty provided by law, any person  
20 licensed by the commission who violates subsection a. or b. of this  
21 section shall be subject to any civil penalties or fines adopted by the  
22 commission in accordance with P.L.2021, c.16 (C.24:6I-31 et al.).

23 d. (1) Notwithstanding any provision of the "Administrative  
24 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the  
25 contrary, and in accordance with the authority established pursuant  
26 to section 18 of P.L.2021, c.16 (C.24:6I-35), the commission, in  
27 consultation with the Department of Agriculture and the Attorney  
28 General, and within 180 days of the effective date of P.L. , c. (C. )  
29 (pending before the Legislature as this bill), is authorized to adopt  
30 immediately upon filing with the Office of Administrative Law rules  
31 and regulations necessary to implement this act.

32 (2) Following any rules or regulations established by the  
33 commission in accordance with subparagraph (1) of this subsection,  
34 the commission shall, in consultation the Department of Agriculture  
35 and the Attorney General, and in accordance with the  
36 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
37 seq.), adopt rules and regulations as necessary to implement the  
38 provisions of P.L. , c. (C. ) (pending before the Legislature  
39 as this bill).

40 e. (1) Nothing in P.L. , c. (C. ) (pending before the  
41 Legislature as this bill) shall be construed or interpreted to limit the  
42 enforceability or applicability of the "Agriculture Improvement Act  
43 of 2018," Pub.L.115-334 or the "New Jersey Hemp Farming Act,"  
44 P.L.2019, c.238 (C.4:28-6 et al.).

45 (2) The imposition of any fine or other remedy under this act shall  
46 not preclude prosecution for a violation of the criminal laws of this  
47 State.

1       5. (New section) a. A person who sells, offers for sale, or  
2 distributes any intoxicating hemp product or a hemp product or  
3 cannabis item that is not derived from naturally occurring  
4 biologically active chemical constituents, in violation of section 4 of  
5 P.L. , c. (C. ) (pending before the Legislature as this bill),  
6 shall be liable to a civil penalty of not less than \$100 for the first  
7 violation, not less than \$1,000 for the second violation, and not less  
8 than \$10,000 for the third and each subsequent violation. The penalty  
9 prescribed by this section shall be collected and enforced by  
10 summary proceedings under the "Penalty Enforcement Law of 1999,"  
11 P.L.1999, c.274 (C.2A:58-10 et seq.).

12       b. An official authorized by statute or ordinance to enforce this  
13 act or the State or local health codes or consumer protection laws or  
14 a law enforcement officer having enforcement authority in that  
15 municipality may issue a summons for a violation of the provisions  
16 of section 4 of P.L. , c. (C. ) (pending before the Legislature  
17 as this bill), and may serve and execute all process with respect to the  
18 enforcement of this section consistent with the Rules of Court.

19       c. A penalty recovered under the provisions of this section shall  
20 be recovered by and in the name of the State by the local health or  
21 consumer protection agency or other authorized government entity,  
22 including but not limited to the Division of Consumer Affairs in the  
23 Department of Law and Public Safety and the Cannabis Regulatory  
24 Commission established pursuant to section 31 of P.L.2019, c.153  
25 (C.24:6I-24). With respect to an enforcement action brought by a  
26 municipal official, half of any monetary penalty shall be paid into the  
27 treasury of the municipality in which the violation occurred for the  
28 general uses of the municipality, and half shall be deposited in the  
29 special nonlapsing fund known as the "Cannabis Regulatory,  
30 Enforcement Assistance, and Marketplace Modernization Fund,"  
31 established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-50).  
32 With respect to an enforcement action brought by any other  
33 government entity, any monetary penalty collected pursuant to  
34 P.L. , c. (C. ) (pending before the Legislature as this bill) shall  
35 be deposited in the special nonlapsing fund known as the "Cannabis  
36 Regulatory, Enforcement Assistance, and Marketplace  
37 Modernization Fund," established pursuant to section 41 of P.L.2021,  
38 c.16 (C.24:6I-50).

39       d. A law enforcement officer, local health official, or other  
40 government official from an agency authorized to enforce this section  
41 may confiscate any intoxicating hemp product, hemp product, or  
42 cannabis item that is sold, offered for sale, or distributed in violation  
43 of section 4 of P.L. , c. (C. ) (pending before the Legislature  
44 as this bill).

45       e. In addition to the civil penalty authorized under subsection a. of  
46 this section, a business found to have committed more than two  
47 violations of section 4 of P.L. , c. (C. ) (pending before the  
48 Legislature as this bill) or found to have committed a third or

1 subsequent violation at any individual location within one year shall  
2 be deemed a public nuisance. Notwithstanding any other provision  
3 of law, a municipality shall have the power to impose restrictions on  
4 the operation, including closure, of any business determined to  
5 constitute a public nuisance pursuant to this subsection.

6  
7 6. (New section) The Cannabis Regulatory Commission, in  
8 consultation with the Division of Consumer Affairs in the  
9 Department of Law and Public Safety and the Business Action Center  
10 in the Department of State, shall develop and implement a public  
11 education program to educate businesses across the State on the  
12 provisions of P.L. , c. (C. ) (pending before the Legislature  
13 as this bill).

14  
15 7. Paragraph (2) of subsection b. of section 4 and section 6 of  
16 this act shall take effect immediately. The remainder of this act shall  
17 take effect 180 days after enactment, except that the Cannabis  
18 Regulatory Commission may take any anticipatory administrative  
19 action in advance as shall be necessary for the implementation of this  
20 act.

21  
22  
23 STATEMENT

24  
25 This bill regulates the production and sale of intoxicating hemp  
26 products.

27  
28 AGENCY RESPONSIBILITIES

29 Under current law, three entities within the State maintain  
30 jurisdiction over the cannabis plant. The Cannabis Regulatory  
31 Commission (commission) regulates adult-use and medical cannabis,  
32 the Department of Agriculture (department) regulates hemp, and the  
33 Attorney General (AG) enforces criminal penalties against illegal  
34 marijuana and tetrahydrocannabinol (THC).

35 The bill synchronizes the definitions of hemp, hemp products, and  
36 THC in order to regulate the sale of intoxicating hemp products. By  
37 means of updating the definitions of hemp, hemp products, and THC,  
38 and adding a definition of intoxicating hemp products, the bill  
39 clarifies the role of each agency. The commission would be  
40 responsible for regulating the sale of all legally produced intoxicating  
41 cannabis items, whether hemp or cannabis; the department would  
42 continue to regulate the cultivation and processing of hemp as an  
43 agricultural commodity; and the AG would maintain the jurisdiction  
44 over illegally produced marijuana and THC, including any businesses  
45 or individuals who fail to sell cannabis items through a licensed  
46 retailer.

1 LICENSING AND COMPLIANCE

2 Pursuant to N.J.S.A.24:6I-35, and through the amended definition  
3 of cannabis item to include intoxicating hemp product, the  
4 commission is required to promulgate regulations related to the sale  
5 and purchase of cannabis items. Further, pursuant to N.J.S.A.24:6I-  
6 42, an entity is required to be licensed as a Class 5 Cannabis Retailer  
7 in order to operate a business in which cannabis items are retailed.  
8 Thus, in order to sell an intoxicating hemp product, the business is  
9 required to be a Class 5 licensee and is subject to product testing,  
10 labeling requirements, and limitations on the sale of products to  
11 persons of a certain age as established by the commission.

12 “Intoxicating hemp product” is defined as any product cultivated,  
13 derived, or manufactured from hemp regulated pursuant to the  
14 “Agricultural Improvement Act of 2018,” Pub.L.115-334 or the  
15 “New Jersey Hemp Farming Act,” P.L.2019, c.238 (N.J.S.A.4:28-6  
16 et al.) that is sold in this State that has a concentration of total THC  
17 greater than 0.5 milligrams per serving or 2.5 milligrams per  
18 package. “Intoxicating hemp product” does not include a  
19 cannabinoid product that is not derived from naturally occurring  
20 biologically active chemical constituents and shall not include hemp  
21 products as newly defined under this bill in the “New Jersey Hemp  
22 Farming Act, P.L.2019, c.238 (C.4:28-6 et seq.).

23

24 LEGAL FRAMEWORK AMENDMENTS

25 Further, the bill amends the “New Jersey Hemp Farming Act,”  
26 P.L.2019, c.238 (C.4:28-6 et seq.), to set limits on the amount of THC  
27 that can be sold in hemp or hemp products. This limit is set at a total  
28 THC concentration of not more than 0.3 percent on a dry weight basis  
29 and additionally, for a hemp product, not more than 0.5 milligrams  
30 of total THC per serving, and 2.5 milligrams of total THC per  
31 package. “Total THC” is defined as the total concentration of all  
32 tetrahydrocannabinols in a cannabis item, including delta-8, delta-9,  
33 delta-10, tetrahydrocannabinolic acid and any other chemically  
34 similar compound, substance, derivative, or isomer of  
35 tetrahydrocannabinol, regardless of how derived or manufactured,  
36 and any other cannabinoid, other than cannabidiol, identified by the  
37 commission, in consultation with the Department of Agriculture and  
38 the Attorney General, as causing intoxication. This definitional  
39 change clarifies the department’s role in the regulation of hemp, and  
40 limits it to hemp or hemp products that meet the limitations  
41 established in the bill.

42 The bill also clarifies the definition of THC in the Schedule I  
43 controlled dangerous substance statute, N.J.S.A.24:21-5, to ensure  
44 THC produced by way of manufacture, and which is not produced or  
45 sold in accordance with the “New Jersey Hemp Farming Act,”  
46 P.L.2019, c.238 (C.4:28-6 et seq.), or the Cannabis Regulatory,  
47 Enforcement Assistance, and Marketplace Modernization Act,”  
48 (CREAMMA) P.L.2021, c.16 (C.24:6I-31 et al.) is included on the

1 Schedule I list. N.J.S.A.24:21-2 defines “manufacture” to mean the  
2 production, preparation, propagation, compounding, conversion, or  
3 processing of a controlled dangerous substance, either directly or by  
4 extraction from substances of natural origin, or independently by  
5 means of chemical synthesis, or by a combination of extraction and  
6 chemical synthesis, and includes any packaging or repackaging of the  
7 substance or labeling or relabeling of its container, except that this  
8 term does not include the preparation or compounding of a controlled  
9 dangerous substance by an individual for the individual's own use or  
10 the preparation, compounding, packaging, or labeling of a controlled  
11 dangerous substance: (1) by a practitioner as an incident to the  
12 practitioner's administering or dispensing of a controlled dangerous  
13 substance in the course of the practitioner's professional practice, or  
14 (2) by a practitioner, or under the practitioner's supervision, for the  
15 purpose of, or as an incident to, research, teaching, or chemical  
16 analysis and not for sale.

17

18 UNLICENSED SALE AND PENALTIES

19 Under the bill, a person is prohibited from selling or distributing  
20 a hemp product unless the person is licensed by the commission and  
21 the product complies with CREAMMA and any commission  
22 regulations. Further, it is unlawful to sell or distribute a hemp  
23 product or cannabis item that is not derived from naturally occurring  
24 biologically active chemical constituents.

25 Under the bill, it is unlawful, except as otherwise provided by law,  
26 to sell or distribute a product that contains THC to any person under  
27 the age of 21.

28 The bill establishes the penalties for an owner or operator of a  
29 business who sells an intoxicating hemp product in violation of the  
30 bill. The penalties are as follows:

- 31 (1) for a first offense, a fine of not less than \$100;  
32 (2) for a second offense, a fine of not less than \$1,000; and  
33 (3) for a third offense, a fine of not less than \$10,000.

34 Each product sold in violation of this bill constitutes an  
35 additional separate and distinct offense.

36

37 ENFORCEMENT AND EDUCATION

38 The bill also permits an official authorized by statute or ordinance,  
39 or State or local health codes or consumer protection laws, or a law  
40 enforcement office having enforcement authority in that municipality  
41 to issue the summons for any alleged violation of the bill.

42 Finally, the bill requires the commission, in consultation with the  
43 Division of Consumer Affairs, and the Business Action Center in the  
44 Department of State, to develop and implement a public education  
45 program for businesses across the State on the bill.

[First Reprint]

**ASSEMBLY, No. 4461**

**STATE OF NEW JERSEY**  
**221st LEGISLATURE**

INTRODUCED JUNE 3, 2024

**Sponsored by:**

**Assemblyman HERB CONAWAY, JR.**

**District 7 (Burlington)**

**Assemblyman CODY D. MILLER**

**District 4 (Atlantic, Camden and Gloucester)**

**Assemblyman WILLIAM B. SAMPSON, IV**

**District 31 (Hudson)**

**Co-Sponsored by:**

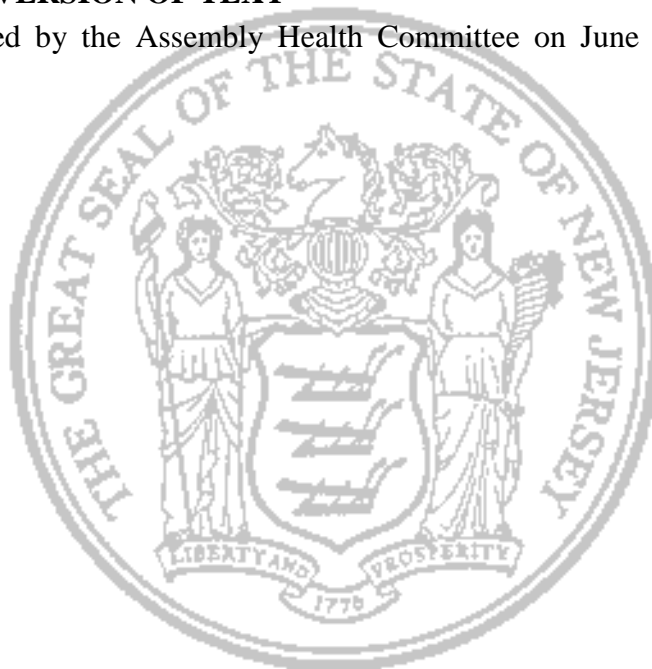
**Assemblywoman Speight**

**SYNOPSIS**

Regulates production and sale of certain intoxicating hemp products.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Health Committee on June 17, 2024, with amendments.



**(Sponsorship Updated As Of: 6/17/2024)**

1 AN ACT concerning intoxicating hemp products, supplementing  
2 Title 24 of the New Jersey Statutes, and amending various  
3 sections of statutory law.

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

7  
8 1. Section 3 of P.L.2019, c.238 (C.4:28-8) is amended to read as  
9 follows:

10 3. As used in sections 1 through 9 of P.L.2019, c.238 (C.4:28-6 et  
11 al.), unless the context otherwise requires:

12 "Agent" means an employee or contractor of a hemp producer.

13 "Applicant" means a person, or for a business entity, any person  
14 authorized to act on behalf of the business entity, who applies to the  
15 department to be a hemp producer in the State.

16 "Commercial sale" means the sale of a product in the stream of  
17 commerce at retail, at wholesale, or on the Internet.

18 "Cultivate" means to plant, water, grow, or harvest a plant or crop.

19 "Department" means the New Jersey Department of Agriculture.

20 "Federally defined THC level for hemp" means a delta-9  
21 tetrahydrocannabinol concentration of not more than 0.3 percent on a  
22 dry weight basis for hemp or in a hemp product.

23 "Handle" means to possess or store a hemp plant on premises  
24 owned, operated, or controlled by a hemp producer for any period of  
25 time or in a vehicle for any period of time other than during the actual  
26 transport of the plant between premises owned, operated, or controlled  
27 by hemp producers or persons or entities authorized to produce hemp  
28 pursuant to 7 U.S.C. s.1639o et seq. and any state law or rule or  
29 regulation adopted pursuant thereto. "Handle" does not mean  
30 possession or storage of finished hemp products.

31 "Hemp" means the plant *Cannabis sativa* L. and any part of that  
32 plant, including the seeds of the plant and all derivatives, extracts,  
33 cannabinoids, isomers, acids, salts, and salts of isomers, whether  
34 growing or not, with a **【delta-9】 total** tetrahydrocannabinol  
35 concentration of not more than 0.3 percent on a dry weight basis.  
36 Hemp and hemp-derived cannabinoids, including cannabidiol, shall be  
37 considered an agricultural commodity and not a controlled substance  
38 due to the presence of hemp or hemp-derived cannabinoids.

39 "Hemp producer" means a person or business entity authorized by  
40 the department to cultivate, handle, or process hemp in the State.

41 "Hemp product" means a finished product with a **【delta-9】 total**  
42 tetrahydrocannabinol concentration of not more than 0.3 percent, and  
43 not more than 0.5 milligrams of total THC per serving and 2.5  
44 milligrams of total THC per package, that is derived from or made by  
45 processing a hemp plant or plant part and prepared in a form available

**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:

<sup>1</sup>Assembly AHE committee amendments adopted June 17, 2024.

1 for commercial sale. The term includes cosmetics, personal care  
2 products, food intended for human or animal consumption, cloth,  
3 cordage, fiber, fuel, paint, paper, particleboard, plastics, and any  
4 product containing one or more hemp-derived cannabinoids such as  
5 cannabidiol. Hemp products shall not be considered controlled  
6 substances due to the presence of hemp or hemp-derived cannabinoids.  
7 "Hemp product" shall not mean a cannabinoid product that is not  
8 derived from naturally occurring biologically active chemical  
9 constituents and shall not mean an intoxicating hemp product as  
10 defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

11 "Process" means to convert hemp into a marketable form.

12 "Secretary" means the Secretary of the New Jersey Department of  
13 Agriculture.

14 "Transport" means the movement or shipment of hemp by a hemp  
15 producer, a person or entity authorized to produce hemp pursuant to 7  
16 U.S.C. s.1639o et seq. and any state law or rule or regulation adopted  
17 pursuant thereto, or a hemp producer's or authorized entity's third-  
18 party carrier or agent. "Transport" shall not mean the movement or  
19 shipment of hemp products.

20 "Total THC" means the total concentration of all  
21 tetrahydrocannabinols in <sup>1</sup>[a cannabis item] hemp or a  
22 hemp product<sup>1</sup>, including delta-8, delta-9, delta-10,  
23 tetrahydrocannabinolic acid and any other chemically similar  
24 compound, substance, derivative, or isomer of tetrahydrocannabinol,  
25 regardless of how derived or manufactured, and any other  
26 cannabinoid, other than cannabidiol, identified by the Cannabis  
27 Regulatory Commission, in consultation with the Department of  
28 Agriculture and the Attorney General, as causing intoxication.

29 (cf: P.L.2019, c.238, s.3)

30

31 2. Section 3 of P.L.2021, c.16 (C.24:6I-33) is amended to read as  
32 follows:

33 3. Definitions.

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

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

45 "Cannabis" means all parts of the plant *Cannabis sativa* L., whether  
46 growing or not, the seeds thereof, and every compound, manufacture,  
47 salt, derivative, mixture, or preparation of the plant or its seeds, except  
48 those containing resin extracted from the plant, which are cultivated

1 and, when applicable, manufactured in accordance with P.L.2021, c.16  
2 (C.24:6I-31 et al.) for use in cannabis products as set forth in this act,  
3 but shall not include the weight of any other ingredient combined with  
4 cannabis to prepare topical or oral administrations, food, drink, or  
5 other product. "Cannabis" does not include: medical cannabis  
6 dispensed to registered qualifying patients pursuant to the "Jake Honig  
7 Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-  
8 1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); marijuana as  
9 defined in N.J.S.2C:35-2 and applied to any offense set forth in  
10 chapters 35, 35A, and 36 of Title 2C of the New Jersey Statutes, or  
11 P.L.2001, c.114 (C.2C:35B-1 et seq.), or marihuana as defined in  
12 section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense set  
13 forth in the "New Jersey Controlled Dangerous Substances Act,"  
14 P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product  
15 cultivated, handled, processed, transported, or sold pursuant to the  
16 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

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

30 "Cannabis cultivator" means any licensed person or entity that  
31 grows, cultivates, or produces cannabis in this State, and sells, and  
32 may transport, this cannabis to other cannabis cultivators, or usable  
33 cannabis to cannabis manufacturers, cannabis wholesalers, or cannabis  
34 retailers, but not to consumers. This person or entity shall hold a Class  
35 1 Cannabis Cultivator license.

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

45 "Cannabis distributor" means any licensed person or entity that  
46 transports cannabis in bulk intrastate from one licensed cannabis  
47 cultivator to another licensed cannabis cultivator, or transports  
48 cannabis items in bulk intrastate from any one class of licensed

1 cannabis establishment to another class of licensed cannabis  
2 establishment, and may engage in the temporary storage of cannabis or  
3 cannabis items as necessary to carry out transportation activities. This  
4 person or entity shall hold a Class 4 Cannabis Distributor license.

5 "Cannabis establishment" means a cannabis cultivator, a cannabis  
6 manufacturer, a cannabis wholesaler, or a cannabis retailer.

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

14 "Cannabis flower" means the flower of the plant *Cannabis sativa*  
15 L. within the plant family Cannabaceae.

16 "Cannabis item" means any usable cannabis, cannabis product,  
17 cannabis extract, intoxicating hemp product, and any other cannabis  
18 resin. "Cannabis item" does not include: any form of medical cannabis  
19 dispensed to registered qualifying patients pursuant to the "Jake Honig  
20 Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-  
21 1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); or hemp or a  
22 hemp product cultivated, handled, processed, transported, or sold  
23 pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238  
24 (C.4:28-6 et al.).

25 "Cannabis leaf" means the leaf of the plant *Cannabis sativa* L.  
26 within the plant family Cannabaceae.

27 "Cannabis manufacturer" means any licensed person or entity that  
28 processes cannabis items in this State by purchasing or otherwise  
29 obtaining usable cannabis, manufacturing, preparing, and packaging  
30 cannabis items, and selling, and optionally transporting, these items to  
31 other cannabis manufacturers, cannabis wholesalers, or cannabis  
32 retailers, but not to consumers. This person or entity shall hold a Class  
33 2 Cannabis Manufacturer license."

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

45 "Cannabis product" means a product containing usable cannabis,  
46 cannabis extract, or any other cannabis resin and other ingredients  
47 intended for human consumption or use, including a product intended  
48 to be applied to the skin or hair, edible cannabis products, ointments,

1 and tinctures. "Cannabis product" does not include: (1) usable  
2 cannabis by itself; or (2) cannabis extract by itself; or (3) any other  
3 cannabis resin by itself.

4 "Cannabis resin" means the resin extracted from any part of the  
5 plant *Cannabis sativa* L., including cannabis extract and resin extracted  
6 using non-chemical processes, processed and used in accordance with  
7 P.L.2021, c.16 (C.24:6I-31 et al.). "Cannabis resin" does not include:  
8 any form of medical cannabis dispensed to registered qualifying  
9 patients pursuant to the "Jake Honig Compassionate Use Medical  
10 Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158  
11 (C.18A:40-12.22 et al.); hashish as defined in N.J.S.2C:35-2 and  
12 applied to any offense set forth in chapters 35, 35A, and 36 of Title 2C  
13 of the New Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or  
14 as defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to  
15 any offense of the "New Jersey Controlled Dangerous Substances  
16 Act," P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product  
17 cultivated, handled, processed, transported, or sold pursuant to the  
18 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

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

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

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

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

43 "Conditional license" means a temporary license designated as  
44 either a Class 1 Cannabis Cultivator license, a Class 2 Cannabis  
45 Manufacturer license, a Class 3 Cannabis Wholesaler license, a Class 4  
46 Cannabis Distributor license, a Class 5 Cannabis Retailer license, or a  
47 Class 6 Cannabis Delivery license that allows the holder to lawfully  
48 act as a cannabis cultivator, cannabis manufacturer, cannabis

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

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

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

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

25 "Department" means the Department of Health.

26 "Director" means the Director of the Office of Minority, Disabled  
27 Veterans, and Women Cannabis Business Development in the  
28 Cannabis Regulatory Commission.

29 "Executive director" means the executive director of the Cannabis  
30 Regulatory Commission.

31 "Financial consideration" means value that is given or received  
32 either directly or indirectly through sales, barter, trade, fees, charges,  
33 dues, contributions, or donations.

34 "Immature cannabis plant" means a cannabis plant that is not  
35 flowering.

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

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

43 (2) based upon data for calendar year 2019, ranks in the top 40  
44 percent of municipalities in the State for marijuana- or hashish-related  
45 arrests for violation of paragraph (4) of subsection a. of N.J.S.2C:35-  
46 10; has a crime index total of 825 or higher based upon the indexes  
47 listed in the annual Uniform Crime Report by the Division of State  
48 Police; and has a local average annual unemployment rate that ranks in

1 the top 15 percent of all municipalities, based upon average annual  
2 unemployment rates estimated for the relevant calendar year by the  
3 Office of Research and Information in the Department of Labor and  
4 Workforce Development;

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

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

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

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

32 “Intoxicating hemp product” means any product cultivated,  
33 derived, or manufactured from hemp regulated pursuant to the  
34 “Agricultural Improvement Act of 2018,” Pub.L.115-334 or the “New  
35 Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.) that is  
36 sold in this State that has a concentration of total THC greater than 0.5  
37 milligrams per serving or 2.5 milligrams per package. “Intoxicating  
38 hemp product” shall not include a cannabinoid product that is not  
39 derived from naturally occurring biologically active chemical  
40 constituents and shall not include hemp products as defined in section  
41 3 of P.L.2019, c.238 (C.4:28-8).

42 "License" means a license issued under P.L.2021, c.16 (C.24:6I-31  
43 et al.), including a license that is designated as either a Class 1  
44 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer license,  
45 a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis Distributor  
46 license, a Class 5 Cannabis Retailer license, or a Class 6 Cannabis  
47 Delivery license. The term includes a conditional license for a  
48 designated class, except when the context of the provisions of

1 P.L.2021, c.16 (C.24:6I-31 et al.) otherwise intend to only apply to a  
2 license and not a conditional license.

3 "Licensee" means a person or entity that holds a license issued  
4 under P.L.2021, c.16 (C.24:6I-31 et al.), including a license that is  
5 designated as either a Class 1 Cannabis Cultivator license, a Class 2  
6 Cannabis Manufacturer license, a Class 3 Cannabis Wholesaler  
7 license, a Class 4 Cannabis Distributor license, a Class 5 Cannabis  
8 Retailer license, or a Class 6 Cannabis Delivery license, and includes a  
9 person or entity that holds a conditional license for a designated class,  
10 except when the context of the provisions of P.L.2021, c.16 (C.24:6I-  
11 31 et al.) otherwise intend to only apply to a person or entity that holds  
12 a license and not a conditional license.

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

16 "Manufacture" means the drying, processing, compounding, or  
17 conversion of usable cannabis into cannabis products or cannabis  
18 resins. "Manufacture" does not include packaging or labeling.

19 "Mature cannabis plant" means a cannabis plant that is not an  
20 immature cannabis plant.

21 "Medical cannabis" means cannabis dispensed to registered  
22 qualifying patients pursuant to the "Jake Honig Compassionate Use  
23 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and  
24 P.L.2015, c.158 (C.18A:40-12.22 et al.). "Medical cannabis" does not  
25 include any cannabis or cannabis item which is cultivated, produced,  
26 processed, and consumed in accordance with P.L.2021, c.16 (C.24:6I-  
27 31 et al.).

28 "Microbusiness" means a person or entity licensed under P.L.2021,  
29 c.16 (C.24:6I-31 et al.) as a cannabis cultivator, cannabis  
30 manufacturer, cannabis wholesaler, cannabis distributor, cannabis  
31 retailer, or cannabis delivery service that may only, with respect to its  
32 business operations, and capacity and quantity of product: (1) employ  
33 no more than 10 employees; (2) operate a cannabis establishment  
34 occupying an area of no more than 2,500 square feet, and in the case of  
35 a cannabis cultivator, grow cannabis on an area no more than 2,500  
36 square feet measured on a horizontal plane and grow above that plane  
37 not higher than 24 feet; (3) possess no more than 1,000 cannabis plants  
38 each month, except that a cannabis distributor's possession of cannabis  
39 plants for transportation shall not be subject to this limit; (4) acquire  
40 each month, in the case of a cannabis manufacturer, no more than  
41 1,000 pounds of usable cannabis; (5) acquire for resale each month, in  
42 the case of a cannabis wholesaler, no more than 1,000 pounds of  
43 usable cannabis, or the equivalent amount in any form of  
44 manufactured cannabis product or cannabis resin, or any combination  
45 thereof; and (6) acquire for retail sale each month, in the case of a  
46 cannabis retailer, no more than 1,000 pounds of usable cannabis, or the  
47 equivalent amount in any form of manufactured cannabis product or  
48 cannabis resin, or any combination thereof.

1 "Noncommercial" means not dependent or conditioned upon the  
2 provision or receipt of financial consideration.

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

13 "Produce" means the planting, cultivation, growing or harvesting  
14 of cannabis. "Produce" does not include the drying of cannabis by a  
15 cannabis manufacturer, if the cannabis manufacturer is not otherwise  
16 manufacturing cannabis.

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

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

28 "Significantly involved person" means a person or entity who  
29 holds at least a five percent investment interest in a proposed or  
30 licensed cannabis cultivator, cannabis manufacturer, cannabis  
31 wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery  
32 service, or who is a decision making member of a group that holds at  
33 least a 20 percent investment interest in a proposed or licensed  
34 cannabis cultivator, cannabis manufacturer, cannabis wholesaler,  
35 cannabis distributor, cannabis retailer, or cannabis delivery service, in  
36 which no member of that group holds more than a five percent interest  
37 in the total group investment interest, and the person or entity makes  
38 controlling decisions regarding the proposed or licensed cannabis  
39 cultivator, cannabis manufacturer, cannabis wholesaler, cannabis  
40 distributor, cannabis retailer, or cannabis delivery service operations.

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

45 "THC" means delta-9-tetrahydrocannabinol and its precursor,  
46 tetrahydrocannabinolic acid, the main psychoactive chemicals  
47 contained in the cannabis plant.

1       “Total THC” means the total concentration of all  
2 tetrahydrocannabinols in <sup>1</sup>[a cannabis item] hemp or a hemp  
3 product<sup>1</sup>, including delta-8, delta-9, delta-10, tetrahydrocannabinolic  
4 acid and any other chemically similar compound, substance,  
5 derivative, or isomer of tetrahydrocannabinol, regardless of how  
6 derived or manufactured, and any other cannabinoid, other than  
7 cannabidiol, identified by the Cannabis Regulatory Commission, in  
8 consultation with the Department of Agriculture and the Attorney  
9 General, as causing intoxication.

10       "Usable cannabis" means the dried leaves and flowers of the  
11 female plant Cannabis sativa L., and does not include the seedlings,  
12 seeds, stems, stalks, or roots of the plant.

13 (cf: P.L.2021, c.16, s.3)

14  
15       3. Section 5 of P.L.1970, c.226 (C.24:21-5) is amended to read  
16 as follows:

17       a. Tests. The director shall place a substance in Schedule I if he  
18 finds that the substance: (1) has high potential for abuse; and (2)  
19 has no accepted medical use in treatment in the United States; or  
20 lacks accepted safety for use in treatment under medical  
21 supervision.

22       b. The controlled dangerous substances listed in this section are  
23 included in Schedule I, subject to any revision and republishing by  
24 the director pursuant to subsection d. of section 3 of P.L.1970,  
25 c.226 (C.24:21-3), and except to the extent provided in any other  
26 schedule.

27       c. Any of the following opiates, including their isomers, esters,  
28 and ethers, unless specifically excepted, whenever the existence of  
29 such isomers, esters, ethers and salts is possible within the specific  
30 chemical designation:

- 31       (1) Acetylmethadol
- 32       (2) Allylprodine
- 33       (3) Alphacetylmethadol
- 34       (4) Alphameprodine
- 35       (5) Alphamethadol
- 36       (6) Benzethidine
- 37       (7) Betacetylmethadol
- 38       (8) Betameprodine
- 39       (9) Betamethadol
- 40       (10) Betaprodine
- 41       (11) Clonitazene
- 42       (12) Dextromoramide
- 43       (13) Dextrophan
- 44       (14) Diampromide
- 45       (15) Diethylthiambutene
- 46       (16) Dimenoxadol
- 47       (17) Dimepheptanol
- 48       (18) Dimethylthiambutene

- 1 (19) Dioxaphetyl butyrate
- 2 (20) Dipipanone
- 3 (21) Ethylmethylthiambutene
- 4 (22) Etonitazene
- 5 (23) Etoxeridine
- 6 (24) Furethidine
- 7 (25) Hydroxypethidine
- 8 (26) Ketobemidone
- 9 (27) Levomoramide
- 10 (28) Levophenacymorphan
- 11 (29) Morpheridine
- 12 (30) Noracymethadol
- 13 (31) Norlevorphanol
- 14 (32) Normethadone
- 15 (33) Norpipanone
- 16 (34) Phenadoxone
- 17 (35) Phenampromide
- 18 (36) Phenomorphan
- 19 (37) Phenoperidine
- 20 (38) Piritramide
- 21 (39) Proheptazine
- 22 (40) Properidine
- 23 (41) Racemoramide
- 24 (42) Trimeperidine.

25 d. Any of the following narcotic substances, their salts, isomers  
26 and salts of isomers, unless specifically excepted, whenever the  
27 existence of such salts, isomers and salts of isomers is possible  
28 within the specific chemical designation:

- 29 (1) Acetorphine
- 30 (2) Acetylcodeine
- 31 (3) Acetyldihydrocodeine
- 32 (4) Benzylmorphine
- 33 (5) Codeine methylbromide
- 34 (6) Codeine-N-Oxide
- 35 (7) Cyprenorphine
- 36 (8) Desomorphine
- 37 (9) Dihydromorphine
- 38 (10) Etorphine
- 39 (11) Heroin
- 40 (12) Hydromorphanol
- 41 (13) Methyl-desorphine
- 42 (14) Methylhydromorphine
- 43 (15) Morphine methylbromide
- 44 (16) Morphine methylsulfonate
- 45 (17) Morphine-N-Oxide
- 46 (18) Myorphine
- 47 (19) Nicocodeine
- 48 (20) Nicomorphine

- 1 (21) Normorphine  
2 (22) Phoclodine  
3 (23) Thebacon.
- 4 e. Any material, compound, mixture or preparation which  
5 contains any quantity of the following hallucinogenic substances,  
6 their salts, isomers and salts of isomers, unless specifically  
7 excepted, whenever the existence of such salts, isomers, and salts of  
8 isomers is possible within the specific chemical designation:
- 9 (1) 3,4-methylenedioxy amphetamine  
10 (2) 5-methoxy-3,4-methylenedioxy amphetamine  
11 (3) 3,4,5-trimethoxy amphetamine  
12 (4) Bufotenine  
13 (5) Diethyltryptamine  
14 (6) Dimethyltryptamine  
15 (7) 4-methyl-2,5-dimethoxylamphetamine  
16 (8) Ibogaine  
17 (9) Lysergic acid diethylamide  
18 (10) **【Marihuana】** Marijuana; except that on and after the  
19 effective date of the "New Jersey Cannabis Regulatory,  
20 Enforcement Assistance, and Marketplace Modernization Act,"  
21 P.L.2021, c.16 (C.24:6I-31 et al.), **【marihuana】** marijuana shall no  
22 longer be included in Schedule I, and shall not be designated or  
23 rescheduled and included in any other schedule by the director  
24 pursuant to the director's designation and rescheduling authority set  
25 forth in section 3 of P.L.1970, c.226 (C.24:21-3).  
26 (11) Mescaline  
27 (12) Peyote  
28 (13) N-ethyl-3-piperidyl benzilate  
29 (14) N-methyl-3-piperidyl benzilate  
30 (15) Psilocybin  
31 (16) Psilocyn  
32 (17) Tetrahydrocannabinols, including those produced by way of  
33 manufacture, except when found in hemp or a hemp product  
34 cultivated, handled, processed, transported, or sold pursuant to the  
35 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.),  
36 or cannabis or a cannabis item, as those terms are defined in section  
37 3 of P.L.2021, c.16 (C.24:6I-33), that is grown, cultivated,  
38 produced, **【or】** manufactured, or sold in accordance with the "New  
39 Jersey Cannabis Regulatory, Enforcement Assistance, and  
40 Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.).  
41 (cf: P.L.2021, c.16, s.44)  
42
- 43 4. (New section) a. A person shall not sell or distribute any  
44 intoxicating hemp product unless:  
45 (1) the person is licensed by the Cannabis Regulatory  
46 Commission in accordance with P.L.2021, c.16 (C.24:6I-31 et al.);  
47 and

1 (2) the product complies with the provisions of P.L.2021, c.16  
2 (C.24:6I-31 et al.) and any applicable commission regulations  
3 applicable to cannabis items.

4 b. (1) It shall be unlawful to sell or distribute a hemp product  
5 or cannabis item that is not derived from naturally occurring  
6 biologically active chemical constituents.

7 (2) Except as otherwise provided by law, it shall be unlawful to  
8 sell or distribute a product intended for human consumption that  
9 contains tetrahydrocannabinol in any detectable amount to a person  
10 under 21 years of age.

11 c. In addition to any other penalty provided by law, any person  
12 licensed by the commission who violates subsection a. or b. of this  
13 section shall be subject to any civil penalties or fines adopted by the  
14 commission in accordance with P.L.2021, c.16 (C.24:6I-31 et al.).

15 d. (1) Notwithstanding any provision of the “Administrative  
16 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to the  
17 contrary, and in accordance with the authority established pursuant  
18 to section 18 of P.L.2021, c.16 (C.24:6I-35), the commission, in  
19 consultation with the Department of Agriculture and the Attorney  
20 General, and within 180 days of the effective date of  
21 P.L. , c. (C. ) (pending before the Legislature as this bill), is  
22 authorized to adopt immediately upon filing with the Office of  
23 Administrative Law rules and regulations necessary to implement  
24 this act.

25 (2) Following any rules or regulations established by the  
26 commission in accordance with subparagraph (1) of this subsection,  
27 the commission shall, in consultation the Department of Agriculture  
28 and the Attorney General, and in accordance with the  
29 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et  
30 seq.), adopt rules and regulations as necessary to implement the  
31 provisions of P.L. , c. (C. ) (pending before the Legislature  
32 as this bill).

33 e. (1) Nothing in P.L. , c. (C. ) (pending before the  
34 Legislature as this bill) shall be construed or interpreted to limit the  
35 enforceability or applicability of the “Agriculture Improvement Act  
36 of 2018,” Pub.L.115-334 or the “New Jersey Hemp Farming Act,”  
37 P.L.2019, c.238 (C.4:28-6 et al.).

38 (2) The imposition of any fine or other remedy under this act  
39 shall not preclude prosecution for a violation of the criminal laws of  
40 this State.

41  
42 5. (New section) a. A person who sells, offers for sale, or  
43 distributes any intoxicating hemp product or a hemp product or  
44 cannabis item that is not derived from naturally occurring biologically  
45 active chemical constituents, in violation of section 4 of P.L. , c.  
46 (C. ) (pending before the Legislature as this bill), shall be liable to  
47 a civil penalty of not less than \$100 for the first violation, not less than  
48 \$1,000 for the second violation, and not less than \$10,000 for the third

1 and each subsequent violation. The penalty prescribed by this section  
2 shall be collected and enforced by summary proceedings under the  
3 "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et  
4 seq.).

5 b. An official authorized by statute or ordinance to enforce this act  
6 or the State or local health codes or consumer protection laws or a law  
7 enforcement officer having enforcement authority in that municipality  
8 may issue a summons for a violation of the provisions of section 4 of  
9 P.L. , c. (C. ) (pending before the Legislature as this bill), and  
10 may serve and execute all process with respect to the enforcement of  
11 this section consistent with the Rules of Court.

12 c. A penalty recovered under the provisions of this section shall be  
13 recovered by and in the name of the State by the local health or  
14 consumer protection agency or other authorized government entity,  
15 including but not limited to the Division of Consumer Affairs in the  
16 Department of Law and Public Safety and the Cannabis Regulatory  
17 Commission established pursuant to section 31 of P.L.2019, c.153  
18 (C.24:6I-24). With respect to an enforcement action brought by a  
19 municipal official, half of any monetary penalty shall be paid into the  
20 treasury of the municipality in which the violation occurred for the  
21 general uses of the municipality, and half shall be deposited in the  
22 special nonlapsing fund known as the "Cannabis Regulatory,  
23 Enforcement Assistance, and Marketplace Modernization Fund,"  
24 established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-50).  
25 With respect to an enforcement action brought by any other  
26 government entity, any monetary penalty collected pursuant to P.L. ,  
27 c. (C. ) (pending before the Legislature as this bill) shall be  
28 deposited in the special nonlapsing fund known as the "Cannabis  
29 Regulatory, Enforcement Assistance, and Marketplace Modernization  
30 Fund," established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-  
31 50).

32 d. A law enforcement officer, local health official, or other  
33 government official from an agency authorized to enforce this section  
34 may confiscate any intoxicating hemp product, hemp product, or  
35 cannabis item that is sold, offered for sale, or distributed in violation of  
36 section 4 of P.L. . , c. (C. ) (pending before the Legislature as  
37 this bill).

38 e. In addition to the civil penalty authorized under subsection a. of  
39 this section, a business found to have committed more than two  
40 violations of section 4 of P.L. , c. (C. ) (pending before the  
41 Legislature as this bill) or found to have committed a third or  
42 subsequent violation at any individual location within one year shall be  
43 deemed a public nuisance. Notwithstanding any other provision of  
44 law, a municipality shall have the power to impose restrictions on the  
45 operation, including closure, of any business determined to constitute a  
46 public nuisance pursuant to this subsection.

47 <sup>1</sup>f. The provisions of P.L. , c. (C. ) (pending before the  
48 Legislature as this bill) shall not be construed to impose liability on

1 news media that accept, publish, or both, advertising for products or  
2 services that fall within the scope of P.L. , c. (C. ) (pending  
3 before the Legislature as this bill).<sup>1</sup>  
4

5 6. (New section) The Cannabis Regulatory Commission, in  
6 consultation with the Division of Consumer Affairs in the  
7 Department of Law and Public Safety and the Business Action  
8 Center in the Department of State, shall develop and implement a  
9 public education program to educate businesses across the State on  
10 the provisions of P.L. , c. (C. ) (pending before the  
11 Legislature as this bill).  
12

13 7. Paragraph (2) of subsection b. of section 4 and section 6 of  
14 this act shall take effect immediately. The remainder of this act  
15 shall take effect 180 days after enactment, except that the Cannabis  
16 Regulatory Commission may take any anticipatory administrative  
17 action in advance as shall be necessary for the implementation of  
18 this act.

[Second Reprint]

**ASSEMBLY, No. 4461**

**STATE OF NEW JERSEY**

**221st LEGISLATURE**

INTRODUCED JUNE 3, 2024

**Sponsored by:**

**Assemblyman HERB CONAWAY, JR.**

**District 7 (Burlington)**

**Assemblyman CODY D. MILLER**

**District 4 (Atlantic, Camden and Gloucester)**

**Assemblyman WILLIAM B. SAMPSON, IV**

**District 31 (Hudson)**

**Co-Sponsored by:**

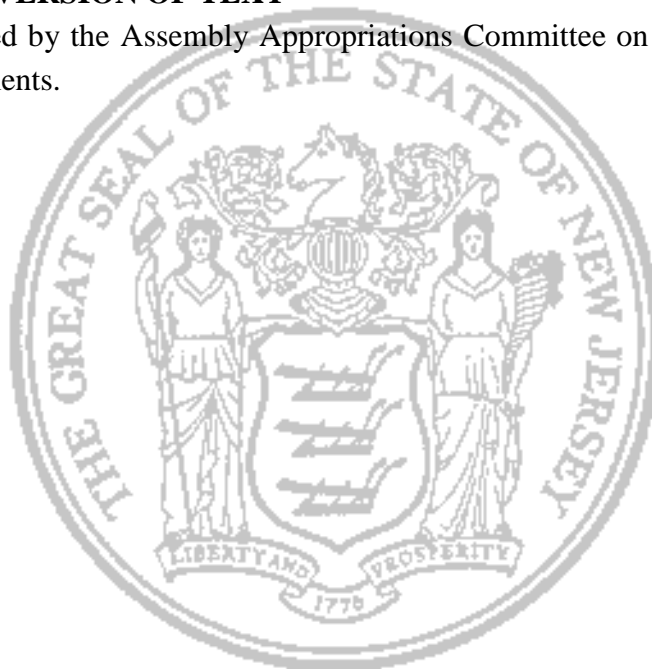
**Assemblywomen Speight and Quijano**

**SYNOPSIS**

Regulates production and sale of certain intoxicating hemp products.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Appropriations Committee on June 24, 2024, with amendments.



**(Sponsorship Updated As Of: 6/26/2024)**

1 AN ACT concerning intoxicating hemp products, supplementing  
2 Title 24 of the New Jersey Statutes, and amending various  
3 sections of statutory law.

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

7  
8 1. Section 3 of P.L.2019, c.238 (C.4:28-8) is amended to read as  
9 follows:

10 3. As used in sections 1 through 9 of P.L.2019, c.238 (C.4:28-6 et  
11 al.), unless the context otherwise requires:

12 "Agent" means an employee or contractor of a hemp producer.

13 "Applicant" means a person, or for a business entity, any person  
14 authorized to act on behalf of the business entity, who applies to the  
15 department to be a hemp producer in the State.

16 "Commercial sale" means the sale of a product in the stream of  
17 commerce at retail, at wholesale, or on the Internet.

18 "Cultivate" means to plant, water, grow, or harvest a plant or crop.

19 "Department" means the New Jersey Department of Agriculture.

20 "Federally defined THC level for hemp" means a delta-9  
21 tetrahydrocannabinol concentration of not more than 0.3 percent on a  
22 dry weight basis for hemp or in a hemp product.

23 "Handle" means to possess or store a hemp plant on premises  
24 owned, operated, or controlled by a hemp producer for any period of  
25 time or in a vehicle for any period of time other than during the actual  
26 transport of the plant between premises owned, operated, or controlled  
27 by hemp producers or persons or entities authorized to produce hemp  
28 pursuant to 7 U.S.C. s.1639o et seq. and any state law or rule or  
29 regulation adopted pursuant thereto. "Handle" does not mean  
30 possession or storage of finished hemp products.

31 "Hemp" means the plant *Cannabis sativa* L. and any part of that  
32 plant, including the seeds of the plant and all derivatives, extracts,  
33 cannabinoids, isomers, acids, salts, and salts of isomers, whether  
34 growing or not, with a **【delta-9】 total** tetrahydrocannabinol  
35 concentration of not more than 0.3 percent on a dry weight basis.  
36 Hemp and hemp-derived cannabinoids, including cannabidiol, shall be  
37 considered an agricultural commodity and not a controlled substance  
38 due to the presence of hemp or hemp-derived cannabinoids.

39 "Hemp producer" means a person or business entity authorized by  
40 the department to cultivate, handle, or process hemp in the State.

41 "Hemp product" means a finished product with a **【delta-9】 total**  
42 tetrahydrocannabinol concentration of not more than 0.3 percent, and  
43 not more than 0.5 milligrams of total THC per serving and 2.5  
44 milligrams of total THC per package, that is derived from or made by

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:

<sup>1</sup>Assembly AHE committee amendments adopted June 17, 2024.

<sup>2</sup>Assembly AAP committee amendments adopted June 24, 2024.

1 processing a hemp plant or plant part and prepared in a form available  
2 for commercial sale. The term includes cosmetics, personal care  
3 products, food intended for human or animal consumption, cloth,  
4 cordage, fiber, fuel, paint, paper, particleboard, plastics, and any  
5 product containing one or more hemp-derived cannabinoids such as  
6 cannabidiol. Hemp products shall not be considered controlled  
7 substances due to the presence of hemp or hemp-derived cannabinoids.  
8 “Hemp product” shall not mean a cannabinoid product that is not  
9 derived from naturally occurring biologically active chemical  
10 constituents and shall not mean an intoxicating hemp product as  
11 defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

12 "Process" means to convert hemp into a marketable form.

13 "Secretary" means the Secretary of the New Jersey Department of  
14 Agriculture.

15 "Transport" means the movement or shipment of hemp by a hemp  
16 producer, a person or entity authorized to produce hemp pursuant to 7  
17 U.S.C. s.1639o et seq. and any state law or rule or regulation adopted  
18 pursuant thereto, or a hemp producer's or authorized entity's third-  
19 party carrier or agent. "Transport" shall not mean the movement or  
20 shipment of hemp products.

21 “Total THC” means the total concentration of all  
22 tetrahydrocannabinols in <sup>1</sup>[a cannabis item] hemp or a  
23 hemp product<sup>1</sup>, including delta-8, delta-9, delta-10,  
24 tetrahydrocannabinolic acid and any other chemically similar  
25 compound, substance, derivative, or isomer of tetrahydrocannabinol,  
26 regardless of how derived or manufactured, and any other  
27 cannabinoid, other than cannabidiol, identified by the Cannabis  
28 Regulatory Commission, in consultation with the Department of  
29 Agriculture and the Attorney General, as causing intoxication.  
30 (cf: P.L.2019, c.238, s.3)

31

32 2. Section 3 of P.L.2021, c.16 (C.24:6I-33) is amended to read as  
33 follows:

34 3. Definitions.

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

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

46 "Cannabis" means all parts of the plant *Cannabis sativa* L., whether  
47 growing or not, the seeds thereof, and every compound, manufacture,  
48 salt, derivative, mixture, or preparation of the plant or its seeds, except

1 those containing resin extracted from the plant, which are cultivated  
2 and, when applicable, manufactured in accordance with P.L.2021, c.16  
3 (C.24:6I-31 et al.) for use in cannabis products as set forth in this act,  
4 but shall not include the weight of any other ingredient combined with  
5 cannabis to prepare topical or oral administrations, food, drink, or  
6 other product. "Cannabis" does not include: medical cannabis  
7 dispensed to registered qualifying patients pursuant to the "Jake Honig  
8 Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-  
9 1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); marijuana as  
10 defined in N.J.S.2C:35-2 and applied to any offense set forth in  
11 chapters 35, 35A, and 36 of Title 2C of the New Jersey Statutes, or  
12 P.L.2001, c.114 (C.2C:35B-1 et seq.), or marihuana as defined in  
13 section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense set  
14 forth in the "New Jersey Controlled Dangerous Substances Act,"  
15 P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product  
16 cultivated, handled, processed, transported, or sold pursuant to the  
17 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

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

31 "Cannabis cultivator" means any licensed person or entity that  
32 grows, cultivates, or produces cannabis in this State, and sells, and  
33 may transport, this cannabis to other cannabis cultivators, or usable  
34 cannabis to cannabis manufacturers, cannabis wholesalers, or cannabis  
35 retailers, but not to consumers. This person or entity shall hold a Class  
36 1 Cannabis Cultivator license.

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

46 "Cannabis distributor" means any licensed person or entity that  
47 transports cannabis in bulk intrastate from one licensed cannabis  
48 cultivator to another licensed cannabis cultivator, or transports

1 cannabis items in bulk intrastate from any one class of licensed  
2 cannabis establishment to another class of licensed cannabis  
3 establishment, and may engage in the temporary storage of cannabis or  
4 cannabis items as necessary to carry out transportation activities. This  
5 person or entity shall hold a Class 4 Cannabis Distributor license.

6 "Cannabis establishment" means a cannabis cultivator, a cannabis  
7 manufacturer, a cannabis wholesaler, or a cannabis retailer.

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

15 "Cannabis flower" means the flower of the plant *Cannabis sativa*  
16 L. within the plant family Cannabaceae.

17 "Cannabis item" means any usable cannabis, cannabis product,  
18 cannabis extract, intoxicating hemp product, and any other cannabis  
19 resin. "Cannabis item" does not include: any form of medical cannabis  
20 dispensed to registered qualifying patients pursuant to the "Jake Honig  
21 Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-  
22 1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); or hemp or a  
23 hemp product cultivated, handled, processed, transported, or sold  
24 pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238  
25 (C.4:28-6 et al.).

26 "Cannabis leaf" means the leaf of the plant *Cannabis sativa* L.  
27 within the plant family Cannabaceae.

28 "Cannabis manufacturer" means any licensed person or entity that  
29 processes cannabis items in this State by purchasing or otherwise  
30 obtaining usable cannabis, manufacturing, preparing, and packaging  
31 cannabis items, and selling, and optionally transporting, these items to  
32 other cannabis manufacturers, cannabis wholesalers, or cannabis  
33 retailers, but not to consumers. This person or entity shall hold a Class  
34 2 Cannabis Manufacturer license."

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

46 "Cannabis product" means a product containing usable cannabis,  
47 cannabis extract, or any other cannabis resin and other ingredients  
48 intended for human consumption or use, including a product intended

1 to be applied to the skin or hair, edible cannabis products, ointments,  
2 and tinctures. "Cannabis product" does not include: (1) usable  
3 cannabis by itself; or (2) cannabis extract by itself; or (3) any other  
4 cannabis resin by itself.

5 "Cannabis resin" means the resin extracted from any part of the  
6 plant *Cannabis sativa* L., including cannabis extract and resin extracted  
7 using non-chemical processes, processed and used in accordance with  
8 P.L.2021, c.16 (C.24:6I-31 et al.). "Cannabis resin" does not include:  
9 any form of medical cannabis dispensed to registered qualifying  
10 patients pursuant to the "Jake Honig Compassionate Use Medical  
11 Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158  
12 (C.18A:40-12.22 et al.); hashish as defined in N.J.S.2C:35-2 and  
13 applied to any offense set forth in chapters 35, 35A, and 36 of Title 2C  
14 of the New Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or  
15 as defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to  
16 any offense of the "New Jersey Controlled Dangerous Substances  
17 Act," P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product  
18 cultivated, handled, processed, transported, or sold pursuant to the  
19 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

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

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

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

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

44 "Conditional license" means a temporary license designated as  
45 either a Class 1 Cannabis Cultivator license, a Class 2 Cannabis  
46 Manufacturer license, a Class 3 Cannabis Wholesaler license, a Class 4  
47 Cannabis Distributor license, a Class 5 Cannabis Retailer license, or a  
48 Class 6 Cannabis Delivery license that allows the holder to lawfully

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

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

12 "Consumption" means the act of ingesting, inhaling, or otherwise  
13 introducing cannabis items into the human body.

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

26 "Department" means the Department of Health.

27 "Director" means the Director of the Office of Minority, Disabled  
28 Veterans, and Women Cannabis Business Development in the  
29 Cannabis Regulatory Commission.

30 "Executive director" means the executive director of the Cannabis  
31 Regulatory Commission.

32 "Financial consideration" means value that is given or received  
33 either directly or indirectly through sales, barter, trade, fees, charges,  
34 dues, contributions, or donations.

35 "Immature cannabis plant" means a cannabis plant that is not  
36 flowering.

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

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

44 (2) based upon data for calendar year 2019, ranks in the top 40  
45 percent of municipalities in the State for marijuana- or hashish-related  
46 arrests for violation of paragraph (4) of subsection a. of N.J.S.2C:35-  
47 10; has a crime index total of 825 or higher based upon the indexes  
48 listed in the annual Uniform Crime Report by the Division of State

1 Police; and has a local average annual unemployment rate that ranks in  
2 the top 15 percent of all municipalities, based upon average annual  
3 unemployment rates estimated for the relevant calendar year by the  
4 Office of Research and Information in the Department of Labor and  
5 Workforce Development;

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

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

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

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

33 “Intoxicating hemp product” means any product cultivated,  
34 derived, or manufactured from hemp regulated pursuant to the  
35 “Agricultural Improvement Act of 2018,” Pub.L.115-334 or the “New  
36 Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.) that is  
37 sold in this State that has a concentration of total THC greater than 0.5  
38 milligrams per serving or 2.5 milligrams per package. “Intoxicating  
39 hemp product” shall not include a cannabinoid product that is not  
40 derived from naturally occurring biologically active chemical  
41 constituents and shall not include hemp products as defined in section  
42 3 of P.L.2019, c.238 (C.4:28-8).

43 "License" means a license issued under P.L.2021, c.16 (C.24:6I-31  
44 et al.), including a license that is designated as either a Class 1  
45 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer license,  
46 a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis Distributor  
47 license, a Class 5 Cannabis Retailer license, or a Class 6 Cannabis  
48 Delivery license. The term includes a conditional license for a

1 designated class, except when the context of the provisions of  
2 P.L.2021, c.16 (C.24:6I-31 et al.) otherwise intend to only apply to a  
3 license and not a conditional license.

4 "Licensee" means a person or entity that holds a license issued  
5 under P.L.2021, c.16 (C.24:6I-31 et al.), including a license that is  
6 designated as either a Class 1 Cannabis Cultivator license, a Class 2  
7 Cannabis Manufacturer license, a Class 3 Cannabis Wholesaler  
8 license, a Class 4 Cannabis Distributor license, a Class 5 Cannabis  
9 Retailer license, or a Class 6 Cannabis Delivery license, and includes a  
10 person or entity that holds a conditional license for a designated class,  
11 except when the context of the provisions of P.L.2021, c.16 (C.24:6I-  
12 31 et al.) otherwise intend to only apply to a person or entity that holds  
13 a license and not a conditional license.

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

17 "Manufacture" means the drying, processing, compounding, or  
18 conversion of usable cannabis into cannabis products or cannabis  
19 resins. "Manufacture" does not include packaging or labeling.

20 "Mature cannabis plant" means a cannabis plant that is not an  
21 immature cannabis plant.

22 "Medical cannabis" means cannabis dispensed to registered  
23 qualifying patients pursuant to the "Jake Honig Compassionate Use  
24 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and  
25 P.L.2015, c.158 (C.18A:40-12.22 et al.). "Medical cannabis" does not  
26 include any cannabis or cannabis item which is cultivated, produced,  
27 processed, and consumed in accordance with P.L.2021, c.16 (C.24:6I-  
28 31 et al.).

29 "Microbusiness" means a person or entity licensed under P.L.2021,  
30 c.16 (C.24:6I-31 et al.) as a cannabis cultivator, cannabis  
31 manufacturer, cannabis wholesaler, cannabis distributor, cannabis  
32 retailer, or cannabis delivery service that may only, with respect to its  
33 business operations, and capacity and quantity of product: (1) employ  
34 no more than 10 employees; (2) operate a cannabis establishment  
35 occupying an area of no more than 2,500 square feet, and in the case of  
36 a cannabis cultivator, grow cannabis on an area no more than 2,500  
37 square feet measured on a horizontal plane and grow above that plane  
38 not higher than 24 feet; (3) possess no more than 1,000 cannabis plants  
39 each month, except that a cannabis distributor's possession of cannabis  
40 plants for transportation shall not be subject to this limit; (4) acquire  
41 each month, in the case of a cannabis manufacturer, no more than  
42 1,000 pounds of usable cannabis; (5) acquire for resale each month, in  
43 the case of a cannabis wholesaler, no more than 1,000 pounds of  
44 usable cannabis, or the equivalent amount in any form of  
45 manufactured cannabis product or cannabis resin, or any combination  
46 thereof; and (6) acquire for retail sale each month, in the case of a  
47 cannabis retailer, no more than 1,000 pounds of usable cannabis, or the

1 equivalent amount in any form of manufactured cannabis product or  
2 cannabis resin, or any combination thereof.

3 "Noncommercial" means not dependent or conditioned upon the  
4 provision or receipt of financial consideration.

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

15 "Produce" means the planting, cultivation, growing or harvesting  
16 of cannabis. "Produce" does not include the drying of cannabis by a  
17 cannabis manufacturer, if the cannabis manufacturer is not otherwise  
18 manufacturing cannabis.

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

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

30 "Significantly involved person" means a person or entity who  
31 holds at least a five percent investment interest in a proposed or  
32 licensed cannabis cultivator, cannabis manufacturer, cannabis  
33 wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery  
34 service, or who is a decision making member of a group that holds at  
35 least a 20 percent investment interest in a proposed or licensed  
36 cannabis cultivator, cannabis manufacturer, cannabis wholesaler,  
37 cannabis distributor, cannabis retailer, or cannabis delivery service, in  
38 which no member of that group holds more than a five percent interest  
39 in the total group investment interest, and the person or entity makes  
40 controlling decisions regarding the proposed or licensed cannabis  
41 cultivator, cannabis manufacturer, cannabis wholesaler, cannabis  
42 distributor, cannabis retailer, or cannabis delivery service operations.

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

1 "THC" means delta-9-tetrahydrocannabinol and its precursor,  
2 tetrahydrocannabinolic acid, the main psychoactive chemicals  
3 contained in the cannabis plant.

4 "Total THC" means the total concentration of all  
5 tetrahydrocannabinols in <sup>1</sup>[a cannabis item] hemp or a hemp  
6 product<sup>1</sup>, including delta-8, delta-9, delta-10, tetrahydrocannabinolic  
7 acid and any other chemically similar compound, substance,  
8 derivative, or isomer of tetrahydrocannabinol, regardless of how  
9 derived or manufactured, and any other cannabinoid, other than  
10 cannabidiol, identified by the Cannabis Regulatory Commission, in  
11 consultation with the Department of Agriculture and the Attorney  
12 General, as causing intoxication.

13 "Usable cannabis" means the dried leaves and flowers of the  
14 female plant Cannabis sativa L., and does not include the seedlings,  
15 seeds, stems, stalks, or roots of the plant.

16 (cf: P.L.2021, c.16, s.3)

17  
18 3. Section 5 of P.L.1970, c.226 (C.24:21-5) is amended to read  
19 as follows:

20 a. Tests. The director shall place a substance in Schedule I if he  
21 finds that the substance: (1) has high potential for abuse; and (2)  
22 has no accepted medical use in treatment in the United States; or  
23 lacks accepted safety for use in treatment under medical  
24 supervision.

25 b. The controlled dangerous substances listed in this section are  
26 included in Schedule I, subject to any revision and republishing by  
27 the director pursuant to subsection d. of section 3 of P.L.1970,  
28 c.226 (C.24:21-3), and except to the extent provided in any other  
29 schedule.

30 c. Any of the following opiates, including their isomers, esters,  
31 and ethers, unless specifically excepted, whenever the existence of  
32 such isomers, esters, ethers and salts is possible within the specific  
33 chemical designation:

- 34 (1) Acetylmethadol
- 35 (2) Allylprodine
- 36 (3) Alphacetylmethadol
- 37 (4) Alphameprodine
- 38 (5) Alphamethadol
- 39 (6) Benzethidine
- 40 (7) Betacetylmethadol
- 41 (8) Betameprodine
- 42 (9) Betamethadol
- 43 (10) Betaprodine
- 44 (11) Clonitazene
- 45 (12) Dextromoramide
- 46 (13) Dextrophan
- 47 (14) Diampromide
- 48 (15) Diethylthiambutene

- 1 (16) Dimenoxadol
- 2 (17) Dimepheptanol
- 3 (18) Dimethylthiambutene
- 4 (19) Dioxaphetyl butyrate
- 5 (20) Dipipanone
- 6 (21) Ethylmethylthiambutene
- 7 (22) Etonitazene
- 8 (23) Etoxeridine
- 9 (24) Furethidine
- 10 (25) Hydroxypethidine
- 11 (26) Ketobemidone
- 12 (27) Levomoramide
- 13 (28) Levophenacylmorphan
- 14 (29) Morpheridine
- 15 (30) Noracymethadol
- 16 (31) Norlevorphanol
- 17 (32) Normethadone
- 18 (33) Norpipanone
- 19 (34) Phenadoxone
- 20 (35) Phenampromide
- 21 (36) Phenomorphan
- 22 (37) Phenoperidine
- 23 (38) Piritramide
- 24 (39) Proheptazine
- 25 (40) Properidine
- 26 (41) Racemoramide
- 27 (42) Trimeperidine.

28 d. Any of the following narcotic substances, their salts, isomers  
29 and salts of isomers, unless specifically excepted, whenever the  
30 existence of such salts, isomers and salts of isomers is possible  
31 within the specific chemical designation:

- 32 (1) Acetorphine
- 33 (2) Acetylcodone
- 34 (3) Acetyldihydrocodeine
- 35 (4) Benzylmorphine
- 36 (5) Codeine methylbromide
- 37 (6) Codeine-N-Oxide
- 38 (7) Cyprenorphine
- 39 (8) Desomorphine
- 40 (9) Dihydromorphine
- 41 (10) Etorphine
- 42 (11) Heroin
- 43 (12) Hydromorphenol
- 44 (13) Methyl-desorphine
- 45 (14) Methylhydromorphine
- 46 (15) Morphine methylbromide
- 47 (16) Morphine methylsulfonate
- 48 (17) Morphine-N-Oxide

- 1 (18) Myrophine
- 2 (19) Nicocodeine
- 3 (20) Nicomorphine
- 4 (21) Normorphine
- 5 (22) Phoclodine
- 6 (23) Thebacon.
- 7 e. Any material, compound, mixture or preparation which
- 8 contains any quantity of the following hallucinogenic substances,
- 9 their salts, isomers and salts of isomers, unless specifically
- 10 excepted, whenever the existence of such salts, isomers, and salts of
- 11 isomers is possible within the specific chemical designation:
  - 12 (1) 3,4-methylenedioxy amphetamine
  - 13 (2) 5-methoxy-3,4-methylenedioxy amphetamine
  - 14 (3) 3,4,5-trimethoxy amphetamine
  - 15 (4) Bufotenine
  - 16 (5) Diethyltryptamine
  - 17 (6) Dimethyltryptamine
  - 18 (7) 4-methyl-2,5-dimethoxylamphetamine
  - 19 (8) Ibogaine
  - 20 (9) Lysergic acid diethylamide
  - 21 (10) **【Marihuana】** Marijuana; except that on and after the
  - 22 effective date of the "New Jersey Cannabis Regulatory,
  - 23 Enforcement Assistance, and Marketplace Modernization Act,"
  - 24 P.L.2021, c.16 (C.24:6I-31 et al.), **【marihuana】** marijuana shall no
  - 25 longer be included in Schedule I, and shall not be designated or
  - 26 rescheduled and included in any other schedule by the director
  - 27 pursuant to the director's designation and rescheduling authority set
  - 28 forth in section 3 of P.L.1970, c.226 (C.24:21-3).
  - 29 (11) Mescaline
  - 30 (12) Peyote
  - 31 (13) N-ethyl-3-piperidyl benzilate
  - 32 (14) N-methyl-3-piperidyl benzilate
  - 33 (15) Psilocybin
  - 34 (16) Psilocyn
  - 35 (17) Tetrahydrocannabinols, including those produced by way of
  - 36 manufacture, except when found in hemp or a hemp product
  - 37 cultivated, handled, processed, transported, or sold pursuant to the
  - 38 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.),
  - 39 or cannabis or a cannabis item, as those terms are defined in section
  - 40 3 of P.L.2021, c.16 (C.24:6I-33), that is grown, cultivated,
  - 41 produced, **【or】** manufactured, or sold in accordance with the "New
  - 42 Jersey Cannabis Regulatory, Enforcement Assistance, and
  - 43 Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.).
  - 44 (cf: P.L.2021, c.16, s.44)
  - 45
  - 46 4. (New section) a. A person shall not sell or distribute any
  - 47 intoxicating hemp product unless:

- 1 (1) the person is licensed by the Cannabis Regulatory  
2 Commission in accordance with P.L.2021, c.16 (C.24:6I-31 et al.);  
3 <sup>2</sup>or  
4 (2) the person is a holder of any valid and unrevoked plenary  
5 retail distribution license, as defined in R.S.33:1-12, and is  
6 approved by the Executive Director of the Cannabis Regulatory  
7 Commission to sell intoxicating hemp beverages in accordance with  
8 section 5 of P.L. , c. (C. ) (pending before the Legislature  
9 as this bill);<sup>2</sup> and
- 10 <sup>2</sup>[(2)] (3)<sup>2</sup> the product complies with the provisions of  
11 P.L.2021, c.16 (C.24:6I-31 et al.) and any <sup>2</sup>[applicable commission  
12 regulations applicable to cannabis items] rules or regulations  
13 adopted pursuant thereto<sup>2</sup>.
- 14 b. (1) It shall be unlawful to sell or distribute a hemp product  
15 or cannabis item that is not derived from naturally occurring  
16 biologically active chemical constituents.
- 17 (2) Except as otherwise provided by law, it shall be unlawful to  
18 sell or distribute a product intended for human consumption that  
19 contains tetrahydrocannabinol in any detectable amount to a person  
20 under 21 years of age.
- 21 c. In addition to any other penalty provided by law, any person  
22 licensed by the commission <sup>2</sup>, or any person approved by the  
23 Executive Director to sell intoxicating hemp beverages pursuant to  
24 section 5 of P.L. , c. (C. ) (pending before the Legislature  
25 as this bill),<sup>2</sup> who violates subsection a. or b. of this section shall be  
26 subject to any civil penalties or fines adopted by the commission in  
27 accordance with P.L.2021, c.16 (C.24:6I-31 et al.).
- 28 d. (1) Notwithstanding any provision of the “Administrative  
29 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), <sup>2</sup>or  
30 subsection d. of section 5 of P.L. , c. (C. ) (pending before  
31 the Legislature as this bill)<sup>2</sup> to the contrary, and in accordance with  
32 the authority established pursuant to section 18 of P.L.2021, c.16  
33 (C.24:6I-35), the commission, in consultation with the Department  
34 of Agriculture and the Attorney General, and within 180 days of the  
35 effective date of P.L. , c. (C. ) (pending before the  
36 Legislature as this bill), is authorized to adopt immediately upon  
37 filing with the Office of Administrative Law rules and regulations  
38 necessary to implement this act.
- 39 (2) Following any rules or regulations established by the  
40 commission in accordance with subparagraph (1) of this subsection,  
41 the commission shall, in consultation the Department of Agriculture  
42 and the Attorney General, and in accordance with the  
43 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et  
44 seq.), adopt rules and regulations as necessary to implement the  
45 provisions of P.L. , c. (C. ) (pending before the Legislature  
46 as this bill).

1 e. (1) Nothing in P.L. , c. (C. ) (pending before the  
2 Legislature as this bill) shall be construed or interpreted to limit the  
3 enforceability or applicability of the “Agriculture Improvement Act  
4 of 2018,” Pub.L.115-334 or the “New Jersey Hemp Farming Act,”  
5 P.L.2019, c.238 (C.4:28-6 et al.).

6 (2) 2The requirements of this section and section 5 of P.L. , c.  
7 (C. ) (pending before the Legislature as this bill) shall apply to  
8 any online retail sale of an intoxicating hemp product sold in this  
9 State.

10 (3)<sup>2</sup>The imposition of any fine or other remedy under this act  
11 shall not preclude prosecution for a violation of the criminal laws of  
12 this State.

13  
14 25. (New section) a. (1) Notwithstanding P.L.2021, c.16  
15 (C.24:6I-31 et al.), or any rule or regulation adopted pursuant  
16 thereto, the holder of any valid and unrevoked plenary retail  
17 distribution license, as defined in R.S.33:1-12, may sell or distribute  
18 intoxicating hemp beverages in accordance with this section and  
19 section 4 of P.L. , c. (C. ) (pending before the Legislature  
20 as this bill) and the rules and regulations adopted by the Executive  
21 Director of the commission pursuant to subsection d. of this section.

22 (2) Any intoxicating hemp beverage sold or offered for sale  
23 pursuant to paragraph (1) of this section shall not be sold to any  
24 person under the age of 21, and shall be stored or displayed in a  
25 place that is not accessible to customers without the assistance of an  
26 employee of the establishment.

27 b. (1) Upon the effective date of P.L. , c. (C. )  
28 (pending before the Legislature as this bill) the holder of any valid  
29 and unrevoked plenary retail distribution license shall not sell any  
30 intoxicating hemp beverages.

31 (2) Upon the adoption of rules and regulations by the  
32 commission pursuant to subsection d. of this section, any holder of  
33 a valid and unrevoked plenary retail distribution license may submit  
34 an application to the Executive Director of the Cannabis Regulatory  
35 Commission, in a form and manner as determined by the  
36 commission, for approval to sell intoxicating hemp beverages. The  
37 Executive Director of the commission may approve a valid holder  
38 of a plenary retail distribution license to sell intoxicating hemp  
39 beverages in accordance with P.L. , c. (C. ) (pending  
40 before the Legislature as this bill) and the rules and regulations  
41 adopted by the commission.

42 The authority of the Executive Director to approve the holder of  
43 a plenary retail distribution to sell intoxicating hemp beverages  
44 granted pursuant to this section shall not be subject to the approval  
45 of the Cannabis Regulatory Commission, established pursuant to  
46 Section 31 of P.L.2019, c.153 (C.24:6I-24).

1     c. Any sale of an intoxicating hemp beverage by a holder of  
2 any valid and unrevoked plenary retail distribution license shall be  
3 subject to:

4     (1) the sales tax imposed on cannabis in accordance with the  
5 “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.); and

6     (2) the same local cannabis transfer and user tax imposed on  
7 cannabis by a municipality pursuant to section 40 of P.L.2021, c.16  
8 (C.40:48I-1).

9     All taxes, fees, penalties, and revenues collected pursuant to this  
10 section shall be deposited in accordance with section 41 of  
11 P.L.2021, c.16 (C.24:6I-50).

12     d. (1) Notwithstanding the rules and regulations adopted  
13 pursuant to subsection d. of section 4 of P.L. , c. (C. )  
14 (pending before the Legislature as this bill), no later than 12 months  
15 after the effective date of this section, the commission, in  
16 consultation with the Division of Alcoholic Beverage Control shall  
17 adopt, immediately upon filing with the Office of Administrative  
18 Law, rules and regulations necessary to implement this section. The  
19 rules and regulations adopted pursuant to this section shall be  
20 effective for a period not to exceed 18 months following the date of  
21 filing and may thereafter be amended, adopted, or readopted by the  
22 director in accordance with the requirements of P.L.1968, c.410  
23 (C.52:14B-1 et seq.).

24     (2) The rules and regulations adopted pursuant to this section  
25 shall include, but not be limited to, provisions concerning:

26     (a) packaging;

27     (b) labeling;

28     (c) product testing and safety standards;

29     (d) tetrahydrocannabinol amounts permitted in intoxicating hemp  
30 beverages;

31     (e) the number of intoxicating hemp beverages that may be sold  
32 to a customer at any given time; and

33     (f) a fee to be charged by the Executive Director of the  
34 commission to cover the reasonable costs of administering this  
35 section.

36     For the purposes of this section, “intoxicating hemp beverage”  
37 means a beverage that is an intoxicating hemp product as that term  
38 is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).<sup>2</sup>

39  
40     <sup>2</sup>6. R.S.33:1-12 is amended to read as follows:

41     33:1-12. Class C licenses shall be subdivided and classified as  
42 follows:

43     Plenary retail consumption license. 1. The holder of this license  
44 shall be entitled, subject to rules and regulations, to sell any  
45 alcoholic beverages for consumption on the licensed premises by  
46 the glass or other open receptacle, and also to sell any alcoholic  
47 beverages in original containers for consumption off the licensed  
48 premises; but this license shall not be issued to permit the sale of

1 alcoholic beverages in or upon any premises in which a grocery,  
2 delicatessen, drug store or other mercantile business is carried on,  
3 except as hereinafter provided. The holder of this license shall be  
4 permitted to conduct consumer wine, beer and spirits tasting events  
5 and samplings for a fee or on a complimentary basis pursuant to  
6 conditions established by rules and regulations of the Division of  
7 Alcoholic Beverage Control, provided however, that the holder of  
8 this license complies with the terms and conditions set forth in  
9 section 3 of P.L.2009, c.216 (C.33:1-12d). Subject to such rules  
10 and regulations established from time to time by the director, the  
11 holder of this license shall be permitted to sell alcoholic beverages  
12 in or upon the premises in which any of the following is carried on:  
13 the keeping of a hotel or restaurant including the sale of mercantile  
14 items incidental thereto as an accommodation to patrons; the sale, at  
15 an entertainment facility as defined in R.S.33:1-1, having a seating  
16 capacity for no less than 4,000 patrons, of mercantile items  
17 traditionally associated with the type of event or program held at  
18 the site; the sale of distillers', brewers' and vintners' packaged  
19 merchandise prepacked as a unit with other suitable objects as gift  
20 items to be sold only as a unit; the sale of novelty wearing apparel  
21 identified with the name of the establishment licensed under the  
22 provisions of this section; the sale of cigars, cigarettes, packaged  
23 crackers, chips, nuts and similar snacks and ice at retail as an  
24 accommodation to patrons, or the retail sale of nonalcoholic  
25 beverages as accessory beverages to alcoholic beverages; or, in  
26 commercial bowling establishments, the retail sale or rental of  
27 bowling accessories and the retail sale from vending machines of  
28 candy, ice cream and nonalcoholic beverages. The fee for this  
29 license shall be fixed by the governing board or body of the  
30 municipality in which the licensed premises are situated, by  
31 ordinance, at not less than \$250 and not more than \$2,500. No  
32 ordinance shall be enacted which shall raise or lower the fee to be  
33 charged for this license by more than 20% from that charged in the  
34 preceding license year or \$500.00, whichever is the lesser. The  
35 governing board or body of each municipality may, by ordinance,  
36 enact that no plenary retail consumption license shall be granted  
37 within its respective municipality.

38 The holder of this license shall be permitted to obtain a restricted  
39 brewery license issued pursuant to subsection 1c. of R.S.33:1-10  
40 and to operate a restricted brewery immediately adjoining the  
41 licensed premises in accordance with the restrictions set forth in  
42 that subsection. All fees related to the issuance of both licenses  
43 shall be paid in accordance with statutory law.

44 Seasonal retail consumption license. 2. (1) The holder of this  
45 license shall be entitled, subject to rules and regulations, to sell any  
46 alcoholic beverages for consumption on the licensed premises by  
47 the glass or other open receptacle, and also to sell any alcoholic  
48 beverages in original containers for consumption off the licensed

1 premises, during the summer season from May 1 until November  
2 14, inclusive, or during the winter season from November 15 until  
3 April 30, inclusive.

4 (2) In addition, the director shall issue to the holder of this  
5 license, upon request by the licensee, one-day permits that shall  
6 entitle the license holder to sell alcoholic beverages for  
7 consumption on the licensed premises during the season when the  
8 license holder is not authorized to sell alcoholic beverages pursuant  
9 to subparagraph (1) of this subsection. The number of one-day  
10 permits issued to a licensee pursuant to this subsection shall not  
11 exceed an aggregate of 14 permits in one calendar year. A one-day  
12 permit issued pursuant to this subsection shall be valid for 24  
13 consecutive hours. The fee for each one-day permit shall be \$500.

14 The governing body of the municipality in which the licensed  
15 premises is situated may place reasonable conditions upon a one-  
16 day permit for the purpose of maintaining public safety on the  
17 licensed premises and immediately surrounding area. The costs  
18 associated with the reasonable conditions placed on the one-day  
19 permit shall be assumed by the holder of this license.

20 (3) This license shall not be issued to permit the sale of  
21 alcoholic beverages in or upon any premises in which a grocery,  
22 delicatessen, drug store or other mercantile business is carried on,  
23 except as hereinafter provided. Subject to such rules and  
24 regulations established from time to time by the director, the holder  
25 of this license shall be permitted to sell alcoholic beverages in or  
26 upon the premises in which any of the following is carried on: the  
27 keeping of a hotel or restaurant including the sale of mercantile  
28 items incidental thereto as an accommodation to patrons; the sale of  
29 distillers', brewers' and vintners' packaged merchandise prepacked  
30 as a unit with other suitable objects as gift items to be sold only as a  
31 unit; the sale of novelty wearing apparel identified with the name of  
32 the establishment licensed under the provisions of this section; the  
33 sale of cigars, cigarettes, packaged crackers, chips, nuts and similar  
34 snacks and ice at retail as an accommodation to patrons; or the retail  
35 sale of nonalcoholic beverages as accessory beverages to alcoholic  
36 beverages. The fee for this license shall be fixed by the governing  
37 board or body of the municipality in which the licensed premises  
38 are situated, by ordinance, at 75% of the fee fixed by said board or  
39 body for plenary retail consumption licenses. The governing board  
40 or body of each municipality may, by ordinance, enact that no  
41 seasonal retail consumption license shall be granted within its  
42 respective municipality.

43 Plenary retail distribution license. 3. a. The holder of this license  
44 shall be entitled, subject to rules and regulations, to sell any  
45 alcoholic beverages or intoxicating hemp beverages pursuant to  
46 section 5 of P.L. , c. (C. ) (pending before the Legislature  
47 as this bill), for consumption off the licensed premises, but only in  
48 original containers; except that licensees shall be permitted to

1 conduct consumer wine, beer, and spirits tasting events and  
2 samplings on a complimentary basis pursuant to conditions  
3 established by rules and regulations of the Division of Alcoholic  
4 Beverage Control, provided however, that the holder of this license  
5 complies with the terms and conditions set forth in section 3 of  
6 P.L.2009, c.216 (C.33:1-12d).

7 The governing board or body of each municipality may, by  
8 ordinance, enact that this license shall not be issued to permit the  
9 sale of alcoholic beverages in or upon any premises in which any  
10 other mercantile business is carried on, except that any such  
11 ordinance, heretofore or hereafter adopted, shall not prohibit the  
12 retail sale of distillers', brewers' and vintners' packaged  
13 merchandise prepacked as a unit with other suitable objects as gift  
14 items to be sold only as a unit; the sale of novelty wearing apparel  
15 identified with the name of the establishment licensed under the  
16 provisions of this act; cigars, cigarettes, packaged crackers, chips,  
17 nuts and similar snacks, ice, and nonalcoholic beverages as  
18 accessory beverages to alcoholic beverages. The fee for this license  
19 shall be fixed by the governing board or body of the municipality in  
20 which the licensed premises are situated, by ordinance, at not less  
21 than \$125 and not more than \$2,500. No ordinance shall be enacted  
22 which shall raise or lower the fee to be charged for this license by  
23 more than 20% from that charged in the preceding license year or  
24 \$500.00, whichever is the lesser. The governing board or body of  
25 each municipality may, by ordinance, enact that no plenary retail  
26 distribution license shall be granted within its respective  
27 municipality.

28 Limited retail distribution license. 3. b. The holder of this license  
29 shall be entitled, subject to rules and regulations, to sell any  
30 unchilled, brewed, malt alcoholic beverages in quantities of not less  
31 than 72 fluid ounces for consumption off the licensed premises, but  
32 only in original containers; provided, however, that this license  
33 shall be issued only for premises operated and conducted by the  
34 licensee as a bona fide grocery store, meat market, meat and  
35 grocery store, delicatessen, or other type of bona fide food store at  
36 which groceries or other foodstuffs are sold at retail; and provided  
37 further that this license shall not be issued except for premises at  
38 which the sale of groceries or other foodstuffs is the primary and  
39 principal business and at which the sale of alcoholic beverages is  
40 merely incidental and subordinate thereto. The fee for this license  
41 shall be fixed by the governing body or board of the municipality in  
42 which the licensed premises are situated, by ordinance, at not less  
43 than \$31 and not more than \$63. The governing board or body of  
44 each municipality may, by ordinance, enact that no limited retail  
45 distribution license shall be granted within its respective  
46 municipality.

47 Plenary retail transit license. 4. The holder of this license shall be  
48 entitled, subject to rules and regulations, to sell any alcoholic

1 beverages, for consumption only, on railroad trains, airplanes,  
2 limousines and boats, while in transit. The fee for this license for  
3 use by a railroad or air transport company shall be \$375, for use by  
4 the owners of limousines shall be \$31 per vehicle, and for use on a  
5 boat shall be \$63 on a boat 65 feet or less in length, \$125 on a boat  
6 more than 65 feet in length but not more than 110 feet in length,  
7 and \$375 on a boat more than 110 feet in length; such boat lengths  
8 shall be determined in the manner prescribed by the Bureau of  
9 Customs of the United States Government or any federal agency  
10 successor thereto for boat measurement in connection with issuance  
11 of marine documents. A license issued under this provision to a  
12 railroad or air transport company shall cover all railroad cars and  
13 planes operated by any such company within the State of New  
14 Jersey. A license for a boat or limousine issued under this  
15 provision shall apply only to the particular boat or limousine for  
16 which issued, and shall permit the purchase of alcoholic beverages  
17 for sale or service in a boat or limousine to be made from any Class  
18 A and B licensee or from any Class C licensee whose license  
19 privilege permits the sale of alcoholic beverages in original  
20 containers for off-premises consumption. An interest in a plenary  
21 retail transit license issued in accordance with this section shall be  
22 excluded in determining the maximum number of retail licenses  
23 permitted under P.L.1962, c.152 (C.33:1-12.31 et seq.).

24 Club license. 5. The holder of this license shall be entitled,  
25 subject to rules and regulations, to sell any alcoholic beverages but  
26 only for immediate consumption on the licensed premises and only  
27 to bona fide club members and their guests. The fee for this license  
28 shall be fixed by the governing board or body of the municipality in  
29 which the licensed premises are situated, by ordinance, at not less  
30 than \$63 and not more than \$188. The governing board or body of  
31 each municipality may, by ordinance, enact that no club licenses  
32 shall be granted within its respective municipality. Club licenses  
33 may be issued only to such corporations, associations and  
34 organizations as are operated for benevolent, charitable, fraternal,  
35 social, religious, recreational, athletic, or similar purposes, and not  
36 for private gain, and which comply with all conditions which may  
37 be imposed by the Director of the Division of Alcoholic Beverage  
38 Control by rules and regulations.

39 The provisions of section 23 of P.L.2003, c.117 amendatory of  
40 this section shall apply to licenses issued or transferred on or after  
41 July 1, 2003, and to license renewals commencing on or after July  
42 1, 2003.

43 Sporting facility license. 6. The holder of this license shall be  
44 entitled, subject to rules and regulations, to sell at retail or to serve  
45 any alcoholic beverages as the owner, operator, lessee, or  
46 concessionaire of a sporting facility by the glass or other receptacle  
47 or in original containers only on the premises of the sporting  
48 facility.

1 Notwithstanding any other provision of Title 33 of the Revised  
2 Statutes and subject to conditions established by the director, the  
3 holder of this license may share direction and control of the  
4 premises to be licensed and share proceeds and profits from the sale  
5 of alcoholic beverages with the owner, operator, concessionaire, or  
6 lessee of the facility. The holder of this license shall be permitted  
7 to conduct consumer wine, beer, and spirits tasting events and  
8 samplings for a fee or on a complimentary basis provided, however,  
9 the license holder complies with the provisions of section 3 of  
10 P.L.2009, c.216 (C.33:1-12d) and rules and regulations promulgated  
11 thereto. Notwithstanding any law, rule or regulation to the  
12 contrary, the holder of this license shall be entitled to establish an  
13 all-inclusive area within the licensed sporting facility, provided the  
14 all-inclusive area is limited to one area within the sporting facility  
15 for each game or event and the capacity of the all-inclusive area  
16 does not exceed 500 persons.

17 The fee for this license shall be \$2,500 for venues with a  
18 capacity of less than 7,500 persons; \$5,000 for venues with a  
19 capacity of not less than 7,500 persons but not more than 14,999  
20 persons; \$7,500 for venues with a capacity of not less than 15,000  
21 persons but not more than 22,499 persons; and \$10,000 for venues  
22 with a capacity of 22,500 persons or more.

23 For the purposes of this subsection:

24 "Sporting facility" means a stadium, arena, team training facility,  
25 or similar venue located on public property where alcoholic  
26 beverages are served or sold at retail for consumption on the  
27 premises by the glass or other open receptacle or in original  
28 containers.

29 "Team training facility" shall include team offices and team  
30 headquarters.<sup>2</sup>

31 (cf: P.L.2018, c.147, s.1)

32

33 <sup>27.</sup> Section 41 of P.L.2021, c.16 (C.24:6I-50) is amended to read  
34 as follows:

35 41. Cannabis Regulatory, Enforcement Assistance, and  
36 Marketplace Modernization Fund.

37 a. All fees and penalties collected by the commission, and all  
38 tax revenues on retail sales of cannabis items, and all tax revenues  
39 collected pursuant to the provisions of the "Jake Honig  
40 Compassionate Use Medical Cannabis Act," P.L.2009, c.307  
41 (C.24:6I-1 et al.), except for amounts credited to the Property Tax  
42 Reform Account in the Property Tax Relief Fund pursuant to  
43 paragraph 7 of Section I of Article VIII of the New Jersey  
44 Constitution, **【as well as】** all revenues, if any, collected for the  
45 Social Equity Excise Fee pursuant to section 39 of P.L.2021, c.16  
46 (C.54:47F-1), as well as all tax revenues on the retail sale of  
47 intoxicating hemp beverages by any plenary retail distribution  
48 license holder, as defined pursuant to section 5 of P.L. , c.

1 (C. \_\_\_\_\_) (pending before the Legislature as this bill), shall be  
2 deposited in a special nonlapsing fund which shall be known as the  
3 "Cannabis Regulatory, Enforcement Assistance, and Marketplace  
4 Modernization Fund," with 15 percent of the monies deposited  
5 being placed into an account within the fund to be known as the  
6 "Underage Deterrence and Prevention Account."

7 b. Monies in the fund, other than any monies derived from the  
8 Social Equity Excise Fee to be appropriated annually in accordance  
9 with subsection d. of this section and the monies placed into the  
10 "Underage Deterrence and Prevention Account" within the fund for  
11 the commission to fund programs and services in accordance with  
12 subsection e. of this section, shall be appropriated annually as  
13 follows:

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

23 (a) to 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.), and assist with assuming  
26 responsibility from the Department of Health for the further  
27 development and expansion, regulation, and enforcement of  
28 activities associated with the medical use of cannabis pursuant to  
29 the "Jake Honig Compassionate Use Medical Cannabis Act,"  
30 P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-  
31 12.22 et al.);

32 (b) to reimburse the expenses incurred by any county or  
33 municipality for the training costs associated with the attendance  
34 and participation of a police officer from its law enforcement unit,  
35 as those terms are defined in section 2 of P.L.1961, c.56 (C.52:17B-  
36 67), in a program provided by an approved school, also defined in  
37 that section, which trains and certifies the police officer, including a  
38 police officer with a working dog as that term is defined in section  
39 1 of P.L.2006, c.88 (C.10:5-29.7), as a Drug Recognition Expert for  
40 detecting, identifying, and apprehending drug-impaired motor  
41 vehicle operators, and pay for the same training costs incurred by  
42 the Division of State Police in the Department of Law and Public  
43 Safety for the training of a State police officer or trooper, including  
44 an officer or trooper with a working dog, as a Drug Recognition  
45 Expert, as well as its costs in furnishing additional program  
46 instructors to provide Drug Recognition Expert training to police  
47 officers, troopers, and working dogs. A municipality or county  
48 seeking reimbursement shall apply to the commission, itemizing the

1 costs, with appropriate proofs, for which reimbursement is  
2 requested and provide a copy of the certificate issued to the police  
3 officer to indicate the successful completion of the program by the  
4 police officer, and that officer's working dog, if applicable; and

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

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

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

18 d. (1) (a) Not less than 60 days prior to the first day of each State  
19 fiscal year, the commission shall consult and make  
20 recommendations to the Governor and Legislature for making social  
21 equity appropriations based upon the amount of any revenues  
22 collected during the current fiscal year for the Social Equity Excise  
23 Fee pursuant to section 39 of P.L.2021, c.16 (C.54:47F-1), or, if the  
24 commission has not imposed or adjusted the excise fee in the  
25 current fiscal year pursuant to that section, then appropriations to be  
26 made from the General Fund in an amount equal to the revenues  
27 that would have been collected had it imposed or adjusted the fee,  
28 in order to invest, through grants, loans, reimbursements of  
29 expenses, and other financial assistance, in private for-profit and  
30 non-profit organizations, public entities, including any municipality  
31 defined as an "impact zone" pursuant to section 3 of P.L.2021, c.16  
32 (C.24:6I-33) as well as provide direct financial assistance to  
33 qualifying persons as determined by the commission, in order to  
34 create, expand, or promote educational and economic opportunities  
35 and activities, and the health and well-being of both communities  
36 and individuals.

37 (b) Not less than 30 days prior to submitting its  
38 recommendations to the Governor and Legislature pursuant to  
39 subparagraph (a) of this paragraph, the commission shall hold at  
40 least three regional public hearings throughout the State, with at  
41 least one hearing in the northern, central, and southern regions of  
42 the State, to solicit the public input on the social equity investments  
43 to be made as described in this section.

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

47 (a) educational support, including literacy programs, extended  
48 learning time programs that endeavor to close the achievement gap

1 and provide services for enrolled students after the traditional  
2 school day, GED application and preparedness assistance, tutoring  
3 programs, vocational programming, and financial literacy;

4 (b) economic development, including the encouragement and  
5 support of community activities so as to stimulate economic activity  
6 or increase or preserve residential amenities, and business  
7 marketing, and job skills and readiness training, specific  
8 employment training, and apprenticeships;

9 (c) social support services, including food assistance, mental  
10 health services, substance use disorders treatment and recovery,  
11 youth recreation and mentoring services, life skills support services,  
12 and reentry and other rehabilitative services for adults and juveniles  
13 being released from incarceration; and

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

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

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

31 e. The monies deposited in the "Underage Deterrence and  
32 Prevention Account" within the fund shall be used by the  
33 commission, based on the acceptance of applications submitted on a  
34 form and through an approval or denial process promulgated by the  
35 commission, to fund private for-profit and non-profit organizations,  
36 and county and municipal programs and services that offer social  
37 services, educational, recreational, and employment opportunities,  
38 and local economic development designed to encourage, improve,  
39 and support youthful community activities to divert and prevent  
40 persons under 18 years of age from activities associated with the  
41 consumption of cannabis items, or marijuana or hashish.<sup>2</sup>

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

43

44 <sup>2</sup>**[5.] 8.**<sup>2</sup> (New section) a. A person who sells, offers for sale, or  
45 distributes any intoxicating hemp product or a hemp product or  
46 cannabis item that is not derived from naturally occurring biologically  
47 active chemical constituents, in violation of section 4 of P.L. , c.  
48 (C. ) (pending before the Legislature as this bill), shall be liable to

1 a civil penalty of not less than \$100 for the first violation, not less than  
2 \$1,000 for the second violation, and not less than \$10,000 for the third  
3 and each subsequent violation. The penalty prescribed by this section  
4 shall be collected and enforced by summary proceedings under the  
5 "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et  
6 seq.).

7 b. An official authorized by statute or ordinance to enforce this act  
8 or the State or local health codes or consumer protection laws or a law  
9 enforcement officer having enforcement authority in that municipality  
10 may issue a summons for a violation of the provisions of section 4 of  
11 P.L. , c. (C. ) (pending before the Legislature as this bill), and  
12 may serve and execute all process with respect to the enforcement of  
13 this section consistent with the Rules of Court.

14 c. A penalty recovered under the provisions of this section shall be  
15 recovered by and in the name of the State by the local health or  
16 consumer protection agency or other authorized government entity,  
17 including but not limited to the Division of Consumer Affairs in the  
18 Department of Law and Public Safety and the Cannabis Regulatory  
19 Commission established pursuant to section 31 of P.L.2019, c.153  
20 (C.24:6I-24). With respect to an enforcement action brought by a  
21 municipal official, half of any monetary penalty shall be paid into the  
22 treasury of the municipality in which the violation occurred for the  
23 general uses of the municipality, and half shall be deposited in the  
24 special nonlapsing fund known as the "Cannabis Regulatory,  
25 Enforcement Assistance, and Marketplace Modernization Fund,"  
26 established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-50).  
27 With respect to an enforcement action brought by any other  
28 government entity, any monetary penalty collected pursuant to P.L. ,  
29 c. (C. ) (pending before the Legislature as this bill) shall be  
30 deposited in the special nonlapsing fund known as the "Cannabis  
31 Regulatory, Enforcement Assistance, and Marketplace Modernization  
32 Fund," established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-  
33 50).

34 d. A law enforcement officer, local health official, or other  
35 government official from an agency authorized to enforce this section  
36 may confiscate any intoxicating hemp product, hemp product, or  
37 cannabis item that is sold, offered for sale, or distributed in violation of  
38 section 4 of P.L. , c. (C. ) (pending before the Legislature as  
39 this bill).

40 e. In addition to the civil penalty authorized under subsection a. of  
41 this section, a business found to have committed more than two  
42 violations of section 4 of P.L. , c. (C. ) (pending before the  
43 Legislature as this bill) or found to have committed a third or  
44 subsequent violation at any individual location within one year shall be  
45 deemed a public nuisance. Notwithstanding any other provision of  
46 law, a municipality shall have the power to impose restrictions on the  
47 operation, including closure, of any business determined to constitute a  
48 public nuisance pursuant to this subsection.

1       <sup>1</sup>f. The provisions of P.L. , c. (C. ) (pending before the  
2 Legislature as this bill) shall not be construed to impose liability on  
3 news media that accept, publish, or both, advertising for products or  
4 services that fall within the scope of P.L. , c. (C. ) (pending  
5 before the Legislature as this bill).<sup>1</sup>

6  
7       <sup>2</sup>9. Section 40 of P.L.2021, c.16 (C.40:48I-1) is amended to read  
8 as follows:

9       40. Optional Local Cannabis Transfer Tax and User Tax.

10       a. (1) A municipality may adopt an ordinance imposing a transfer  
11 tax on the sale of cannabis or cannabis items by a cannabis  
12 establishment or a holder of a plenary retail distribution license  
13 selling an intoxicating hemp beverage in accordance with section 5  
14 of P.L. , c. (C. ) (pending before the Legislature as this  
15 bill) that is located in the municipality. At the discretion of the  
16 municipality, the tax may be imposed on: receipts from the sale of  
17 cannabis by a cannabis cultivator to another cannabis cultivator;  
18 receipts from the sale of cannabis items from one cannabis  
19 establishment to another cannabis establishment; receipts from the  
20 retail sales of cannabis items or intoxicating hemp beverages by a  
21 cannabis retailer or a holder of a plenary retail distribution license  
22 to retail consumers who are 21 years of age or older; or any  
23 combination thereof. Each municipality shall set its own rate or  
24 rates, but in no case shall a rate exceed: two percent of the receipts  
25 from each sale by a cannabis cultivator; two percent of the receipts  
26 from each sale by a cannabis manufacturer; one percent of the  
27 receipts from each sale by a cannabis wholesaler; and two percent  
28 of the receipts from each sale by a cannabis retailer or holder of a  
29 plenary retail distribution license.

30       (2) A local tax ordinance adopted pursuant to paragraph (1) of  
31 this subsection shall also include provisions for imposing a user tax,  
32 at the equivalent transfer tax rates, on any concurrent license  
33 holder, as permitted by section 33 of P.L.2021, c.16 (C.24:6I-46),  
34 operating more than one cannabis establishment , or on any  
35 concurrent holder of plenary retail distribution licenses. The user  
36 tax shall be imposed on the value of each transfer or use of cannabis  
37 or cannabis items not otherwise subject to the transfer tax imposed  
38 pursuant to paragraph (1) of this subsection, from the license  
39 holder's establishment that is located in the municipality to any of  
40 the other license holder's establishments, whether located in the  
41 municipality or another municipality.

42       b. (1) A transfer tax or user tax imposed pursuant to this section  
43 shall be in addition to any other tax imposed by law. Any  
44 transaction for which the transfer tax or user tax is imposed, or  
45 could be imposed, pursuant to this section, other than those which  
46 generate receipts from the retail sales by cannabis retailers or a  
47 holder of a plenary retail distribution license, shall be exempt from  
48 the tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30

1 (C.54:32B-1 et seq.). The transfer tax or user tax shall be collected  
2 or paid, and remitted to the municipality by the cannabis  
3 establishment or the holder of the plenary retail distributor license  
4 from the cannabis establishment or plenary retail distributor  
5 purchasing or receiving the cannabis or cannabis item, or from the  
6 consumer at the point of sale, on behalf of the municipality by the  
7 cannabis retailer or plenary retail distributor selling the cannabis  
8 item to that consumer. The transfer tax or user tax shall be stated,  
9 charged, and shown separately on any sales slip, invoice, receipt, or  
10 other statement or memorandum of the price paid or payable, or  
11 equivalent value of the transfer, for the cannabis or cannabis item.

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

29 (3) No cannabis establishment or plenary retail distributor  
30 required to collect a transfer tax or user tax imposed by ordinance  
31 pursuant to this section shall advertise or hold out to any person or  
32 to the public in general, in any manner, directly or indirectly, that  
33 the transfer tax or user tax will not be separately charged and stated  
34 to another cannabis establishment, plenary retail distributor, or the  
35 consumer, or that the transfer tax or user tax will be refunded to the  
36 cannabis establishment, plenary retail distributor, or the consumer.

37 c. (1) All revenues collected from a transfer tax or user tax  
38 imposed by ordinance pursuant to this section shall be remitted to  
39 the chief financial officer of the municipality in a manner  
40 prescribed by the municipality. The chief financial officer shall  
41 collect and administer any transfer tax or user tax imposed by  
42 ordinance pursuant to this section. The municipality shall enforce  
43 the payment of delinquent taxes or transfer fees imposed by  
44 ordinance pursuant to this section in the same manner as provided  
45 for municipal real property taxes.

46 (2) (a) In the event that the transfer tax or user tax imposed by  
47 ordinance pursuant to this section is not paid as and when due by a  
48 cannabis establishment or plenary retail distributor, the unpaid

1 balance, and any interest accruing thereon, shall be a lien on the  
2 parcel of real property comprising the cannabis establishment's or  
3 plenary retail distributor's premises in the same manner as all other  
4 unpaid municipal taxes, fees, or other charges. The lien shall be  
5 superior and paramount to the interest in the parcel of any owner,  
6 lessee, tenant, mortgagee, or other person, except the lien of  
7 municipal taxes, and shall be on a parity with and deemed equal to  
8 the municipal lien on the parcel for unpaid property taxes due and  
9 owing in the same year.

10 (b) A municipality shall file in the office of its tax collector a  
11 statement showing the amount and due date of the unpaid balance  
12 and identifying the lot and block number of the parcel of real  
13 property that comprises the delinquent cannabis establishment's or  
14 plenary retail distributor's premises. The lien shall be enforced as a  
15 municipal lien in the same manner as all other municipal liens are  
16 enforced.

17 d. As used in this section:

18 "Cannabis" means the same as that term is defined in section 3 of  
19 P.L.2021, c.16 (C.24:6I-33).

20 "Cannabis cultivator" means the same as that term is defined in  
21 section 3 of P.L.2021, c.16 (C.24:6I-33).

22 "Cannabis establishment" means the same as that term is defined  
23 in section 3 of P.L.2021, c.16 (C.24:6I-33).

24 "Cannabis items" means the same as that term is defined in  
25 section 3 of P.L.2021, c.16 (C.24:6I-33).

26 "Cannabis manufacturer" means the same as that term is defined  
27 in section 3 of P.L.2021, c.16 (C.24:6I-33).

28 "Cannabis retailer" means the same as that term is defined in  
29 section 3 of P.L.2021, c.16 (C.24:6I-33).

30 "Cannabis wholesaler" means the same as that term is defined in  
31 section 3 of P.L.2021, c.16 (C.24:6I-33).

32 "Consumer" means the same as that term is defined in section 3  
33 of P.L.2021, c.16 (C.24:6I-33).

34 "Premises" means the same as that term is defined in section 3 of  
35 P.L.2021, c.16 (C.24:6I-33).<sup>2</sup>

36 (cf: P.L.2021, c.16, s.40)

37

38 <sup>2</sup>[6.] 10.<sup>2</sup> (New section) The Cannabis Regulatory  
39 Commission, in consultation with the Division of Consumer Affairs  
40 in the Department of Law and Public Safety <sup>2</sup>[and] <sup>2</sup>,<sup>2</sup> the Business  
41 Action Center in the Department of State, <sup>2</sup>and the Division of  
42 Alcoholic Beverage Control in the Department of Law and Public  
43 Safety<sup>2</sup> shall develop and implement a public education program to  
44 educate businesses across the State on the provisions of P.L. , c.  
45 (C. ) (pending before the Legislature as this bill).

1       <sup>2</sup>~~7.~~ <sup>11.</sup> <sup>2</sup>Paragraph (2) of subsection b. of section 4 and  
2 section 6 of this act shall take effect immediately. The remainder of  
3 this act shall take effect 180 days after enactment, except that the  
4 Cannabis Regulatory Commission may take any anticipatory  
5 administrative action in advance as shall be necessary for the  
6 implementation of this act **】** This act shall take effect as follows:  
7       a. Paragraph (2) of subsection b. of section 4 shall take effect  
8 immediately;  
9       b. The remainder of this act shall take effect 30 days after  
10 enactment, except that the Cannabis Regulatory Commission may  
11 take any anticipatory administrative action in advance as shall be  
12 necessary for the implementation of this act<sup>2</sup>.

[Third Reprint]

**ASSEMBLY, No. 4461**

**STATE OF NEW JERSEY**  
**221st LEGISLATURE**

INTRODUCED JUNE 3, 2024

**Sponsored by:**

**Assemblyman HERB CONAWAY, JR.**

**District 7 (Burlington)**

**Assemblyman CODY D. MILLER**

**District 4 (Atlantic, Camden and Gloucester)**

**Assemblyman WILLIAM B. SAMPSON, IV**

**District 31 (Hudson)**

**Co-Sponsored by:**

**Assemblywomen Speight, Quijano and Carter**

**SYNOPSIS**

Regulates production and sale of certain intoxicating hemp products.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Budget Committee on June 26, 2024, with amendments.



**(Sponsorship Updated As Of: 6/28/2024)**

1 AN ACT concerning intoxicating hemp products, supplementing  
2 Title 24 of the New Jersey Statutes, and amending various  
3 sections of statutory law.

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

7  
8 1. Section 3 of P.L.2019, c.238 (C.4:28-8) is amended to read as  
9 follows:

10 3. As used in sections 1 through 9 of P.L.2019, c.238 (C.4:28-6 et  
11 al.), unless the context otherwise requires:

12 "Agent" means an employee or contractor of a hemp producer.

13 "Applicant" means a person, or for a business entity, any person  
14 authorized to act on behalf of the business entity, who applies to the  
15 department to be a hemp producer in the State.

16 "Commercial sale" means the sale of a product in the stream of  
17 commerce at retail, at wholesale, or on the Internet.

18 "Cultivate" means to plant, water, grow, or harvest a plant or crop.

19 "Department" means the New Jersey Department of Agriculture.

20 "Federally defined THC level for hemp" means a delta-9  
21 tetrahydrocannabinol concentration of not more than 0.3 percent on a  
22 dry weight basis for hemp or in a hemp product.

23 "Handle" means to possess or store a hemp plant on premises  
24 owned, operated, or controlled by a hemp producer for any period of  
25 time or in a vehicle for any period of time other than during the actual  
26 transport of the plant between premises owned, operated, or controlled  
27 by hemp producers or persons or entities authorized to produce hemp  
28 pursuant to 7 U.S.C. s.1639o et seq. and any state law or rule or  
29 regulation adopted pursuant thereto. "Handle" does not mean  
30 possession or storage of finished hemp products.

31 "Hemp" means the plant *Cannabis sativa* L. and any part of that  
32 plant, including the seeds of the plant and all derivatives, extracts,  
33 cannabinoids, isomers, acids, salts, and salts of isomers, whether  
34 growing or not, with a **【delta-9】 total** tetrahydrocannabinol  
35 concentration of not more than 0.3 percent on a dry weight basis.  
36 Hemp and hemp-derived cannabinoids, including cannabidiol, shall be  
37 considered an agricultural commodity and not a controlled substance  
38 due to the presence of hemp or hemp-derived cannabinoids.

39 "Hemp producer" means a person or business entity authorized by  
40 the department to cultivate, handle, or process hemp in the State.

41 "Hemp product" means a finished product with a **【delta-9】 total**  
42 tetrahydrocannabinol concentration of not more than 0.3 percent, and  
43 not more than 0.5 milligrams of total THC per serving and 2.5

**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:

<sup>1</sup>Assembly AHE committee amendments adopted June 17, 2024.

<sup>2</sup>Assembly AAP committee amendments adopted June 24, 2024.

<sup>3</sup>Assembly ABU committee amendments adopted June 26, 2024.

1 milligrams of total THC per package, that is derived from or made by  
2 processing a hemp plant or plant part and prepared in a form available  
3 for commercial sale. The term includes cosmetics, personal care  
4 products, food intended for human or animal consumption, cloth,  
5 cordage, fiber, fuel, paint, paper, particleboard, plastics, and any  
6 product containing one or more hemp-derived cannabinoids such as  
7 cannabidiol. Hemp products shall not be considered controlled  
8 substances due to the presence of hemp or hemp-derived cannabinoids.  
9 "Hemp product" shall not mean a cannabinoid product that is not  
10 derived from naturally occurring biologically active chemical  
11 constituents and shall not mean an intoxicating hemp product as  
12 defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

13 "Process" means to convert hemp into a marketable form.

14 "Secretary" means the Secretary of the New Jersey Department of  
15 Agriculture.

16 "Transport" means the movement or shipment of hemp by a hemp  
17 producer, a person or entity authorized to produce hemp pursuant to 7  
18 U.S.C. s.1639o et seq. and any state law or rule or regulation adopted  
19 pursuant thereto, or a hemp producer's or authorized entity's third-  
20 party carrier or agent. "Transport" shall not mean the movement or  
21 shipment of hemp products.

22 "Total THC" means the total concentration of all  
23 tetrahydrocannabinols in <sup>1</sup>[a cannabis item] hemp or a  
24 hemp product<sup>1</sup>, including delta-8, delta-9, delta-10,  
25 tetrahydrocannabinolic acid and any other chemically similar  
26 compound, substance, derivative, or isomer of tetrahydrocannabinol,  
27 regardless of how derived or manufactured, and any other  
28 cannabinoid, other than cannabidiol, identified by the Cannabis  
29 Regulatory Commission, in consultation with the Department of  
30 Agriculture and the Attorney General, as causing intoxication.

31 (cf: P.L.2019, c.238, s.3)

32

33 2. Section 3 of P.L.2021, c.16 (C.24:6I-33) is amended to read  
34 as follows:

35 3. Definitions.

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

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

47 "Cannabis" means all parts of the plant *Cannabis sativa* L.,  
48 whether growing or not, the seeds thereof, and every compound,

1 manufacture, salt, derivative, mixture, or preparation of the plant or  
2 its seeds, except those containing resin extracted from the plant,  
3 which are cultivated and, when applicable, manufactured in  
4 accordance with P.L.2021, c.16 (C.24:6I-31 et al.) for use in  
5 cannabis products as set forth in this act, but shall not include the  
6 weight of any other ingredient combined with cannabis to prepare  
7 topical or oral administrations, food, drink, or other product.  
8 "Cannabis" does not include: medical cannabis dispensed to  
9 registered qualifying patients pursuant to the "Jake Honig  
10 Compassionate Use Medical Cannabis Act," P.L.2009, c.307  
11 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);  
12 marijuana as defined in N.J.S.2C:35-2 and applied to any offense  
13 set forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey  
14 Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or marihuana as  
15 defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to  
16 any offense set forth in the "New Jersey Controlled Dangerous  
17 Substances Act," P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a  
18 hemp product cultivated, handled, processed, transported, or sold  
19 pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238  
20 (C.4:28-6 et al.).

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

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

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

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

10 "Cannabis establishment" means a cannabis cultivator, a  
11 cannabis manufacturer, a cannabis wholesaler, or a cannabis  
12 retailer.

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

20 "Cannabis flower" means the flower of the plant *Cannabis sativa*  
21 L. within the plant family Cannabaceae.

22 "Cannabis item" means any usable cannabis, cannabis product,  
23 cannabis extract, intoxicating hemp product, and any other cannabis  
24 resin. "Cannabis item" does not include: any form of medical  
25 cannabis dispensed to registered qualifying patients pursuant to the  
26 "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009,  
27 c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et  
28 al.); or hemp or a hemp product cultivated, handled, processed,  
29 transported, or sold pursuant to the "New Jersey Hemp Farming  
30 Act," P.L.2019, c.238 (C.4:28-6 et al.).

31 "Cannabis leaf" means the leaf of the plant *Cannabis sativa* L.  
32 within the plant family Cannabaceae.

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

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

1 intended for use to commit a violation of chapter 35 or 36 of Title  
2 2C of the New Jersey Statutes.

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

10 "Cannabis resin" means the resin extracted from any part of the  
11 plant *Cannabis sativa* L., including cannabis extract and resin  
12 extracted using non-chemical processes, processed and used in  
13 accordance with P.L.2021, c.16 (C.24:6I-31 et al.). "Cannabis  
14 resin" does not include: any form of medical cannabis dispensed to  
15 registered qualifying patients pursuant to the "Jake Honig  
16 Compassionate Use Medical Cannabis Act," P.L.2009, c.307  
17 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);  
18 hashish as defined in N.J.S.2C:35-2 and applied to any offense set  
19 forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey  
20 Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or as defined in  
21 section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense  
22 of the "New Jersey Controlled Dangerous Substances Act,"  
23 P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product  
24 cultivated, handled, processed, transported, or sold pursuant to the  
25 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

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

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

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

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

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

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

20 "Consumption" means the act of ingesting, inhaling, or otherwise  
21 introducing cannabis items into the human body.

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

34 "Department" means the Department of Health.

35 "Director" means the Director of the Office of Minority,  
36 Disabled Veterans, and Women Cannabis Business Development in  
37 the Cannabis Regulatory Commission.

38 "Executive director" means the executive director of the  
39 Cannabis Regulatory Commission.

40 "Financial consideration" means value that is given or received  
41 either directly or indirectly through sales, barter, trade, fees,  
42 charges, dues, contributions, or donations.

43 "Immature cannabis plant" means a cannabis plant that is not  
44 flowering.

45 "Impact zone" means any municipality, based on past criminal  
46 marijuana enterprises contributing to higher concentrations of law  
47 enforcement activity, unemployment, and poverty, or any

1 combination thereof, within parts of or throughout the municipality,  
2 that:

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

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

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

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

27 (a) with a population of less than 60,000 according to the most  
28 recently compiled federal decennial census, that for calendar year  
29 2019 ranks in the top 40 percent of municipalities in the State for  
30 marijuana- or hashish-related arrests for violation of paragraph (4)  
31 of subsection a. of N.J.S.2C:35-10; has a crime index total of 1,000  
32 or higher based upon the indexes listed in the 2019 annual Uniform  
33 Crime Report by the Division of State Police; but for calendar year  
34 2019 does not have a local average annual unemployment rate that  
35 ranks in the top 15 percent of all municipalities, based upon average  
36 annual unemployment rates estimated for the relevant calendar year  
37 by the Office of Research and Information in the Department of  
38 Labor and Workforce Development; or

39 (b) with a population of not less than 60,000 or more than  
40 80,000 according to the most recently compiled federal decennial  
41 census; has a crime index total of 650 or higher based upon the  
42 indexes listed in the 2019 annual Uniform Crime Report; and for  
43 calendar year 2019 has a local average annual unemployment rate  
44 of 3.0 percent or higher using the same estimated annual  
45 unemployment rates.

46 “Intoxicating hemp product” means any product cultivated,  
47 derived, or manufactured <sup>3</sup>in this State<sup>3</sup> from hemp regulated  
48 pursuant to the “Agricultural Improvement Act of 2018.”

1 Pub.L.115-334 or the “New Jersey Hemp Farming Act,” P.L.2019,  
2 c.238 (C.4:28-6 et al.) that is sold in this State that has a  
3 concentration of total THC greater than 0.5 milligrams per serving  
4 or 2.5 milligrams per package. “Intoxicating hemp product” shall  
5 not include a cannabinoid product that is not derived from naturally  
6 occurring biologically active chemical constituents and shall not  
7 include hemp products as defined in section 3 of P.L.2019, c.238  
8 (C.4:28-8).

9 "License" means a license issued under P.L.2021, c.16 (C.24:6I-  
10 31 et al.), including a license that is designated as either a Class 1  
11 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer  
12 license, a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis  
13 Distributor license, a Class 5 Cannabis Retailer license, or a Class 6  
14 Cannabis Delivery license. The term includes a conditional license  
15 for a designated class, except when the context of the provisions of  
16 P.L.2021, c.16 (C.24:6I-31 et al.) otherwise intend to only apply to  
17 a license and not a conditional license.

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

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

31 "Manufacture" means the drying, processing, compounding, or  
32 conversion of usable cannabis into cannabis products or cannabis  
33 resins. "Manufacture" does not include packaging or labeling.

34 "Mature cannabis plant" means a cannabis plant that is not an  
35 immature cannabis plant.

36 "Medical cannabis" means cannabis dispensed to registered  
37 qualifying patients pursuant to the "Jake Honig Compassionate Use  
38 Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and  
39 P.L.2015, c.158 (C.18A:40-12.22 et al.). "Medical cannabis" does  
40 not include any cannabis or cannabis item which is cultivated,  
41 produced, processed, and consumed in accordance with P.L.2021,  
42 c.16 (C.24:6I-31 et al.).

43 "Microbusiness" means a person or entity licensed under  
44 P.L.2021, c.16 (C.24:6I-31 et al.) as a cannabis cultivator, cannabis  
45 manufacturer, cannabis wholesaler, cannabis distributor, cannabis  
46 retailer, or cannabis delivery service that may only, with respect to  
47 its business operations, and capacity and quantity of product: (1)  
48 employ no more than 10 employees; (2) operate a cannabis

1 establishment occupying an area of no more than 2,500 square feet,  
2 and in the case of a cannabis cultivator, grow cannabis on an area  
3 no more than 2,500 square feet measured on a horizontal plane and  
4 grow above that plane not higher than 24 feet; (3) possess no more  
5 than 1,000 cannabis plants each month, except that a cannabis  
6 distributor's possession of cannabis plants for transportation shall  
7 not be subject to this limit; (4) acquire each month, in the case of a  
8 cannabis manufacturer, no more than 1,000 pounds of usable  
9 cannabis; (5) acquire for resale each month, in the case of a  
10 cannabis wholesaler, no more than 1,000 pounds of usable cannabis,  
11 or the equivalent amount in any form of manufactured cannabis  
12 product or cannabis resin, or any combination thereof; and (6)  
13 acquire for retail sale each month, in the case of a cannabis retailer,  
14 no more than 1,000 pounds of usable cannabis, or the equivalent  
15 amount in any form of manufactured cannabis product or cannabis  
16 resin, or any combination thereof.

17 "Noncommercial" means not dependent or conditioned upon the  
18 provision or receipt of financial consideration.

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

30 "Produce" means the planting, cultivation, growing or harvesting  
31 of cannabis. "Produce" does not include the drying of cannabis by a  
32 cannabis manufacturer, if the cannabis manufacturer is not  
33 otherwise manufacturing cannabis.

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

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

46 "Significantly involved person" means a person or entity who  
47 holds at least a five percent investment interest in a proposed or  
48 licensed cannabis cultivator, cannabis manufacturer, cannabis

1 wholesaler, cannabis distributor, cannabis retailer, or cannabis  
2 delivery service, or who is a decision making member of a group  
3 that holds at least a 20 percent investment interest in a proposed or  
4 licensed cannabis cultivator, cannabis manufacturer, cannabis  
5 wholesaler, cannabis distributor, cannabis retailer, or cannabis  
6 delivery service, in which no member of that group holds more than  
7 a five percent interest in the total group investment interest, and the  
8 person or entity makes controlling decisions regarding the proposed  
9 or licensed cannabis cultivator, cannabis manufacturer, cannabis  
10 wholesaler, cannabis distributor, cannabis retailer, or cannabis  
11 delivery service operations.

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

17 "THC" means delta-9-tetrahydrocannabinol and its precursor,  
18 tetrahydrocannabinolic acid, the main psychoactive chemicals  
19 contained in the cannabis plant.

20 "Total THC" means the total concentration of all  
21 tetrahydrocannabinols in <sup>1</sup>[a cannabis item] hemp or a hemp  
22 product<sup>1</sup>, including delta-8, delta-9, delta-10,  
23 tetrahydrocannabinolic acid and any other chemically similar  
24 compound, substance, derivative, or isomer of  
25 tetrahydrocannabinol, regardless of how derived or manufactured,  
26 and any other cannabinoid, other than cannabidiol, identified by the  
27 Cannabis Regulatory Commission, in consultation with the  
28 Department of Agriculture and the Attorney General, as causing  
29 intoxication.

30 "Usable cannabis" means the dried leaves and flowers of the  
31 female plant Cannabis sativa L., and does not include the seedlings,  
32 seeds, stems, stalks, or roots of the plant.

33 (cf: P.L.2021, c.16, s.3)

34

35 3. Section 5 of P.L.1970, c.226 (C.24:21-5) is amended to read  
36 as follows:

37 a. Tests. The director shall place a substance in Schedule I if he  
38 finds that the substance: (1) has high potential for abuse; and (2)  
39 has no accepted medical use in treatment in the United States; or  
40 lacks accepted safety for use in treatment under medical  
41 supervision.

42 b. The controlled dangerous substances listed in this section are  
43 included in Schedule I, subject to any revision and republishing by  
44 the director pursuant to subsection d. of section 3 of P.L.1970,  
45 c.226 (C.24:21-3), and except to the extent provided in any other  
46 schedule.

47 c. Any of the following opiates, including their isomers, esters,  
48 and ethers, unless specifically excepted, whenever the existence of

1 such isomers, esters, ethers and salts is possible within the specific  
2 chemical designation:

- 3 (1) Acetylmethadol
- 4 (2) Allylprodine
- 5 (3) Alphacetylmethadol
- 6 (4) Alphameprodine
- 7 (5) Alphamethadol
- 8 (6) Benzethidine
- 9 (7) Betacetylmethadol
- 10 (8) Betameprodine
- 11 (9) Betamethadol
- 12 (10) Betaprodine
- 13 (11) Clonitazene
- 14 (12) Dextromoramide
- 15 (13) Dextrophan
- 16 (14) Diampromide
- 17 (15) Diethylthiambutene
- 18 (16) Dimenoxadol
- 19 (17) Dimepheptanol
- 20 (18) Dimethylthiambutene
- 21 (19) Dioxaphetyl butyrate
- 22 (20) Dipipanone
- 23 (21) Ethylmethylthiambutene
- 24 (22) Etonitazene
- 25 (23) Etoxeridine
- 26 (24) Furethidine
- 27 (25) Hydroxypethidine
- 28 (26) Ketobemidone
- 29 (27) Levomoramide
- 30 (28) Levophenacylmorphin
- 31 (29) Morpheridine
- 32 (30) Noracetylmethadol
- 33 (31) Norlevorphanol
- 34 (32) Normethadone
- 35 (33) Norpipanone
- 36 (34) Phenadoxone
- 37 (35) Phenampromide
- 38 (36) Phenomorphan
- 39 (37) Phenoperidine
- 40 (38) Piritramide
- 41 (39) Proheptazine
- 42 (40) Properidine
- 43 (41) Racemoramide
- 44 (42) Trimeperidine.

45 d. Any of the following narcotic substances, their salts, isomers  
46 and salts of isomers, unless specifically excepted, whenever the  
47 existence of such salts, isomers and salts of isomers is possible  
48 within the specific chemical designation:

- 1 (1) Acetorphine
- 2 (2) Acetylcodeine
- 3 (3) Acetyldihydrocodeine
- 4 (4) Benzylmorphine
- 5 (5) Codeine methylbromide
- 6 (6) Codeine-N-Oxide
- 7 (7) Cyprenorphine
- 8 (8) Desomorphine
- 9 (9) Dihydromorphine
- 10 (10) Etorphine
- 11 (11) Heroin
- 12 (12) Hydromorphanol
- 13 (13) Methyldesorphine
- 14 (14) Methylhydromorphine
- 15 (15) Morphine methylbromide
- 16 (16) Morphine methylsulfonate
- 17 (17) Morphine-N-Oxide
- 18 (18) Myorphine
- 19 (19) Nicocodeine
- 20 (20) Nicomorphine
- 21 (21) Normorphine
- 22 (22) Phocloidine
- 23 (23) Thebacon.

24 e. Any material, compound, mixture or preparation which  
25 contains any quantity of the following hallucinogenic substances,  
26 their salts, isomers and salts of isomers, unless specifically  
27 excepted, whenever the existence of such salts, isomers, and salts of  
28 isomers is possible within the specific chemical designation:

- 29 (1) 3,4-methylenedioxy amphetamine
- 30 (2) 5-methoxy-3,4-methylenedioxy amphetamine
- 31 (3) 3,4,5-trimethoxy amphetamine
- 32 (4) Bufotenine
- 33 (5) Diethyltryptamine
- 34 (6) Dimethyltryptamine
- 35 (7) 4-methyl-2,5-dimethoxylamphetamine
- 36 (8) Ibogaine
- 37 (9) Lysergic acid diethylamide

38 (10) **【Marihuana】** Marijuana; except that on and after the  
39 effective date of the "New Jersey Cannabis Regulatory,  
40 Enforcement Assistance, and Marketplace Modernization Act,"  
41 P.L.2021, c.16 (C.24:6I-31 et al.), **【marihuana】** marijuana shall no  
42 longer be included in Schedule I, and shall not be designated or  
43 rescheduled and included in any other schedule by the director  
44 pursuant to the director's designation and rescheduling authority set  
45 forth in section 3 of P.L.1970, c.226 (C.24:21-3).

- 46 (11) Mescaline
- 47 (12) Peyote
- 48 (13) N-ethyl-3-piperidyl benzilate

- 1 (14) N-methyl-3-piperidyl benzilate  
 2 (15) Psilocybin  
 3 (16) Psilocyn  
 4 (17) Tetrahydrocannabinols, including those produced by way of  
 5 manufacture, except when found in hemp or a hemp product  
 6 cultivated, handled, processed, transported, or sold pursuant to the  
 7 "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.),  
 8 or cannabis or a cannabis item, as those terms are defined in section  
 9 3 of P.L.2021, c.16 (C.24:6I-33), that is grown, cultivated,  
 10 produced, **[or]** manufactured, or sold in accordance with the "New  
 11 Jersey Cannabis Regulatory, Enforcement Assistance, and  
 12 Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.).  
 13 (cf: P.L.2021, c.16, s.44)

14  
 15 4. (New section) a. A person shall not sell or distribute any  
 16 intoxicating hemp product unless:

17 (1) the person is licensed by the Cannabis Regulatory  
 18 Commission in accordance with P.L.2021, c.16 (C.24:6I-31 et al.);  
 19 <sup>2</sup>or

20 (2) the person is a holder of any valid and unrevoked <sup>3</sup>plenary  
 21 wholesale license or <sup>3</sup> plenary retail distribution license, as <sup>3</sup>those  
 22 terms are <sup>3</sup> defined in <sup>3</sup>R.S.33:1-11 and <sup>3</sup> R.S.33:1-12, and is  
 23 approved by the commission to sell intoxicating hemp beverages in  
 24 accordance with section 5 of P.L. , c. (C. ) (pending before  
 25 the Legislature as this bill);<sup>2</sup> and

26 <sup>2</sup>**[(2)]** <sup>(3)<sup>2</sup></sup> the product complies with the provisions of  
 27 P.L.2021, c.16 (C.24:6I-31 et al.) and any <sup>2</sup>**[applicable commission**  
 28 **regulations applicable to cannabis items]** rules or regulations  
 29 adopted pursuant thereto<sup>2</sup>.

30 b. (1) It shall be unlawful to sell or distribute a hemp product  
 31 or cannabis item that is not derived from naturally occurring  
 32 biologically active chemical constituents.

33 (2) Except as otherwise provided by law, it shall be unlawful to  
 34 sell or distribute a product intended for human consumption that  
 35 contains tetrahydrocannabinol in any detectable amount to a person  
 36 under 21 years of age.

37 c. In addition to any other penalty provided by law, any person  
 38 licensed by the commission <sup>2</sup>, or any person approved by the  
 39 commission to sell intoxicating hemp beverages pursuant to section  
 40 5 of P.L. , c. (C. ) (pending before the Legislature as this  
 41 bill),<sup>2</sup> who violates subsection a. or b. of this section shall be  
 42 subject to any civil penalties or fines adopted by the commission in  
 43 accordance with P.L.2021, c.16 (C.24:6I-31 et al.).

44 d. (1) Notwithstanding any provision of the "Administrative  
 45 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), <sup>2</sup>or  
 46 subsection d. of section 5 of P.L. , c. (C. ) (pending before  
 47 the Legislature as this bill)<sup>2</sup> to the contrary, and in accordance with

1 the authority established pursuant to section 18 of P.L.2021, c.16  
2 (C.24:6I-35), the commission, in consultation with the Department  
3 of Agriculture and the Attorney General, and within 180 days of the  
4 effective date of P.L. , c. (C. ) (pending before the  
5 Legislature as this bill), is authorized to adopt immediately upon  
6 filing with the Office of Administrative Law rules and regulations  
7 necessary to implement this act.

8 (2) Following any rules or regulations established by the  
9 commission in accordance with subparagraph (1) of this subsection,  
10 the commission shall, in consultation the Department of Agriculture  
11 and the Attorney General, and in accordance with the  
12 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et  
13 seq.), adopt rules and regulations as necessary to implement the  
14 provisions of P.L. , c. (C. ) (pending before the Legislature  
15 as this bill).

16 e. (1) Nothing in P.L. , c. (C. ) (pending before the  
17 Legislature as this bill) shall be construed or interpreted to limit the  
18 enforceability or applicability of the “Agriculture Improvement Act  
19 of 2018,” Pub.L.115-334 or the “New Jersey Hemp Farming Act,”  
20 P.L.2019, c.238 (C.4:28-6 et al.).

21 (2) <sup>2</sup>The requirements of this section and section 5 of P.L. , c.  
22 (C. ) (pending before the Legislature as this bill) shall apply to  
23 any online retail sale of an intoxicating hemp product sold in this  
24 State.

25 (3)<sup>2</sup> The imposition of any fine or other remedy under this act  
26 shall not preclude prosecution for a violation of the criminal laws of  
27 this State.

28  
29 <sup>2</sup>5. (New section) a. (1) Notwithstanding P.L.2021, c.16  
30 (C.24:6I-31 et al.), or any rule or regulation adopted pursuant  
31 thereto, the holder of any valid and unrevoked <sup>3</sup>plenary wholesale  
32 license or <sup>3</sup> plenary retail distribution license, as <sup>3</sup>those terms are<sup>3</sup>  
33 defined in <sup>3</sup>R.S.33:1-11 and<sup>3</sup> R.S.33:1-12, may sell or distribute  
34 intoxicating hemp beverages in accordance with this section and  
35 section 4 of P.L. , c. (C. ) (pending before the Legislature  
36 as this bill) and the rules and regulations adopted by the  
37 <sup>3</sup>[Executive Director of the commission] Cannabis Regulatory  
38 Commission<sup>3</sup> pursuant to subsection d. of this section.

39 (2) Any intoxicating hemp beverage sold or offered for sale  
40 pursuant to paragraph (1) of this section shall not be sold to any  
41 person under the age of 21, and shall be stored or displayed in a  
42 place that is not accessible to customers without the assistance of an  
43 employee of the establishment.

44 b. (1) Upon the effective date of P.L. , c. (C. )  
45 (pending before the Legislature as this bill) the holder of any valid  
46 and unrevoked <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary retail  
47 distribution license shall not sell any intoxicating hemp beverages.

1       (2) Upon the adoption of rules and regulations by the  
2 commission pursuant to subsection d. of this section, any holder of  
3 a valid and unrevoked <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary retail  
4 distribution license may submit an application to the <sup>3</sup>[Executive  
5 Director of the Cannabis Regulatory Commission] commission<sup>3</sup>, in  
6 a form and manner as determined by the commission, for approval  
7 to sell intoxicating hemp beverages. The <sup>3</sup>[Executive Director of  
8 the]<sup>3</sup> commission may approve a valid holder of a <sup>3</sup>plenary  
9 wholesale license or<sup>3</sup> plenary retail distribution license to sell  
10 intoxicating hemp beverages in accordance with  
11 P.L. , c. (C. ) (pending before the Legislature as this bill)  
12 and the rules and regulations adopted by the commission.

13       <sup>3</sup>[The authority of the Executive Director to approve the holder  
14 of a plenary retail distribution to sell intoxicating hemp beverages  
15 granted pursuant to this section shall not be subject to the approval  
16 of the Cannabis Regulatory Commission, established pursuant to  
17 Section 31 of P.L.2019, c.153 (C.24:6I-24).]<sup>3</sup>

18       c. Any sale of an intoxicating hemp beverage by a holder of  
19 any valid and unrevoked <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary  
20 retail distribution license shall be subject to:

21       (1) the sales tax imposed on cannabis in accordance with the  
22 “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.); and

23       (2) the same local cannabis transfer and user tax imposed on  
24 cannabis by a municipality pursuant to section 40 of P.L.2021, c.16  
25 (C.40:48I-1).

26       All taxes, fees, penalties, and revenues collected pursuant to this  
27 section shall be deposited in accordance with section 41 of  
28 P.L.2021, c.16 (C.24:6I-50).

29       d. (1) Notwithstanding the rules and regulations adopted  
30 pursuant to subsection d. of section 4 of P.L. , c. (C. )  
31 (pending before the Legislature as this bill), no later than 12 months  
32 after the effective date of this section, the commission, in  
33 consultation with the Division of Alcoholic Beverage Control shall  
34 adopt, immediately upon filing with the Office of Administrative  
35 Law, rules and regulations necessary to implement this section. The  
36 rules and regulations adopted pursuant to this section shall be  
37 effective for a period not to exceed 18 months following the date of  
38 filing and may thereafter be amended, adopted, or readopted by the  
39 <sup>3</sup>[director] commission<sup>3</sup> in accordance with the requirements of  
40 P.L.1968, c.410 (C.52:14B-1 et seq.).

41       (2) The rules and regulations adopted pursuant to this section  
42 shall include, but not be limited to, provisions concerning:

43       (a) packaging;

44       (b) labeling;

45       (c) product testing and safety standards;

46       (d) tetrahydrocannabinol amounts permitted in intoxicating hemp  
47 beverages;

1 (e) the number of intoxicating hemp beverages that may be sold  
2 to a customer at any given time; and

3 (f) a fee to be charged by the <sup>3</sup>[Executive Director of the]<sup>3</sup>  
4 commission to cover the reasonable costs of administering this  
5 section.

6 For the purposes of this section, “intoxicating hemp beverage”  
7 means a beverage that is an intoxicating hemp product as that term  
8 is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).<sup>2</sup>

9  
10 <sup>2</sup>6. R.S.33:1-12 is amended to read as follows:

11 33:1-12. Class C licenses shall be subdivided and classified as  
12 follows:

13 Plenary retail consumption license. 1. The holder of this license  
14 shall be entitled, subject to rules and regulations, to sell any  
15 alcoholic beverages for consumption on the licensed premises by  
16 the glass or other open receptacle, and also to sell any alcoholic  
17 beverages in original containers for consumption off the licensed  
18 premises; but this license shall not be issued to permit the sale of  
19 alcoholic beverages in or upon any premises in which a grocery,  
20 delicatessen, drug store or other mercantile business is carried on,  
21 except as hereinafter provided. The holder of this license shall be  
22 permitted to conduct consumer wine, beer and spirits tasting events  
23 and samplings for a fee or on a complimentary basis pursuant to  
24 conditions established by rules and regulations of the Division of  
25 Alcoholic Beverage Control, provided however, that the holder of  
26 this license complies with the terms and conditions set forth in  
27 section 3 of P.L.2009, c.216 (C.33:1-12d). Subject to such rules  
28 and regulations established from time to time by the director, the  
29 holder of this license shall be permitted to sell alcoholic beverages  
30 in or upon the premises in which any of the following is carried on:  
31 the keeping of a hotel or restaurant including the sale of mercantile  
32 items incidental thereto as an accommodation to patrons; the sale, at  
33 an entertainment facility as defined in R.S.33:1-1, having a seating  
34 capacity for no less than 4,000 patrons, of mercantile items  
35 traditionally associated with the type of event or program held at  
36 the site; the sale of distillers', brewers' and vintners' packaged  
37 merchandise prepacked as a unit with other suitable objects as gift  
38 items to be sold only as a unit; the sale of novelty wearing apparel  
39 identified with the name of the establishment licensed under the  
40 provisions of this section; the sale of cigars, cigarettes, packaged  
41 crackers, chips, nuts and similar snacks and ice at retail as an  
42 accommodation to patrons, or the retail sale of nonalcoholic  
43 beverages as accessory beverages to alcoholic beverages; or, in  
44 commercial bowling establishments, the retail sale or rental of  
45 bowling accessories and the retail sale from vending machines of  
46 candy, ice cream and nonalcoholic beverages. The fee for this  
47 license shall be fixed by the governing board or body of the  
48 municipality in which the licensed premises are situated, by

1 ordinance, at not less than \$250 and not more than \$2,500. No  
2 ordinance shall be enacted which shall raise or lower the fee to be  
3 charged for this license by more than 20% from that charged in the  
4 preceding license year or \$500.00, whichever is the lesser. The  
5 governing board or body of each municipality may, by ordinance,  
6 enact that no plenary retail consumption license shall be granted  
7 within its respective municipality.

8 The holder of this license shall be permitted to obtain a restricted  
9 brewery license issued pursuant to subsection 1c. of R.S.33:1-10  
10 and to operate a restricted brewery immediately adjoining the  
11 licensed premises in accordance with the restrictions set forth in  
12 that subsection. All fees related to the issuance of both licenses  
13 shall be paid in accordance with statutory law.

14 Seasonal retail consumption license. 2. (1) The holder of this  
15 license shall be entitled, subject to rules and regulations, to sell any  
16 alcoholic beverages for consumption on the licensed premises by  
17 the glass or other open receptacle, and also to sell any alcoholic  
18 beverages in original containers for consumption off the licensed  
19 premises, during the summer season from May 1 until November  
20 14, inclusive, or during the winter season from November 15 until  
21 April 30, inclusive.

22 (2) In addition, the director shall issue to the holder of this  
23 license, upon request by the licensee, one-day permits that shall  
24 entitle the license holder to sell alcoholic beverages for  
25 consumption on the licensed premises during the season when the  
26 license holder is not authorized to sell alcoholic beverages pursuant  
27 to subparagraph (1) of this subsection. The number of one-day  
28 permits issued to a licensee pursuant to this subsection shall not  
29 exceed an aggregate of 14 permits in one calendar year. A one-day  
30 permit issued pursuant to this subsection shall be valid for 24  
31 consecutive hours. The fee for each one-day permit shall be \$500.

32 The governing body of the municipality in which the licensed  
33 premises is situated may place reasonable conditions upon a one-  
34 day permit for the purpose of maintaining public safety on the  
35 licensed premises and immediately surrounding area. The costs  
36 associated with the reasonable conditions placed on the one-day  
37 permit shall be assumed by the holder of this license.

38 (3) This license shall not be issued to permit the sale of  
39 alcoholic beverages in or upon any premises in which a grocery,  
40 delicatessen, drug store or other mercantile business is carried on,  
41 except as hereinafter provided. Subject to such rules and  
42 regulations established from time to time by the director, the holder  
43 of this license shall be permitted to sell alcoholic beverages in or  
44 upon the premises in which any of the following is carried on: the  
45 keeping of a hotel or restaurant including the sale of mercantile  
46 items incidental thereto as an accommodation to patrons; the sale of  
47 distillers', brewers' and vintners' packaged merchandise prepacked  
48 as a unit with other suitable objects as gift items to be sold only as a

1 unit; the sale of novelty wearing apparel identified with the name of  
2 the establishment licensed under the provisions of this section; the  
3 sale of cigars, cigarettes, packaged crackers, chips, nuts and similar  
4 snacks and ice at retail as an accommodation to patrons; or the retail  
5 sale of nonalcoholic beverages as accessory beverages to alcoholic  
6 beverages. The fee for this license shall be fixed by the governing  
7 board or body of the municipality in which the licensed premises  
8 are situated, by ordinance, at 75% of the fee fixed by said board or  
9 body for plenary retail consumption licenses. The governing board  
10 or body of each municipality may, by ordinance, enact that no  
11 seasonal retail consumption license shall be granted within its  
12 respective municipality.

13 Plenary retail distribution license. 3. a. The holder of this license  
14 shall be entitled, subject to rules and regulations, to sell any  
15 alcoholic beverages or intoxicating hemp beverages pursuant to  
16 section 5 of P.L. , c. (C. ) (pending before the Legislature  
17 as this bill), for consumption off the licensed premises, but only in  
18 original containers; except that licensees shall be permitted to  
19 conduct consumer wine, beer, and spirits tasting events and  
20 samplings on a complimentary basis pursuant to conditions  
21 established by rules and regulations of the Division of Alcoholic  
22 Beverage Control, provided however, that the holder of this license  
23 complies with the terms and conditions set forth in section 3 of  
24 P.L.2009, c.216 (C.33:1-12d).

25 The governing board or body of each municipality may, by  
26 ordinance, enact that this license shall not be issued to permit the  
27 sale of alcoholic beverages in or upon any premises in which any  
28 other mercantile business is carried on, except that any such  
29 ordinance, heretofore or hereafter adopted, shall not prohibit the  
30 retail sale of distillers', brewers' and vintners' packaged  
31 merchandise prepacked as a unit with other suitable objects as gift  
32 items to be sold only as a unit; the sale of novelty wearing apparel  
33 identified with the name of the establishment licensed under the  
34 provisions of this act; cigars, cigarettes, packaged crackers, chips,  
35 nuts and similar snacks, ice, and nonalcoholic beverages as  
36 accessory beverages to alcoholic beverages. The fee for this license  
37 shall be fixed by the governing board or body of the municipality in  
38 which the licensed premises are situated, by ordinance, at not less  
39 than \$125 and not more than \$2,500. No ordinance shall be enacted  
40 which shall raise or lower the fee to be charged for this license by  
41 more than 20% from that charged in the preceding license year or  
42 \$500.00, whichever is the lesser. The governing board or body of  
43 each municipality may, by ordinance, enact that no plenary retail  
44 distribution license shall be granted within its respective  
45 municipality.

46 Limited retail distribution license. 3. b. The holder of this license  
47 shall be entitled, subject to rules and regulations, to sell any  
48 unchilled, brewed, malt alcoholic beverages in quantities of not less

1 than 72 fluid ounces for consumption off the licensed premises, but  
2 only in original containers; provided, however, that this license  
3 shall be issued only for premises operated and conducted by the  
4 licensee as a bona fide grocery store, meat market, meat and  
5 grocery store, delicatessen, or other type of bona fide food store at  
6 which groceries or other foodstuffs are sold at retail; and provided  
7 further that this license shall not be issued except for premises at  
8 which the sale of groceries or other foodstuffs is the primary and  
9 principal business and at which the sale of alcoholic beverages is  
10 merely incidental and subordinate thereto. The fee for this license  
11 shall be fixed by the governing body or board of the municipality in  
12 which the licensed premises are situated, by ordinance, at not less  
13 than \$31 and not more than \$63. The governing board or body of  
14 each municipality may, by ordinance, enact that no limited retail  
15 distribution license shall be granted within its respective  
16 municipality.

17 Plenary retail transit license. 4. The holder of this license shall be  
18 entitled, subject to rules and regulations, to sell any alcoholic  
19 beverages, for consumption only, on railroad trains, airplanes,  
20 limousines and boats, while in transit. The fee for this license for  
21 use by a railroad or air transport company shall be \$375, for use by  
22 the owners of limousines shall be \$31 per vehicle, and for use on a  
23 boat shall be \$63 on a boat 65 feet or less in length, \$125 on a boat  
24 more than 65 feet in length but not more than 110 feet in length,  
25 and \$375 on a boat more than 110 feet in length; such boat lengths  
26 shall be determined in the manner prescribed by the Bureau of  
27 Customs of the United States Government or any federal agency  
28 successor thereto for boat measurement in connection with issuance  
29 of marine documents. A license issued under this provision to a  
30 railroad or air transport company shall cover all railroad cars and  
31 planes operated by any such company within the State of New  
32 Jersey. A license for a boat or limousine issued under this  
33 provision shall apply only to the particular boat or limousine for  
34 which issued, and shall permit the purchase of alcoholic beverages  
35 for sale or service in a boat or limousine to be made from any Class  
36 A and B licensee or from any Class C licensee whose license  
37 privilege permits the sale of alcoholic beverages in original  
38 containers for off-premises consumption. An interest in a plenary  
39 retail transit license issued in accordance with this section shall be  
40 excluded in determining the maximum number of retail licenses  
41 permitted under P.L.1962, c.152 (C.33:1-12.31 et seq.).

42 Club license. 5. The holder of this license shall be entitled,  
43 subject to rules and regulations, to sell any alcoholic beverages but  
44 only for immediate consumption on the licensed premises and only  
45 to bona fide club members and their guests. The fee for this license  
46 shall be fixed by the governing board or body of the municipality in  
47 which the licensed premises are situated, by ordinance, at not less  
48 than \$63 and not more than \$188. The governing board or body of

1 each municipality may, by ordinance, enact that no club licenses  
2 shall be granted within its respective municipality. Club licenses  
3 may be issued only to such corporations, associations and  
4 organizations as are operated for benevolent, charitable, fraternal,  
5 social, religious, recreational, athletic, or similar purposes, and not  
6 for private gain, and which comply with all conditions which may  
7 be imposed by the Director of the Division of Alcoholic Beverage  
8 Control by rules and regulations.

9 The provisions of section 23 of P.L.2003, c.117 amendatory of  
10 this section shall apply to licenses issued or transferred on or after  
11 July 1, 2003, and to license renewals commencing on or after July  
12 1, 2003.

13 Sporting facility license. 6. The holder of this license shall be  
14 entitled, subject to rules and regulations, to sell at retail or to serve  
15 any alcoholic beverages as the owner, operator, lessee, or  
16 concessionaire of a sporting facility by the glass or other receptacle  
17 or in original containers only on the premises of the sporting  
18 facility.

19 Notwithstanding any other provision of Title 33 of the Revised  
20 Statutes and subject to conditions established by the director, the  
21 holder of this license may share direction and control of the  
22 premises to be licensed and share proceeds and profits from the sale  
23 of alcoholic beverages with the owner, operator, concessionaire, or  
24 lessee of the facility. The holder of this license shall be permitted  
25 to conduct consumer wine, beer, and spirits tasting events and  
26 samplings for a fee or on a complimentary basis provided, however,  
27 the license holder complies with the provisions of section 3 of  
28 P.L.2009, c.216 (C.33:1-12d) and rules and regulations promulgated  
29 thereto. Notwithstanding any law, rule or regulation to the  
30 contrary, the holder of this license shall be entitled to establish an  
31 all-inclusive area within the licensed sporting facility, provided the  
32 all-inclusive area is limited to one area within the sporting facility  
33 for each game or event and the capacity of the all-inclusive area  
34 does not exceed 500 persons.

35 The fee for this license shall be \$2,500 for venues with a  
36 capacity of less than 7,500 persons; \$5,000 for venues with a  
37 capacity of not less than 7,500 persons but not more than 14,999  
38 persons; \$7,500 for venues with a capacity of not less than 15,000  
39 persons but not more than 22,499 persons; and \$10,000 for venues  
40 with a capacity of 22,500 persons or more.

41 For the purposes of this subsection:

42 "Sporting facility" means a stadium, arena, team training facility,  
43 or similar venue located on public property where alcoholic  
44 beverages are served or sold at retail for consumption on the  
45 premises by the glass or other open receptacle or in original  
46 containers.

1 "Team training facility" shall include team offices and team  
2 headquarters.<sup>2</sup>

3 (cf: P.L.2018, c.147, s.1)

4  
5 <sup>2</sup>7. Section 41 of P.L.2021, c.16 (C.24:6I-50) is amended to read  
6 as follows:

7 41. Cannabis Regulatory, Enforcement Assistance, and  
8 Marketplace Modernization Fund.

9 a. All fees and penalties collected by the commission, and all  
10 tax revenues on retail sales of cannabis items, and all tax revenues  
11 collected pursuant to the provisions of the "Jake Honig  
12 Compassionate Use Medical Cannabis Act," P.L.2009, c.307  
13 (C.24:6I-1 et al.), except for amounts credited to the Property Tax  
14 Reform Account in the Property Tax Relief Fund pursuant to  
15 paragraph 7 of Section I of Article VIII of the New Jersey  
16 Constitution, **[as well as]** all revenues, if any, collected for the  
17 Social Equity Excise Fee pursuant to section 39 of P.L.2021, c.16  
18 (C.54:47F-1), <sup>3</sup>**[as well as]**<sup>3</sup> all tax revenues on the retail sale of  
19 intoxicating hemp beverages by any plenary retail distribution  
20 license holder <sup>3</sup>, as well as any fees associated with the approval  
21 provided to any plenary wholesale license holder to sell intoxicating  
22 hemp beverages<sup>3</sup>, as defined pursuant to section 5 of P.L. , c.  
23 (C. ) (pending before the Legislature as this bill), shall be  
24 deposited in a special nonlapsing fund which shall be known as the  
25 "Cannabis Regulatory, Enforcement Assistance, and Marketplace  
26 Modernization Fund," with 15 percent of the monies deposited  
27 being placed into an account within the fund to be known as the  
28 "Underage Deterrence and Prevention Account."

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

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

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

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

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

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

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

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

41 d. (1) (a) Not less than 60 days prior to the first day of each State  
42 fiscal year, the commission shall consult and make  
43 recommendations to the Governor and Legislature for making social  
44 equity appropriations based upon the amount of any revenues  
45 collected during the current fiscal year for the Social Equity Excise  
46 Fee pursuant to section 39 of P.L.2021, c.16 (C.54:47F-1), or, if the  
47 commission has not imposed or adjusted the excise fee in the  
48 current fiscal year pursuant to that section, then appropriations to be

1 made from the General Fund in an amount equal to the revenues  
2 that would have been collected had it imposed or adjusted the fee,  
3 in order to invest, through grants, loans, reimbursements of  
4 expenses, and other financial assistance, in private for-profit and  
5 non-profit organizations, public entities, including any municipality  
6 defined as an "impact zone" pursuant to section 3 of P.L.2021, c.16  
7 (C.24:6I-33) as well as provide direct financial assistance to  
8 qualifying persons as determined by the commission, in order to  
9 create, expand, or promote educational and economic opportunities  
10 and activities, and the health and well-being of both communities  
11 and individuals.

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

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

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

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

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

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

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

46 (4) Prior to the first day of each fiscal year, the Legislature shall  
47 provide to the commission a statement which lists the investments,  
48 including the investment recipients and investment amount, to be

1 made by appropriations as set forth in paragraph (1) of this  
2 subsection based upon recommendations presented to the Governor  
3 and Legislature pursuant to paragraphs (1) through (3) of this  
4 subsection, and how the investment is intended to support and  
5 advance social equity as described in this subsection.

6 e. The monies deposited in the "Underage Deterrence and  
7 Prevention Account" within the fund shall be used by the  
8 commission, based on the acceptance of applications submitted on a  
9 form and through an approval or denial process promulgated by the  
10 commission, to fund private for-profit and non-profit organizations,  
11 and county and municipal programs and services that offer social  
12 services, educational, recreational, and employment opportunities,  
13 and local economic development designed to encourage, improve,  
14 and support youthful community activities to divert and prevent  
15 persons under 18 years of age from activities associated with the  
16 consumption of cannabis items, or marijuana or hashish.<sup>2</sup>  
17 (cf: P.L.2021, c.25, s.5)

18

19 <sup>2</sup>**[5.] 8.**<sup>2</sup> (New section) a. A person who sells, offers for sale, or  
20 distributes any intoxicating hemp product or a hemp product or  
21 cannabis item that is not derived from naturally occurring biologically  
22 active chemical constituents, in violation of section 4 of P.L. , c.  
23 (C. ) (pending before the Legislature as this bill), shall be liable to  
24 a civil penalty of not less than \$100 for the first violation, not less than  
25 \$1,000 for the second violation, and not less than \$10,000 for the third  
26 and each subsequent violation. The penalty prescribed by this section  
27 shall be collected and enforced by summary proceedings under the  
28 "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et  
29 seq.).

30 b. An official authorized by statute or ordinance to enforce this act  
31 or the State or local health codes or consumer protection laws or a law  
32 enforcement officer having enforcement authority in that municipality  
33 may issue a summons for a violation of the provisions of section 4 of  
34 P.L. , c. (C. ) (pending before the Legislature as this bill), and  
35 may serve and execute all process with respect to the enforcement of  
36 this section consistent with the Rules of Court.

37 c. A penalty recovered under the provisions of this section shall be  
38 recovered by and in the name of the State by the local health or  
39 consumer protection agency or other authorized government entity,  
40 including but not limited to the Division of Consumer Affairs in the  
41 Department of Law and Public Safety and the Cannabis Regulatory  
42 Commission established pursuant to section 31 of P.L.2019, c.153  
43 (C.24:6I-24). With respect to an enforcement action brought by a  
44 municipal official, half of any monetary penalty shall be paid into the  
45 treasury of the municipality in which the violation occurred for the  
46 general uses of the municipality, and half shall be deposited in the  
47 special nonlapsing fund known as the "Cannabis Regulatory,  
48 Enforcement Assistance, and Marketplace Modernization Fund,"

1 established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-50).  
2 With respect to an enforcement action brought by any other  
3 government entity, any monetary penalty collected pursuant to P.L. ,  
4 c. (C. ) (pending before the Legislature as this bill) shall be  
5 deposited in the special nonlapsing fund known as the “Cannabis  
6 Regulatory, Enforcement Assistance, and Marketplace Modernization  
7 Fund,” established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-  
8 50).

9 d. A law enforcement officer, local health official, or other  
10 government official from an agency authorized to enforce this section  
11 may confiscate any intoxicating hemp product, hemp product, or  
12 cannabis item that is sold, offered for sale, or distributed in violation of  
13 section 4 of P.L. , c. (C. ) (pending before the Legislature as  
14 this bill).

15 e. In addition to the civil penalty authorized under subsection a. of  
16 this section, a business found to have committed more than two  
17 violations of section 4 of P.L. , c. (C. ) (pending before the  
18 Legislature as this bill) or found to have committed a third or  
19 subsequent violation at any individual location within one year shall be  
20 deemed a public nuisance. Notwithstanding any other provision of  
21 law, a municipality shall have the power to impose restrictions on the  
22 operation, including closure, of any business determined to constitute a  
23 public nuisance pursuant to this subsection.

24 <sup>1</sup>f. The provisions of P.L. , c. (C. ) (pending before the  
25 Legislature as this bill) shall not be construed to impose liability on  
26 news media that accept, publish, or both, advertising for products or  
27 services that fall within the scope of P.L. , c. (C. ) (pending  
28 before the Legislature as this bill).<sup>1</sup>

29

30 <sup>2</sup>9. Section 40 of P.L.2021, c.16 (C.40:48I-1) is amended to read  
31 as follows:

32 40. Optional Local Cannabis Transfer Tax and User Tax.

33 a. (1) A municipality may adopt an ordinance imposing a transfer  
34 tax on the sale of cannabis or cannabis items by a cannabis  
35 establishment or a holder of a <sup>3</sup>plenary wholesale license or<sup>3</sup>  
36 plenary retail distribution license selling an intoxicating hemp  
37 beverage in accordance with section 5 of P.L. , c. (C. )  
38 (pending before the Legislature as this bill) that is located in the  
39 municipality. At the discretion of the municipality, the tax may be  
40 imposed on: receipts from the sale of cannabis by a cannabis  
41 cultivator to another cannabis cultivator; receipts from the sale of  
42 cannabis items from one cannabis establishment to another cannabis  
43 establishment; receipts from the retail sales of cannabis items or  
44 intoxicating hemp beverages by a cannabis retailer or a holder of a  
45 <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary retail distribution license to  
46 retail consumers who are 21 years of age or older; or any  
47 combination thereof. Each municipality shall set its own rate or  
48 rates, but in no case shall a rate exceed: two percent of the receipts

1 from each sale by a cannabis cultivator; two percent of the receipts  
2 from each sale by a cannabis manufacturer; one percent of the  
3 receipts from each sale by a cannabis wholesaler; and two percent  
4 of the receipts from each sale by a cannabis retailer or holder of a  
5 <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary retail distribution license.

6 (2) A local tax ordinance adopted pursuant to paragraph (1) of  
7 this subsection shall also include provisions for imposing a user tax,  
8 at the equivalent transfer tax rates, on any concurrent license  
9 holder, as permitted by section 33 of P.L.2021, c.16 (C.24:6I-46),  
10 operating more than one cannabis establishment , or on any  
11 concurrent holder of <sup>3</sup>plenary wholesale licenses or<sup>3</sup> plenary retail  
12 distribution licenses. The user tax shall be imposed on the value of  
13 each transfer or use of cannabis or cannabis items not otherwise  
14 subject to the transfer tax imposed pursuant to paragraph (1) of this  
15 subsection, from the license holder's establishment that is located in  
16 the municipality to any of the other license holder's establishments,  
17 whether located in the municipality or another municipality.

18 b. (1) A transfer tax or user tax imposed pursuant to this section  
19 shall be in addition to any other tax imposed by law. Any  
20 transaction for which the transfer tax or user tax is imposed, or  
21 could be imposed, pursuant to this section, other than those which  
22 generate receipts from the retail sales by cannabis retailers or a  
23 holder of a <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary retail distribution  
24 license, shall be exempt from the tax imposed under the "Sales and  
25 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.). The transfer tax  
26 or user tax shall be collected or paid, and remitted to the  
27 municipality by the cannabis establishment or the holder of the  
28 <sup>3</sup>plenary wholesale license or<sup>3</sup> plenary retail distributor license from  
29 the cannabis establishment <sup>3</sup>, plenary wholesale license holder,<sup>3</sup> or  
30 plenary retail distributor purchasing or receiving the cannabis or  
31 cannabis item, or from the consumer at the point of sale, on behalf  
32 of the municipality by the cannabis retailer <sup>3</sup>, plenary wholesale  
33 license holder,<sup>3</sup> or plenary retail distributor selling the cannabis  
34 item to that consumer. The transfer tax or user tax shall be stated,  
35 charged, and shown separately on any sales slip, invoice, receipt, or  
36 other statement or memorandum of the price paid or payable, or  
37 equivalent value of the transfer, for the cannabis or cannabis item.

38 (2) Every cannabis establishment <sup>3</sup>, plenary wholesale license  
39 holder,<sup>3</sup> or plenary retail distributor required to collect a transfer tax  
40 or user tax imposed by ordinance pursuant to this section shall be  
41 personally liable for the transfer tax or user tax imposed, collected,  
42 or required to be collected under this section. Any cannabis  
43 establishment <sup>3</sup>, plenary wholesale license holder,<sup>3</sup> or plenary retail  
44 distributor shall have the same right with respect to collecting the  
45 transfer tax or user tax from another cannabis establishment ,  
46 plenary retail distributor <sup>3</sup>, plenary whole license holder,<sup>3</sup> or the  
47 consumer as if the transfer tax or user tax was a part of the sale and

1 payable at the same time, or with respect to non-payment of the  
2 transfer tax or user tax by the cannabis establishment, plenary retail  
3 distributor<sup>3</sup>, plenary whole license holder<sup>3</sup>, or consumer, as if the  
4 transfer tax or user tax was a part of the purchase price of the  
5 cannabis or cannabis item, or equivalent value of the transfer of the  
6 cannabis or cannabis item, and payable at the same time; provided,  
7 however, that the chief fiscal officer of the municipality which  
8 imposes the transfer tax or user tax shall be joined as a party in any  
9 action or proceeding brought to collect the transfer tax or user tax.

10 (3) No cannabis establishment<sup>3</sup>, plenary wholesale license  
11 holder<sup>3</sup>, or plenary retail distributor required to collect a transfer tax  
12 or user tax imposed by ordinance pursuant to this section shall  
13 advertise or hold out to any person or to the public in general, in  
14 any manner, directly or indirectly, that the transfer tax or user tax  
15 will not be separately charged and stated to another cannabis  
16 establishment, plenary retail distributor<sup>3</sup>, plenary whole license  
17 holder<sup>3</sup>, or the consumer, or that the transfer tax or user tax will be  
18 refunded to the cannabis establishment, plenary retail distributor<sup>3</sup>,  
19 plenary whole license holder<sup>3</sup>, or the consumer.

20 c. (1) All revenues collected from a transfer tax or user tax  
21 imposed by ordinance pursuant to this section shall be remitted to  
22 the chief financial officer of the municipality in a manner  
23 prescribed by the municipality. The chief financial officer shall  
24 collect and administer any transfer tax or user tax imposed by  
25 ordinance pursuant to this section. The municipality shall enforce  
26 the payment of delinquent taxes or transfer fees imposed by  
27 ordinance pursuant to this section in the same manner as provided  
28 for municipal real property taxes.

29 (2) (a) In the event that the transfer tax or user tax imposed by  
30 ordinance pursuant to this section is not paid as and when due by a  
31 cannabis establishment<sup>3</sup>, plenary wholesale license holder<sup>3</sup>, or  
32 plenary retail distributor, the unpaid balance, and any interest  
33 accruing thereon, shall be a lien on the parcel of real property  
34 comprising the cannabis establishment's<sup>3</sup>, plenary wholesale  
35 license holder<sup>3</sup>, or plenary retail distributor premises in the same  
36 manner as all other unpaid municipal taxes, fees, or other charges.  
37 The lien shall be superior and paramount to the interest in the parcel  
38 of any owner, lessee, tenant, mortgagee, or other person, except the  
39 lien of municipal taxes, and shall be on a parity with and deemed  
40 equal to the municipal lien on the parcel for unpaid property taxes  
41 due and owing in the same year.

42 (b) A municipality shall file in the office of its tax collector a  
43 statement showing the amount and due date of the unpaid balance  
44 and identifying the lot and block number of the parcel of real  
45 property that comprises the delinquent cannabis establishment's<sup>3</sup>,  
46 plenary wholesale license holder<sup>3</sup>, or plenary retail distributor

1 premises. The lien shall be enforced as a municipal lien in the same  
2 manner as all other municipal liens are enforced.

3 d. As used in this section:

4 "Cannabis" means the same as that term is defined in section 3 of  
5 P.L.2021, c.16 (C.24:6I-33).

6 "Cannabis cultivator" means the same as that term is defined in  
7 section 3 of P.L.2021, c.16 (C.24:6I-33).

8 "Cannabis establishment" means the same as that term is defined  
9 in section 3 of P.L.2021, c.16 (C.24:6I-33).

10 "Cannabis items" means the same as that term is defined in  
11 section 3 of P.L.2021, c.16 (C.24:6I-33).

12 "Cannabis manufacturer" means the same as that term is defined  
13 in section 3 of P.L.2021, c.16 (C.24:6I-33).

14 "Cannabis retailer" means the same as that term is defined in  
15 section 3 of P.L.2021, c.16 (C.24:6I-33).

16 "Cannabis wholesaler" means the same as that term is defined in  
17 section 3 of P.L.2021, c.16 (C.24:6I-33).

18 "Consumer" means the same as that term is defined in section 3  
19 of P.L.2021, c.16 (C.24:6I-33).

20 "Premises" means the same as that term is defined in section 3 of  
21 P.L.2021, c.16 (C.24:6I-33).<sup>2</sup>

22 (cf: P.L.2021, c.16, s.40)

23

24 <sup>3</sup>10.R.S.33:1-11 is amended to read as follows:

25 33:1-11. Class B licenses shall be subdivided and classified as  
26 follows:

27 Plenary wholesale license. 1. The holder of this license shall be  
28 entitled, subject to rules and regulations, to sell and distribute  
29 alcoholic beverages or intoxicating hemp beverages, in accordance  
30 with section 5 of P.L. , c. (C. ) (pending before the  
31 Legislature as this bill), to retailers and wholesalers licensed in  
32 accordance with this chapter, and to sell and distribute without this  
33 State to any persons pursuant to the laws of the places of such sale  
34 and distribution, and to maintain a warehouse and salesroom;  
35 provided, however, that the delivery of such alcoholic beverages by  
36 the holder of this license to retailers licensed under this Title shall  
37 be from inventory in a warehouse located in New Jersey which is  
38 operated under a plenary wholesale license. The fee for this license  
39 shall be \$8,750.

40 Limited wholesale license. 2a. The holder of this license shall be  
41 entitled, subject to rules and regulations, to sell and distribute  
42 brewed malt alcoholic beverages and naturally fermented wines to  
43 retailers and wholesalers licensed in accordance with this chapter,  
44 and to sell and distribute without this State to any persons pursuant  
45 to the laws of the places of such sale and distribution, and to  
46 maintain a warehouse and salesroom. The fee for this license shall  
47 be \$1,875.

1 Wine wholesale license. 2b. The holder of this license shall be  
2 entitled, subject to rules and regulations, to sell and distribute any  
3 naturally fermented, treated, blended, fortified and sparkling wines  
4 to retailers and wholesalers licensed in accordance with this  
5 chapter, and to sell and distribute without this State to any persons  
6 pursuant to the laws of the places of such sale and distribution, and  
7 to maintain a warehouse and salesroom; provided, however, that the  
8 delivery of such wines by the holder of this license to retailers  
9 licensed under this Title shall be from inventory in a warehouse  
10 located in New Jersey which is operated under a wine wholesale  
11 license. The fee for this license shall be \$3,750.

12 State beverage distributor's license. 2c.(1) The holder of this  
13 license shall be entitled, subject to rules and regulations, to sell and  
14 distribute unchilled, brewed, malt alcoholic beverages in original  
15 containers only, in quantities of not less than 144 fluid ounces and  
16 chilled draught malt alcoholic beverages in kegs, barrels or other  
17 similar containers of at least one fluid gallon in capacity, to retailers  
18 licensed in accordance with this chapter, and to sell and distribute  
19 without this State to any person pursuant to the laws of the places of  
20 such sale and distribution, and to maintain a warehouse and  
21 salesroom. The holder of this license may sell unchilled, brewed,  
22 malt alcoholic beverages in original containers only, in quantities of  
23 not less than 144 fluid ounces and chilled draught malt alcoholic  
24 beverages in kegs, barrels or other similar containers of at least 7.75  
25 fluid gallons in capacity, at retail; provided, however, that such  
26 sales shall be made only for consumption off the licensed premises.  
27 This license shall not be issued to any person holding a plenary or  
28 limited brewery license, nor shall it be issued to any person directly  
29 or indirectly interested in any brewery within or without this State.  
30 This license shall not be issued for premises in or upon which any  
31 retail business, except the sale of malt alcoholic beverages and  
32 nonalcoholic beverages, is carried on. The fee for this license shall  
33 be \$1,031.

34 (2) After the effective date of P.L.1995, c. 309 any license  
35 issued or transferred pursuant to this subsection for a premises  
36 located in a municipality in a county of the fifth or sixth class shall  
37 be limited to prohibit retail sales.

38 (3) The holder of a license issued pursuant to this subsection  
39 shall not be entitled to sell malt alcoholic beverages at retail as  
40 provided in paragraph (1) of this subsection, at hours of the day or  
41 on days of the week during which sales by holders of plenary retail  
42 distributors licenses are prohibited in the municipality in which the  
43 licensed premises is located or in a municipality which, in  
44 accordance with the provisions of this title, prohibits all retail sales  
45 of wine and malt alcoholic beverages in original bottle or can  
46 containers.

47 The provisions of section 22 of P.L.2003 , c.117 amendatory of  
48 this section shall apply to licenses issued or transferred on or after

1 July 1, 2003, and to license renewals commencing on or after July  
2 1, 2003.<sup>3</sup>

3 (cf: P.L.2003, c.117, s.22)

4

5 <sup>2</sup>[6.] <sup>3</sup>[10.<sup>2</sup>] <sup>11.</sup><sup>3</sup> (New section) The Cannabis Regulatory  
6 Commission, in consultation with the Division of Consumer Affairs  
7 in the Department of Law and Public Safety <sup>2</sup>[and] <sup>2</sup>, the Business  
8 Action Center in the Department of State, <sup>2</sup>and the Division of  
9 Alcoholic Beverage Control in the Department of Law and Public  
10 Safety<sup>2</sup> shall develop and implement a public education program to  
11 educate businesses across the State on the provisions of P.L. , c.  
12 (C. ) (pending before the Legislature as this bill).

13

14 <sup>2</sup>[7.] <sup>3</sup>[11.<sup>2</sup>] <sup>12.</sup><sup>3</sup> <sup>2</sup>[Paragraph (2) of subsection b. of section 4  
15 and section 6 of this act shall take effect immediately. The  
16 remainder of this act shall take effect 180 days after enactment,  
17 except that the Cannabis Regulatory Commission may take any  
18 anticipatory administrative action in advance as shall be necessary  
19 for the implementation of this act] This act shall take effect as  
20 follows:

21 a. Paragraph (2) of subsection b. of section 4 shall take effect  
22 immediately;

23 b. The remainder of this act shall take effect 30 days after  
24 enactment, except that the Cannabis Regulatory Commission may  
25 take any anticipatory administrative action in advance as shall be  
26 necessary for the implementation of this act<sup>2</sup>.

# ASSEMBLY HEALTH COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 4461**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 17, 2024

The Assembly Health Committee reports favorably and with committee amendments Assembly Bill No. 4461.

As amended, this bill regulates the production and sale of intoxicating hemp products.

#### AGENCY RESPONSIBILITIES

Under current law, three entities within the State maintain jurisdiction over the cannabis plant. The Cannabis Regulatory Commission (commission) regulates adult-use and medical cannabis, the Department of Agriculture (department) regulates hemp, and the Attorney General (AG) enforces criminal penalties against illegal marijuana and tetrahydrocannabinol (THC).

The bill synchronizes the definitions of hemp, hemp products, and definitions involving total THC concentration in order to regulate the sale of intoxicating hemp products as a form of cannabis item. By means of updating definitions, and adding a definition of intoxicating hemp products, the bill clarifies the role of each agency. The commission would be responsible for regulating the sale of all legally produced intoxicating cannabis items, whether hemp or cannabis; the department would continue to regulate the cultivation and processing of hemp as an agricultural commodity; and the AG would maintain the jurisdiction over illegally produced marijuana and THC, including any businesses or individuals who fail to sell cannabis items through a licensed retailer.

#### LICENSING AND COMPLIANCE RELATED TO INTOXICATING HEMP

By amending the definition of “cannabis item” to include an intoxicating hemp product, the commission is required, pursuant to section 18 of P.L.2021, c.16 (C.24:6I-35), to promulgate regulations related to the sale and purchase of such intoxicating products as a form of cannabis item. Further, pursuant to section 25 of P.L.2021, c.16 (C.24:6I-42), an entity is required to be licensed as a Class 5 Cannabis Retailer in order to operate a business in which any intoxicating products are retailed, and would be limited to selling products to persons 21 years of age or older. Additionally, treating

such products like cannabis items would subject them to cannabis item product testing and labeling requirements.

“Intoxicating hemp product” is defined as “any product cultivated, derived, or manufactured from hemp regulated pursuant to the ‘Agricultural Improvement Act of 2018,’ Pub.L.115-334 or the ‘New Jersey Hemp Farming Act,’ P.L.2019, c.238 (C.4:28-6 et al.) that is sold in this State that has a concentration of total THC greater than 0.5 milligrams per serving or 2.5 milligrams per package.” “Intoxicating hemp product” does not include “a cannabinoid product that is not derived from naturally occurring biologically active chemical constituents and shall not include hemp products as defined” under the “New Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.), as amended by the bill to synchronize with this new definition for intoxicating hemp.

#### UNLICENSED SALE AND PENALTIES REGARDING INTOXICATING PRODUCTS

Under the bill, a person would be prohibited from selling or distributing an intoxicating hemp product unless the person is licensed by the commission and the product complies with the “Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act” (CREAMMA), P.L.2021, c.16 (C.24:6I-31 et al.), and any commission regulations. Further, it would be unlawful to sell or distribute a hemp product or cannabis item that is not derived from naturally occurring biologically active chemical constituents.

It would be unlawful, except as otherwise provided by law, to sell or distribute a product that contains THC in any detectable amount to any person under the age of 21 years.

The bill establishes that for the above prohibited or unlawful acts, any civil penalties or fines adopted by the commission in accordance with CREAMMA shall apply to commission-licensed business committing any such prohibited or unlawful acts, in addition to any other penalty provided by law.

Also, any person who sells, offers for sale, or distributes any intoxicating hemp product, or hemp product or cannabis item not derived from naturally occurring biologically active chemical constituents, would be subject to the following penalties:

- (1) for a first violation, a civil penalty of not less than \$100;
- (2) for a second violation, a civil penalty of not less than \$1,000; and
- (3) for a third or subsequent penalty, a civil penalty of not less than \$10,000.

This penalty would be collected and enforced by summary proceedings under the “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.).

REGULATION OF HEMP AND NON-INTOXICATING HEMP PRODUCTS,  
AND MANUFACTURED THC

The bill amends the “New Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.), to set limits on the amount of THC that can be sold in hemp or (non-intoxicating) hemp products. This limit is set at a total THC concentration of not more than 0.3 percent on a dry weight basis and additionally, for a hemp product, not more than 0.5 milligrams of total THC per serving, and 2.5 milligrams of total THC per package. “Total THC” is defined as “the total concentration of all tetrahydrocannabinols in hemp or a hemp product, including delta-8, delta-9, delta-10, tetrahydrocannabinolic acid and any other chemically similar compound, substance, derivative, or isomer of tetrahydrocannabinol, regardless of how derived or manufactured, and any other cannabinoid, other than cannabidiol, identified by the Cannabis Regulatory Commission, in consultation with the Department of Agriculture and the Attorney General, as causing intoxication.” This definitional change clarifies the department’s role in the regulation of hemp, and limits it to hemp or hemp products that meet the limitations established in the bill.

The bill also clarifies the definition of THC in the Schedule I controlled dangerous substance statute, section 5 of P.L.1970, c.226 (C.24:21-5), to ensure THC produced by way of manufacture, and which is not produced or sold in accordance with the “New Jersey Hemp Farming Act,” P.L.2019, c.238 (C.4:28-6 et al.), or CREAMMA, P.L.2021, c.16 (C.24:6I-31 et al.) is included on the Schedule I list. Section 2 of P.L.1970, c.226 (C.24:21-2) defines “manufacture” to mean “the production, preparation, propagation, compounding, conversion, or processing of a controlled dangerous substance, either directly or by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container, except that this term does not include the preparation or compounding of a controlled dangerous substance by an individual for the individual's own use or the preparation, compounding, packaging, or labeling of a controlled dangerous substance: (1) by a practitioner as an incident to the practitioner's administering or dispensing of a controlled dangerous substance in the course of the practitioner's professional practice, or (2) by a practitioner, or under the practitioner's supervision, for the purpose of, or as an incident to, research, teaching, or chemical analysis and not for sale.”

ENFORCEMENT AND EDUCATION

Finally, the bill requires the commission, in consultation with the Division of Consumer Affairs in the Department of Law and Public

Safety and the Business Action Center in the Department of State, to develop and implement a public education program for businesses across the State regarding the provisions of the bill.

COMMITTEE AMENDMENTS:

The committee amendments revise the definition of “Total THC” and exclude news media from liability provisions.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

## ASSEMBLY, No. 4461

With committee amendments

# STATE OF NEW JERSEY

DATED: JUNE 24, 2024

The Assembly Appropriations Committee reports favorably with committee amendments Assembly Bill No. 4461 (1R).

This bill regulates the production and sale of intoxicating hemp products.

### AGENCY RESPONSIBILITIES

Under current law, three entities within the State maintain jurisdiction over the cannabis plant. The Cannabis Regulatory Commission (commission) regulates adult-use and medical cannabis, the Department of Agriculture (department) regulates hemp, and the Attorney General (AG) enforces criminal penalties against illegal marijuana and tetrahydrocannabinol (THC).

The bill synchronizes the definitions of hemp, hemp products, and definitions involving total THC concentration in order to regulate the sale of intoxicating hemp products as a form of cannabis item. By means of updating definitions, and adding a definition of intoxicating hemp products, the bill clarifies the role of each agency. The commission would be responsible for regulating the sale of all legally produced intoxicating cannabis items, whether hemp or cannabis; the department would continue to regulate the cultivation and processing of hemp as an agricultural commodity; and the AG would maintain the jurisdiction over illegally produced marijuana and THC, including any businesses or individuals who fail to sell cannabis items through a licensed retailer.

### LICENSING AND COMPLIANCE RELATED TO INTOXICATING HEMP

By amending the definition of “cannabis item” to include an intoxicating hemp product, the commission is required, pursuant to N.J.S.A.24:6I-35, to promulgate regulations related to the sale and purchase of such intoxicating products as a form of cannabis item. Further, pursuant to N.J.S.A.24:6I-42, an entity is required to be licensed as a Class 5 Cannabis Retailer in order to operate a business in which any intoxicating products are retailed, and would be limited to selling products to persons 21 years of age or older. Additionally,

treating such products like cannabis items would subject them to cannabis item product testing and labeling requirements.

“Intoxicating hemp product” is defined as “any product cultivated, derived, or manufactured from hemp regulated pursuant to the “Agricultural Improvement Act of 2018,” Pub.L.115-334 or the “New Jersey Hemp Farming Act,” N.J.S.A.4:28-6 et al., that is sold in this State that has a concentration of total THC greater than 0.5 milligrams per serving or 2.5 milligrams per package.” “Intoxicating hemp product” does not include “a cannabinoid product that is not derived from naturally occurring biologically active chemical constituents and shall not include “hemp products” as defined under amended definition contained within the “New Jersey Hemp Farming Act.”

#### UNLICENSED SALE AND PENALTIES REGARDING INTOXICATING PRODUCTS

Under the bill, a person would be prohibited from selling or distributing an intoxicating hemp product unless the person is licensed by the commission or is a liquor store approved by the Executive Director of the commission to sell intoxicating hemp beverages, and the product complies with the “Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act” (CREAMMA), N.J.S.A.24:6I-31 et al., and any commission regulations. Further, it would be unlawful to sell or distribute a hemp product or cannabis item that is not derived from naturally occurring biologically active chemical constituents. The prohibition on the sale of intoxicating hemp products also applies to any online retailer selling an intoxicating hemp product in the State.

It would be unlawful, except as otherwise provided by law, to sell or distribute a product that contains THC in any detectable amount to any person under the age of 21 years.

The bill establishes that for the above prohibited or unlawful acts, any civil penalties or fines adopted by the commission in accordance with CREAMMA shall apply to commission-licensed business committing any such prohibited or unlawful acts, in addition to any other penalty provided by law.

Also, any person who sells, offers for sale, or distributes any intoxicating hemp product, or hemp product or cannabis item not derived from naturally occurring biologically active chemical constituents, would be subject to the following penalties:

- (1) for a first violation, a civil penalty of not less than \$100;
  - (2) for a second violation, a civil penalty of not less than \$1,000;
- and
- (3) for a third or subsequent penalty, a civil penalty of not less than \$10,000.

This penalty would be collected and enforced by summary proceedings under the “Penalty Enforcement Law of 1999,” N.J.S.A.2A:58-10 et seq..

REGULATION OF HEMP AND NON-INTOXICATING HEMP PRODUCTS,  
AND MANUFACTURED THC

The bill amends the “New Jersey Hemp Farming Act,” N.J.S.A.4:28-6 et al., to set limits on the amount of THC that can be sold in hemp or (non-intoxicating) hemp products. This limit is set at a total THC concentration of not more than 0.3 percent on a dry weight basis and additionally, for a hemp product, not more than 0.5 milligrams of total THC per serving, and 2.5 milligrams of total THC per package. “Total THC” is defined as “the total concentration of all tetrahydrocannabinols in hemp or a hemp product, including delta-8, delta-9, delta-10, tetrahydrocannabinolic acid and any other chemically similar compound, substance, derivative, or isomer of tetrahydrocannabinol, regardless of how derived or manufactured, and any other cannabinoid, other than cannabidiol, identified by the commission, in consultation with the Department and the AG, as causing intoxication.” This definitional change clarifies the department’s role in the regulation of hemp, and limits it to hemp or hemp products that meet the limitations established in the bill.

The bill also clarifies the definition of THC in the Schedule I controlled dangerous substance statute, N.J.S.A.24:21-5, to ensure THC produced by way of manufacture, and which is not produced or sold in accordance with the “New Jersey Hemp Farming Act” P, or CREAMMA is included on the Schedule I list. N.J.S.A.24:21-2 defines “manufacture” to mean “the production, preparation, propagation, compounding, conversion, or processing of a controlled dangerous substance, either directly or by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container, except that this term does not include the preparation or compounding of a controlled dangerous substance by an individual for the individual's own use or the preparation, compounding, packaging, or labeling of a controlled dangerous substance: (1) by a practitioner as an incident to the practitioner's administering or dispensing of a controlled dangerous substance in the course of the practitioner's professional practice, or (2) by a practitioner, or under the practitioner's supervision, for the purpose of, or as an incident to, research, teaching, or chemical analysis and not for sale.”

#### SALE OF INTOXICATING HEMP BEVERAGES

As amended, the bill permits the Executive Director of the commission to permit liquor stores to sell intoxicating hemp beverages.

Under the amended bill, the commission is required to promulgate rules and regulations related to packaging, labeling, product testing and safety standards, THC amounts permitted in intoxicating hemp beverages, the number of intoxicating hemp beverages that may be sold to a customer at any given time, and any fees associated with obtaining approval from the Executive Director of the commission.

Under the amended bill, a holder of a valid and unrevoked plenary retail distribution license, as defined pursuant to N.J.S.A.33:1-12, may apply to the Executive Director commission for approval to sell intoxicating hemp beverages after the commission has promulgated rules and regulations related to the beverages. “Intoxicating hemp beverage” is defined as a beverage that is an intoxicating hemp product as that term is defined above.

A liquor store which currently sells intoxicating hemp products is required to stop the sale of the such products upon the effective date of the bill. Once approval is received, the liquor store may resume the sale of intoxicating hemp beverages. The prohibition against selling intoxicating hemp products to persons under the age of 21 also applies to the sale of intoxicating hemp beverages. Further, a store that sells intoxicating hemp beverages is required to store or display the items in a place that a customer must receive employee assistance to access the product.

Finally, the amended bill requires that any sale of an intoxicating hemp beverage by a holder of a plenary retail distribution license is subject to: (1) the sales tax imposed on cannabis; and (2) the same local cannabis transfer and user tax imposed on cannabis by a municipality. All taxes, fees, penalties, and revenues collected pursuant to under the bill upon the sale of an intoxicating hemp beverage are deposited in the CREAMM Fund, established pursuant to N.J.S.A.24:6I-50.

#### ENFORCEMENT AND EDUCATION

Finally, the bill requires the commission, in consultation with the Division of Consumer Affairs in the Department of Law and Public Safety and the Business Action Center in the Department of State, to develop and implement a public education program for businesses across the State regarding the provisions of the bill.

#### COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) require commission to adopt rules and regulations related to the sale of intoxicating hemp beverages and permit Executive Director of

commission to approve liquor stores, upon application, to sell intoxicating hemp beverages; and

(2) define intoxicating hemp beverage as a beverage that is an intoxicating hemp product as that term is defined under the bill.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

# ASSEMBLY BUDGET COMMITTEE

## STATEMENT TO

[Second Reprint]

## ASSEMBLY, No. 4461

with committee amendments

# STATE OF NEW JERSEY

DATED: JUNE 26, 2024

The Assembly Appropriations Committee reports favorably and with committee amendments Assembly Bill No. 4461 (2R).

This bill regulates the production and sale of intoxicating hemp products.

### AGENCY RESPONSIBILITIES

Under current law, three entities within the State maintain jurisdiction over the cannabis plant. The Cannabis Regulatory Commission (commission) regulates adult-use and medical cannabis, the Department of Agriculture (department) regulates hemp, and the Attorney General (AG) enforces criminal penalties against illegal marijuana and tetrahydrocannabinol (THC).

The bill synchronizes the definitions of hemp, hemp products, and definitions involving total THC concentration in order to regulate the sale of intoxicating hemp products as a form of cannabis item. By means of updating definitions, and adding a definition of intoxicating hemp products, the bill clarifies the role of each agency. The commission would be responsible for regulating the sale of all legally produced intoxicating cannabis items, whether hemp or cannabis; the department would continue to regulate the cultivation and processing of hemp as an agricultural commodity; and the AG would maintain the jurisdiction over illegally produced marijuana and THC, including any businesses or individuals who fail to sell cannabis items through a licensed retailer.

### LICENSING AND COMPLIANCE RELATED TO INTOXICATING HEMP

By amending the definition of “cannabis item” to include an intoxicating hemp product, the commission is required, pursuant to N.J.S.A.24:6I-35, to promulgate regulations related to the sale and purchase of such intoxicating products as a form of cannabis item. Further, pursuant to N.J.S.A.24:6I-42, an entity is required to be licensed as a Class 5 Cannabis Retailer in order to operate a business in which any intoxicating products are retailed, and would be limited to selling products to persons 21 years of age or older. Additionally, treating such products like cannabis items would subject them to cannabis item product testing and labeling requirements.

“Intoxicating hemp product” is defined as “any product cultivated, derived, or manufactured in this State from hemp regulated pursuant to the “Agricultural Improvement Act of 2018,” Pub.L.115-334 or the “New Jersey Hemp Farming Act,” N.J.S.A.4:28-6 et al., that is sold in this State that has a concentration of total THC greater than 0.5 milligrams per serving or 2.5 milligrams per package.” “Intoxicating hemp product” does not include “a cannabinoid product that is not derived from naturally occurring biologically active chemical constituents and shall not include “hemp products” as defined under amended definition contained within the “New Jersey Hemp Farming Act.”

#### UNLICENSED SALE AND PENALTIES REGARDING INTOXICATING PRODUCTS

Under the bill, a person would be prohibited from selling or distributing an intoxicating hemp product unless the person is licensed by the commission or is a liquor store approved by the commission to sell intoxicating hemp beverages, and the product complies with the “Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act” (CREAMMA), N.J.S.A.24:6I-31 et al., and any commission regulations. Further, it would be unlawful to sell or distribute a hemp product or cannabis item that is not derived from naturally occurring biologically active chemical constituents. The prohibition on the sale of intoxicating hemp products also applies to any online retailer selling an intoxicating hemp product in the State.

It would be unlawful, except as otherwise provided by law, to sell or distribute a product that contains THC in any detectable amount to any person under the age of 21 years.

The bill establishes that for the above prohibited or unlawful acts, any civil penalties or fines adopted by the commission in accordance with CREAMMA shall apply to commission-licensed business committing any such prohibited or unlawful acts, in addition to any other penalty provided by law.

Also, any person who sells, offers for sale, or distributes any intoxicating hemp product, or hemp product or cannabis item not derived from naturally occurring biologically active chemical constituents, would be subject to the following penalties:

- (1) for a first violation, a civil penalty of not less than \$100;
- (2) for a second violation, a civil penalty of not less than \$1,000; and
- (3) for a third or subsequent penalty, a civil penalty of not less than \$10,000.

This penalty would be collected and enforced by summary proceedings under the “Penalty Enforcement Law of 1999,” N.J.S.A.2A:58-10 et seq.

REGULATION OF HEMP AND NON-INTOXICATING HEMP PRODUCTS,  
AND MANUFACTURED THC

The bill amends the “New Jersey Hemp Farming Act,” N.J.S.A.4:28-6 et al., to set limits on the amount of THC that can be sold in hemp or (non-intoxicating) hemp products. This limit is set at a total THC concentration of not more than 0.3 percent on a dry weight basis and additionally, for a hemp product, not more than 0.5 milligrams of total THC per serving, and 2.5 milligrams of total THC per package. “Total THC” is defined as “the total concentration of all tetrahydrocannabinols in hemp or a hemp product, including delta-8, delta-9, delta-10, tetrahydrocannabinolic acid and any other chemically similar compound, substance, derivative, or isomer of tetrahydrocannabinol, regardless of how derived or manufactured, and any other cannabinoid, other than cannabidiol, identified by the commission, in consultation with the Department and the AG, as causing intoxication.” This definitional change clarifies the department’s role in the regulation of hemp, and limits it to hemp or hemp products that meet the limitations established in the bill.

The bill also clarifies the definition of THC in the Schedule I controlled dangerous substance statute, N.J.S.A.24:21-5, to ensure THC produced by way of manufacture, and which is not produced or sold in accordance with the “New Jersey Hemp Farming Act” P, or CREAMMA is included on the Schedule I list. N.J.S.A.24:21-2 defines “manufacture” to mean “the production, preparation, propagation, compounding, conversion, or processing of a controlled dangerous substance, either directly or by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container, except that this term does not include the preparation or compounding of a controlled dangerous substance by an individual for the individual's own use or the preparation, compounding, packaging, or labeling of a controlled dangerous substance: (1) by a practitioner as an incident to the practitioner's administering or dispensing of a controlled dangerous substance in the course of the practitioner's professional practice, or (2) by a practitioner, or under the practitioner's supervision, for the purpose of, or as an incident to, research, teaching, or chemical analysis and not for sale.”

SALE OF INTOXICATING HEMP BEVERAGES

As amended, the bill permits the commission to permit liquor stores and wholesalers to sell intoxicating hemp beverages.

Under the amended bill, the commission is required to promulgate rules and regulations related to packaging, labeling, product testing and safety standards, THC amounts permitted in intoxicating hemp beverages, the number of intoxicating hemp beverages that may be sold to a customer at any given time, and a

fee to be charged by the commission to cover the reasonable costs of administering the intoxicating hemp beverage provisions.

Under the amended bill, a holder of a valid and unrevoked plenary wholesale license or plenary retail distribution license, as those terms are defined in N.J.S.A.33:1-11 and N.J.S.A.33:1-12, may apply to the commission for approval to sell intoxicating hemp beverages after the commission has promulgated rules and regulations related to the beverages. “Intoxicating hemp beverage” is defined as a beverage that is an intoxicating hemp product as that term is defined above.

A liquor store or wholesaler which currently sells intoxicating hemp products is required to stop the sale of the such products upon the effective date of the bill. Once approval is received, the liquor store or wholesaler may resume the sale of intoxicating hemp beverages. The prohibition against selling intoxicating hemp products to persons under the age of 21 also applies to the sale of intoxicating hemp beverages. Further, a store or wholesaler that sells intoxicating hemp beverages is required to store or display the items in a place that a customer must receive employee assistance to access the product.

Finally, the amended bill requires that any sale of an intoxicating hemp beverage by a holder of a plenary wholesale license or retail distribution license is subject to: (1) the sales tax imposed on cannabis; and (2) the same local cannabis transfer and user tax imposed on cannabis by a municipality. All taxes, fees, penalties, and revenues collected pursuant to under the bill upon the sale of an intoxicating hemp beverage are deposited in the CREAMM Fund, established pursuant to N.J.S.A.24:6I-50.

#### ENFORCEMENT AND EDUCATION

Finally, the bill requires the commission, in consultation with the Division of Consumer Affairs in the Department of Law and Public Safety and the Business Action Center in the Department of State, to develop and implement a public education program for businesses across the State regarding the provisions of the bill.

#### COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) clarify that the provisions related to intoxicating hemp beverages also apply to the holder of a plenary wholesale license;

(2) remove references to Executive Director of the commission; and

(3) update the definition of “intoxicating hemp product” to clarify that it is a product cultivated, derived, or manufactured in this State.

#### FISCAL IMPACT:

Fiscal information is unavailable at this time.

# LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

## ASSEMBLY, No. 4461

### STATE OF NEW JERSEY 221st LEGISLATURE

DATED: JULY 3, 2024

#### SUMMARY

- Synopsis:** Regulates production and sale of certain intoxicating hemp products.
- Type of Impact:** Annual State revenue and expenditure increases. Potential local revenue increase.
- Agencies Affected:** Department of Law and Public Safety; Cannabis Regulatory Commission; Department of Agriculture; Municipalities.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Annual</u></b>
<b>State Expenditure Increase</b>	Indeterminate
<b>State Revenue Increase</b>	Indeterminate
<b>Potential Local Revenue Increase</b>	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill will result in an indeterminate annual increase in State revenues and expenditures.
- The OLS does not have sufficient data on the demand for or future sales of intoxicating hemp beverages and other products to project the tax revenues generated from these in a regulated marketplace under the authority of the Cannabis Regulatory Commission.
- The OLS also estimates indeterminate State revenue increases from civil penalties levied on an owner or operator of a business who sells an intoxicating hemp product in violation of the bill. The OLS cannot project the number or frequency of such violations. Also, the State's ability to collect fines and fees has historically been limited.
- The OLS finds the bill will result in State expenditure increases for the Cannabis Regulatory Commission and the Department of Law and Public Safety to develop and implement a public education program for businesses across the State on the bill. Additionally, establishing and maintaining a regulatory framework for intoxicating hemp products and the bill's

enforcement provisions will lead to respective workload increases for the commission and the department.

## **BILL DESCRIPTION**

The bill synchronizes the definitions of hemp, hemp products, and definitions involving total tetrahydrocannabinol (THC) concentration in order to regulate the sale of intoxicating hemp products, particularly intoxicating hemp beverages, as a form of cannabis item. By means of updating definitions, and adding a definition of intoxicating hemp products, the bill clarifies the role of each agency. The Cannabis Regulatory Commission would be responsible for regulating the sale of all legally produced intoxicating cannabis items, whether hemp or cannabis; the Department of Agriculture would continue to regulate the cultivation and processing of hemp as an agricultural commodity; and the Attorney General would maintain the jurisdiction over illegally produced marijuana and THC, including any businesses or individuals who fail to sell cannabis items through a licensed retailer.

The bill requires that any sale of an intoxicating hemp beverage by a holder of a plenary retail distribution liquor license or plenary wholesale license is subject to: (1) the sales tax imposed on cannabis; and (2) the optional local cannabis transfer and user tax imposed on cannabis by a municipality.

A person who sells or distributes an intoxicating hemp product or hemp item not derived from naturally occurring biologically active chemical constituents, would be subject to civil penalties of not less than: \$100 for the first violation; \$1,000 for the second violation; and \$10,000 for the third and each subsequent violation.

The commission, in consultation with the Department of Law and Public Safety, would be required to develop and implement a public education program to educate businesses across the State on the bill's provisions.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS concludes that the bill will result in an indeterminate annual increase in State revenues and expenditures.

The OLS does not have sufficient data on the demand for or future sales of intoxicating hemp beverages and other products to project the tax revenues generated from these in a regulated marketplace under the authority of the Cannabis Regulatory Commission.

The bill requires that any sale of an intoxicating hemp beverage by a holder of a plenary retail distribution liquor license or plenary wholesale license is subject to: (1) the sales tax imposed on cannabis; and (2) the optional local cannabis transfer and user tax imposed on cannabis by a municipality. The OLS finds there is not enough data to estimate the revenues, to the State and municipalities that opt in, from the sale of such beverages or quantify the demand or future trends in sales of intoxicating hemp beverages.

The OLS also estimates indeterminate State revenue increases from civil penalties levied on an owner or operator of a business who sells an intoxicating hemp product in violation of the bill. The penalties ranges from at least \$100 for a first violation to at least \$10,000 for third and subsequent violations. The OLS cannot project the number or frequency of such violations. Also, the State's ability to collect fines and fees has historically been limited.

The OLS finds the bill will result in State expenditure increases for the Cannabis Regulatory Commission and the Department of Law and Public Safety to develop and implement a public education program for businesses across the State on the bill.

Additionally, establishing and maintaining a regulatory framework for intoxicating hemp products and the bill's enforcement provisions will lead to respective workload increases for the Cannabis Regulatory Commission and the Department of Law and Public Safety. The commission, which currently regulates adult-use and medical cannabis, will also regulate intoxicating hemp products under the bill. The OLS finds that this would broaden the commission's responsibilities and presumably increase its workload. The OLS also finds that enforcement relating to intoxicating hemp products may result in workload increases for the Attorney General's Office.

*Section:           Judiciary*

*Analyst:          Michael Davila*  
*Associate Counsel*

*Approved:        Thomas Koenig*  
*Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

# Governor Murphy Takes Action on Legislation

09/12/2024

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

**S-721/A-2812 (Steinhardt, Sarlo/Greenwald, Swain, Egan)** - Exempts sales of investment metal bullion and investment coins from sales and use tax

**S-741/A-2608 (Diegnan/Karabinchak)** - Authorizes State Treasurer to sell as surplus certain real property and improvements in City of Jersey City in Hudson County

**SCS for S-2188/ACS for A-1970 (Ruiz, Greenstein/Speight, Karabinchak, Verrelli)** – Requires DEP, DOH, owners or operators of certain public community water systems, and owners or operators of certain buildings or facilities to take certain actions to prevent and control cases of Legionnaires' disease

**S-2311/A-1128 (Singleton, Singer/DiMaio, Matsikoudis)** - Requires criminal history background check for individuals seeking licensure issued by boards regulating certain health care professions

**S-2435/A-3537 (Greenstein, Mukherji/Stanley, McCoy, Murphy)** - Revises certain requirements concerning eligibility for reimbursement from “Emergency Medical Technician Training Fund”

**S-2607/A-3872 (Ruiz, McKnight/Pintor Marin, Calabrese, Speight)** - Requires private bus operators to provide notice and hold public meetings for certain service changes

**S-2810/A-3779 (Diegnan/DeAngelo, Karabinchak, Bagolie)** - Changes membership of board of trustees of SPRS to remove requirement that two members be private citizens

**S-3097/A-4226 (Pou, Sarlo/Wimberly, Sumter)** - Modifies requirements for certain projects under Economic Redevelopment and Growth Grant program

**S-3134/A-4192 (Diegnan, Moriarty/Calabrese, Carter)** - Requires MVC to take certain action concerning commercial driver licenses and commercial learner’s permits

**S-3235/A-4461 (Ruiz, Moriarty/Conaway, Miller, Sampson)** – Regulates production and sale of certain intoxicating hemp products

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**S-3368/A-4623 (Ruiz, McKnight/Calabrese, Stanley, Reynolds-Jackson)** - Concerns law protecting residential tenants from lead-based paint hazards

**S-3407/A-4540 (Lagana/Verrelli)** - Requires payment of prevailing wage for projects financed through commercial property assessed clean energy program

**A-2610/S-3203 (Karabinchak, Calabrese, Sauickie/Gopal)** - Extends annual horse racing purse subsidies through State fiscal year 2029

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**A-2890/S-3231 (Verrelli, Reynolds-Jackson, Quijano/Cryan)** - Permits temporary appointment of additional members to the Board of Review in the Division of Employment Security

**A-4035/S-2809 (Dunn, Speight/Bucco, Pennacchio)** - Requires State to sell as surplus property certain land and improvements in Morris County known as Central Park School

**A-4533/S-3421 (Coughlin, Wimberly, Speight/Zwicker, Johnson)** - Revises certain sections of law concerning financing mechanisms for school facilities projects of regular operating districts

**A-4534/S-3439 (Coughlin, Wimberly, Schnall/Vitale, Mukherji)** - Revises definition of qualified assistance fund expenses under UEZ program to include costs of transportation infrastructure projects and related debt service

Governor Murphy conditionally vetoed the following bills:

**S-2864/A-4061 (Lagana/Verrelli, Swain, Venezia) – CONDITIONAL** - Establishes working hours for certain minors employed as professional athletes

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**S-3455/A-4597 (Sarlo, Burzichelli/Calabrese, Moen, Stanley) – CONDITIONAL** - Provides for automatic renewal of off-track wagering licenses

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**A-2180/S-3000 (Moen, Wimberly, Murphy/Beach, Polistina) – CONDITIONAL** - Permits certain persons to operate Type S school buses

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**A-2294/S-1443 (Lopez, Freiman, Tully/Singleton, Johnson) – CONDITIONAL** - Establishes mortgage payment relief and foreclosure protection for certain homeowners impacted by the remnants of Hurricane Ida

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**A-2607/S-360 (Karabinchak, Calabrese, Inganamort/Diegnan, Mukherji) – CONDITIONAL** - Authorizes taxicabs, limousines, and transportation network companies to provide paratransit services for two-year period

[Copy of Statement](#)

**GOVERNOR'S STATEMENT UPON SIGNING  
SENATE BILL NO. 3235  
(Third Reprint)**

Today I am signing Senate Bill No. 3235 (Third Reprint), which establishes a regulated market for intoxicating hemp products and prohibits the sale of these products by unauthorized sellers and to individuals under 21 years of age.

There recently has been a proliferation of products that meet the legal definition of "hemp" due to their low concentration of delta-9 tetrahydrocannabinol ("THC") but that are intoxicating because of the presence of other forms of THC - such as delta-8 and delta-10 - often at artificially increased levels. These products are sold outside of the regulated market for cannabis even though they can have similar effects, may contain harmful chemicals and other contaminants, and often are sold without appropriate testing and labeling. Too frequently, these products are readily available to minors.

The status quo is untenable, and this bill will put an end to it. Immediately upon my signature, it will be unlawful to sell or distribute a product intended for human consumption that contains THC in any detectable amount to a person under 21 years of age. And in thirty days, it will be at least temporarily unlawful for intoxicating hemp products to be sold or distributed in New Jersey by anyone other than cannabis businesses licensed and overseen by the Cannabis Regulatory Commission.

I would have preferred to sign a bill that stopped there. Late amendments to this bill in the Legislature opened the door to the sale and distribution of intoxicating hemp beverages by holders of plenary wholesale licenses and plenary retail distribution licenses for alcoholic beverages ("alcohol licensees"), in addition to licensed cannabis businesses. These amendments create a number of challenges.

First, I am concerned that the bill requires the New Jersey Cannabis Regulatory Commission (the "Commission") to establish a new regulatory program for alcohol licensees selling intoxicating hemp beverages but does not provide the Commission with the resources necessary to establish the program. This omission raises questions about the Commission's ability to stand up a program that would expand intoxicating hemp beverage sales and distribution to alcohol licensees, let alone to do so within the timelines envisioned by the bill.

The bill also does not explicitly require alcohol licensees that sell or distribute intoxicating hemp products to comply with the many regulatory requirements that apply to cannabis businesses. These include, among other requirements, mandates

that retail employees be trained about the products being sold, that licensees maintain labor peace agreements, and that operations are consistent with municipal ordinances, including municipal ordinances prohibiting the operation of any one or more classes of cannabis establishment, or cannabis distributors or cannabis delivery services.

I am proud to have worked with the Legislature to create a well-regulated cannabis market in New Jersey, with diversely owned businesses that treat their workers, customers, and neighbors well. We must ensure that the market is not disrupted by the entry of businesses that are not required to play by the same rules. I welcome the Legislature's cooperation to meet that objective. In the interim, the Commission should ensure, to the extent permitted by law, that any regulations it adopts condition approval for alcohol licensees to sell or distribute intoxicating hemp products on compliance with regulations comparable to those that apply to similarly situated cannabis businesses.

Second, the late amendments to the bill included an amendment to the bill's definition of "intoxicating hemp product" that has caused significant confusion. Originally, the bill would have defined "intoxicating hemp product" to mean "any product cultivated, derived, or manufactured from hemp regulated pursuant to the 'Agricultural Improvement Act of 2018,' Pub.L.115-334 or the 'New Jersey Hemp Farming Act,' P.L.2019, c.238 (C.4:28-6 et al.) that is sold in this State that has a concentration of total THC greater than 0.5 milligrams per serving or 2.5 milligrams per package." The late amendments to the bill introduced the words "in this State" after the phrase "any product cultivated, derived, or manufactured." Both the original and amended versions of the bill further provide that "intoxicating hemp products" shall not "include a cannabinoid product that is not derived from naturally occurring biologically active chemical constituents and shall not include hemp products as defined in section 3 of P.L.2019, c.238 (C.4:28-8)."

Industry participants have raised significant questions about the late amendments' introduction of the phrase "in this State." Some read this amendment to mean that products may be sold in New Jersey without violating this bill, even if they would otherwise qualify as "intoxicating hemp products," provided that all or some of the cultivation, derivation, and manufacture of the product occurs outside of New Jersey. Others read the amended bill to mean that authorized sellers may sell intoxicating hemp products in the newly regulated market only if the product is cultivated, derived, and/or manufactured in New Jersey. The former reading would largely defeat the purpose of the legislation by creating an enormous loophole contrary to the Legislature's purpose in passing the bill, while the latter would implicate concerns related to the United States

Constitution's dormant commerce clause. I invite the Legislature to work with my Administration on clarifying legislation.

Over the past two and a half months, I and my team have heard from a number of stakeholders with differing views on this issue, as well as a number of legislators who supported the legislation. These discussions have convinced me that it is very unlikely that revisions to the bill would have the broad support necessary to move through the Legislature quickly. Unlike many issues, the status quo poses an immediate risk to health and safety, as these unregulated intoxicating hemp products are widely available to minors. Because the bill would address this present danger, I have concluded that the wiser course is to sign the bill now and commit to working with the Legislature to address the technical issues and other challenges in separate legislation.

Date: September 12, 2024

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor