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Also of possible interest to researchers:

Committee meeting of Senate Judiciary Committee : Senate bill 3195; legalizes possession and personal use of small amounts of marijuana for persons age 21 and over; creates Division of Marijuana Enforcement and licensing structure [June 19, 2017, Trenton, New Jersey]

Call Number: 974.90 N222, 2017

Available online at <http://hdl.handle.net/10929/43456>

Public meeting of the New Jersey Legislative Black : recreational marijuana hearings, first of three [February 21, 2018 Jersey City, New Jersey]

Call number: 974.90 N222, 2018

Online at: <http://hdl.handle.net/10929/46843>

Public meeting of the New Jersey Legislative Black : recreational marijuana hearings, second of three [March 27, 2018 Jersey City, New Jersey]

Online at: <https://pub.njleg.state.nj.us/publications/public-hearings/18/njlbc03272018.pdf>

Committee meeting of Assembly Oversight, Reform and Federal Relations Committee : the Committees will receive testimony from invited speakers and the public on the impact of prospective marijuana legislation on the public health, criminal justice system, and economy in New Jersey [April 14, 2018, Edison, New Jersey]

Call Number: 974.90 N222, 2018b

Available online at <http://hdl.handle.net/10929/47567>

Committee meeting of Assembly Oversight, Reform and Federal Relations Committee : the Committees will receive testimony from invited speakers and the public on the impact of prospective marijuana legislation on the public health, criminal justice system, and economy in New Jersey [April 21, 2018, Glassboro, New Jersey]

Call Number: 974.90 N222, 2018c

Available online at <http://hdl.handle.net/10929/47568>

Public hearing of New Jersey Legislative Black Caucus : recreational marijuana hearings: third of three [April 24, 2018, Atlantic City, New Jersey]

Call number: 974.90 N222, 2018d

Online at: <http://hdl.handle.net/10929/47631>

Committee meeting of Assembly Oversight, Reform and Federal Relations Committee : the Committees will receive testimony from invited speakers and the public on the impact of prospective marijuana legislation on the public health, criminal justice system, and economy in New Jersey [May 12, 2018, Paramus, New Jersey]

Call Number: 974.90 N222, 2018f

Available online at <http://hdl.handle.net/10929/48112>

Public hearing before Assembly Oversight, Reform, and Federal Regulations Committee : the public hearing will be held in accordance with Article IX, paragraph I of the New Jersey Constitution and Rule 19:3 of the General Assembly on the following Assembly Concurrent Resolution: Assembly Concurrent Resolution 840 "Proposes constitutional amendment to legalize cannabis for personal, non-medical use by adults who are age 21 years or older, subject to regulation by Cannabis Regulatory Commission" [December 12, 2019, Trenton, New Jersey]

Call number 974.90 N222, 2019a

Available online at <http://hdl.handle.net/10929/56369>

Public hearing before Senate Commerce Committee : the public hearing will be held in accordance with Article IX, paragraph I of the New Jersey Constitution and Rule 24:3 of the New Jersey Senate on the following Senate Concurrent Resolution: Senate Concurrent Resolution 183 "Proposes constitutional amendment to legalize cannabis for personal, non-medical use by adults who are age 21 years or older, subject to regulation by Cannabis Regulatory Commission" [December 12, 2019, Trenton, New Jersey]

Call number 974.90 N222, 2019b

Available online at <http://hdl.handle.net/10929/56372>

RWH/CL

Title 24.
Chapter 6I. (Rename)
Medical Cannabis
§§5-7 -
C.24:6I-5.1 to
24:6I-5.3
§9 - C.24:6I-6.1
§§11-16 -
C.24:6I-7.1 to
24:6I-7.6
§§24-36,39 -
C.24:6I-17 to
24:6I-30
§43 - C.26:2H-12.86
§48 - Repealer

P.L. 2019, CHAPTER 153, *approved July 2, 2019*
Assembly, No. 20

1 **AN ACT** concerning medical cannabis, revising various parts of the
2 statutory law, and supplementing P.L.2009, c.307.

3

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

6

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

9 1. This act shall be known and may be cited as the **["New**
10 **Jersey]** "Jake Honig Compassionate Use Medical **["Marijuana]**
11 Cannabis Act."
12 (cf: P.L.2009, c.307, s.1)

13

14 2. Section 2 of P.L.2009, c.307 (C.24:6I-2) is amended to read
15 as follows:

16 2. The Legislature finds and declares that:

17 a. Modern medical research has discovered a beneficial use for
18 **["marijuana]** cannabis in treating or alleviating the pain or other
19 symptoms associated with certain **["debilitating]** medical conditions,
20 as found by the National Academy of Sciences' Institute of
21 Medicine in March 1999 **[";"]** .

22 b. According to the U.S. Sentencing Commission and the
23 Federal Bureau of Investigation, 99 out of every 100 **["marijuana]**
24 cannabis arrests in the country are made under state law, rather than
25 under federal law. Consequently, changing state law will have the
26 practical effect of protecting from arrest the vast majority of

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 seriously ill people who have a medical need to use **【marijuana】**
2 cannabis **【;】** .

3 c. Although federal law currently prohibits the use of
4 **【marijuana】** cannabis, the laws of Alaska, Arkansas, California,
5 Colorado, Connecticut, Delaware, Florida, Hawaii, Illinois, Maine,
6 Maryland, Massachusetts, Michigan, Minnesota, Montana, Nevada,
7 New Hampshire, New Mexico, New York, North Dakota, Ohio,
8 Oregon, Pennsylvania, Rhode Island, Vermont, **【and】** Washington,
9 West Virginia, and the District of Columbia permit the use of
10 **【marijuana】** cannabis for medical purposes, and in Arizona doctors
11 are permitted to prescribe **【marijuana】** cannabis. New Jersey joins
12 this effort for the health and welfare of its citizens **【;】** .

13 d. States are not required to enforce federal law or prosecute
14 people for engaging in activities prohibited by federal law;
15 therefore, compliance with this act does not put the State of New
16 Jersey in violation of federal law **【; and】** .

17 e. Compassion dictates that a distinction be made between
18 medical and non-medical uses of **【marijuana】** cannabis. Hence, the
19 purpose of this act is to protect from arrest, prosecution, property
20 forfeiture, and criminal and other penalties, those patients who use
21 **【marijuana】** cannabis to alleviate suffering from **【debilitating】**
22 qualifying medical conditions, as well as their **【physicians】** health
23 care practitioners, **【primary】** designated caregivers, institutional
24 caregivers, and those who are authorized to produce **【marijuana】**
25 cannabis for medical purposes.

26 (cf: P.L.2009, c.307, s.2)

27

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

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

32 “Academic medical center” means an entity located in New
33 Jersey that, on the effective date of P.L. , c. (C.) (pending
34 before the Legislature as this bill), has an addiction medicine
35 faculty practice or is in the same health care system as another
36 facility located in New Jersey that offers outpatient medical
37 detoxification services or inpatient treatment services for substance
38 use disorder; has a pain management faculty practice or a facility-
39 based pain management service located in New Jersey; has graduate
40 medical training programs accredited, or pending accreditation, by
41 the Accreditation Council for Graduate Medical Education or the
42 American Osteopathic Association in primary care and medical
43 specialties; is the principal teaching affiliate of a medical school
44 based in the State; and has the ability to conduct research related to
45 medical cannabis. If the entity is part of a system of health care

1 facilities, the entity shall not qualify as an academic medical center
2 unless the health care system is principally located within the State.

3 “Adverse employment action” means refusing to hire or employ
4 an individual, barring or discharging an individual from
5 employment, requiring an individual to retire from employment, or
6 discriminating against an individual in compensation or in any
7 terms, conditions, or privileges of employment.

8 **【**“Bona fide physician-patient relationship” means a relationship
9 in which the physician has ongoing responsibility for the
10 assessment, care, and treatment of a patient's debilitating medical
11 condition.**】**

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

15 **【**“Certification” means a statement signed by a physician with
16 whom a qualifying patient has a bona fide physician-patient
17 relationship, which attests to the physician's authorization for the
18 patient to apply for registration for the medical use of marijuana.**】**

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

27 “Commission” means the Cannabis Regulatory Commission
28 established pursuant to section 31 of P.L. , c. (C.) (pending
29 before the Legislature as this bill).

30 “Commissioner” means the Commissioner of Health.

31 **【**“Debilitating medical condition” means:

32 (1) one of the following conditions, if resistant to conventional
33 medical therapy: seizure disorder, including epilepsy; intractable
34 skeletal muscular spasticity; post-traumatic stress disorder; or
35 glaucoma;

36 (2) one of the following conditions, if severe or chronic pain,
37 severe nausea or vomiting, cachexia, or wasting syndrome results
38 from the condition or treatment thereof: positive status for human
39 immunodeficiency virus; acquired immune deficiency syndrome; or
40 cancer;

41 (3) amyotrophic lateral sclerosis, multiple sclerosis, terminal
42 cancer, muscular dystrophy, or inflammatory bowel disease,
43 including Crohn's disease;

44 (4) terminal illness, if the physician has determined a prognosis
45 of less than 12 months of life; or

1 (5) any other medical condition or its treatment that is approved
2 by the department by regulation.】

3 “Common ownership or control” means:

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

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

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

13 “Department” means the Department of Health.

14 “Designated caregiver” means a resident of the State who:

15 (1) is at least 18 years old;

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

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

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

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

35 “Dispense” means the furnishing of medical cannabis to a
36 registered qualifying patient, designated caregiver, or institutional
37 caregiver by a medical cannabis dispensary or clinical registrant
38 pursuant to written instructions issued by a health care practitioner
39 pursuant to the requirements of P.L.2009, c.307 (C.24:6I-1 et al.).
40 The term shall include the act of furnishing medical cannabis to a
41 medical cannabis handler for delivery to a registered qualifying
42 patient, designated caregiver, or institutional caregiver, consistent
43 with the requirements of subsection i. of section 27 of P.L. _____,
44 c. (C. _____) (pending before the Legislature as this bill).

45 “Health care facility” means a general acute care hospital,
46 nursing home, long term care facility, hospice care facility, group

1 home, facility that provides services to persons with developmental
2 disabilities, behavioral health care facility, or rehabilitation center.

3 "Health care practitioner" means a physician, advanced practice
4 nurse, or physician assistant licensed or certified pursuant to Title
5 45 of the Revised Statutes who:

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

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

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

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

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

24 (1) is at least 18 years old;

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

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

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

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

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

46 "Integrated curriculum" means an academic, clinical, or research
47 program at an institution of higher education that is coordinated

1 with a medical cannabis cultivator, medical cannabis manufacturer,
2 or medical cannabis dispensary to apply theoretical principles,
3 practical experience, or both involving the cultivation,
4 manufacturing, dispensing, delivery, or medical use of cannabis to a
5 specific area of study, including, but not limited to, agriculture,
6 biology, business, chemistry, culinary studies, ecology,
7 environmental studies, health care, horticulture, technology, or any
8 other appropriate area of study or combined areas of study.
9 Integrated curricula shall be subject to approval by the commission
10 and the Office of the Secretary of Higher Education.

11 “Integrated curriculum permit” or “IC permit” means a permit
12 issued to a medical cannabis cultivator, medical cannabis
13 manufacturer, or medical cannabis dispensary that includes an
14 integrated curriculum approved by the commission and the Office
15 of the Secretary of Higher Education.

16 **【“Marijuana” has the meaning given in section 2 of the “New**
17 **Jersey Controlled Dangerous Substances Act,” P.L.1970, c.226**
18 **(C.24:21-2).】**

19 **“Medical **【marijuana】** cannabis alternative treatment center” or**
20 **“alternative treatment center” means an organization **【approved】****
21 **issued a permit, including a conditional permit, by the **【department】****
22 **commission to **【perform activities necessary to provide registered****
23 **qualifying patients with usable marijuana and related paraphernalia**
24 **in accordance with the provisions of this act**】** operate as a medical**
25 **cannabis cultivator, medical cannabis manufacturer, medical**
26 **cannabis dispensary, or clinical registrant.** This term shall include
27 the organization's officers, directors, board members, and
28 employees.

29 “Medical cannabis cultivator” means an organization holding a
30 permit issued by the commission that authorizes the organization to:
31 possess and cultivate cannabis and deliver, transfer, transport,
32 distribute, supply, and sell medical cannabis and related supplies to
33 other medical cannabis cultivators and to medical cannabis
34 manufacturers, clinical registrants, and medical cannabis
35 dispensaries, as well as to plant, cultivate, grow, and harvest
36 medical cannabis for research purposes. A medical cannabis
37 cultivator permit shall not authorize the permit holder to
38 manufacture, produce, or otherwise create medical cannabis
39 products, or to deliver, transfer, transport, distribute, supply, sell, or
40 dispense medical cannabis, medical cannabis products,
41 paraphernalia, or related supplies to qualifying patients, designated
42 caregivers, or institutional caregivers.

43 “Medical cannabis dispensary” means an organization issued a
44 permit by the commission that authorizes the organization to:
45 purchase or obtain medical cannabis and related supplies from
46 medical cannabis cultivators; purchase or obtain medical cannabis

1 products and related supplies from medical cannabis manufacturers;
2 purchase or obtain medical cannabis, medical cannabis products,
3 and related supplies and paraphernalia from other medical cannabis
4 dispensaries and from clinical registrants; deliver, transfer,
5 transport, distribute, supply, and sell medical cannabis and medical
6 cannabis products to other medical cannabis dispensaries; furnish
7 medical cannabis, including medical cannabis products, to a
8 medical cannabis handler for delivery to a registered qualifying
9 patient, designated caregiver, or institutional caregiver consistent
10 with the requirements of subsection i. of section 27 of P.L. _____, c.
11 (C. _____) (pending before the Legislature as this bill); and possess,
12 display, deliver, transfer, transport, distribute, supply, sell, and
13 dispense medical cannabis, medical cannabis products,
14 paraphernalia, and related supplies to qualifying patients,
15 designated caregivers, and institutional caregivers. A medical
16 cannabis dispensary permit shall not authorize the permit holder to
17 cultivate medical cannabis, to produce, manufacture, or otherwise
18 create medical cannabis products.

19 “Medical cannabis manufacturer” means an organization issued a
20 permit by the commission that authorizes the organization to:
21 purchase or obtain medical cannabis and related supplies from a
22 medical cannabis cultivator or a clinical registrant; purchase or
23 obtain medical cannabis products from another medical cannabis
24 manufacturer or a clinical registrant; produce, manufacture, or
25 otherwise create medical cannabis products; and possess, deliver,
26 transfer, transport, distribute, supply, and sell medical cannabis
27 products and related supplies to other medical cannabis
28 manufacturers and to medical cannabis dispensaries and clinical
29 registrants. A medical cannabis manufacturer permit shall not
30 authorize the permit holder to cultivate medical cannabis or to
31 deliver, transfer, transport, distribute, supply, sell, or dispense
32 medical cannabis, medical cannabis products, paraphernalia, or
33 related supplies to registered qualifying patients, designated
34 caregivers, or institutional caregivers.

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

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

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

44 “Pediatric specialist” means a physician who is a board-certified
45 pediatrician or pediatric specialist, or an advanced practice nurse or
46 physician assistant who is certified as a pediatric specialist by an
47 appropriate professional certification or licensing entity.

1 **["Physician"** means a person licensed to practice medicine and
2 surgery pursuant to Title 45 of the Revised Statutes with whom the
3 patient has a bona fide physician-patient relationship and who is the
4 primary care physician, hospice physician, or physician responsible
5 for the ongoing treatment of a patient's debilitating medical
6 condition, provided, however, that the ongoing treatment shall not
7 be limited to the provision of authorization for a patient to use
8 medical marijuana or consultation solely for that purpose.

9 "Primary caregiver" or "caregiver" means a resident of the State
10 who:

11 a. is at least 18 years old;

12 b. has agreed to assist with a registered qualifying patient's
13 medical use of marijuana, is not currently serving as primary
14 caregiver for another qualifying patient, and is not the qualifying
15 patient's physician;

16 c. has never been convicted of possession or sale of a
17 controlled dangerous substance, unless such conviction occurred
18 after the effective date of this act and was for a violation of federal
19 law related to possession or sale of marijuana that is authorized
20 under this act;

21 d. has registered with the department pursuant to section 5 of
22 this act, and has satisfied the criminal history record background
23 check requirement of section 5 of this act; and

24 e. has been designated as primary caregiver on the qualifying
25 patient's application or renewal for a registry identification card or
26 in other written notification to the department. **】**

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

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

41 "Qualifying patient" or "patient" means a resident of the State
42 who has been **【**provided with a certification**】** authorized for the
43 medical use of cannabis by a **【**physician**】** health care practitioner
44 **【**pursuant to a bona fide physician-patient relationship**】**.

45 **【**"Registry identification card"**】** "Registration with the
46 commission" means **【**a document issued by the department that

1 identifies] a person has met the qualification requirements for, and
2 has been registered by the commission as, a registered qualifying
3 patient [or primary], designated caregiver, or institutional
4 caregiver. The commission shall establish appropriate means for
5 health care practitioners, health care facilities, medical cannabis
6 dispensaries, law enforcement, schools, facilities providing
7 behavioral health services or services for persons with
8 developmental disabilities, and other appropriate entities to verify
9 an individual's status as a registrant with the commission.

10 "Significantly involved person" means a person or entity who
11 holds at least a five percent investment interest in an entity issued,
12 or applying for a permit to operate as, a medical cannabis cultivator,
13 medical cannabis manufacturer, medical cannabis dispensary, or
14 clinical registrant, or who is a decision making member of a group
15 that holds at least a 20 percent investment interest in an entity
16 issued, or applying for a permit to operate as, a medical cannabis
17 cultivator, medical cannabis manufacturer, medical cannabis
18 dispensary, or clinical registrant, in which no member of that group
19 holds more than a five percent interest in the total group investment
20 interest, and the person or entity makes controlling decisions
21 regarding the operations of the entity issued, or applying for a
22 permit to operate as, a medical cannabis cultivator, medical
23 cannabis manufacturer, medical cannabis dispensary, or clinical
24 registrant.

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

27 "Usable [marijuana] cannabis" means the dried leaves and
28 flowers of [marijuana] cannabis, and any mixture or preparation
29 thereof, and does not include the seeds, stems, stalks, or roots of the
30 plant.

31 (cf: P.L.2016, c.53, s.1)

32

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

35 4. a. The [department] commission shall establish a registry
36 of qualifying patients and their [primary] each designated
37 caregivers [, and shall issue a registry identification card, which
38 shall be valid for two years, to a qualifying patient and caregiver, if
39 applicable, who submits] and shall establish a means of identifying
40 and verifying the registration status of patients and designated
41 caregivers who are registered with the commission. Registration
42 with the commission shall be valid for two years. A patient or
43 designated caregiver shall be registered with the commission upon
44 submitting the following, in accordance with regulations adopted by
45 the [department] commission:

1 (1) **[a certification that meets the requirements of section 5 of**
2 **this act]** documentation of a health care practitioner's authorization
3 for the patient for the medical use of cannabis;

4 (2) an application or renewal fee, which may be based on a
5 sliding scale as determined by the **[commissioner]** commission;

6 (3) the name, home address, and date of birth of the patient and
7 each designated caregiver, as applicable; [and]

8 (4) the name, address, and telephone number of the patient's
9 **[physician]** health care practitioner; and

10 (5) up to one alternate address for the patient, which may be
11 used for delivery of medical cannabis to the patient pursuant to
12 section 27 of P.L. , c. (C.) (pending before the Legislature
13 as this bill).

14 Each qualifying patient may concurrently have up to two
15 designated caregivers. A qualifying patient may petition the
16 commission for approval to concurrently have more than two
17 designated caregivers, which petition shall be approved if the
18 commission finds that allowing the patient additional designated
19 caregivers is necessary to meet the patient's treatment needs and is
20 consistent with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).

21 The commission shall establish a registry of institutional
22 caregivers and shall establish a means of identifying and verifying
23 the registration status of institutional caregivers who are registered
24 with the commission. Registration with the commission shall be
25 valid for one year. An institutional caregiver shall be registered
26 with the commission upon submitting the name, address, and
27 telephone number of the institutional caregiver and of the health
28 care facility at which the individual will be serving as institutional
29 caregiver and a certification that meets the requirements of
30 subsection h. of this section. The application or renewal fee for the
31 institutional caregiver shall be paid by the health care facility at
32 which the institutional caregiver will be serving as institutional
33 caregiver. An institutional caregiver shall not be limited in the
34 number of qualifying patients for whom the institutional caregiver
35 may serve as institutional caregiver at one time, provided that each
36 qualifying patient served by the institutional caregiver is a current
37 patient or resident at the health care facility at which the
38 institutional caregiver is authorized to serve as institutional
39 caregiver, and the number of qualifying patients served by the
40 institutional caregiver is commensurate with the institutional
41 caregiver's ability to fully meet the treatment and related needs of
42 each qualifying patient and attend to the institutional caregiver's
43 other professional duties at the health care facility without
44 jeopardizing the health or safety of any patient or resident at the
45 facility.

1 b. Before **【issuing a registry identification card】** registering an
2 individual, the **【department】** commission shall verify the
3 information contained in the application or renewal form submitted
4 pursuant to this section. In the case of a **【primary】** designated or
5 institutional caregiver, the **【department】** commission shall
6 provisionally approve an application pending the results of a
7 criminal history record background check, if the caregiver
8 otherwise meets the requirements of **【this act】** P.L.2009, c.307
9 (C.24:6I-1 et al.). The **【department】** commission shall approve or
10 deny an application or renewal and complete the registration
11 process for successful applicants within 30 days of receipt of the
12 completed application or renewal **【**, and shall issue a registry
13 identification card within five days of approving the application or
14 renewal**】**. The **【department】** commission may deny an application
15 or renewal only if the applicant fails to provide the information
16 required pursuant to this section, or if the **【department】** commission
17 determines that the information was incorrect or falsified or does
18 not meet the requirements of **【this act】** P.L.2009, c.307 (C.24:6I-1
19 et al.). Denial of an application shall be a final agency decision,
20 subject to review by the Superior Court, Appellate Division.

21 c. (1) The **【commissioner】** commission shall require each
22 applicant seeking to serve as a **【primary】** designated or institutional
23 caregiver to undergo a criminal history record background check;
24 except that no criminal history record background check shall be
25 required for an applicant seeking to serve as a designated caregiver
26 if the applicant is an immediate family member of the patient, and
27 no criminal history record background check shall be required for
28 an applicant seeking to serve as an institutional caregiver if the
29 applicant completed a criminal history record background check as
30 a condition of professional licensure or certification. The
31 **【commissioner】** commission is authorized to exchange fingerprint
32 data with and receive criminal history record background
33 information from the Division of State Police and the Federal
34 Bureau of Investigation consistent with the provisions of applicable
35 federal and State laws, rules, and regulations. The Division of State
36 Police shall forward criminal history record background
37 information to the **【commissioner】** commission in a timely manner
38 when requested pursuant to the provisions of this section.

39 An applicant seeking to serve as a **【primary】** designated or
40 institutional caregiver who is required to complete a criminal
41 history record background check pursuant to this section shall
42 submit to being fingerprinted in accordance with applicable State
43 and federal laws, rules, and regulations. No check of criminal
44 history record background information shall be performed pursuant
45 to this section unless the applicant has furnished **【his】** the

1 applicant's written consent to that check. An applicant who is
2 required to complete a criminal history record background check
3 pursuant to this section who refuses to consent to, or cooperate in,
4 the securing of a check of criminal history record background
5 information shall not be considered for inclusion in the registry as a
6 **【primary】** designated or institutional caregiver **【or issuance of an**
7 **identification card】**. An applicant shall bear the cost for the
8 criminal history record background check, including all costs of
9 administering and processing the check.

10 (2) The **【commissioner】** commission shall not approve an
11 applicant seeking to serve as a **【primary】** designated or institutional
12 caregiver who is required to complete a criminal history record
13 background check pursuant to this section if the criminal history
14 record background information of the applicant reveals a
15 disqualifying conviction. For the purposes of this section, a
16 disqualifying conviction shall mean a conviction of a crime
17 involving any controlled dangerous substance or controlled
18 substance analog as set forth in chapter 35 of Title 2C of the New
19 Jersey Statutes except paragraph (4) of subsection a. of
20 N.J.S.2C:35-10, or any similar law of the United States or of any
21 other state.

22 (3) Upon receipt of the criminal history record background
23 information from the Division of State Police and the Federal
24 Bureau of Investigation, the **【commissioner】** commission shall
25 provide written notification to the applicant of **【his】** the applicant's
26 qualification or disqualification for serving as a **【primary】**
27 designated or institutional caregiver.

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

32 (4) The Division of State Police shall promptly notify the
33 **【commissioner】** commission in the event that an individual who
34 was the subject of a criminal history record background check
35 conducted pursuant to this section is convicted of a crime or offense
36 in this State after the date the background check was performed.
37 Upon receipt of that notification, the **【commissioner】** commission
38 shall make a determination regarding the continued eligibility of the
39 applicant to serve as a **【primary】** designated or institutional
40 caregiver.

41 (5) Notwithstanding the provisions of paragraph (2) of this
42 subsection **【b. of this section】** to the contrary, no applicant shall be
43 disqualified from serving as a **【registered primary】** designated or
44 institutional caregiver on the basis of any conviction disclosed by a
45 criminal history record background check conducted pursuant to
46 this section if the individual has affirmatively demonstrated to the

1 **【commissioner】** commission clear and convincing evidence of
2 rehabilitation. In determining whether clear and convincing
3 evidence of rehabilitation has been demonstrated, the following
4 factors shall be considered:

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

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

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

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

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

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

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

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

23 d. **【A registry identification card】** A verification of registration
24 issued by the commission shall contain the following information:

25 (1) (a) in the case of a patient or designated caregiver
26 registration, the name, address, and date of birth of the patient and
27 **【primary】** each designated caregiver, if applicable; and

28 (b) in the case of an institutional caregiver, the caregiver's name
29 and date of birth and the name and address of the health care
30 facility at which the caregiver is serving as institutional caregiver;

31 (2) the expiration date of the **【registry identification card】**
32 registration;

33 (3) photo identification of the **【cardholder】** registrant; and

34 (4) such other information that the **【department】** commission
35 may specify by regulation.

36 e. (1) A patient who has been **【issued a registry identification**
37 **card】** registered by the commission shall notify the **【department】**
38 commission of any change in the patient's name, address, or
39 **【physician】** health care practitioner or change in status of the
40 patient's **【debilitating】** qualifying medical condition, within 10 days
41 of such change, or the **【registry identification card】** patient's
42 registration shall be deemed null and void.

43 (2) A **【primary】** designated caregiver who has been **【issued a**
44 **registry identification card】** registered by the commission shall
45 notify the **【department】** commission of any change in the
46 caregiver's name or address within 10 days of such change, or the

1 **[registry identification card]** caregiver's registration shall be
2 deemed null and void.

3 (3) An institutional caregiver who has been registered by the
4 commission shall notify the commission of any change in the
5 caregiver's name, address, employment by a health care facility at
6 which the caregiver is registered to serve as institutional caregiver,
7 or authorization from the health care facility to assist qualifying
8 patients with the medical use of cannabis, within 10 days of such
9 change, or the caregiver's registration shall be deemed null and
10 void and the individual shall be deemed ineligible to serve as an
11 institutional caregiver for a period of not less than one year.

12 f. The **[department]** commission shall maintain a confidential
13 list of the persons **[to whom it has issued registry identification**
14 **cards]** registered with the commission. Individual names and other
15 identifying information on the list, and information contained in any
16 application form, or accompanying or supporting document shall be
17 confidential, and shall not be considered a public record under
18 P.L.1963, c.73 (C.47:1A-1 et seq.) **[or]** P.L.2001, c.404 (C.47:1A-
19 5 et al.), or the common law concerning access to government
20 records, and shall not be disclosed except to:

21 (1) authorized employees of the **[department]** commission and
22 the Division of Consumer Affairs in the Department of Law and
23 Public Safety as necessary to perform official duties of the
24 **[department]** commission and the division, as applicable; and

25 (2) authorized employees of State or local law enforcement
26 agencies, only as necessary to verify that a person who is engaged
27 in the suspected or alleged medical use of **[marijuana]** cannabis is
28 lawfully **[in possession of a registry identification card]** registered
29 with the commission.

30 g. Applying for **[or receiving a registry card]** registration or
31 being registered by the commission does not constitute a waiver of
32 the qualifying patient's **[patient-physician]** practitioner-patient
33 privilege.

34 h. An applicant seeking to serve as an institutional caregiver
35 shall submit with the application a certification executed by the
36 director or administrator of the health care facility employing the
37 applicant attesting that:

38 (1) the facility has authorized the applicant to assist registered
39 qualifying patients at the facility with the medical use of cannabis,
40 including obtaining medical cannabis from a medical cannabis
41 dispensary, accepting deliveries of medical cannabis on behalf of
42 registered qualifying patients, and assisting registered qualifying
43 patients with the administration of medical cannabis;

44 (2) the facility has established protocols and procedures and
45 implemented security measures to ensure that any medical cannabis
46 obtained by an institutional caregiver that is transported by the

1 caregiver to the facility is transported in a safe and secure manner
2 that prevents theft, diversion, adulteration, and access by
3 unauthorized individuals, and that any medical cannabis present at
4 the facility is stored in a safe and secure manner that prevents theft,
5 diversion, adulteration, and access by unauthorized individuals;

6 (3) the facility has established protocols and procedures to
7 review the medications and treatment plans of registered qualifying
8 patients at the facility to ensure that the patient's medical use of
9 cannabis will not result in adverse drug interactions, side effects, or
10 other complications that could significantly jeopardize the health or
11 safety of the patient;

12 (4) the facility will not charge a registered qualifying patient for
13 medical cannabis obtained on the registered qualifying patient's
14 behalf in an amount that exceeds the actual cost of the medical
15 cannabis, plus any reasonable costs incurred in acquiring the
16 medical cannabis;

17 (5) the facility has established protocols and procedures
18 concerning whether, and to what extent, designated caregivers are
19 permitted to assist registered qualifying patients with the medical
20 use of cannabis while at the facility; and

21 (6) the facility will promptly notify the commission in the event
22 that:

23 (a) an institutional caregiver registered with the commission
24 pursuant to this section ceases to be employed by the facility or
25 ceases to be authorized by the facility to assist registered qualifying
26 patients with the medical use of cannabis, in which case, upon
27 receipt of the notification, the commission shall immediately revoke
28 the institutional caregiver's registration; or

29 (b) an institutional caregiver registered with the commission
30 pursuant to this section, who completed a criminal history record
31 background check as a condition of professional licensure or
32 certification, is convicted of a crime or offense in this State after the
33 date the criminal history background check was performed, in
34 which case, upon receipt of that notification, the commission shall
35 make a determination regarding the continued eligibility of the
36 applicant to serve as an institutional caregiver.

37 Nothing in this section shall be deemed to require any facility to
38 authorize any employee of the facility to serve as an institutional
39 caregiver or to issue a certification that meets the requirements of
40 this subsection.

41 (cf: P.L.2009, c.307, s.4)

42

43 5. (New section) a. A health care practitioner shall not be
44 required to be listed publicly in any medical cannabis practitioner
45 registry as a condition of authorizing patients for the medical use of
46 cannabis.

1 b. No authorization for the medical use of cannabis may be
2 issued by a health care practitioner to the practitioner's own self or
3 to a member of the practitioner's immediate family.

4 c. The commission shall establish a process to allow medical
5 cannabis to be dispensed to a patient who has been authorized for
6 the medical use of cannabis and who has initiated the process of
7 registering with the commission pursuant to section 4 of P.L.2009,
8 c.307 (C.24:6I-4), but whose registration has not been completed or
9 subject to other final action by the commission. A patient may be
10 dispensed medical cannabis in quantities of up to a two-week
11 supply during the pendency of the patient's registration, after which
12 time the patient may be dispensed medical cannabis in an amount
13 consistent with the requirements of section 10 of P.L.2009, c.307
14 (C.24:6I-10). The commission shall impose such restrictions on
15 access to medical cannabis pursuant to this subsection as shall be
16 necessary to protect against fraud, abuse, and diversion.

17
18 6. (New section) a. Except as provided in subsection b. of this
19 section, no health care practitioner who has authorized a patient for
20 the medical use of cannabis pursuant to P.L.2009, c.307 (C.24:6I-1
21 et al.) within the past 90 days, and no member of such health care
22 practitioner's immediate family, shall be an interest holder in, or
23 receive any form of direct or indirect compensation from, any
24 medical cannabis cultivator, medical cannabis manufacturer,
25 medical cannabis dispensary, or clinical registrant.

26 b. Nothing in subsection a. of this section shall be construed to
27 prevent a health care practitioner from serving on the governing
28 board of a medical cannabis cultivator, medical cannabis
29 manufacturer, medical cannabis dispensary, or clinical registrant, or
30 on the medical advisory board of a medical cannabis cultivator,
31 medical cannabis manufacturer, medical cannabis dispensary, or
32 clinical registrant established pursuant to section 15 of
33 P.L. , c. (C.) (pending before the Legislature as this bill),
34 or from receiving a reasonable stipend for such service, provided
35 that:

36 (1) the stipend does not exceed the stipend paid to any other
37 member of the governing board or medical advisory board for
38 serving on the board; and

39 (2) the amount of the stipend is not based on patient volumes at
40 any medical cannabis dispensary or clinical registrant or on the
41 number of authorizations for the medical use of cannabis issued by
42 the health care practitioner pursuant to P.L.2009, c.307 (C.24:6I-1
43 et al.).

44 c. A health care practitioner, or an immediate family member
45 of a health care practitioner, who applies to be an owner, director,
46 officer, or employee of a medical cannabis cultivator, medical
47 cannabis manufacturer, medical cannabis dispensary, or clinical
48 registrant, or who otherwise seeks to be an interest holder in, or

1 receive any form of direct or indirect compensation from, a medical
2 cannabis cultivator, medical cannabis manufacturer, medical
3 cannabis dispensary, or clinical registrant, shall certify that the
4 health care practitioner has not authorized a patient for the medical
5 use of cannabis pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) within
6 the 90 days immediately preceding the date of the application.

7 d. A person who violates subsection a. of this section shall be
8 guilty of a crime of the fourth degree.

9

10 7. (New section) a. An individual who is registered as a
11 qualifying patient in another state or jurisdiction within the United
12 States that authorizes the medical use of cannabis shall be
13 considered a registered qualifying patient for the purposes of
14 P.L.2009, c.307 (C.24:6I-1 et al.) for a period of up to six months,
15 provided that the individual possesses both proof of registration in,
16 and a valid photo identification card issued by, the other state or
17 jurisdiction. During the six month period, the individual shall be
18 authorized to possess and use medical cannabis and engage in such
19 other conduct related to medical cannabis in New Jersey as is
20 consistent with the requirements of P.L.2009, c.307 (C.24:6I-1 et
21 al.) and the laws of the state or jurisdiction in which the patient is
22 registered, except that medical cannabis shall not be dispensed to
23 the individual unless a health care practitioner licensed in New
24 Jersey issues written instructions for the individual that meet the
25 requirements of section 10 of P.L.2009, c.307 (C.24:6I-10). No
26 individual shall be authorized to acquire, possess, use, or engage in
27 other conduct in connection with medical cannabis in New Jersey
28 pursuant to a medical cannabis registration from another State or
29 jurisdiction for more than six months unless the individual registers
30 with the commission as a qualifying patient pursuant to section 4 of
31 P.L.2009, c.307 (C.24:6I-4). Nothing in this subsection shall be
32 construed to authorize delivery of medical cannabis to any person
33 who is not registered with the commission pursuant to section 4 of
34 P.L.2009, c.307 (C.24:6I-4).

35 b. An individual who is registered as a designated caregiver in
36 another state or jurisdiction within the United States that authorizes
37 the medical use of cannabis shall be considered a designated
38 caregiver for the purposes of P.L.2009, c.307 (C.24:6I-1 et al.) for a
39 period of up to six months, provided that the individual is in
40 possession of both proof of registration in, and a valid photo
41 identification card issued by, the other state or jurisdiction. During
42 the six month period, the individual shall be authorized to assist a
43 registered qualifying patient with the medical use of cannabis and
44 engage in such other conduct in connection with medical cannabis
45 in New Jersey as is consistent with the requirements of P.L.2009,
46 c.307 (C.24:6I-1 et al.) and the laws of the state or jurisdiction in
47 which the caregiver is registered, except that medical cannabis shall

1 not be dispensed to the individual on behalf of a registered
2 qualifying patient unless a health care practitioner licensed in New
3 Jersey issues written instructions for the registered qualifying
4 patient that meet the requirements of section 10 of P.L.2009, c.307
5 (C.24:6I-10). No individual shall be authorized to assist a registered
6 qualifying patient with the medical use of cannabis or engage in
7 other conduct in connection with medical cannabis in New Jersey
8 pursuant to a medical cannabis registration from another State or
9 jurisdiction for more than six months unless the individual registers
10 with the commission as a designated caregiver pursuant to section 4
11 of P.L.2009, c.307 (C.24:6I-4). Nothing in this subsection shall be
12 construed to authorize delivery of medical cannabis to any person
13 who is not registered with the commission pursuant to section 4 of
14 P.L.2009, c.307 (C.24:6I-4).

15 c. The commission shall seek to enter into reciprocity
16 agreements with other states and jurisdictions within the United
17 States that authorize the medical use of cannabis.

18

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

21 6. a. The provisions of N.J.S.2C:35-18 shall apply to any
22 qualifying patient, **【primary】** designated caregiver, **【alternative**
23 **treatment center, physician】** institutional caregiver, health care
24 facility, medical cannabis cultivator, medical cannabis
25 manufacturer, medical cannabis dispensary, medical cannabis
26 handler, health care practitioner, academic medical center, clinical
27 registrant, testing laboratory, or any other person acting in
28 accordance with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.)
29 or P.L.2015, c.158 (C.18A:40-12.22 et al.).

30 b. A qualifying patient, **【primary】** designated caregiver,
31 **【alternative treatment center, physician】** institutional caregiver,
32 health care facility, medical cannabis cultivator, medical cannabis
33 manufacturer, medical cannabis dispensary, medical cannabis
34 handler, health care practitioner, academic medical center, clinical
35 registrant, testing laboratory, or any other person acting in
36 accordance with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.)
37 or P.L.2015, c.158 (C.18A:40-12.22 et al.) shall not be subject to
38 any civil or administrative penalty, or denied any right or privilege,
39 including, but not limited to, civil penalty or disciplinary action by
40 a professional licensing board, related to the medical use of
41 **【marijuana】** cannabis as authorized under P.L.2009, c.307 (C.24:6I-
42 1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

43 c. Registration with the commission, or application for
44 registration by the commission, **【a registry identification card】** shall
45 not alone constitute probable cause to search the person or the
46 property of the **【person possessing or applying for the registry**

1 identification card] registrant or applicant, or otherwise subject the
2 person or [his] the person's property to inspection by any
3 governmental agency.

4 d. The provisions of section 2 of P.L.1939, c.248 (C.26:2-82),
5 relating to destruction of [marijuana] cannabis determined to exist
6 by the [department] commission, shall not apply if a qualifying
7 patient [or primary], designated caregiver, or institutional caregiver
8 [has in his possession a registry identification card] is registered
9 with the commission and is in possession of no more than the
10 maximum amount of usable [marijuana] cannabis that may be
11 obtained in accordance with section 10 of P.L.2009, c.307 (C.24:6I-
12 10).

13 e. No person shall be subject to arrest or prosecution for
14 constructive possession, conspiracy, or any other offense for simply
15 being in the presence or vicinity of the medical use of [marijuana]
16 cannabis as authorized under P.L.2009, c.307 (C.24:6I-1 et al.)
17 or P.L.2015, c.158 (C.18A:40-12.22 et al.).

18 f. No custodial parent, guardian, or person who has legal
19 custody of a qualifying patient who is a minor shall be subject to
20 arrest or prosecution for constructive possession, conspiracy, or any
21 other offense for assisting the minor in the medical use of
22 [marijuana] cannabis as authorized under P.L.2009, c.307 (C.24:6I-
23 1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

24 g. For the purposes of medical care, including organ
25 transplants, a qualifying patient's authorized use of medical
26 cannabis in accordance with the provisions of P.L.2009, c.307
27 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.), shall
28 be considered equivalent to the authorized use of any other
29 medication used at the direction of a health care practitioner, and
30 shall not constitute the use of an illicit substance or otherwise
31 disqualify a qualifying patient from needed medical care.

32 h. No public or private school or institution of higher education
33 may refuse to enroll a person based solely on the person's status as
34 a registrant with the commission, unless failing to do so would
35 result in the school or institution losing a monetary or licensing-
36 related benefit granted pursuant to federal law. No public or private
37 school or institution of higher education shall be penalized or
38 denied any benefit under State law solely on the basis of enrolling a
39 person who is registered with the commission.

40 i. No person shall refuse to rent, lease, or sublease any real
41 property or part or portion thereof, or discriminate in the terms,
42 conditions, or privileges of the rental or lease of any real property
43 or part or portion thereof or in the furnishing of facilities or services
44 in connection therewith, based solely on the status of the
45 prospective tenant as a registrant with the commission, unless
46 failing to do so would result in the person losing a monetary or

1 licensing-related benefit granted pursuant to federal law. No such
2 person shall be penalized or denied any benefit under State law
3 solely on the basis of renting or leasing real property to a person
4 who is registered with the commission.

5 j. No person shall be denied, or subject to adverse action in
6 connection with, any license, certification, or permit issued
7 pursuant to State law solely based on the person's status as a
8 registrant with the commission, unless issuance or continuance of
9 the license, certification, or permit would result in the licensing or
10 permitting agency losing federal certification, federal funding, or
11 other benefits granted pursuant to federal law.

12 k. (1) Unless failing to do so would result in the health care
13 facility losing a monetary or licensing-related benefit granted
14 pursuant to federal law, a health care facility that employs or
15 maintains a professional affiliation with a health care practitioner
16 shall not take adverse employment action against the health care
17 practitioner or otherwise limit, restrict, or terminate a professional
18 affiliation with the health care practitioner solely based on the
19 health care practitioner engaging in conduct authorized under
20 P.L.2009, c.307 (C.24:6I-1 et al.), including, but not limited to,
21 authorizing patients for the medical use of cannabis, issuing written
22 instructions pursuant to section 10 of P.L.2009, c.307 (C.24:6I-10),
23 and consulting with patients regarding the use of medical cannabis
24 to treat the patient's qualifying medical condition.

25 (2) No health care facility shall be penalized or denied any
26 benefit under State law solely on the basis of employing or
27 maintaining a professional affiliation with a health care practitioner
28 who engages in conduct authorized under P.L.2009, c.307 (C.24:6I-
29 1 et al.).

30 l. Unless failing to do so would result in the insurer or
31 insurance association losing a monetary or licensing-related benefit
32 granted pursuant to federal law, an insurer or insurance association
33 authorized to issue medical malpractice liability insurance in New
34 Jersey shall not deny coverage to a health care practitioner, increase
35 the amount of premiums or deductibles under the policy, or charge
36 any additional fees in connection with the policy, solely based on
37 the health care practitioner engaging in conduct authorized under
38 P.L.2009, c.307 (C.24:6I-1 et al.), including, but not limited to,
39 authorizing qualifying patients for the medical use of cannabis,
40 issuing written instructions pursuant to section 10 of P.L.2009,
41 c.307 (C.24:6I-10), and consulting with patients regarding the use
42 of medical cannabis to treat a qualifying medical condition. No
43 insurer or insurance association shall be penalized or denied any
44 benefit under State law solely on the basis of providing medical
45 malpractice liability insurance to a health care practitioner who
46 engages in conduct authorized under P.L.2009, c.307 (C.24:6I-
47 1 et al.).

1 m. A person's status as a registered qualifying patient, a
2 designated or institutional caregiver, or an owner, director, officer,
3 or employee of a medical cannabis cultivator, medical cannabis
4 manufacturer, medical cannabis dispensary, clinical registrant, or
5 licensed testing laboratory, or as a certified medical cannabis
6 handler, shall not constitute the sole grounds for entering an order
7 that restricts or denies custody of, or visitation with, a minor child
8 of the person.

9 n. (1) No health care facility shall be penalized or denied any
10 benefit under State law solely for permitting or prohibiting the
11 handling, administration, usage, or storage of medical cannabis,
12 provided that the facility's policies related to medical cannabis are
13 consistent with all other facility policies concerning medication
14 handling, administration, usage, or storage.

15 (2) No health care facility shall be penalized or denied any
16 benefit under State law solely for prohibiting the smoking of
17 medical cannabis on facility property in accordance with the
18 facility's smoke free policy.

19 o. No action or proceeding by the Division of Child Protection
20 and Permanency in the Department of Children and Families shall
21 be initiated against a pregnant woman or against the parent or legal
22 guardian of minor child on the sole grounds that the pregnant
23 woman or the parent or legal guardian is a registered qualifying
24 patient, a designated or institutional caregiver, an owner, director,
25 officer, or employee of a medical cannabis cultivator, medical
26 cannabis manufacturer, medical cannabis dispensary, clinical
27 registrant, or licensed testing laboratory, or a certified medical
28 cannabis handler; provided, however, that nothing in this subsection
29 shall preclude any action or proceeding by the division based on
30 harm or risk of harm to a child.

31 (cf: P.L.2015, c.158, s.4)

32

33 9. (New section) a. It shall be unlawful to take any adverse
34 employment action against an employee who is a registered
35 qualifying patient based solely on the employee's status as a
36 registrant with the commission.

37 b. (1) If an employer has a drug testing policy and an
38 employee or job applicant tests positive for cannabis, the employer
39 shall offer the employee or job applicant an opportunity to present a
40 legitimate medical explanation for the positive test result, and shall
41 provide written notice of the right to explain to the employee or job
42 applicant.

43 (2) Within three working days after receiving notice pursuant to
44 paragraph (1) of this subsection, the employee or job applicant may
45 submit information to the employer to explain the positive test
46 result, or may request a confirmatory retest of the original sample at
47 the employee's or job applicant's own expense. As part of an

1 employee's or job applicant's explanation for the positive test
2 result, the employee or job applicant may present an authorization
3 for medical cannabis issued by a health care practitioner, proof of
4 registration with the commission, or both.

5 c. Nothing in this section shall be deemed to:

6 (1) restrict an employer's ability to prohibit, or take adverse
7 employment action for, the possession or use of intoxicating
8 substances during work hours or on the premises of the workplace
9 outside of work hours; or

10 (2) require an employer to commit any act that would cause the
11 employer to be in violation of federal law, that would result in a
12 loss of a licensing-related benefit pursuant to federal law, or that
13 would result in the loss of a federal contract or federal funding.

14 d. No employer shall be penalized or denied any benefit under
15 State law solely on the basis of employing a person who is
16 registered with the commission.

17

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

20 7. a. (1) The **【department】** commission shall accept
21 applications from entities for permits to operate as **【alternative**
22 **treatment centers and may charge a reasonable fee for the issuance**
23 **of a permit under this section】** medical cannabis cultivators,
24 medical cannabis manufacturers, and medical cannabis dispensaries.
25 For the purposes of this section, the term "permit" shall be deemed
26 to include a conditional permit issued pursuant to subsection d. of
27 section 11 of P.L. , c. (C.) (pending before the Legislature
28 as this bill) and any permit issued to a microbusiness pursuant to
29 subsection e. of section 11 of P.L. , c. (C.) (pending before
30 the Legislature as this bill).

31 (2) (a) For a period of 18 months after the effective date of
32 P.L. , c. (C.) (pending before the Legislature as this bill):

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

36 (ii) there shall be no more than 28 active medical cannabis
37 cultivator permits, including medical cannabis cultivator permits
38 deemed to be held by alternative treatment centers issued a permit
39 prior to the effective date of P.L. , c. (C.) (pending before
40 the Legislature as this bill) and medical cannabis cultivator permits
41 deemed to be held by alternative treatment centers issued a permit
42 subsequent to the effective date of P.L. , c. (C.) (pending
43 before the Legislature as this bill) pursuant to an application
44 submitted prior to the effective date of P.L. , c. (C.)
45 (pending before the Legislature as this bill); provided that medical
46 cannabis cultivator permits issued to microbusinesses pursuant to

1 subsection e. of section 11 of P.L. , c. (C.) (pending before
2 the Legislature as this bill) shall not count toward this limit.

3 (b) Commencing 18 months after the effective date of P.L. , c.
4 (C.) (pending before the Legislature as this bill), a permit
5 holder shall be authorized to concurrently hold a medical cannabis
6 cultivator permit, a medical cannabis manufacturer permit, and a
7 medical cannabis dispensary permit, provided that no permit holder
8 shall be authorized to concurrently hold more than one permit of
9 each type. The permit holder may submit an application for a
10 permit of any type that the permit holder does not currently hold
11 prior to the expiration of the 18 month period described in
12 subparagraph (a) of this paragraph, provided that no additional
13 permit shall be awarded to the permit holder during the 18 month
14 period.

15 (c) The provisions of subparagraph (a) of this paragraph shall
16 not apply to any alternative treatment center that was issued a
17 permit prior to the effective date of P.L. , c. (C.) (pending
18 before the Legislature as this bill), to any alternative treatment
19 center that was issued a permit after the effective date of P.L. , c.
20 (C.) (pending before the Legislature as this bill) pursuant to an
21 application submitted prior to the effective date of P.L. , c.
22 (C.) (pending before the Legislature as this bill), to one of the
23 four alternative treatment centers issued a permit pursuant to an
24 application submitted after the effective date of P.L. , c.
25 (C.) (pending before the Legislature as this bill) pursuant to a
26 request for applications published in the New Jersey Register prior
27 to the effective date of P.L. , c. (C.) (pending before the
28 Legislature as this bill) that are expressly exempt from the
29 provisions of subparagraph (i) of subparagraph (a) of this
30 paragraph, or to one of the three alternative treatment centers issued
31 a permit pursuant to section 11 of P.L. , c. (C.) (pending
32 before the Legislature as this bill) that are expressly exempt from
33 the provisions of subparagraph (i) of subparagraph (a) of this
34 paragraph, which alternative treatment centers shall be deemed to
35 concurrently hold a medical cannabis cultivator permit, a medical
36 cannabis manufacturer permit, and a medical cannabis dispensary
37 permit, and shall be authorized to engage in any conduct authorized
38 pursuant to those permits in relation to the cultivation,
39 manufacturing, and dispensing of medical cannabis.

40 (d) No entity may be issued or concurrently hold more than one
41 medical cannabis cultivator permit, one medical cannabis
42 manufacturer permit, or one medical cannabis dispensary permit at
43 one time, and no medical cannabis dispensary shall be authorized to
44 establish a satellite location on or after the effective date of P.L. ,
45 c (C.) (pending before the Legislature as this bill), except
46 that an alternative treatment center that was issued a permit prior to
47 the effective date of P.L. , c. (C.) (pending before the

1 Legislature as this bill) or that was issued a permit after the
2 effective date of P.L. , c. (C.) (pending before the
3 Legislature as this bill) pursuant to an application submitted prior to
4 the effective date of P.L. , c. (C.) (pending before the
5 Legislature as this bill) shall be authorized to maintain up to two
6 satellite dispensaries, including any satellite dispensary that was
7 approved pursuant to an application submitted prior to or within 18
8 months after the effective date of P.L. , c. (C.) (pending
9 before the Legislature as this bill). The three alternative treatment
10 centers issued permits pursuant to section 11 of P.L. , c.
11 (C.) (pending before the Legislature as this bill) that are
12 expressly exempt from the provisions of subsubparagraph (i) of
13 subparagraph (a) of this paragraph shall be authorized to establish
14 and maintain up to one satellite dispensary location, provided that
15 the satellite dispensary was approved pursuant to an application
16 submitted within 18 months after the effective date of P.L. , c.
17 (C.) (pending before the Legislature as this bill).

18 (e) No entity issued a medical cannabis cultivator, medical
19 cannabis manufacturer, or medical cannabis dispensary permit may
20 concurrently hold a clinical registrant permit issued pursuant to
21 section 13 of P.L. , c. (C.) (pending before the legislature
22 as this bill), and no entity issued a clinical registrant permit
23 pursuant to section 13 of P.L. , c. (C.) (pending before the
24 Legislature as this bill) may concurrently hold a medical cannabis
25 cultivator permit, a medical cannabis manufacturer permit, or a
26 medical cannabis dispensary permit.

27 (f) Any medical cannabis dispensary permit holder may be
28 approved by the commission to operate a medical cannabis
29 consumption area, provided that the permit holder otherwise meets
30 the requirements of section 28 of P.L. , c. (C.) (pending
31 before the Legislature as this bill.

32 (g) An alternative treatment center that was issued a permit prior
33 to the effective date of P.L. , c. (C.) (pending before the
34 Legislature as this bill), that was issued a permit after the effective
35 date of P.L. , c. (C.) (pending before the Legislature as this
36 bill) pursuant to an application submitted pursuant to a request for
37 applications published in the New Jersey Register prior to the
38 effective date of P.L. , c. (C.) (pending before the
39 Legislature as this bill), or that was issued a permit after the
40 effective date of P.L. , c. (C.) (pending before the
41 Legislature as this bill) pursuant to an application submitted prior to
42 the effective date of P.L. , c. (C.) (pending before the
43 Legislature as this bill), shall be required to submit an attestation
44 signed by a bona fide labor organization stating that the alternative
45 treatment center has entered into a labor peace agreement with such
46 bona fide labor organization no later than 100 days after the
47 effective date of P.L. , c. (C.) (pending before the

1 Legislature as this bill) or no later than 100 days after the date the
2 alternative treatment center first opens, whichever date is later. The
3 maintenance of a labor peace agreement with a bona fide labor
4 organization shall be an ongoing material condition of maintaining
5 the alternative treatment center's permit. The failure to submit an
6 attestation as required pursuant to this subparagraph within 100
7 days after the effective date of P.L. , c. (C.) (pending
8 before the Legislature as this bill) or within 100 days after the
9 alternative treatment center first opens, as applicable, shall result in
10 the suspension or revocation of the alternative treatment center's
11 permit, provided that the commission may grant an extension to this
12 deadline to the alternative treatment center based upon extenuating
13 circumstances or for good cause shown.

14 (3) The **【department】** commission shall seek to ensure the
15 availability of a sufficient number of **【alternative treatment centers】**
16 medical cannabis cultivators, medical cannabis manufacturers, and
17 medical cannabis dispensaries throughout the State, pursuant to
18 need, including at least two each in the northern, central, and
19 southern regions of the State. **【The first two centers issued a permit**
20 **in each region shall be nonprofit entities, and centers subsequently】**
21 Medical cannabis cultivators, medical cannabis manufacturers, and
22 medical cannabis dispensaries issued permits pursuant to this
23 section may be nonprofit or for-profit entities.

24 **【An alternative treatment center】**

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

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

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

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

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

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

1 syrups, and other liquids. **【**Edible forms shall be available only to
2 qualifying patients who are minors.

3 Applicants for authorization as nonprofit alternative treatment
4 centers shall be subject to all applicable State laws governing
5 nonprofit entities, but**】**

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

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

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

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

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

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

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

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

1 at or to be a significantly involved person in, **[an alternative**
2 **treatment center]** a medical cannabis cultivator, medical cannabis
3 manufacturer, medical cannabis dispensary, or clinical registrant.
4 An applicant shall bear the cost for the criminal history record
5 background check, including all costs of administering and
6 processing the check.

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

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

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

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

39 (5) Notwithstanding the provisions of subsection **[b.]** c. of this
40 section to the contrary, the **[commissioner]** commission may offer
41 provisional authority for an applicant to be an owner, director,
42 officer, or employee of **[an alternative treatment center]** , or a
43 significantly involved person in, a medical cannabis cultivator,
44 medical cannabis manufacturer, medical cannabis dispensary, or
45 clinical registrant for a period not to exceed three months if the

1 applicant submits to the **【commissioner】** commission a sworn
2 statement attesting that the person has not been convicted of any
3 disqualifying conviction pursuant to this section.

4 (6) Notwithstanding the provisions of subsection **【b.】** c. of this
5 section to the contrary, no applicant to be an owner, director,
6 officer, or employee of 【an alternative treatment center】 , or a
7 significantly involved person in, a medical cannabis cultivator,
8 medical cannabis manufacturer, medical cannabis dispensary, or
9 clinical registrant shall be disqualified on the basis of any
10 conviction disclosed by a criminal history record background check
11 conducted pursuant to this section if the individual has affirmatively
12 demonstrated to the **【commissioner】** commission clear and
13 convincing evidence of rehabilitation. In determining whether clear
14 and convincing evidence of rehabilitation has been demonstrated,
15 the following factors shall be considered:

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

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

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

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

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

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

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

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

34 e. The **【department】** commission shall issue a permit to **【a**
35 **person to】** operate **【as an alternative treatment center】** or be an
36 owner, director, officer, or employee of, or a significantly involved
37 person in, a medical cannabis cultivator, medical cannabis
38 manufacturer, or medical cannabis dispensary if the **【department】**
39 commission finds that issuing such a permit would be consistent
40 with the purposes of **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.)
41 and the requirements of this section and section 11 of P.L. , c.
42 (C.) (pending before the Legislature as this bill) are met **【and**
43 the department has verified the information contained in the
44 application. The department shall approve or deny an application
45 within 60 days after receipt of a completed application**】**. The denial
46 of an application shall be considered a final agency decision,

- 1 subject to review by the Appellate Division of the Superior Court.
2 **【The department may suspend or revoke a permit to operate as an**
3 **alternative treatment center for cause, which shall be subject to**
4 **review by the Appellate Division of the Superior Court】** A permit
5 to operate a medical cannabis cultivator, medical cannabis
6 manufacturer, or medical cannabis dispensary issued on or after the
7 effective date of P.L. , c. (C.) (pending before the
8 Legislature as this bill) shall be valid for one year and shall be
9 renewable annually.
- 10 f. A person who has been issued a permit pursuant to this
11 section or a clinical registrant permit pursuant to section 13 of
12 P.L. , c. (C.) (pending before the Legislature as this bill)
13 shall display the permit at the front entrance to the premises of the
14 **【alternative treatment center】** permitted facility at all times when
15 **【marijuana is being produced, or dispensed to a registered**
16 **qualifying patient or the patient's primary caregiver】** the facility is
17 engaged in conduct authorized pursuant to P.L.2009, c.307
18 (C.24:6I-1 et al.) involving medical cannabis, including, but not
19 limited to, the cultivating, manufacturing, or dispensing of medical
20 cannabis.
- 21 g. **【An alternative treatment center】** A medical cannabis
22 cultivator, medical cannabis manufacturer, medical cannabis
23 dispensary, or clinical registrant shall report any change in
24 information to the 【department】 commission not later than 10 days
25 after such change, or the permit shall be deemed null and void.
- 26 h. **【An alternative treatment center may charge a registered**
27 **qualifying patient or primary caregiver for the reasonable costs**
28 **associated with the production and distribution of marijuana for the**
29 **cardholder】** Each medical cannabis dispensary and clinical
30 registrant shall maintain and make available on its Internet website,
31 if any, a standard price list that shall apply to all medical cannabis,
32 medical cannabis products, and related supplies and paraphernalia
33 sold or dispensed by the medical cannabis dispensary or clinical
34 registrant, which prices shall be reasonable and consistent with the
35 actual costs incurred by the medical cannabis dispensary or clinical
36 registrant in connection with acquiring and selling, transferring, or
37 dispensing the medical cannabis or medical cannabis product and
38 related supplies and paraphernalia. The prices charged by medical
39 cannabis dispensary or clinical registrant shall not deviate from the
40 prices indicated on the entity's current price list, provided that a
41 price list maintained by a medical cannabis dispensary or clinical
42 registrant may allow for medical cannabis to be made available at a
43 reduced price or without charge to qualifying patients who have a
44 demonstrated financial hardship, as that term shall be defined by the
45 commission by regulation. A price list required pursuant to this
46 subsection may be revised no more than once per month, and each

1 medical cannabis dispensary and clinical registrant shall be
2 responsible for ensuring that the commission has a copy of the
3 facility's current price list. A medical cannabis dispensary or
4 clinical registrant shall be liable to a civil penalty of \$1,000 for
5 each sale that occurs at a price that deviates from the entity's
6 current price list, and to a civil penalty of \$10,000 for each week
7 during which the entity's current price list is not on file with the
8 commission. Any civil penalties collected by the commission
9 pursuant to this section shall be used by the commission for the
10 purposes of administering the State medical cannabis program.

11 i. The **【commissioner】** commission shall adopt regulations to:
12 (1) require such written documentation of each delivery or
13 dispensation of **【marijuana】** cannabis to, and pickup of **【marijuana】**
14 cannabis for, a registered qualifying patient, including the date and
15 amount dispensed, and, in the case of delivery, the date and times
16 the delivery commenced and was completed, the address where the
17 medical cannabis was delivered, the name of the patient or
18 caregiver to whom the medical cannabis was delivered, and the
19 name, handler certification number, and delivery certification
20 number of the medical cannabis handler who performed the
21 delivery, to be maintained in the records of the **【alternative**
22 treatment center】 medical cannabis dispensary or clinical registrant,
23 as the **【commissioner】** commission determines necessary to ensure
24 effective documentation of the operations of each **【alternative**
25 treatment center】 medical cannabis dispensary or clinical registrant;
26 (2) monitor, oversee, and investigate all activities performed by
27 **【an alternative treatment center】** medical cannabis cultivators,
28 medical cannabis manufacturers, medical cannabis dispensaries, and
29 clinical registrants; **【and】**
30 (3) ensure adequate security of all facilities 24 hours per day **【,**
31 including production and retail locations,**】** and security of all
32 delivery methods to registered qualifying patients; and
33 (4) establish thresholds for administrative action to be taken
34 against a medical cannabis cultivator, medical cannabis
35 manufacturer, medical cannabis dispensary, or clinical registrant
36 and its employees, officers, investors, directors, or governing board
37 pursuant to subsection m. of this section, including, but not limited
38 to, specific penalties or disciplinary actions that may be imposed in
39 a summary proceeding.

40 j. (1) Each medical cannabis cultivator, medical cannabis
41 manufacturer, medical cannabis dispensary, and clinical registrant
42 shall require the owners, directors, officers, and employees at the
43 permitted facility to complete at least eight hours of ongoing
44 training each calendar year. The training shall be tailored to the
45 roles and responsibilities of the individual's job function, and shall

1 include training on confidentiality and such other topics as shall be
2 required by the commission.

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

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

44 (2) The sale or transfer of any interest of five percent or more in
45 a medical cannabis cultivator, medical cannabis manufacturer,
46 medical cannabis dispensary, or clinical registrant permit shall be
47 subject to approval by the commission and conditioned on the entity

1 that is purchasing or receiving transfer of the interest in the medical
2 cannabis cultivator, medical cannabis manufacturer, medical
3 cannabis dispensary, or clinical registrant permit completing a
4 criminal history record background check pursuant to the
5 requirements of subsection d. of this section.

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

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

33 (cf: P.L.2013, c.160, s.2)

34

35 11. (New section) a. The commission shall, no later than 90
36 days after the effective date of P.L. , c. (C.) (pending
37 before the Legislature as this bill) or upon adoption of rules and
38 regulations as provided in subsection c. of section 18 of P.L.2009,
39 c.307 (C.24:6I-16), whichever occurs later, begin accepting and
40 processing applications for new medical cannabis cultivator,
41 medical cannabis manufacturer, and medical cannabis dispensary
42 permits. Notwithstanding the provisions of subsubparagraph (i) of
43 subparagraph (a) of paragraph (2) of subsection a. of section 7 of
44 P.L.2009, c.307 (C.24:6I-7), the first three alternative treatment
45 center permits issued by the commission pursuant to an application
46 submitted on or after the effective date of P.L. , c. (C.)
47 (pending before the Legislature as this bill) and up to four

1 alternative treatment centers permits issued by the commission after
2 the effective date of P.L. , c. (C.) (pending before the
3 Legislature as this bill) pursuant to an application submitted
4 pursuant to a request for applications published in the New Jersey
5 Register prior to the effective date of P.L. , c. (C.) (pending
6 before the Legislature as this bill) shall be deemed to concurrently
7 hold a medical cannabis cultivator permit, a medical cannabis
8 manufacturer permit, and a medical cannabis dispensary permit; of
9 these permits, one permit shall be issued to an applicant located in
10 the northern region of the State, one permit shall be issued to an
11 applicant located in the central region of the State, and one permit
12 shall be issued to an applicant located in the southern region of the
13 State. Any permits issued by the commission thereafter shall be
14 subject to the provisions of subsubparagraph (i) of subparagraph (a)
15 of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307
16 (C.24:6I-7), and the requirements of subsection d. of this section
17 concerning conditional permits.

18 b. The commission may establish nonrefundable application
19 fees for permit applications and conditional permit applications, and
20 permit and conditional permit fees for successful applicants.

21 c. (1) The commission shall make a determination as to any
22 permit application, other than an application for a conditional
23 permit submitted pursuant to subsection d. of this section, no later
24 than 90 days after receiving the application, which may include a
25 determination that the commission reasonably requires more time to
26 adequately review the application.

27 (2) The commission shall issue a permit, other than a
28 conditional permit, to an approved applicant at such time as the
29 commission completes the application review process and any
30 mandatory inspections, and determines that the applicant is in
31 compliance with and is implementing the plans, procedures,
32 protocols, actions, or other measures set forth in the applicant's
33 permit application submitted pursuant to section 12 of P.L. , c.
34 (C.) (pending before the Legislature as this bill), did maintain
35 compliance with the terms, conditions, or restrictions of a
36 conditional permit issued to the applicant, if applicable, and is
37 otherwise in compliance with the requirements of P.L.2009, c.307
38 (C.24:6I-1 et al.).

39 d. (1) The commission shall ensure that at least one third of
40 the total permits issued for each type of medical cannabis permit are
41 conditional permits, which one-third figure shall include any
42 conditional permit issued to an applicant which is subsequently
43 converted by the commission into a full permit pursuant to
44 paragraph (4) of this subsection and any conditional permit,
45 including a converted permit, issued to a microbusiness pursuant to
46 subsection e. of this section. The requirements of this subsection
47 shall not apply to permits issued to clinical registrants or to permits

1 issued to the three alternative treatment centers issued a permit
2 pursuant to subsection a. of this section that are expressly exempt
3 from the provisions of subparagraph (i) of subparagraph (a) of
4 paragraph (2) of subsection a. of section 7 of P.L.2009, c.307
5 (C.24:6I-7).

6 (2) An application for a conditional permit shall include:

7 (a) documentation that the applicant entity includes at least one
8 significantly involved person who has resided in this State for at
9 least two years as of the date of the application;

10 (b) a list of all owners, officers, directors, and employees of,
11 and significantly involved persons in, the proposed medical
12 cannabis entity, including their names, addresses, dates of birth,
13 resumes, and a photocopy of their driver's licenses or other
14 government-issued form of identification;

15 (c) a criminal history record background check completed
16 pursuant to subsection d. of section 7 of P.L.2009, c.307 (C.24:6I-7)
17 for each owner, officer, director, and employee of, and each
18 significantly involved person in, the proposed medical cannabis
19 entity, provided that a conditional permit may be issued pending the
20 results of a criminal history record background check;

21 (d) documentation that each significantly involved person in the
22 proposed medical cannabis entity has, for the immediately
23 preceding taxable year, an adjusted gross income of no more than
24 \$200,000 or no more than \$400,000 if filing jointly with another;

25 (e) a certification that each significantly involved person in the
26 proposed medical cannabis entity does not have any financial
27 interest in an entity applying for any other medical cannabis permit,
28 or in an entity that currently holds a permit issued pursuant to
29 section 7 of P.L.2009, c.307 (C.24:6I-7);

30 (f) the federal and State tax identification numbers for the
31 proposed medical cannabis entity, and proof of business registration
32 with the Division of Revenue in the Department of the Treasury;

33 (g) information about the proposed medical cannabis entity,
34 including its legal name, any registered alternate name under which
35 it may conduct business, and a copy of its articles of organization
36 and bylaws;

37 (h) the business plan and management operation profile for the
38 proposed medical cannabis entity;

39 (i) the plan by which the applicant intends to obtain appropriate
40 liability insurance coverage for the proposed medical cannabis
41 entity; and

42 (j) any other requirements established by the commission
43 pursuant to regulation.

44 (3) The commission shall make a determination on an
45 application for a conditional permit within 30 days after the date the
46 application is received. A determination made pursuant to this
47 paragraph may include a determination that the commission

1 requires more time to adequately review the application. The
2 commission shall approve a permit application that meets the
3 requirements of this subsection unless the commission finds by
4 clear and convincing evidence that the applicant would be
5 manifestly unsuitable to perform the activities authorized for the
6 permit sought by the applicant. The commission shall deny a
7 conditional permit to any applicant who fails to provide
8 information, documentation, and assurances as required by this
9 subsection; who fails to reveal any fact material to qualification; or
10 who supplies information that is untrue or misleading as to a
11 material fact pertaining to the qualification criteria for issuance of a
12 conditional permit. If the application is denied, the commission
13 shall notify the applicant in writing of the specific reason for its
14 denial and provide the applicant with the opportunity for a hearing
15 in accordance with the “Administrative Procedure Act,” P.L.1968,
16 c.410 (C.52:14B-1 et seq.).

17 (4) The commission shall furnish to each entity issued a
18 conditional permit a list of the requirements that the entity will be
19 required to comply with within 120 days after issuance of the
20 conditional permit. If the commission subsequently determines
21 that, during the 120-day period, the conditional permit holder is in
22 compliance with all applicable conditions and is implementing the
23 plans, procedures, protocols, actions, or other measures set forth in
24 its application, the commission shall convert the conditional permit
25 into a full permit, which will expire one year from its date of
26 issuance and be subject to annual renewal; if the commission
27 determines that the conditional permit holder is not in compliance
28 with all applicable conditions or not implementing the plans,
29 procedures, protocols, actions, or other measures set forth in its
30 application, the conditional permit shall automatically expire at the
31 end of the 120-day period, or, at the discretion of the commission,
32 may be revoked prior to the end of the 120-day period.

33 (5) A conditional permit issued pursuant this subsection may not
34 be sold or transferred.

35 e. (1) The commission shall ensure that at least 10 percent of
36 the total permits issued for each medical cannabis permit type, other
37 than a clinical registrant permit, are designated for and only issued
38 to microbusinesses, and that at least 25 percent of the total permits
39 issued be issued to microbusinesses. A microbusiness may be
40 issued a full annual permit pursuant to section 7 of P.L.2009, c.307
41 (C.24:6I-7) or a conditional permit pursuant to subsection d. of this
42 section. The maximum fee assessed by the commission for issuance
43 or renewal of a permit issued to a microbusiness shall be no more
44 than half the fee applicable to a permit of the same type issued to a
45 person or entity that is not a microbusiness. A permit issued to a
46 microbusiness shall be valid for one year and may be renewed
47 annually.

1 (2) A microbusiness shall meet the following requirements:

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

5 (b) at least 51 percent of the owners, directors, officers, and
6 employees of the microbusiness shall be residents of the
7 municipality in which the microbusiness is or will be located, or a
8 municipality bordering the municipality in which the microbusiness
9 is or will be located;

10 (c) the microbusiness shall employ no more than 10 employees
11 at one time, inclusive of any owners, officers, and directors of the
12 microbusiness;

13 (d) the microbusiness shall not exceed the following size and
14 capacity restrictions:

15 (i) the entire microbusiness facility shall occupy an area of no
16 more than 2,500 square feet;

17 (ii) in the case of a microbusiness that is a medical cannabis
18 cultivator, the total medical cannabis grow area shall not exceed
19 2,500 square feet, measured on a horizontal plane, shall grow no
20 higher than 24 feet above that plane, and shall possess a total of no
21 more than 1,000 plants, including mature and immature medical
22 cannabis plants, but not including seedlings;

23 (iii) in the case of a microbusiness that is a medical cannabis
24 manufacturer, the manufacturer shall acquire and process no more
25 than 1,000 pounds of medical cannabis in dried form each month;
26 and

27 (iv) in the case of a microbusiness that is a medical cannabis
28 dispensary, the dispensary shall acquire no more than 1,000 pounds
29 of medical cannabis in dried form, or the equivalent amount in any
30 other form, or any combination thereof, for dispensing to or on
31 behalf of registered qualifying patients each month; and

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

34 (3) The requirements of this subsection shall not apply to
35 permits issued pursuant to an application submitted pursuant to a
36 request for applications published in the New Jersey Register prior
37 to the effective date of P.L. , c. (C.) (pending before the
38 Legislature as this bill).

39
40 12. (New section) a. Each application for a medical cannabis
41 cultivator permit, medical cannabis manufacturer permit, and
42 medical cannabis dispensary permit, and each application for annual
43 renewal of such permit, including permit and renewal applications
44 for microbusinesses that meet the requirements of subsection e. of
45 section 11 of P.L. , c. (C.) (pending before the Legislature
46 as this bill), shall be submitted to the commission. A full, separate
47 application shall be required for each initial permit requested by the

1 applicant and for each location at which an applicant seeks to
2 operate, regardless of whether the applicant was previously issued
3 a medical cannabis cultivator, medical cannabis manufacturer,
4 medical cannabis dispensary, or clinical registrant permit, and
5 regardless of whether the applicant currently holds a medical
6 cannabis cultivator, medical cannabis manufacturer, or medical
7 cannabis dispensary permit. Renewal applications shall be
8 submitted to the commission on a form and in a manner as shall be
9 specified by the commission no later than 90 days before the date
10 the current permit will expire.

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

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

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

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

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

- 1 (a) State-authorized manufacture, production, and creation of
- 2 cannabis products using appropriate extraction methods, including
- 3 intended use and sourcing of extraction equipment and associated
- 4 solvents or intended methods and equipment for non-solvent
- 5 extraction;
- 6 (b) pharmaceutical manufacturing, good manufacturing
- 7 practices, and good laboratory practices;
- 8 (c) quality control and quality assurance;
- 9 (d) recall plans;
- 10 (e) packaging and labeling;
- 11 (f) inventory control and tracking software or systems for the
- 12 production of medical cannabis;
- 13 (g) analytical chemistry and testing of medical cannabis and
- 14 medical cannabis products and formulations;
- 15 (h) water management practices;
- 16 (i) odor mitigation practices;
- 17 (j) onsite and offsite recordkeeping;
- 18 (k) a list of product formulations or products proposed to be
- 19 manufactured with estimated cannabinoid profiles, if known,
- 20 including varieties with high cannabidiol content;
- 21 (l) intended use and sourcing of all non-cannabis ingredients
- 22 used in the manufacture, production, and creation of cannabis
- 23 products, including methods to verify or ensure the safety and
- 24 integrity of those ingredients and their potential to be or contain
- 25 allergens;
- 26 (m) waste disposal plans; and
- 27 (n) compliance with applicable laws and regulations.
- 28 (3) In the case of an applicant for a medical cannabis dispensary
- 29 permit, the operating plan summary shall include a written
- 30 description concerning the applicant's qualifications for, experience
- 31 in, and knowledge of each of the following topics:
- 32 (a) State-authorized dispensation of medical cannabis to
- 33 qualifying patients;
- 34 (b) healthcare, medicine, and treatment of patients with
- 35 qualifying medical conditions;
- 36 (c) medical cannabis product evaluation procedures;
- 37 (d) recall plans;
- 38 (e) packaging and labeling;
- 39 (f) inventory control and point-of-sale software or systems for
- 40 the sale of medical cannabis;
- 41 (g) patient counseling procedures;
- 42 (h) the routes of administration, strains, varieties, and
- 43 cannabinoid profiles of medical cannabis and medical cannabis
- 44 products;
- 45 (i) odor mitigation practices;
- 46 (j) onsite and offsite recordkeeping;
- 47 (k) compliance with State and federal patient privacy rules;

- 1 (l) waste disposal plans; and
2 (m) compliance with applicable laws and regulations.
- 3 d. The criteria to be developed by the commission pursuant to
4 subsection b. of this section shall include, in addition to the criteria
5 set forth in subsections c. and e. of this section and any other
6 criteria developed by the commission, an analysis of the following
7 factors, if applicable:
- 8 (1) The applicant's environmental impact plan.
9 (2) A summary of the applicant's safety and security plans and
10 procedures, which shall include descriptions of the following:
- 11 (a) plans for the use of security personnel, including
12 contractors;
13 (b) the experience or qualifications of security personnel and
14 proposed contractors;
15 (c) security and surveillance features, including descriptions of
16 any alarm systems, video surveillance systems, and access and
17 visitor management systems, along with drawings identifying the
18 proposed locations for surveillance cameras and other security
19 features;
20 (d) plans for the storage of medical cannabis and medical
21 cannabis products, including any safes, vaults, and climate control
22 systems that will be utilized for this purpose;
23 (e) a diversion prevention plan;
24 (f) an emergency management plan;
25 (g) procedures for screening, monitoring, and performing
26 criminal history record background checks of employees;
27 (h) cybersecurity procedures, including, in the case of an
28 applicant for a medical cannabis dispensary permit, procedures for
29 collecting, processing, and storing patient data, and the applicant's
30 familiarity with State and federal privacy laws;
31 (i) workplace safety plans and the applicant's familiarity with
32 federal Occupational Safety and Health Administration regulations;
33 (j) the applicant's history of workers' compensation claims and
34 safety assessments;
35 (k) procedures for reporting adverse events; and
36 (l) a sanitation practices plan.
- 37 (3) A summary of the applicant's business experience, including
38 the following, if applicable:
- 39 (a) the applicant's experience operating businesses in highly-
40 regulated industries;
41 (b) the applicant's experience in operating alternative treatment
42 centers and related medical cannabis production and dispensation
43 entities under the laws of New Jersey or any other state or
44 jurisdiction within the United States; and
45 (c) the applicant's plan to comply with and mitigate the effects
46 of 26 U.S.C. s.280E on cannabis businesses, and for evidence that

1 the applicant is not in arrears with respect to any tax obligation to
2 the State.

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

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

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

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

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

34 Notwithstanding any other provision of this subsection, an
35 application shall be disqualified from consideration unless it
36 includes documentation demonstrating that the applicant will have
37 final control of the premises upon approval of the application,
38 including, but not limited to, a lease agreement, contract for sale,
39 title, deed, or similar documentation. In addition, if the applicant
40 will lease the premises, the application will be disqualified from
41 consideration unless it includes certification from the landlord that
42 the landlord is aware that the tenant's use of the premises will
43 involve activities related to the cultivation, manufacturing, or
44 dispensing of medical cannabis and medical cannabis products. An
45 application shall not be disqualified from consideration if the
46 application does not include the materials described in
47 subparagraphs (b) or (c) of this paragraph.

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

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

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

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

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

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

32 (6) A workforce development and job creation plan, which may
33 include, but shall not be limited to a description of the applicant's
34 workforce development and job creation plan, which may include
35 information on the applicant's history of job creation and planned
36 job creation at the proposed facility; education, training, and
37 resources to be made available for employees; any relevant
38 certifications; and a diversity plan.

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

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

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

1 (c) a description of the applicant’s experience complying with
2 guidance pertaining to cannabis issued by the Financial Crimes
3 Enforcement Network under 31 U.S.C. s.5311 et seq., the federal
4 “Bank Secrecy Act”, which may be demonstrated by submitting
5 letters regarding the applicant’s banking history from banks or
6 credit unions that certify they are aware of the business activities of
7 the applicant, or entities with common ownership or control of the
8 applicant’s organization, in any state where the applicant has
9 operated a business related to medical cannabis. For the purposes
10 of this subparagraph, the commission shall consider only bank
11 references involving accounts in the name of the applicant or of an
12 entity with common ownership or control of the applicant’s
13 organization. An applicant who does not submit the information
14 described in this subparagraph shall not be disqualified from
15 consideration.

16 (8) Whether any of the applicant’s majority or controlling
17 owners were previously approved by the commission to serve as an
18 officer, director, principal, or key employee of an alternative
19 treatment center, provided any such individual served in that
20 capacity at the alternative treatment center for six or more months.

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

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

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

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

41 (10) The proposed composition of the applicant’s medical
42 advisory board established pursuant to section 15 of P.L. ,
43 c. (C.) (pending before the Legislature as this bill), if any.

44 (11) Whether the applicant intends to or has entered into a
45 partnership with a prisoner re-entry program for the purpose of
46 identifying and promoting employment opportunities at the
47 applicant’s organization for former inmates and current inmates

1 leaving the corrections system. If so, the applicant shall provide
2 details concerning the name of the re-entry program, the
3 employment opportunities at the applicant's organization that will
4 be made available to the re-entry population, and any other
5 initiatives the applicant's organization will undertake to provide
6 support and assistance to the re-entry population.

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

9 e. In addition to the information to be submitted pursuant to
10 subsections c. and d. of this section, the commission shall require
11 all permit applicants, other than applicants issued a conditional
12 permit, to submit an attestation signed by a bona fide labor
13 organization stating that the applicant has entered into a labor peace
14 agreement with such bona fide labor organization. Except in the
15 case of an entity holding an unconverted conditional permit, the
16 maintenance of a labor peace agreement with a bona fide labor
17 organization shall be an ongoing material condition of maintaining
18 a medical cannabis cultivator, medical cannabis manufacturer, or
19 medical cannabis dispensary permit. The submission of an
20 attestation and maintenance of a labor peace agreement with a bona
21 fide labor organization by an applicant issued a conditional permit
22 pursuant to subsection d. of section 11 of P.L. , c. (C.)
23 (pending before the Legislature as this bill) shall be a requirement
24 for conversion of a conditional permit into a full permit. The
25 failure to enter into a collective bargaining agreement within 200
26 days after the date that a medical cannabis cultivator, medical
27 cannabis manufacturer, or medical cannabis dispensary first opens
28 shall result in the suspension or revocation of such permit or
29 conditional permit. In reviewing initial permit applications, the
30 commission shall give priority to the following:

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

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

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

40 (4) Applicants that submit an attestation affirming that they will
41 use best efforts to utilize union labor in the construction or retrofit
42 of the facilities associated with the permitted entity.

43 The requirements of this subsection shall not apply to a
44 microbusiness applying for a conditional or annual permit of any
45 type.

46 f. In reviewing an initial permit application, unless the
47 information is otherwise solicited by the commission in a specific

1 application question, the commission's evaluation of the application
2 shall be limited to the experience and qualifications of the
3 applicant's organization, including any entities with common
4 ownership or control of the applicant's organization, controlling
5 owners or interest holders in the applicant's organization, the
6 officers, directors, and current or prospective employees of the
7 applicant's organization who have a bona fide relationship with the
8 applicant's organization as of the date of the application, and
9 consultants and independent contractors who have a bona fide
10 relationship with the applicant as of the date of the application.
11 Responses pertaining to applicants who are exempt from the
12 criminal history record background check requirements of section 7
13 of P.L.2009, c.307 (C.24:6I-7) shall not be considered. Each
14 applicant shall certify as to the status of the individuals and entities
15 included in the application.

16 g. The commission shall conduct a disparity study to determine
17 whether race-based measures should be considered when issuing
18 permits pursuant to this section, and shall incorporate the policies,
19 practices, protocols, standards, and criteria developed by the Office
20 of Minority, Disabled Veterans, and Women Medical Cannabis
21 Business Development pursuant to section 32 of P.L. , c.
22 (C.) (pending before the Legislature as this bill) to promote
23 participation in the medical cannabis industry by persons from
24 socially and economically disadvantaged communities, including
25 promoting applications for, and the issuance of, medical cannabis
26 cultivator, medical cannabis manufacturer, and medical cannabis
27 dispensary permits to certified minority, women's, and disabled
28 veterans' businesses. To this end, the commission shall seek to
29 issue at least 30 percent of the total number of new medical
30 cannabis cultivator permits, medical cannabis manufacturer permits,
31 and medical cannabis dispensary permits issued on or after the
32 effective date of P.L. , c. (C.) (pending before the
33 Legislature as this bill) as follows:

34 (1) at least 15 percent of the total number of new medical
35 cannabis cultivator permits, medical cannabis manufacturer
36 permits, and medical cannabis dispensary permits issued on or after
37 the effective date of P.L. , c. (C.) (pending before the
38 Legislature as this bill) are issued to a qualified applicant that has
39 been certified as a minority business pursuant to P.L.1986, c.195
40 (C.52:27H-21.18 et seq.); and

41 (2) at least 15 percent of the total number of new medical
42 cannabis cultivator permits, medical cannabis manufacturer
43 permits, and medical cannabis dispensary permits issued on or after
44 the effective date of P.L. , c. (C.) (pending before the
45 Legislature as this bill) are issued to a qualified applicant that has
46 been certified as a women's business pursuant to P.L.1986, c.195

1 (C.52:27H-21.18 et seq.) or that is a disabled-veterans' business, as
2 defined in section 2 of P.L.2015, c.116 (C.52:32-31.2).

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

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

34 i. Application materials submitted to the commission pursuant
35 to this section shall not be considered a public record pursuant to
36 P.L.1963, c.73 (C.47:1A-1 et seq.) or P.L.2001, c.404 (C.47:1A-
37 5 et al.).

38 j. If the commission notifies an applicant that it has performed
39 sufficiently well on multiple applications to be awarded more than
40 one medical cannabis cultivator permit, more than one medical
41 cannabis manufacturer permit, or more than one medical cannabis
42 dispensary permit by the commission, the applicant shall notify the
43 commission, within seven business days after receiving such notice,
44 as to which permit it will accept. For any permit award declined by
45 an applicant pursuant to this subsection, the commission shall, upon
46 receiving notice from the applicant of the declination, award the
47 permit to the applicant for that permit type who, in the

1 determination of the commission, best satisfies the commission's
2 criteria while meeting the commission's determination of Statewide
3 need. If an applicant fails to notify the commission as to which
4 permit it will accept, the commission shall have the discretion to
5 determine which permit it will award to the applicant, based on the
6 commission's determination of Statewide need and other
7 applications submitted for facilities to be located in the affected
8 regions.

9 k. The provisions of this section shall not apply to any permit
10 applications submitted pursuant to a request for applications
11 published in the New Jersey Register prior to the effective date of
12 P.L. , c. (C.) (pending before the Legislature as this bill).

13

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

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

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

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

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

30 b. The commission shall, no later than 90 days after the
31 effective date of P.L. , c. (C.) (pending before the
32 Legislature as this bill) or upon adoption of rules and regulations as
33 provided in subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-
34 16), whichever occurs first, begin accepting and processing
35 applications for four clinical registrant permits. Thereafter, the
36 commission shall accept applications for and issue such additional
37 clinical registrant permits as it determines to be necessary and
38 consistent with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).
39 The commission shall make a determination as to a clinical
40 registrant permit application no later than 90 days after receiving
41 the application, which may include a determination that the
42 commission reasonably requires more time to adequately review the
43 application. In reviewing and approving applications for clinical
44 registrant permits, the commission shall seek to incorporate the
45 policies, practices, protocols, standards, and criteria developed by
46 the Office of Minority, Disabled Veterans, and Women Medical
47 Cannabis Business Development pursuant to section 32 of P.L. ,

1 c. (C.) (pending before the Legislature as this bill) to
2 promote participation in the medical cannabis industry by persons
3 from socially and economically disadvantaged communities. In no
4 case shall the commission accept, process, or approve an
5 application submitted by an applicant that has contracted with an
6 academic medical center that is part of a health care system that
7 includes another academic medical center that has contracted with
8 an applicant for, or a holder of, a clinical registrant permit.

9 c. A contract between a clinical registrant and an academic
10 medical center shall include a commitment by the academic medical
11 center, or its affiliate, to engage in clinical research related to the
12 use of medical cannabis in order to advise the clinical registrant
13 concerning patient health and safety, medical applications, and
14 dispensing and management of controlled substances, among other
15 areas. A clinical registrant issued a permit pursuant to this section
16 shall have a written contractual relationship with no more than one
17 academic medical center.

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

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

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

45 (3) The commission may authorize a clinical registrant to
46 dispense medical cannabis and medical cannabis products from
47 more than one physical location if the commission determines that

1 authorizing additional dispensing locations is necessary for the
2 clinical registrant to best serve and treat qualifying patients and
3 clinical trial participants.

4 (4) In no case shall a clinical registrant operate or be located on
5 land that is valued, assessed or taxed as an agricultural or
6 horticultural use pursuant to the "Farmland Assessment Act of
7 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

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

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

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

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

28
29 14. (New section) a. (1) The commission shall, within 18
30 months following the commission's organization, and every three
31 years thereafter, conduct a feasibility study concerning the potential
32 for establishing a cannabis research and development permit type.
33 In order to advance scientific and medical understanding concerning
34 the potential uses of medical cannabis, and to ensure ongoing
35 quality control in the collection of data and the aggregation of
36 clinical, translational, and other research, the feasibility study shall
37 assess the medical cannabis market and industry, current
38 perspectives in the scientific and medical communities on medical
39 cannabis, as well as those of other relevant disciplines, to determine
40 the potential benefits of establishing a research and development
41 permit type. Any cannabis research and development permit
42 established by the commission shall be limited to advancing the use
43 of cannabis as medicine, improving the lives of current registered
44 qualifying patients as well as future patients who could derive
45 therapeutic benefit from the use of cannabis, and furthering the
46 knowledge of cannabis in the scientific and medical communities.

1 (2) The commission shall additionally assess the feasibility of
2 securing State funding to support the award of a monetary grant in
3 conjunction with the issuance of a cannabis research and
4 development permit to a successful applicant, following a
5 competitive application process, as well as assess potential future
6 regulations to apply to any cannabis research and development
7 permits that are supported by private investment.

8 (3) Each feasibility study conducted pursuant to this subsection
9 shall include at least one public hearing, at which the commission
10 shall receive testimony from interested members of the public.

11 (4) The commission shall submit a report of its findings and
12 conclusions to the Governor and, pursuant to section 2 of P.L.1991,
13 c.164 (C.52:14-19.1), to the Legislature, within 90 days following
14 the conclusion of each feasibility study.

15 b. The requirement to complete a feasibility study pursuant to
16 subsection a. of this section shall expire at such time as the
17 commission establishes a cannabis research and development permit
18 type and promulgates rules and regulations with regard to the
19 permit pursuant to the "Administrative Procedure Act," P.L.1968,
20 c.410 (C.52:14B-1 et seq.).

21 c. The commission may establish, by regulation, such
22 additional permit types in connection with medical cannabis as the
23 commission deems necessary and appropriate to maximize the
24 effectiveness and efficiency of the State medical cannabis program
25 and meet the needs of qualifying patients, health care practitioners,
26 medical cannabis cultivators, medical cannabis manufacturers,
27 medical cannabis dispensaries, and related entities. Such permits
28 may include, but shall not be limited to, permits authorizing
29 pharmacy practice sites licensed pursuant to
30 P.L.2003, c.280 (C.45:14-40 et seq.) to be authorized to dispense
31 medical cannabis to qualifying patients and their designated and
32 institutional caregivers.

33

34 15. (New section) a. A medical cannabis cultivator, medical
35 cannabis manufacturer, medical cannabis dispensary, or clinical
36 registrant may appoint a medical advisory board to provide advice
37 to the medical cannabis cultivator, medical cannabis manufacturer,
38 medical cannabis dispensary, or clinical registrant on all aspects of
39 its business.

40 b. A medical advisory board appointed pursuant to this section
41 shall comprise five members: three health care practitioners
42 licensed or certified to practice in New Jersey; one qualifying
43 patient who resides in the same area in which the medical cannabis
44 cultivator, medical cannabis manufacturer, medical cannabis
45 dispensary, or clinical registrant is located; and one individual who
46 owns a business in the same area in which the medical cannabis
47 cultivator, medical cannabis manufacturer, medical cannabis

1 dispensary, or clinical registrant is located. No owner, director,
2 officer, or employee of a medical cannabis cultivator, medical
3 cannabis manufacturer, medical cannabis dispensary, or clinical
4 registrant may serve on a medical advisory board. The membership
5 of a medical advisory board shall be subject to commission
6 approval.

7 c. A medical advisory board appointed pursuant to this section
8 shall meet at least two times per calendar year.

9
10 16. (New section)a. (1) An organization issued a permit to
11 operate a medical cannabis cultivator, medical cannabis
12 manufacturer, medical cannabis dispensary, or clinical registrant or
13 that employs certified medical cannabis handlers for transfer or
14 delivery of medical cannabis pursuant to section 27 of P.L. , c.
15 (C.) (pending before the Legislature as this bill shall not be
16 eligible for a State or local economic incentive.

17 (2) The issuance of a permit to operate a medical cannabis
18 cultivator, medical cannabis manufacturer, cannabis dispensary, or
19 clinical registrant or a certification to a handler employed by any
20 entity to perform transfers or deliveries of medical cannabis
21 pursuant to section 27 of P.L. , c. (C.) (pending before the
22 Legislature as this bill) to an organization that has been awarded a
23 State or local economic incentive shall invalidate the right of the
24 organization to benefit from the economic incentive as of the date
25 of issuance of the permit, except that an academic medical center
26 that has entered into a contractual relationship with a clinical
27 registrant shall not have any right to benefit from an economic
28 incentive invalidated pursuant to this paragraph on the basis of that
29 contractual relationship.

30 b. (1) A property owner, developer, or operator of a project to
31 be used, in whole or in part, as a medical cannabis cultivator,
32 medical cannabis manufacturer, medical cannabis dispensary, or
33 clinical registrant or an entity that employs medical cannabis
34 handlers to perform transfers or deliveries of medical cannabis
35 pursuant to section 27 of P.L. , c. (C.) (pending before the
36 Legislature as this bill) shall not be eligible for a State or local
37 economic incentive during the period of time that the economic
38 incentive is in effect.

39 (2) The issuance of a permit to operate a medical cannabis
40 cultivator, medical cannabis manufacturer, medical cannabis
41 dispensary, or clinical registrant or of a certification to a medical
42 cannabis handler employed by any entity to perform transfers and
43 deliveries of medical cannabis pursuant to section 27 of P.L. , c.
44 (C.) (pending before the Legislature as this bill) at a location
45 that is the subject of a State or local economic incentive shall
46 invalidate the right of a property owner, developer, or operator to
47 benefit from the economic incentive as of the date of issuance of the

1 permit, except that an academic medical center that has entered into
2 a contractual relationship with a clinical registrant shall not have
3 any right to benefit from an economic incentive invalidated
4 pursuant to this paragraph on the basis of that contractual
5 relationship.

6 c. As used in this section:

7 "Business" means any non-governmental person, association,
8 for-profit or non-profit corporation, joint venture, limited liability
9 company, partnership, sole proprietorship, or other form of business
10 organization or entity.

11 "Governmental entity" means the State, a local unit of
12 government, or a State or local government agency or authority.

13 "State or local economic incentive" means a financial incentive,
14 awarded by a governmental entity to a business, or agreed to
15 between a governmental entity and a business, for the purpose of
16 stimulating economic development or redevelopment in New
17 Jersey, including, but not limited to, a bond, grant, loan, loan
18 guarantee, matching fund, tax credit, or other tax expenditure.

19 "Tax expenditure" means the amount of foregone tax collections
20 due to any abatement, reduction, exemption, credit, or transfer
21 certificate against any State or local tax.

22

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

25 8. The provisions of **[this act]** P.L.2009, c.307 (C.24:6I-
26 1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.) shall not be
27 construed to permit a person to:

28 a. operate, navigate, or be in actual physical control of any
29 vehicle, aircraft, railroad train, stationary heavy equipment or vessel
30 while under the influence of **[marijuana]** cannabis; or

31 b. smoke **[marijuana]** cannabis in a school bus or other form of
32 public transportation, in a private vehicle unless the vehicle is not in
33 operation, on any school grounds, in any correctional facility, at any
34 public park or beach, at any recreation center, or in any place where
35 smoking is prohibited pursuant to N.J.S.2C:33-13.

36 A person who commits an act as provided in this section shall be
37 subject to such penalties as are provided by law.

38 (cf: P.L.2009, c.307, c.8)

39

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

42 10. a. A **[physician]** health care practitioner shall provide
43 written instructions for a registered qualifying patient or **[his]** the
44 patient's designated caregiver, or an institutional caregiver acting
45 on behalf of the patient, to present to **[an alternative treatment**
46 **center]** a medical cannabis dispensary or a clinical registrant

1 concerning the total amount of usable **【marijuana】** cannabis that a
2 patient may be dispensed, in weight, in a 30-day period, which
3 amount shall not exceed **【two ounces**. If no amount is noted, the
4 maximum amount that may be dispensed at one time is two ounces **】**
5 the maximum amount that may be authorized for the patient
6 pursuant to subsection f. of this section.

7 b. A **【physician】** health care practitioner may issue multiple
8 written instructions at one time authorizing the patient to receive a
9 total of up to a **【90-day】** one year supply, provided that the
10 following conditions are met:

11 (1) Each separate set of instructions shall be issued for a
12 legitimate medical purpose by the **【physician】** health care
13 practitioner, as provided in **【this act】** P.L.2009, c.307 (C.24:6I-
14 1 et al.);

15 (2) Each separate set of instructions shall indicate the earliest
16 date on which a **【center】** dispensary or clinical registrant may
17 dispense the **【marijuana】** cannabis, except for the first dispensation
18 if it is to be filled immediately; and

19 (3) The **【physician】** health care practitioner has determined that
20 providing the patient with multiple instructions in this manner does
21 not create an undue risk of diversion or abuse.

22 c. A registered qualifying patient or **【his primary】** the patient's
23 designated caregiver, or an institutional caregiver acting on behalf
24 of a qualifying patient, shall present verification of the patient's or
25 caregiver's 【registry identification card】 registration with the
26 commission, as applicable, and these written instructions to **【the**
27 alternative treatment center】 any medical cannabis dispensary or
28 clinical registrant at the time the patient or caregiver requests the
29 dispensing or delivery of medical cannabis, which medical cannabis
30 dispensary or clinical registrant shall verify and log the
31 documentation presented. An institutional caregiver shall
32 additionally present an authorization executed by the patient
33 certifying that the institutional caregiver is authorized to obtain
34 medical cannabis on behalf of the patient. A **【physician】** health
35 care practitioner may provide a copy of a written instruction by
36 electronic or other means, as determined by the **【commissioner】**
37 commission, directly to **【an alternative treatment center】** a medical
38 cannabis dispensary or a clinical registrant on behalf of a registered
39 qualifying patient. The dispensation of **【marijuana】** medical
40 cannabis pursuant to any written instructions shall occur within one
41 **【month】** year of the date that the instructions were written or
42 become eligible for dispensing, whichever is later, or the
43 instructions are void.

1 d. 【A patient may be registered at only one alternative
2 treatment center at any time.】 (deleted by amendment, P.L. , c.)
3 (pending before the Legislature as this bill)

4 e. Prior to dispensing medical cannabis to a qualifying patient,
5 the patient’s designated caregiver, or an institutional caregiver, the
6 medical cannabis dispensary or clinical registrant shall access the
7 system established pursuant to section 11 of P.L.2009, c.307
8 (C.45:1-45.1) to ascertain whether medical cannabis was dispensed
9 to or on behalf of the patient by any medical cannabis dispensary or
10 clinical registrant within the preceding 30 days. Upon dispensing
11 medical cannabis to a qualifying patient, the patient’s designated
12 caregiver, or an institutional caregiver, the medical cannabis
13 dispensary or clinical registrant shall transmit to the patient’s health
14 care practitioner information concerning the amount, strain, and
15 form of medical cannabis that was dispensed.

16 f. (1) Except as provided in paragraph (2) of this subsection,
17 for a period of 18 months after the effective date of P.L. , c.
18 (C.) (pending before the Legislature as this bill), the maximum
19 amount of usable cannabis that a patient may be dispensed, in
20 weight, in a 30-day period, shall be three ounces. Commencing 18
21 months after the effective date of P.L. , c. (C.) (pending
22 before the Legislature as this bill), the maximum amount of usable
23 cannabis that a patient may be dispensed shall prescribed by the
24 commission by regulation.

25 (2) The monthly limits set forth in paragraph (1) of this
26 subsection shall not apply to patients who are terminally ill or who
27 are currently receiving hospice care through a licensed hospice,
28 which patients may be dispensed an unlimited amount of medical
29 cannabis. Qualifying patients who are not receiving hospice care or
30 who are not terminally ill may petition the commission, on a form
31 and in a manner as the commission shall require by regulation, for
32 an exemption from the monthly limits set forth in paragraph (1) of
33 this paragraph, which petition the commission shall approve if the
34 commission finds that granting the exemption is necessary to meet
35 the patient’s treatment needs and is consistent with the provisions of
36 P.L.2009, c.307 (C.24:6I-1 et al.).

37 g. The commission shall establish, by regulation, curricula for
38 health care practitioners and for staff at medical cannabis
39 dispensaries and clinical registrants:

40 (1) The curriculum for health care practitioners shall be
41 designed to assist practitioners in counseling patients with regard to
42 the quantity, dosing, and administration of medical cannabis as
43 shall be appropriate to treat the patient’s qualifying medical
44 condition. Health care practitioners shall complete the curriculum
45 as a condition of authorizing patients for the medical use of
46 cannabis; and

1 (2) The curriculum for employees of medical cannabis
2 dispensaries and clinical registrants shall be designed to assist the
3 employees in counseling patients with regard to determining the
4 strain and form of medical cannabis that is appropriate to treat the
5 patient's qualifying medical condition. Employees of medical
6 cannabis dispensaries and clinical registrants shall be required to
7 complete the curriculum as a condition of registration with the
8 commission. Completion of the curriculum may constitute part of
9 the annual training required pursuant to paragraph (1) of subsection
10 j. of section 7 of P.L.2009, c.307 (C.24:6I-7).

11 h. Commencing July 1, 2020, the amount of the sales tax that
12 may be imposed under the "Sales and Use Tax Act," P.L.1966, c.30
13 (C.54:32B-1 et seq.) on medical cannabis dispensed by a medical
14 cannabis dispensary or clinical registrant shall not exceed four
15 percent.

16 Commencing July 1, 2021, the amount of the sales tax that may
17 be imposed under the "Sales and Use Tax Act," P.L.1966, c.30
18 (C.54:32B-1 et seq.) on medical cannabis dispensed by a medical
19 cannabis dispensary or clinical registrant shall not exceed two
20 percent.

21 Commencing July 1, 2022, medical cannabis dispensed by a
22 medical cannabis dispensary or clinical registrant shall not be
23 subject to any tax imposed under the "Sales and Use Tax Act,"
24 P.L.1966, c.30 (C.54:32B-1 et seq.).

25 Any revenue collected pursuant to a tax imposed on the sale of
26 medical cannabis under the "Sales and Use Tax Act," P.L.1966,
27 c.30 (C.54:32B-1 et seq.), shall be exclusively appropriated to
28 programs for the treatment of mental health and substance use
29 disorders.

30 i. A municipality in which a medical cannabis dispensary is
31 located may adopt an ordinance imposing a transfer tax on any
32 medical cannabis dispensed by the dispensary, including medical
33 cannabis that is furnished by the dispensary to a medical cannabis
34 handler for delivery to a registered qualifying patient or the
35 patient's caregiver. The rate of a transfer tax established pursuant
36 to this subsection shall be at the discretion of the municipality,
37 except that in no case shall the rate exceed two percent of the
38 purchase price of the medical cannabis.

39 (cf: P.L.2009, c.307, s.10)

40

41 19. Section 13 of P.L.2009, c.307 (C.24:6I-11) is amended to
42 read as follows:

43 13. a. The **【commissioner】** commission may accept from any
44 governmental department or agency, public or private body or any
45 other source grants or contributions to be used in carrying out the
46 purposes of **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.).

1 b. All fees collected pursuant to **【this act】** P.L.2009, c.307
2 (C.24:6I-1 et al.), including those from qualifying patients,
3 designated and institutional caregivers, and **【alternative treatment**
4 **centers'】** initial, modification and renewal applications for
5 alternative treatment centers, including medical cannabis
6 cultivators, medical cannabis manufacturers, medical cannabis
7 dispensaries, and clinical registrants, shall be used to offset the cost
8 of the **【department's】** commission's administration of the
9 provisions of **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.).
10 (cf: P.L.2009, c.307, s.13)

11

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

14 14. a. The commissioner, or after the effective date of
15 P.L. , c. (C.) (pending before the Legislature as this bill), the
16 commission, shall report to the Governor, and to the Legislature
17 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1):

18 (1) no later than one year after the effective date of **【this act】**
19 P.L.2009, c.307 (C.24:6I-1 et al.), on the actions taken to
20 implement the provisions of **【this act】** P.L.2009, c.307 (C.24:6I-
21 1 et al.); and

22 (2) annually thereafter on the number of applications for
23 **【registry identification cards】** registration with the commission, the
24 number of qualifying patients registered, the number of **【primary】**
25 designated and institutional caregivers registered, the nature of the
26 **【debilitating】** qualifying medical conditions of the patients, the
27 number of **【registry identification cards】** registrations revoked, the
28 number of **【alternative treatment center】** medical cannabis
29 cultivator, medical cannabis manufacturer, and medical cannabis
30 dispensary permits issued and revoked, the number and type of
31 integrated curricula approved, established, and maintained in
32 connection with an IC permit, the number of testing laboratories
33 licensed, the number of clinical registrant permits issued and the
34 nature of the clinical research conducted by each clinical registrant,
35 any incidents of diversion of medical cannabis, information
36 concerning racial, ethnic, disabled veteran, and gender diversity in
37 the individuals issued and currently holding permits issued by the
38 commission, the number of permit applications received from
39 businesses owned by minorities, disabled veterans, and women and
40 the number of such applications that were approved, the business
41 development initiatives undertaken by the Office of Minority,
42 Disabled Veterans, and Women Medical Cannabis Business
43 Development pursuant to section 32 of P.L. , c. (C.)
44 (pending before the Legislature as this bill) and the outcomes or
45 effects of those initiatives, statistics concerning arrests for drug
46 offenses throughout the State and in areas where medical cannabis

1 dispensaries are located, including information concerning racial
2 disparities in arrest rates for drug offenses generally and cannabis
3 offenses in particular, the number of motor vehicle stops by law
4 enforcement involving violations of R.S.39:4-50, or section 5 of
5 P.L.1990, c.103 (C.39:3-10.13) concerning operators of commercial
6 motor vehicles, for driving under the influence of medical cannabis,
7 or suspicion thereof, cataloged by the jurisdictions in which the stop
8 occurred, and the race, ethnicity, gender, and age of the vehicle
9 driver and any other vehicle occupants, the number of deliveries of
10 medical cannabis performed and the percentage of total medical
11 cannabis dispensations that were completed by delivery, and the
12 number of [physicians providing certifications for] health care
13 practitioners authorizing patients for the medical use of cannabis,
14 including the types of license or certification held by those
15 practitioners.

16 b. The reports shall not contain any identifying information of
17 patients, caregivers, or [physicians] health care practitioners.

18 c. Within two years after the effective date of [this act]
19 P.L.2009, c.307 (C.24:6I-1 et al.) and every two years thereafter,
20 the commissioner or, after the effective date of
21 P.L. , c. (C.) (pending before the Legislature as this bill),
22 the commission, shall: evaluate whether there are sufficient
23 numbers of [alternative treatment centers] medical cannabis
24 cultivators, medical cannabis manufacturers, medical cannabis
25 dispensaries, and clinical registrants to meet the needs of registered
26 qualifying patients throughout the State; evaluate whether the
27 maximum amount of medical [marijuana] cannabis allowed
28 pursuant to [this act] P.L.2009, c.307 (C.24:6I-1 et al.) is sufficient
29 to meet the medical needs of qualifying patients; and determine
30 whether any [alternative treatment center] medical cannabis
31 cultivator, medical cannabis manufacturer, medical cannabis
32 dispensary, or clinical registrant has charged excessive prices [for
33 marijuana] in connection with medical cannabis [that the center
34 dispensed].

35 The commissioner or, after the effective date of
36 P.L. , c. (C.) (pending before the Legislature as this bill),
37 the commission, shall report [his] all such findings no later than
38 two years after the effective date of [this act] P.L.2009, c.307
39 (C.24:6I-1 et al.), and every two years thereafter, to the Governor,
40 and to the Legislature pursuant to section 2 of P.L.1991, c.164
41 (C.52:14-19.1).

42 (cf: P.L.2009, c.307, s.14)

43

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

1 15. a. The **【Department of Health】** Cannabis Regulatory
2 Commission is authorized to exchange fingerprint data with, and
3 receive information from, the Division of State Police in the
4 Department of Law and Public Safety and the Federal Bureau of
5 Investigation for use in reviewing applications for individuals
6 **【seeking】** who are required to complete a criminal history record
7 background check in connection with applications to serve as
8 **【primary】** designated caregivers or institutional caregivers pursuant
9 to section 4 of P.L.2009, c.307 (C.24:6I-4), for licenses to operate
10 as, or to be a director, officer, or employee of, medical cannabis
11 testing laboratories pursuant to section 25 of P.L. , c. (C.)
12 (pending before the Legislature as this bill), for permits to operate
13 as, or to be a director, officer, or employee of, or a significantly
14 involved person in, clinical registrants pursuant to section 13 of
15 P.L. , c. (C.) (pending before the Legislature as this bill),
16 and for permits to operate as, or to be a director, officer, or
17 employee of, **【alternative treatment centers】**, or a significantly
18 involved person in, medical cannabis cultivators, medical cannabis
19 manufacturers, and medical cannabis dispensaries pursuant to
20 section 7 of P.L.2009, c.307 (C.24:6I-7).

21 b. The Division of State Police shall promptly notify the
22 **【Department of Health】** Cannabis Regulatory Commission in the
23 event an applicant seeking to serve as a **【primary】** designated or
24 institutional caregiver, an applicant for a license to operate as, or to
25 be a director, officer, or employee of, a medical cannabis testing
26 laboratory, an applicant for a permit to operate as, or to be a
27 director, officer, or employee of, or a significantly involved person
28 in, a clinical registrant, or an applicant for a permit to operate as, or
29 to be a director, officer, or employee of, 【an alternative treatment
30 center】 or a significantly involved person in, a medical cannabis
31 cultivator, medical cannabis manufacturer, or medical cannabis
32 dispensary, who was the subject of a criminal history record
33 background check conducted pursuant to subsection a. of this
34 section, is convicted of a crime involving possession or sale of a
35 controlled dangerous substance.

36 (cf: P.L.2012, c.17, s.91)

37

38 22. Section 16 of P.L.2009, c.307 (C.24:6I-14) is amended to
39 read as follows:

40 16. Nothing in **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.) or
41 P.L.2015, c.158 (C.18A:40-12.22 et al.) shall be construed to
42 require a government medical assistance program or private health
43 insurer to reimburse a person for costs associated with the medical
44 use of **【marijuana, or an employer to accommodate the medical use**
45 **of marijuana in any workplace】** cannabis, or to restrict or otherwise
46 affect the distribution, sale, prescribing, and dispensing of any

1 product that has been approved for marketing as a prescription drug
2 or device by the federal Food and Drug Administration.

3 (cf: P.L.2009, c.307, s.16)

4

5 23. Section 18 of P.L.2009, c.307 (C.24:6I-16) is amended to
6 read as follows:

7 18. a. Pursuant to the "Administrative Procedure Act,"
8 P.L.1968, c.410 (C.52:14B-1 et seq.), the commissioner or, after the
9 effective date of P.L. _____, c. _____ (C. _____) (pending before the
10 Legislature as this bill), the commission, shall promulgate rules and
11 regulations to effectuate the purposes of **【this act】** P.L.2009, c.307
12 (C.24:6I-1 et al.), in consultation with the Department of Law and
13 Public Safety.

14 b. Notwithstanding any provision of P.L.1968, c.410
15 (C.52:14B-1 et seq.) to the contrary, the commissioner shall adopt,
16 immediately upon filing with the Office of Administrative Law and
17 no later than the 90th day after the effective date of **【this act】**
18 P.L.2009, c.307 (C.24:6I-1 et al.), such regulations as the
19 commissioner deems necessary to implement the provisions of **【this**
20 **act】** P.L.2009, c.307 (C.24:6I-1 et al.). Regulations adopted
21 pursuant to this subsection shall be effective until the adoption of
22 rules and regulations pursuant to subsection a. of this section and
23 may be amended, adopted, or readopted by the commissioner in
24 accordance with the requirements of P.L.1968, c.410 (C.52:14B-
25 1 et seq.).

26 c. No later than 180 days after the effective date of
27 P.L. _____, c. _____ (C. _____) (pending before the Legislature as this bill),
28 the commission shall promulgate rules and regulations to effectuate
29 the purposes of P.L. _____, c. _____ (C. _____) (pending before the
30 Legislature as this bill). Rules and regulations adopted pursuant to
31 this subsection shall, at a minimum:

32 (1) Specify the number of new medical cannabis cultivator,
33 medical cannabis manufacturer, and medical cannabis dispensary
34 permits the commission will issue in the first year next following
35 the effective date of P.L. _____, c. _____ (C. _____) (pending before the
36 Legislature as this bill); and

37 (2) Establish recommended dosage guidelines for medical
38 cannabis in each form available to qualifying patients that are
39 equivalent to one ounce of medical cannabis in dried form. The
40 commission shall periodically review and update the dosage
41 guidelines as appropriate, including to establish dosage guidelines
42 for new forms of medical cannabis that become available.

43 d. The commission may convene a task force comprised of
44 individuals with expertise in matters pertaining to the medical
45 cannabis industry to make recommendations to the commission
46 concerning the content of rules and regulations adopted by the
47 commission to implement the provisions of P.L.2009, c.307

1 (C.24:6I-1 et al.) and P.L. , c. (C.) (pending before the
2 Legislature as this bill).

3 (cf: P.L.2009, c.307, s.18)

4

5 24. (New section) a. Each batch of medical cannabis cultivated
6 by a medical cannabis cultivator or a clinical registrant and each
7 batch of a medical cannabis product produced by a medical
8 cannabis manufacturer or a clinical registrant shall be tested in
9 accordance with the requirements of section 26 of
10 P.L. , c. (C.) (pending before the Legislature as this bill) by
11 a laboratory licensed pursuant to section 25 of P.L. , c. (C.)
12 (pending before the Legislature as this bill). The laboratory
13 performing the testing shall produce a written report detailing the
14 results of the testing, a summary of which shall be included in any
15 packaging materials for medical cannabis and medical cannabis
16 products dispensed to qualifying patients and their designated and
17 institutional caregivers. The laboratory may charge a reasonable
18 fee for any test performed pursuant to this section.

19 b. The requirements of subsection a. of this section shall take
20 effect at such time as the commission certifies that a sufficient
21 number of laboratories have been licensed pursuant to section 25 of
22 P.L. , c. (C.) (pending before the Legislature as this bill) to
23 ensure that all medical cannabis and medical cannabis products can
24 be promptly tested consistent with the requirements of this section
25 without disrupting patient access to medical cannabis.

26

27 25. (New section) a. A laboratory that performs testing services
28 pursuant to section 24 of P.L. , c. (C.) (pending before the
29 Legislature as this bill) shall be licensed by the commission and may
30 be subject to inspection by the commission to determine the condition
31 and calibration of any equipment used for testing purposes and to
32 ensure that testing is being performed in accordance with the
33 requirements of section 26 of P.L. , c. (C.) (pending before the
34 Legislature as this bill). Each applicant for licensure pursuant to this
35 section shall submit an attestation signed by a bona fide labor
36 organization stating that the applicant has entered into a labor peace
37 agreement with such bona fide labor organization. The maintenance
38 of a labor peace agreement with a bona fide labor organization shall be
39 an ongoing material condition of maintaining a license to test medical
40 cannabis.

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

43 c. A person who has been convicted of a crime involving any
44 controlled dangerous substance or controlled substance analog as set
45 forth in chapter 35 of Title 2C of the New Jersey Statutes except
46 paragraph (4) of subsection a. of N.J.S.2C:35-10, or any similar law of
47 the United States or any other state shall not be issued a license to

1 operate as or be a director, officer, or employee of a medical cannabis
2 testing laboratory, unless such conviction occurred after the effective
3 date of P.L.2009, c.307 (C.24:6I-1 et al.) and was for a violation of
4 federal law relating to possession or sale of cannabis for conduct that
5 is authorized under P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015,
6 c.158 (C.18A:40-12.22 et al.).

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

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

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

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

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

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

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

13 (5) Notwithstanding the provisions of subsection c. of this section
14 to the contrary, the commission may offer provisional authority for an
15 applicant to be an owner, director, officer, or employee of a medical
16 cannabis testing laboratory for a period not to exceed three months if
17 the applicant submits to the commission a sworn statement attesting
18 that the person has not been convicted of any disqualifying conviction
19 pursuant to this section.

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

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

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

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

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

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

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

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

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

- 1 26. (New section) a. The commission shall establish, by
2 regulation, standardized requirements and procedures for testing
3 medical cannabis and medical cannabis products.
- 4 b. Any test performed on medical cannabis or on a medical
5 cannabis product shall include liquid chromatography analysis to
6 determine chemical composition and potency, and, at a minimum,
7 screening for each of the following:
- 8 (1) microbial contamination;
9 (2) foreign material;
10 (3) residual pesticides;
11 (4) other agricultural residue and residual solvents; and
12 (5) heavy metals.
- 13 c. Laboratories shall use the dosage equivalence guidelines
14 developed by the commission pursuant to paragraph (2) of
15 subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-16) when
16 testing and determining the potency of medical cannabis products.
- 17 d. As a condition of licensure, each laboratory shall certify its
18 intention to seek third party accreditation in accordance with ISO
19 17025 standards in order to ensure equipment is routinely inspected,
20 calibrated, and maintained until such time as the commission issues
21 its own standards or confirms the use of ISO 17025.
- 22 e. Until such time as the commission establishes the standards
23 required by this section, a licensed laboratory shall utilize the
24 testing standards established by another state with a medical
25 cannabis program, which state shall be designated by the
26 commission.
- 27
- 28 27. (New section) a. An individual who performs work for or
29 on behalf of a medical cannabis cultivator, medical cannabis
30 manufacturer, or medical cannabis dispensary, issued a permit
31 pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), a clinical
32 registrant issued a permit pursuant to section 13 of P.L. , c.
33 (C.) (pending before the Legislature as this bill), or a testing
34 laboratory licensed pursuant to section 25 of P.L. , c. (C.)
35 (pending before the Legislature as this bill) shall hold a valid
36 medical cannabis handler certification issued by the commission
37 pursuant to this section if the individual participates in any activity
38 involving obtaining, possessing, cultivating, processing,
39 manufacturing, creating, testing, transporting, transferring,
40 relocating, dispensing, or delivering medical cannabis.
- 41 b. An entity issued a permit pursuant to section 7 of P.L.2009,
42 c.307 (C.24:6I-7) or section 13 of P.L. , c. (C.) (pending
43 before the Legislature as this bill) or a license pursuant to section
44 25 of P.L. , c. (C.) (pending before the Legislature as this
45 bill) shall verify that, before allowing any individual to perform any
46 work described in subsection a. of this section at the premises for
47 which the permit has been issued, the individual holds a valid

1 medical cannabis handler certification issued pursuant to this
2 section.

3 c. The commission shall issue medical cannabis handler
4 certifications to qualified applicants to perform work described in
5 subsection a. of this section. The commission shall adopt rules and
6 regulations establishing: the qualifications for performing work
7 described in subsection a. of this section; the terms of a medical
8 cannabis handler certification issued pursuant to this section;
9 procedures for applying for and renewing a medical cannabis
10 handler certification issued pursuant to this section; and reasonable
11 application, issuance, and renewal fees for a medical cannabis
12 handler certification issued pursuant to this section.

13 d. The commission may require an individual applying for a
14 medical cannabis handler certification under this section to
15 successfully complete a course, to be made available by or through
16 the commission, in which the individual receives training on:
17 verifying the registration status of patients, designated caregivers,
18 and institutional caregivers; handling medical cannabis; statutory
19 and regulatory provisions relating to medical cannabis; and any
20 matter deemed necessary by the commission to protect the public
21 health and safety. The commission or other provider may charge a
22 reasonable fee for the course.

23 The commission shall not require an individual to successfully
24 complete the course required pursuant to this subsection more than
25 once, except that the commission may adopt regulations directing
26 continuing education training on a prescribed schedule. The course
27 may comprise part of the eight hours of training required for
28 employees of medical cannabis cultivators, medical cannabis
29 manufacturers, medical cannabis dispensaries, and clinical
30 registrants pursuant to paragraph (1) of subsection j. of section 7 of
31 P.L.2009, c.307 (C.24:6I-7).

32 As part of a final order suspending a medical cannabis handler
33 certification issued pursuant to this section, the commission may
34 require the holder of a medical cannabis handler certification to
35 successfully complete the course described in this subsection as a
36 condition of lifting the suspension; and as part of a final order
37 revoking a medical cannabis handler certification issued pursuant to
38 this section, the commission shall require an individual to
39 successfully complete the course described in this subsection prior
40 to applying for a new medical cannabis handler certification.

41 e. The commission shall deny an application to any applicant
42 who fails to provide information, documentation, and assurances as
43 required by P.L.2009, c.307 (C.24:6I-1 et al.) or as requested by the
44 commission, or who fails to reveal any fact material to
45 qualification, or who supplies information which is untrue or
46 misleading as to a material fact pertaining to the qualification
47 criteria for medical cannabis handler certification.

1 f. The commission may suspend, revoke, or refuse to renew a
2 medical cannabis handler certification if the individual who is
3 applying for or who holds the certification: violates any provision
4 of P.L.2009, c.307 (C.24:6I-1 et al.) or any rule or regulation
5 adopted by the commission; makes a false statement to the
6 commission; or refuses to cooperate in any investigation by the
7 commission.

8 g. A medical cannabis handler certification issued pursuant to
9 this section is a personal privilege and permits work described in
10 subsection a. of this section only for the individual who holds the
11 certification.

12 h. The commission shall enact rules and regulations governing
13 the transfer of medical cannabis and medical cannabis products
14 between medical cannabis cultivators, medical cannabis
15 manufacturers, medical cannabis dispensaries, clinical registrants,
16 and testing laboratories, which regulations shall require, at a
17 minimum:

18 (1) Transfer of medical cannabis and medical cannabis products
19 shall be made directly to the medical cannabis cultivator, medical
20 cannabis manufacturer, medical cannabis dispensary, clinical
21 registrant, or testing laboratory receiving the medical cannabis or
22 medical cannabis product.

23 (2) Transfers shall be performed by a medical cannabis handler
24 who is certified by the department to perform transfers and is at
25 least 18 years of age. Transfers of medical cannabis may be
26 performed by a medical cannabis handler who is an employee of the
27 medical cannabis cultivator, medical cannabis manufacturer,
28 medical cannabis dispensary, or clinical registrant providing or
29 receiving the transfer or by an independent third party who has
30 entered into a contract with a medical cannabis cultivator, medical
31 cannabis manufacturer, medical cannabis dispensary, or clinical
32 registrant to perform transfers of medical cannabis, which contract
33 may provide for a one-time transfer of medical cannabis or for
34 ongoing transfers of medical cannabis. A medical cannabis handler
35 holding a transfer certification issued by the commission may
36 simultaneously hold a delivery certification issued by the
37 commission, subject to the requirements of paragraph (2) of
38 subsection i. of this section.

39 (3) Medical cannabis shall not be transferred to an address
40 located on land owned by the federal government or any address on
41 land or in a building leased by the federal government.

42 (4) All transfers of medical cannabis shall be made in person. A
43 transfer of medical cannabis shall not be made through the use of an
44 unmanned vehicle.

45 (5) Each certified medical cannabis handler shall carry a copy of
46 the individual's medical cannabis handler certification card and
47 transfer certification card when performing a transfer. The medical

1 cannabis handler shall present the certification cards upon request
2 to State and local law enforcement and to State and local regulatory
3 authorities and agencies.

4 (6) Each certified medical cannabis handler engaged in a
5 transfer of medical cannabis shall have access to a secure form of
6 communication with the medical cannabis cultivator, medical
7 cannabis manufacturer, medical cannabis dispensary, or clinical
8 registrant that furnished the medical cannabis to the handler for
9 transfer, such as a cellular telephone, at all times that the handler is
10 in possession of medical cannabis for transfer.

11 (7) During transfer, the certified medical cannabis handler shall
12 maintain a physical or electronic copy of the transfer order, and
13 shall make it available upon request to State and local law
14 enforcement and to State and local regulatory authorities and
15 agencies.

16 (8) Vehicles used for the transfer of medical cannabis shall be
17 equipped with a secure lockbox in a secured cargo area, which shall
18 be used for the sanitary and secure transport of medical cannabis.

19 (9) A certified medical cannabis handler shall not leave medical
20 cannabis in an unattended vehicle unless the vehicle is locked and
21 equipped with an active vehicle alarm system.

22 (10) A transfer vehicle shall contain a Global Positioning
23 System (GPS) device for identifying the geographic location of the
24 vehicle. The device shall be either permanently or temporarily
25 affixed to the vehicle while the vehicle is in operation, and the
26 device shall remain active and in the possession of the certified
27 medical cannabis handler at all times while the vehicle is being
28 used for the transfer of medical cannabis. At all times, the medical
29 cannabis cultivator, medical cannabis manufacturer, medical
30 cannabis dispensary, or clinical registrant that furnished the medical
31 cannabis to the handler for transfer shall be able to identify the
32 geographic location of all vehicles that are making transfers for that
33 entity and shall provide that information to the commission upon
34 request.

35 (11) Each entity that employs a medical cannabis handler
36 certified to perform transfers of medical cannabis shall provide the
37 commission with current information concerning all vehicles
38 utilized for medical cannabis transfers, including each vehicle's
39 make, model, color, Vehicle Identification Number, license plate
40 number, and vehicle registration.

41 (12) Each medical cannabis cultivator, medical cannabis
42 manufacturer, medical cannabis dispensary, and clinical registrant
43 that engages in, or contracts with an independent third party to
44 perform, transfers of medical cannabis shall maintain current hired
45 and non-owned automobile liability insurance sufficient to insure
46 all transfer vehicles in the amount of not less than \$1,000,000 per
47 occurrence or accident.

1 (13) Transfer vehicles shall bear no markings that would either
2 identify or indicate that the vehicle is used to transport medical
3 cannabis.

4 (14) All transfers of medical cannabis shall be completed in a
5 timely and efficient manner.

6 (15) While performing transfers of medical cannabis, a certified
7 medical cannabis handler shall only travel from the premises of the
8 medical cannabis cultivator, medical cannabis manufacturer,
9 medical cannabis dispensary, or clinical registrant furnishing the
10 medical cannabis to the transfer address; from one transfer address
11 to another transfer address; from a testing laboratory back to the
12 medical cannabis cultivator, medical cannabis manufacturer, or
13 clinical registrant that furnished the medical cannabis for testing
14 purposes, or from a transfer address back to the premises of the
15 medical cannabis handler's employer. A medical cannabis handler
16 shall not deviate from the route described in this paragraph, except
17 in the event of emergency or as necessary for rest, fuel, or vehicle
18 repair stops, or because road conditions make continued use of the
19 route or operation of the vehicle unsafe, impossible, or
20 impracticable.

21 (16) The process of transfer shall begin when the certified
22 medical cannabis handler leaves the premises of the medical
23 cannabis cultivator, medical cannabis manufacturer, medical
24 cannabis dispensary, clinical registrant, or testing laboratory with
25 medical cannabis for transfer. The process of transferring medical
26 cannabis ends when the medical cannabis handler returns to the
27 premises of the medical cannabis handler's employer after
28 completing the transfer.

29 (17) Each medical cannabis handler performing transfers of
30 medical cannabis shall maintain a record of each transfer in a log,
31 which may be written or electronic. For each transfer, the log shall
32 record:

33 (a) The date and time that the transfer began and ended;

34 (b) The handler's name, medical cannabis handler certification
35 number, and medical cannabis transfer certification number;

36 (c) The tracking number of the medical cannabis; and

37 (d) The signature and employee identification number of the
38 employee accepting the transfer.

39 (18) A medical cannabis handler shall report any vehicle
40 accidents, diversions, losses, or other reportable events that occur
41 during transfer of medical cannabis to the appropriate State and
42 local authorities, including the commission. A medical cannabis
43 cultivator, medical cannabis manufacturer, medical cannabis
44 dispensary, or clinical registrant furnishing medical cannabis for
45 transfer or accepting the transfer of medical cannabis shall have no
46 criminal liability for any vehicle accidents, diversions, losses, or
47 other reportable events that occur during the transfer.

- 1 i. The commission shall enact rules and regulations governing
2 the delivery of medical cannabis, including medical cannabis
3 products, to a registered qualifying patient, designated caregiver, or
4 institutional caregiver by a medical cannabis dispensary, which
5 regulations shall require, at a minimum:
- 6 (1) Delivery of medical cannabis shall only be made to a
7 registered qualifying patient at the patient's home or secondary
8 address, to the patient's designated caregiver at the caregiver's
9 home address, or directly to the patient's institutional caregiver at
10 the health care facility where the patient is a current patient or
11 resident; except that the commission shall establish a process for
12 registered qualifying patients to request delivery directly to the
13 patient at an alternate address in cases of need.
- 14 (2) Deliveries shall be performed by a medical cannabis handler
15 who is certified by the department to perform deliveries and is at
16 least 18 years of age. Deliveries may be performed by an employee
17 of a medical cannabis dispensary or clinical registrant or by an
18 independent third party who has entered into a contract with a
19 medical cannabis dispensary or clinical registrant to perform
20 deliveries of medical cannabis, which contract may provide for a
21 one-time delivery or for ongoing deliveries of medical cannabis. A
22 medical cannabis handler holding a delivery certification issued by
23 the commission may simultaneously hold a transfer certification
24 issued by the commission.
- 25 (3) Medical cannabis shall not be delivered to an address located
26 on land owned by the federal government or any address on land or
27 in a building leased by the federal government.
- 28 (4) All deliveries of medical cannabis shall be made in person.
29 Delivery of medical cannabis shall not be made through the use of
30 an unmanned vehicle.
- 31 (5) Each certified medical cannabis handler shall carry a copy of
32 the individual's medical cannabis handler certification card and
33 delivery certification card when performing a delivery of medical
34 cannabis. The medical cannabis handler shall present the
35 certification cards upon request to State and local law enforcement
36 and to State and local regulatory authorities and agencies.
- 37 (6) Each certified medical cannabis handler engaged in a
38 delivery of medical cannabis shall have access to a secure form of
39 communication with the medical cannabis dispensary or clinical
40 registrant that furnished the medical cannabis to the handler for
41 delivery, such as a cellular telephone, at all times that the handler is
42 in possession of medical cannabis for delivery.
- 43 (7) During delivery, the certified medical cannabis handler shall
44 maintain a physical or electronic copy of the delivery request, and
45 shall make it available upon request to State and local law
46 enforcement and to State and local regulatory authorities and
47 agencies.

1 (8) Delivery vehicles shall be equipped with a secure lockbox in
2 a secured cargo area, which shall be used for the sanitary and secure
3 transport of medical cannabis.

4 (9) A certified medical cannabis handler shall not leave medical
5 cannabis in an unattended vehicle unless the vehicle is locked and
6 equipped with an active vehicle alarm system.

7 (10) A delivery vehicle shall contain a Global Positioning
8 System (GPS) device for identifying the geographic location of the
9 vehicle. The device shall be either permanently or temporarily
10 affixed to the vehicle while the vehicle is in operation, and the
11 device shall remain active and in the possession of the certified
12 medical cannabis handler at all times during which the vehicle is
13 engaged in the delivery of medical cannabis. At all times, the
14 medical cannabis dispensary or clinical registrant that furnished the
15 medical cannabis to the handler for delivery shall be able to identify
16 the geographic location of all vehicles that are making deliveries for
17 that entity and shall provide that information to the commission
18 upon request.

19 (11) Each entity that employs a medical cannabis handler
20 certified to deliver medical cannabis shall provide the commission
21 with current information concerning all vehicles utilized for
22 medical cannabis deliveries, including each vehicle's make, model,
23 color, Vehicle Identification Number, license plate number, and
24 vehicle registration.

25 (12) A medical cannabis dispensary or clinical registrant
26 furnishing medical cannabis to a medical cannabis handler for
27 delivery shall maintain current hired and non-owned automobile
28 liability insurance sufficient to insure all delivery vehicles in the
29 amount of not less than \$1,000,000 per occurrence or accident.

30 (13) Delivery vehicles shall bear no markings that would either
31 identify or indicate that the vehicle is used to transport medical
32 cannabis.

33 (14) All deliveries of medical cannabis shall be completed in a
34 timely and efficient manner.

35 (15) While performing deliveries of medical cannabis, a certified
36 medical cannabis handler shall only travel from the premises of the
37 medical cannabis dispensary or clinical registrant furnishing the
38 medical cannabis to the delivery address; from one delivery address
39 to another delivery address; or from a delivery address back to the
40 premises of the medical cannabis handler's employer. A medical
41 cannabis handler shall not deviate from the route described in this
42 paragraph, except in the event of emergency or as necessary for
43 rest, fuel, or vehicle repair stops, or because road conditions make
44 continued use of the route or operation of the vehicle unsafe,
45 impossible, or impracticable.

46 (16) The process of delivery shall begin when the certified
47 medical cannabis handler leaves the premises of the medical

1 cannabis dispensary or clinical registrant with medical cannabis for
2 delivery. The process of delivering medical cannabis ends when the
3 medical cannabis handler returns to the premises of the medical
4 cannabis handler's employer after completing the delivery.

5 (17) Each medical cannabis handler performing deliveries of
6 medical cannabis shall maintain a record of each delivery in a log,
7 which may be written or electronic. For each delivery, the log shall
8 record:

9 (a) The date and time that the delivery began and ended;

10 (b) The handler's name, medical cannabis handler certification
11 number, and medical cannabis delivery certification number;

12 (c) The tracking number of the medical cannabis; and

13 (d) The signature and registry number of the patient or caregiver
14 who accepted delivery.

15 (18) A medical cannabis handler shall report any vehicle
16 accidents, diversions, losses, or other reportable events that occur
17 during delivery of medical cannabis to the appropriate State and
18 local authorities, including the commission. A medical cannabis
19 dispensary or clinical registrant furnishing medical cannabis for
20 delivery shall have no criminal liability for any vehicle accidents,
21 diversions, losses, or other reportable events that occur during
22 delivery after such time as the dispensary or clinical registrant, as
23 applicable, furnishes medical cannabis for delivery.

24 (19) A medical cannabis dispensary or clinical registrant shall be
25 authorized to use any medical cannabis handler employed by the
26 dispensary or clinical registrant or any independent third party
27 medical cannabis handler that is not employed by a medical
28 cannabis dispensary or clinical registrant for the purposes of
29 delivering medical cannabis, and, subject to the requirements of
30 paragraph (2) of this subsection, an independent third party medical
31 cannabis handler possessing a delivery certification who is not
32 employed by any medical cannabis dispensary or clinical registrant
33 shall be authorized to provide medical cannabis transport services
34 to any medical cannabis dispensary or clinical registrant.

35 j. Medical cannabis may be transferred or delivered, consistent
36 with the requirements of subsections h. and i. of this section,
37 respectively, to any location in the State. In no case may a
38 municipality restrict transfers or deliveries of medical cannabis
39 within that municipality by adoption of municipal ordinance or any
40 other measure, and any restriction to the contrary shall be deemed
41 void and unenforceable.

42 k. The commission may authorize the use of an Internet-based
43 web service developed and maintained by an independent third
44 party entity that does not hold any permit, license, or certificate
45 issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), and is not a
46 significantly involved person or other investor in any permit holder,
47 which web service may be used by registered qualifying patients,

1 designated caregivers, and institutional caregivers to request or
2 schedule deliveries of medical cannabis pursuant to subsection i. of
3 this section.

4

5 28. (New section) a. A municipality may authorize, through
6 the enactment of an ordinance, the operation of locally endorsed
7 medical cannabis consumption areas by medical cannabis
8 dispensaries and clinical registrants within its jurisdiction, at which
9 areas the on-premises consumption of medical cannabis may occur.

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

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

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

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

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

46 (c) the premises have been operated in a manner that adversely
47 affects the public health or the safety of the immediate

1 neighborhood in which the medical cannabis consumption area is
2 located.

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

8 d. A medical cannabis consumption area endorsement shall be
9 valid for one year and may be renewed annually, subject to the
10 approval of the commission and the municipality as set forth in this
11 section. The commission shall establish by rule the amount of the
12 application fee and renewal fee for the endorsement, which shall not
13 exceed the administrative cost for processing and reviewing the
14 application.

15 e. The commission shall maintain a list of all medical cannabis
16 consumption areas in the State and shall make the list available on
17 its Internet website.

18 f. A medical cannabis consumption area shall be located on the
19 premises of a medical cannabis dispensary or clinical registrant,
20 may be indoors or outdoors, and shall be designated by conspicuous
21 signage.

22 (1) An indoor medical cannabis consumption area shall be a
23 structurally enclosed area within a medical cannabis dispensary or
24 clinical registrant facility that is separated by solid walls or
25 windows from the area in which medical cannabis is dispensed and
26 shall only be accessible through an interior door after first entering
27 the facility.

28 (2) An outdoor medical cannabis consumption area shall be an
29 exterior structure on the same premises as the medical cannabis
30 dispensary or clinical registrant facility, that is either separate from
31 or connected to the facility, and that is not required to be
32 completely enclosed, but shall have sufficient walls, fences, or other
33 barriers to prevent any view of patients consuming medical
34 cannabis from any sidewalk or other pedestrian or non-motorist
35 right-of-way, as the case may be, within the consumption area.

36 (3) Nothing in this subsection shall be construed to authorize the
37 consumption of medical cannabis by smoking in any indoor public
38 place or workplace, as those terms are defined in subsection 3 of
39 P.L.2005, c.383 (C.26:3D-57), and the medical cannabis dispensary
40 or clinical registrant operating the consumption area shall ensure
41 that any smoking of medical cannabis that occurs in an outdoor
42 medical cannabis consumption area does not result in migration,
43 seepage, or recirculation of smoke to any indoor public place or
44 workplace. The commission may require a consumption area to
45 include any ventilation features as the commission deems necessary
46 and appropriate.

1 g. (1) A medical cannabis dispensary or clinical registrant
2 holding a medical cannabis consumption area endorsement, and the
3 employees of the dispensary or clinical registrant, subject to any
4 regulations for medical cannabis consumption areas promulgated by
5 the commission, may permit a person to bring medical cannabis into
6 a medical cannabis consumption area.

7 (2) A medical cannabis dispensary or clinical registrant holding
8 a medical cannabis consumption area endorsement shall not sell
9 alcohol, including fermented malt beverages or malt, vinous, or
10 spirituous liquor, sell tobacco or nicotine products, or allow the
11 consumption of alcohol, tobacco, or nicotine products on premises,
12 or operate as a retail food establishment.

13 (3) A medical cannabis dispensary or clinical registrant holding
14 a medical cannabis consumption area endorsement shall not allow
15 on-duty employees of the establishment to consume any medical
16 cannabis in the consumption area.

17 h. Access to a medical cannabis consumption area shall be
18 restricted to employees of the medical cannabis dispensary or
19 clinical registrant and to registered qualified patients and their
20 designated caregivers.

21 i. When a patient leaves a medical cannabis consumption area,
22 the establishment shall ensure any remaining unconsumed medical
23 cannabis that is not taken by the patient or the patient's designated
24 caregiver is destroyed.

25 j. A medical cannabis consumption area and its employees:

26 (1) shall operate the establishment in a decent, orderly, and
27 respectable manner;

28 (2) may remove an individual from the establishment for any
29 reason;

30 (3) shall not knowingly permit any activity or acts of disorderly
31 conduct; and

32 (4) shall not permit rowdiness, undue noise, or other
33 disturbances or activity offensive to the average citizen or to the
34 residents of the neighborhood in which the consumption area is
35 located.

36 k. If an emergency requires law enforcement, firefighters,
37 emergency medical services providers, or other public safety
38 personnel to enter a medical cannabis consumption area, employees
39 of the establishment shall prohibit on-site consumption of medical
40 cannabis until such personnel have completed their investigation or
41 services and have left the premises.

42
43 29. (New section) a. (1) The commission shall develop and
44 maintain a system for tracking the cultivation of medical cannabis,
45 the manufacturing of medical cannabis products, the transfer of
46 medical cannabis and medical cannabis products between medical
47 cannabis cultivators, medical cannabis manufacturers, medical

1 cannabis dispensaries, clinical registrants, and testing laboratories
2 as authorized pursuant to paragraph (5) of subsection a. of section 7
3 of P.L.2009, c.307 (C.24:6I-7) and subsection h. of section 27 of
4 P.L. , c. (C.) (pending before the Legislature as this bill),
5 and the dispensing or delivery of medical cannabis to registered
6 qualifying patients, designated caregivers, and institutional
7 caregivers.

8 (2) The tracking system shall, among other features as
9 determined by the commission, utilize a stamp affixed to a
10 container or package for medical cannabis to assist in the collection
11 of the information required to be tracked pursuant to subsection c.
12 of this section.

13 (a) The commission, in consultation with the Director of the
14 Division of Taxation, shall secure stamps based on the designs,
15 specifications, and denominations prescribed by the commission in
16 regulation, and which incorporate encryption, security, and
17 counterfeit-resistant features to prevent the unauthorized
18 duplication or counterfeiting of any stamp. The stamp shall be
19 readable by a scanner or similar device that may be used by the
20 commission, the Director of the Division of Taxation, and medical
21 cannabis cultivators, medical cannabis manufacturers, medical
22 cannabis dispensaries, or clinical registrants.

23 (b) The commission, and the Director of the Division of
24 Taxation if authorized by the commission, shall make stamps
25 available for purchase by medical cannabis cultivators, medical
26 cannabis manufacturers, and clinical registrants, which shall be the
27 only entities authorized to affix a stamp to a container or package
28 for medical cannabis in accordance with applicable regulations
29 promulgated by the commission in consultation with the Director of
30 the Division of Taxation. The price charged by the commission to
31 medical cannabis cultivators, medical cannabis manufacturers, and
32 clinical registrants for a stamp required pursuant to this paragraph
33 shall be reasonable and commensurate with the cost of producing
34 the stamp.

35 (c) A medical cannabis cultivator, medical cannabis
36 manufacturer, medical cannabis dispensary, clinical registrant, or
37 certified medical cannabis handler shall not purchase, sell, offer for
38 sale, transfer, transport, or deliver any medical cannabis unless a
39 stamp is properly affixed to the container or package for the
40 medical cannabis.

41 b. The purposes of the system developed and maintained under
42 this section include, but are not limited to:

43 (1) preventing the diversion of medical cannabis to criminal
44 enterprises, gangs, cartels, persons not authorized to possess
45 medical cannabis, and other states;

46 (2) preventing persons from substituting or tampering with
47 medical cannabis;

- 1 (3) ensuring an accurate accounting of the cultivation,
2 manufacturing, transferring, dispensing, and delivery of medical
3 cannabis;
- 4 (4) ensuring that the testing results from licensed testing
5 laboratories are accurately reported; and
- 6 (5) ensuring compliance with the rules and regulations adopted
7 by the commission and any other law of this State that charges the
8 commission with a duty, function, or power related to medical
9 cannabis.
- 10 c. The system developed and maintained under this section
11 shall be capable of tracking, at a minimum:
- 12 (1) the propagation of immature medical cannabis plants and the
13 production of medical cannabis by a medical cannabis cultivator;
- 14 (2) the utilization of medical cannabis in the manufacture,
15 production, and creation of medical cannabis products by a medical
16 cannabis manufacturer;
- 17 (3) the transfer of medical cannabis and medical cannabis
18 products to and from licensed testing laboratories for testing
19 purposes;
- 20 (4) the dispensing of medical cannabis by a medical cannabis
21 dispensary or clinical registrant;
- 22 (5) the furnishing of medical cannabis by a medical cannabis
23 dispensary or clinical registrant to a medical cannabis handler for
24 delivery;
- 25 (6) the delivery of medical cannabis by a medical cannabis
26 handler;
- 27 (7) the purchase, sale, or other transfer of medical cannabis and
28 medical cannabis products between medical cannabis cultivators,
29 medical cannabis manufacturers, medical cannabis dispensaries, and
30 clinical registrants as authorized pursuant to paragraph (5) of
31 subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) and
32 subsection h. of section 27 of P.L. , c. (C.) (pending before
33 the Legislature as this bill); and
- 34 (8) any other information that the commission determines is
35 reasonably necessary to accomplish the duties, functions, and
36 powers of the commission.
- 37
- 38 30. (New section) The commission may waive any requirement
39 of P.L.2009, c.307 (C.24:6I-1 et al.) if the commission determines
40 that granting the waiver is necessary to achieve the purposes of
41 P.L.2009, c.307 (C.24:6I-1 et al.) and provide access to patients
42 who would not otherwise qualify for the medical use of cannabis to
43 alleviate suffering from a diagnosed medical condition, and does
44 not create a danger to the public health, safety, or welfare.
- 45
- 46 31. (New section) a. The Cannabis Regulatory Commission is
47 hereby created in, but not of, the Department of the Treasury, to

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

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

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

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

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

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

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

40 (4) All five members shall be residents of this State. At least
41 one member shall be a State representative of a national
42 organization or State branch of a national organization with a stated
43 mission of studying, advocating, or adjudicating against minority
44 historical oppression, past and present discrimination,
45 unemployment, poverty and income inequality, and other forms of
46 social injustice or inequality, and all five members shall possess
47 education, training, or experience with legal, policy, or criminal

1 justice issues, corporate or industry management, finance,
2 securities, or production or distribution, medicine or pharmacology,
3 or public health, mental health, or substance use disorders.

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

17 (6) The chair and other members of the commission shall devote
18 full time to their respective duties of office and shall not pursue or
19 engage in any other business, occupation, or gainful employment.
20 Each member shall receive an annual salary to be fixed and
21 established by the Governor, which for the chair shall not exceed
22 \$141,000, and for the other members shall not exceed \$125,000.

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

35 (8) A majority of the total authorized membership of the
36 commission shall be required to establish a quorum, and a majority
37 of the total authorized membership of the commission shall be
38 required to exercise its powers at any meeting thereof. However,
39 only if all five commissioners have been duly appointed in
40 accordance with the appointment process set forth in paragraph (2)
41 of this subsection, and five appointed commissioners are present at
42 a meeting, may a majority of the total authorized membership act to
43 assume the powers, duties, and responsibilities with regard to the
44 regulation and oversight of activities authorized pursuant to
45 P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health.

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

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

6 c. (1) The commission may establish, and from time to time
7 alter, a plan of organization, and employ personnel as it deems
8 necessary under the direct supervision of a full-time executive
9 director for the commission. The plan of organization shall include
10 the Office of Minority, Disabled Veterans, and Women Medical
11 Cannabis Business Development established by section 32 of
12 P.L. , c. (C.) (pending before the Legislature as this bill).

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

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

32 (ii) If, as a result of transferring powers, duties, and
33 responsibilities with regard to the regulation and oversight of
34 activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
35 from the Department of Health to the commission pursuant to
36 subsection a. of this section, the commission needs to employ an
37 individual to fill a position, employees of the department who
38 performed the duties of the position to be filled shall be given a
39 one-time right of first refusal offer of employment with the
40 commission, and such employees may be removed by the
41 commission for cause or if deemed unqualified to hold the position,
42 notwithstanding any other provision of law to the contrary. A
43 department employee who becomes employed by the commission
44 shall retain as an employee of the commission the seniority, and all
45 rights related to seniority, that the employee had with the
46 department as of the last day of employment with the department;
47 provided, however, that such seniority and seniority rights shall be

1 retained only by an employee who was transferred from
2 employment with the department to employment with the
3 commission, and shall not be retained by an employee who was
4 removed from employment with the department due to layoff
5 procedures or who resigned from a position with the department
6 prior to being hired by the commission.

7 (2) The commission may sue and be sued in any court, employ
8 legal counsel to represent the commission in any proceeding to
9 which it is a party and render legal advice to the commission upon
10 its request, as well as contract for the services of other professional,
11 technical, and operational personnel and consultants as may be
12 necessary to the performance of its responsibilities.

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

16 d. With respect to the activities of the commission, neither the
17 President of the Senate or the Speaker of the General Assembly
18 shall be permitted to appear or practice or act in any capacity
19 whatsoever before the commission regarding any matter
20 whatsoever, nor shall any member of the immediate family of the
21 Governor, President of the Senate, or Speaker of the General
22 Assembly be permitted to so practice or appear in any capacity
23 whatsoever before the commission regarding any matter
24 whatsoever. As used in this subsection, "immediate family" means
25 the spouse, domestic partner, or civil union partner, and any
26 dependent child or stepchild, recognized by blood or by law, of the
27 Governor, President of the Senate, or Speaker of the General
28 Assembly, or of the spouse, domestic partner, or civil union partner
29 residing in the same household as the Governor, President of the
30 Senate, or Speaker of the General Assembly.

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

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

38 (1) the commission's organization;

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

40 (3) the overall effectiveness of the commission as a full time
41 entity; and

42 (4) whether the regulation and oversight of medical cannabis
43 could be more effectively and efficiently managed through a
44 reorganization of the commission, consolidation of the commission
45 within the Department of Health or another Executive Branch
46 department, conversion to a part-time commission, or the transfer of

1 some or all of the commission's operations elsewhere within the
2 Executive Branch.

3 The commission shall submit the findings of the independent
4 study, along with the commission's recommendations for
5 appropriate executive, administrative, or legislative action, to the
6 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
7 19.1), to the Legislature.

8
9 32. (New section) a. There is hereby established in the
10 commission an Office of Minority, Disabled Veterans, and Women
11 Medical Cannabis Business Development. The office shall be
12 under the immediate supervision of a director. The director of the
13 office shall be appointed by the Governor, and shall serve at the
14 pleasure of the appointing Governor during the Governor's term of
15 office and until a successor has been duly appointed and qualified.
16 Any vacancy in the directorship occurring for any reason other than
17 the expiration of the director's term of office shall be filled for the
18 unexpired term only in the same manner as the original
19 appointment. The director shall receive an annual salary as
20 provided by law which shall be at an amount not to exceed the
21 annual salary of the executive director of the commission.

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

38 (2) The office shall conduct advertising and promotional
39 campaigns, and shall disseminate information to the public, to
40 increase awareness for participation in the medical cannabis
41 industry by persons from socially and economically disadvantaged
42 communities. To this end, the office shall sponsor seminars and
43 informational programs, and shall provide information on its
44 Internet website, providing practical information concerning the
45 medical cannabis industry, including information on business
46 management, marketing, and other related matters.

1 c. (1) The office shall develop, recommend, and implement
2 policies, practices, protocols, standards, and criteria designed to
3 promote the formulation of medical cannabis business entities and
4 participation in the medical cannabis industry by persons from
5 socially and economically disadvantaged communities, including by
6 promoting applications for, and the issuance of, medical cannabis
7 cultivator, medical cannabis manufacturer, medical cannabis
8 dispensary, and clinical registrant permits to certified minority,
9 women's, and disabled veterans' businesses. The office shall
10 evaluate the effectiveness of these measures by considering whether
11 the measures have resulted in new medical cannabis cultivator,
12 medical cannabis manufacturer, and medical cannabis dispensary
13 permits being issued in accordance with the provisions of
14 subsection g. of section 12 of P.L. , c. (C.) (pending
15 before the Legislature as this bill).

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

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

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

1 33. (New section) a. No person shall be appointed to or
2 employed by the commission if, during the period commencing
3 three years prior to appointment or employment, the person held
4 any direct or indirect interest in, or any employment by, any holder
5 of, or applicant for, a medical cannabis cultivator, medical cannabis
6 manufacturer, medical cannabis dispensary, or clinical registrant
7 permit pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or otherwise
8 employs any certified medical cannabis handler to perform transfers
9 or deliveries of medical cannabis; provided, however, that
10 notwithstanding any other provision of law to the contrary, any such
11 person may be appointed to or employed by the commission if the
12 person's prior interest in any such permit holder or applicant would
13 not, in the opinion of the commission, interfere with the objective
14 discharge of the person's obligations of appointment or
15 employment, but in no instance shall any person be appointed to or
16 employed by the commission if the person's prior interest in such
17 permit holder or applicant constituted a controlling interest in that
18 permit holder or applicant; and provided further, however, that
19 notwithstanding any other provision of law to the contrary, any such
20 person may be employed by the commission in a secretarial or
21 clerical position if, in the opinion of the commission, the person's
22 previous employment by, or interest in, any permit holder would
23 not interfere with the objective discharge of the person's
24 employment obligations.

25 b. Prior to appointment or employment, each member of the
26 commission and each employee of the commission shall swear or
27 affirm that the member or employee, as applicable, possesses no
28 interest in any business or organization issued a medical cannabis
29 cultivator, medical cannabis manufacturer, medical cannabis
30 dispensary, or clinical registrant permit by the commission.

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

44 (2) Each employee of the commission, except for secretarial and
45 clerical personnel, shall file with the State Ethics Commission a
46 financial disclosure statement listing all assets and liabilities,
47 property and business interests, and sources of income of the

1 employee and the employee's spouse, domestic partner, or partner in
2 a civil union couple, as the case may be. Such statement shall be
3 under oath and shall be filed at the time of employment and
4 annually thereafter. Notwithstanding the provisions of subsection
5 (n) of section 10 of P.L.1971, c.182 (C.52:13D-21), only financial
6 disclosure statements filed by a commission employee who is in a
7 policy-making management position shall be posted on the Internet
8 website of the State Ethics Commission.

9
10 34. (New section) a. The “New Jersey Conflicts of Interest
11 Law,” P.L.1971, c.182 (C.52:13D-12 et seq.) shall apply to
12 members of the commission and to all employees of the
13 commission, except as herein specifically provided.

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

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

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

26 (1) No commission member or employee shall be permitted to
27 enter and engage in any activities, nor have any interest, directly or
28 indirectly, in any medical cannabis cultivator, medical cannabis
29 manufacturer, medical cannabis dispensary, or clinical registrant
30 issued a permit by the commission in accordance with the P.L.2009,
31 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
32 medical cannabis handler to perform transfers or deliveries of
33 medical cannabis, except in the course of the member’s or
34 employee’s duties; provided that nothing in this paragraph shall be
35 construed to prohibit a member or employee who is a registered
36 qualifying patient, or who is serving as a designated caregiver or
37 institutional caregiver for a registered qualifying patient, from being
38 dispensed medical cannabis consistent with the requirements of
39 P.L.2009, c.307 (C.24:6I-1 et al.).

40 (2) No commission member or employee shall solicit or accept
41 employment from any holder of, or applicant for, a medical
42 cannabis cultivator, medical cannabis manufacturer, medical
43 cannabis dispensary, or clinical registrant permit or any entity that
44 employs any certified medical cannabis handler to perform transfers
45 or deliveries of medical cannabis for a period of two years after
46 termination of service with the commission, except as otherwise

1 provided in section 35 of P.L. , c. (C.) (pending before the
2 Legislature as this bill).

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

10 (4) No commission member or employee shall act in the
11 member's or employee's official capacity in a matter concerning
12 any holder of, or applicant for, a medical cannabis cultivator,
13 medical cannabis manufacturer, medical cannabis dispensary, or
14 clinical registrant permit or any entity that employs any certified
15 medical cannabis handler to perform transfers or deliveries of
16 medical cannabis who is the employer of a spouse, domestic
17 partner, or partner in a civil union couple, or child, parent, or
18 sibling of the commission member or employee when the fact of the
19 employment of the spouse, domestic partner, or partner in a civil
20 union couple, or child, parent, or sibling might reasonably be
21 expected to impair the objectivity and independence of judgment of
22 the commission member or employee.

23 (5) No spouse, domestic partner, or partner in a civil union
24 couple, or child, parent, or sibling of a commission member shall be
25 employed in any capacity by any holder of, or applicant for, a
26 medical cannabis cultivator, medical cannabis manufacturer,
27 medical cannabis dispensary, or clinical registrant permit, or any
28 entity that employs any certified medical cannabis handler to
29 perform transfers or deliveries of medical cannabis nor by any
30 holding, intermediary, or subsidiary company thereof.

31 (6) No commission member shall meet with any person, except
32 for any other member of the commission or employee of the
33 commission, or discuss any issues involving any pending or
34 proposed application or any matter whatsoever which may
35 reasonably be expected to come before the commission, or any
36 member thereof, for determination unless the meeting or discussion
37 takes place on the business premises of the commission, provided,
38 however, that commission members may meet to consider matters
39 requiring the physical inspection of equipment or premises at the
40 location of the equipment or premises. All meetings or discussions
41 subject to this paragraph shall be noted in a log maintained for this
42 purpose and available for inspection pursuant to the provisions of
43 P.L.1963, c.73 (C.47:1A-1 et seq.).

44 d. No commission member or employee shall have any interest,
45 direct or indirect, in any holder of, or applicant for, a medical
46 cannabis cultivator, medical cannabis manufacturer, medical
47 cannabis dispensary, or clinical registrant permit or in any entity

1 that employs any certified medical cannabis handler to perform
2 transfers or deliveries of medical cannabis during the member's
3 term of office or employee's term of employment.

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

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

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

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

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

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

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

42

43 35. (New section) a. No member of the commission shall hold
44 any direct or indirect interest in, or be employed by, any holder of,
45 or applicant for, a medical cannabis cultivator, medical cannabis
46 manufacturer, medical cannabis dispensary, or clinical registrant
47 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or in

1 any entity that employs any certified medical cannabis handler to
2 perform transfers or deliveries of medical cannabis for a period of
3 two years commencing on the date that membership on the
4 commission terminates.

5 b. (1) No employee of the commission may acquire any direct
6 or indirect interest in, or accept employment with, any holder of, or
7 applicant for, a medical cannabis cultivator, medical cannabis
8 manufacturer, medical cannabis dispensary, or clinical registrant
9 permit or in any entity that employs any certified medical cannabis
10 handler to perform transfers or deliveries of medical cannabis, for a
11 period of two years commencing at the termination of employment
12 with the commission, except that a secretarial or clerical employee
13 of the commission may accept such employment at any time after
14 the termination of employment with the commission. At the end of
15 two years and for a period of two years thereafter, a former
16 employee who held a policy-making management position at any
17 time during the five years prior to termination of employment may
18 acquire an interest in, or accept employment with, any holder of, or
19 applicant for, a medical cannabis cultivator, medical cannabis
20 manufacturer, medical cannabis dispensary, or clinical registrant
21 permit or in any entity that employs any certified medical cannabis
22 handler to perform transfers or deliveries of medical cannabis, upon
23 application to, and the approval of, the commission, upon a finding
24 that the interest to be acquired or the employment will not create the
25 appearance of a conflict of interest and does not evidence a conflict
26 of interest in fact.

27 (2) Notwithstanding the provisions of this subsection, if the
28 employment of a commission employee, other than an employee
29 who held a policy-making management position at any time during
30 the five years prior to termination of employment, is terminated as a
31 result of a reduction in the workforce at the commission, the
32 employee may, at any time prior to the end of the two-year period,
33 accept employment with any holder of, or applicant for, a medical
34 cannabis cultivator, medical cannabis manufacturer, medical
35 cannabis dispensary, or clinical registrant permit or any entity that
36 employs any certified medical cannabis handler to perform transfers
37 or deliveries of medical cannabis, upon application to, and the
38 approval of, the commission, upon a finding that the employment
39 will not create the appearance of a conflict of interest and does not
40 evidence a conflict of interest in fact. The commission shall take
41 action on an application within 30 days of receipt and an
42 application may be submitted to the commission prior to or after the
43 commencement of the employment.

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

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

6
7 36. (New section) a. (1) No holder of, or applicant for, a
8 medical cannabis cultivator, medical cannabis manufacturer,
9 medical cannabis dispensary, or clinical registrant permit issued
10 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that
11 employs any certified medical cannabis handler to perform transfers
12 or deliveries of medical cannabis shall employ or offer to employ,
13 or provide, transfer, or sell, or offer to provide, transfer, or sell any
14 interest, direct or indirect, in any medical cannabis cultivator,
15 medical cannabis manufacturer, medical cannabis dispensary, or
16 clinical registrant permit holder to any person restricted from such
17 transactions by the provisions of sections 33 through 35 of P.L. ,
18 c. (C.) (pending before the Legislature as this bill).

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

23 b. (1) A member or employee of the commission who makes
24 or causes to be made a political contribution prohibited under
25 subsection f. of section 34 of P.L. , c. (C.) (pending before
26 the Legislature as this bill) is guilty of a crime of the fourth degree,
27 but notwithstanding the provisions of subsection b. of N.J.S.2C:43-
28 3, a fine not to exceed \$200,000 may be imposed.

29 (2) A member or employee of the commission who willfully
30 violates any other provisions in sections 33 through 35 of P.L. ,
31 c. (C.) (pending before the Legislature as this bill) is guilty of
32 a disorderly persons offense.

33 c. The State Ethics Commission, established pursuant to the
34 "New Jersey Conflicts of Interest Law," P.L.1971, c.182
35 (C.52:13D-12 et seq.), shall enforce the provisions of sections 33
36 through 36 of P.L. , c. (C.) (pending before the Legislature
37 as this bill), and upon a finding of a violation, impose a civil
38 penalty of not less than \$500 nor more than \$10,000, which penalty
39 may be collected in a summary proceeding pursuant to the "Penalty
40 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
41 If a violation also represents a crime or disorderly persons offense
42 as set forth in subsection b. of this section, the State Ethics
43 Commission shall also refer the matter to the Attorney General or
44 appropriate county prosecutor for further investigation and
45 prosecution.

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

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

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

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

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

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

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

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

41 g. "Interest" means; (1) the ownership or control of more than
42 **[10%]** 10 percent of the profits or assets of a firm, association, or
43 partnership, or more than **[10%]** 10 percent of the stock in a
44 corporation for profit other than a professional service corporation
45 organized under the "Professional Service Corporation Act,"
46 P.L.1969, c.232 (C. 14A:17-1 et seq.); or (2) the ownership or
47 control of more than **[1%]** one percent of the profits of a firm,

1 association, or partnership, or more than **【1%】** one percent of the
2 stock in any corporation, (a) which is the holder of, or an applicant
3 for, a casino license or in any holding or intermediary company
4 with respect thereto, as defined by the "Casino Control Act,"
5 P.L.1977, c.110 (C.5:12-1 et seq.), or (b) which is the holder of, or
6 an applicant for, a medical cannabis cultivator, medical cannabis
7 manufacturer, medical cannabis dispensary, or clinical registrant
8 permit issued pursuant P.L.2009, c.307 (C.24:6I-1 et al.), or any
9 holding or intermediary company with respect thereto. The
10 provisions of this act governing the conduct of individuals are
11 applicable to shareholders, associates or professional employees of
12 a professional service corporation regardless of the extent or
13 amount of their shareholder interest in such a corporation.

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

19 i. "Member of the immediate family" of any person means the
20 person's spouse, domestic partner, civil union partner, child, parent,
21 or sibling residing in the same household.
22 (cf: P.L.1987, c.432, s.2)

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

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

27 (1) **【any State officer or employee subject to financial disclosure**
28 **by law or executive order and any other State officer or employee**
29 **with responsibility for matters affecting casino activity; any special**
30 **State officer or employee with responsibility for matters affecting**
31 **casino activity;】** (a) with respect to casino activity and activity
32 related to medical cannabis authorized pursuant to P.L.2009, c.307
33 (C.24:6I-1 et al.), the Governor; 【any member of the Legislature
34 or】 the President of the Senate; the Speaker of the General
35 Assembly; any full-time member of the Judiciary; any full-time
36 professional employee of the Office of the Governor 【, or the
37 Legislature; members of the Casino Reinvestment Development
38 Authority】; the head of a principal department; the assistant or
39 deputy heads of a principal department, including all assistant and
40 deputy commissioners; the head of any division of a principal
41 department;

42 (b) with respect to casino activity, any State officer or employee
43 subject to financial disclosure by law or executive order and any
44 other State officer or employee with responsibility for matters
45 affecting casino activity; any special State officer or employee with
46 responsibility for matters affecting casino activity; any member of

1 the Legislature; any full-time professional employee of the
2 Legislature; members of the Casino Reinvestment Development
3 Authority; or

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

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

19 (b) any member of the governing body or the municipal judge of
20 a municipality, any member of the planning board or zoning board
21 of adjustment, or any professional planner, or consultant regularly
22 employed or retained by such planning board or zoning board of
23 adjustment, of a municipality wherein a medical cannabis
24 cultivator, medical cannabis manufacturer, medical cannabis
25 dispensary, or clinical registrant issued a permit pursuant to
26 P.L.2009, c.307 (C.24:6I-1 et al.) is located.

27 b. (1) No State officer or employee, nor any person, nor any
28 member of the immediate family of any State officer or employee,
29 or person, nor any partnership, firm, or corporation with which any
30 such State officer or employee or person is associated or in which
31 he has an interest, nor any partner, officer, director, or employee
32 while he is associated with such partnership, firm, or corporation,
33 shall hold, directly or indirectly, an interest in, or hold employment
34 with, or represent, appear for, or negotiate on behalf of, any holder
35 of, or applicant for, a casino license, or any holding or intermediary
36 company with respect thereto, in connection with any cause,
37 application, or matter, except as provided in section 3 of P.L.2009,
38 c.26 (C.52:13D-17.3), and except that **[(1)]** (a) a State officer or
39 employee other than a State officer or employee included in the
40 definition of person, and **[(2)]** (b) a member of the immediate
41 family of a State officer or employee, or of a person, may hold
42 employment with the holder of, or applicant for, a casino license if,
43 in the judgment of the State Ethics Commission, the Joint
44 Legislative Committee on Ethical Standards, or the Supreme Court,
45 as appropriate, such employment will not interfere with the
46 responsibilities of the State officer or employee, or person, and will
47 not create a conflict of interest, or reasonable risk of the public

1 perception of a conflict of interest, on the part of the State officer or
2 employee, or person. No special State officer or employee without
3 responsibility for matters affecting casino activity, excluding those
4 serving in the Departments of Education, Health **[and Senior**
5 **Services]**, and Human Services and the **[Commission on]** Office of
6 the Secretary of Higher Education, shall hold, directly or indirectly,
7 an interest in, or represent, appear for, or negotiate on behalf of, any
8 holder of, or applicant for, a casino license, or any holding or
9 intermediary company with respect thereto, in connection with any
10 cause, application, or matter. However, a special State officer or
11 employee without responsibility for matters affecting casino
12 activity may hold employment directly with any holder of or
13 applicant for a casino license or any holding or intermediary
14 company thereof and if so employed may hold, directly or
15 indirectly, an interest in, or represent, appear for, or negotiate on
16 behalf of, **[his]** that employer, except as otherwise prohibited by
17 law.

18 (2) No State officer or employee, nor any person, nor any
19 member of the immediate family of any State officer or employee,
20 or person, nor any partnership, firm, or corporation with which any
21 such State officer or employee or person is associated or in which
22 he has an interest, nor any partner, officer, director, or employee
23 while he is associated with such partnership, firm, or corporation,
24 shall hold, directly or indirectly, an interest in, or hold employment
25 with, or represent, appear for, or negotiate on behalf of, or derive
26 any remuneration, payment, benefit, or any other thing of value for
27 any services, including but not limited to consulting or similar
28 services, from any holder of, or applicant for, a license, permit, or
29 other approval to conduct Internet gaming, or any holding or
30 intermediary company with respect thereto, or any Internet gaming
31 affiliate of any holder of, or applicant for, a casino license, or any
32 holding or intermediary company with respect thereto, or any
33 business, association, enterprise, or other entity that is organized, in
34 whole or in part, for the purpose of promoting, advocating for, or
35 advancing the interests of the Internet gaming industry generally or
36 any Internet gaming-related business or businesses in connection
37 with any cause, application, or matter, except as provided in section
38 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that **[(1)]** (a) a
39 State officer or employee other than a State officer or employee
40 included in the definition of person, and **[(2)]** (b) a member of the
41 immediate family of a State officer or employee, or of a person,
42 may hold employment with the holder of, or applicant for, a license,
43 permit, or other approval to conduct Internet gaming, or any
44 holding or intermediary company with respect thereto, or any
45 Internet gaming affiliate of any holder of, or applicant for, a casino
46 license, or any holding or intermediary company with respect
47 thereto if, in the judgment of the State Ethics Commission, the Joint

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

7 (3) No State officer or employee, nor any person, nor any
8 member of the immediate family of any State officer or employee,
9 or person, nor any partnership, firm, or corporation with which any
10 such State officer or employee or person is associated or in which
11 he has an interest, nor any partner, officer, director, or employee
12 while he is associated with such partnership, firm, or corporation,
13 shall hold, directly or indirectly, an interest in, or hold employment
14 with, or represent, appear for, or negotiate on behalf of, any holder
15 of, or applicant for, a medical cannabis cultivator, medical cannabis
16 manufacturer, medical cannabis dispensary, or clinical registrant
17 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or in
18 any entity that employs any certified medical cannabis handler to
19 perform transfers or deliveries of medical cannabis, or any holding
20 or intermediary company with respect thereto, in connection with
21 any cause, application, or matter, except as provided in section 3 of
22 P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State officer
23 or employee other than a State officer or employee included in the
24 definition of person, and (b) a member of the immediate family of a
25 State officer or employee, or of a person, may hold employment
26 with the holder of, or applicant for, a medical cannabis cultivator,
27 medical cannabis manufacturer, medical cannabis dispensary, or
28 clinical registrant permit or any entity that employs any certified
29 medical cannabis handler to perform transfers or deliveries of
30 medical cannabis if, in the judgment of the State Ethics
31 Commission, the Joint Legislative Committee on Ethical Standards,
32 or the Supreme Court, as appropriate, such employment will not
33 interfere with the responsibilities of the State officer or employee,
34 or person, and will not create a conflict of interest, or reasonable
35 risk of the public perception of a conflict of interest, on the part of
36 the State officer or employee, or person. No special State officer or
37 employee without responsibility for matters affecting medical
38 cannabis activity, excluding those serving in the Departments of
39 Education, Health, and Human Services and the Office of the
40 Secretary of Higher Education, shall hold, directly or indirectly, an
41 interest in, or represent, appear for, or negotiate on behalf of, any
42 holder of, or applicant for, a medical cannabis cultivator, medical
43 cannabis manufacturer, medical cannabis dispensary, or clinical
44 registrant permit or any entity that employs any certified medical
45 cannabis handler to perform transfers or deliveries of medical
46 cannabis, or any holding or intermediary company with respect
47 thereto, in connection with any cause, application, or matter.

1 However, a special State officer or employee without responsibility
2 for matters affecting medical cannabis activity may hold
3 employment directly with any holder of or applicant for a medical
4 cannabis cultivator, medical cannabis manufacturer, medical
5 cannabis dispensary, or clinical registrant permit, or any entity that
6 employs any certified medical cannabis handler to perform transfers
7 or deliveries of medical cannabis, or any holding or intermediary
8 company thereof, and if so employed may hold, directly or
9 indirectly, an interest in, or represent, appear for, or negotiate on
10 behalf of, that employer, except as otherwise prohibited by law.

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

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

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

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

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

32 (2) No person or any member of the person's immediate family,
33 nor any partnership, firm, or corporation with which such person is
34 associated or in which the person has an interest, nor any partner,
35 officer, director, or employee while the person is associated with
36 such partnership, firm, or corporation, shall, within two years next
37 subsequent to the termination of the office or employment of such
38 person, hold, directly or indirectly, an interest in, or hold
39 employment with, or represent, appear for, or negotiate on behalf
40 of, any holder of, or applicant for, a medical cannabis cultivator,
41 medical cannabis manufacturer, medical cannabis dispensary, or
42 clinical registrant permit issued pursuant to P.L.2009, c.307
43 (C.24:6I-1 et al.) or in any entity that employs any certified medical
44 cannabis handler to perform transfers or deliveries of medical
45 cannabis, or any holding or intermediary company with respect
46 thereto, in connection with any cause, application, or matter, or any
47 holding or intermediary company with respect to such holder of, or

1 applicant for, a medical cannabis cultivator, medical cannabis
2 manufacturer, medical cannabis dispensary, or clinical registrant
3 permit or entity that employs any certified medical cannabis handler
4 to perform transfers or deliveries of medical cannabis in connection
5 with any phase of development, permitting, licensure, or any other
6 matter whatsoever related to medical cannabis activity, except as
7 provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except
8 that:

9 (a) a member of the immediate family of a person may hold
10 employment with the holder of, or applicant for, a medical cannabis
11 cultivator, medical cannabis manufacturer, medical cannabis
12 dispensary, or clinical registrant permit issued pursuant to P.L.2009,
13 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
14 medical cannabis handler to perform transfers or deliveries of
15 medical cannabis if, in the judgment of the State Ethics
16 Commission, the Joint Legislative Committee on Ethical Standards,
17 or the Supreme Court, as appropriate, such employment will not
18 interfere with the responsibilities of the person and will not create a
19 conflict of interest, or reasonable risk of the public perception of a
20 conflict of interest, on the part of the person;

21 (b) an employee who is terminated as a result of a reduction in
22 the workforce at the agency where employed, other than an
23 employee who held a policy-making management position at any
24 time during the five years prior to termination of employment, may,
25 at any time prior to the end of the two-year period, accept
26 employment with the holder of, or applicant for, a medical cannabis
27 cultivator, medical cannabis manufacturer, medical cannabis
28 dispensary, or clinical registrant permit or any entity that employs
29 any certified medical cannabis handler to perform transfers or
30 deliveries of medical cannabis if, in the judgment of the State Ethics
31 Commission, the Joint Legislative Committee on Ethical Standards,
32 or the Supreme Court, as appropriate, such employment will not
33 create a conflict of interest, or reasonable risk of the public
34 perception of a conflict of interest, on the part of the employee. In
35 no case shall the restrictions of this subsection apply to a secretarial
36 or clerical employee. Nothing herein contained shall alter or amend
37 the post-service or post-employment restrictions applicable to
38 members and employees of the Cannabis Regulatory Commission
39 pursuant to paragraph (2) of subsection c. of section 34 and section
40 35 of P.L. , c. (C.) (pending before the Legislature as this
41 bill); and

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

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

27 d. This section shall not apply to the spouse of a State officer
28 or employee, which State officer or employee is without
29 responsibility for matters affecting casino or medical cannabis
30 activity, who becomes the spouse subsequent to the State officer's
31 or employee's appointment or employment as a State officer or
32 employee and who is not individually or directly employed by a
33 holder of, or applicant for, a casino license **[,]** or medical cannabis
34 permit, or any holding or intermediary company thereof.

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

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

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

1 medical cannabis dispensary, or clinical registrant permit issued
2 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that
3 employs any certified medical cannabis handler to perform transfers
4 or deliveries of medical cannabis, which the person knows or has
5 reason to know is other than a service or discount that is offered to
6 members of the general public in like circumstance.

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

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

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

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

43 (cf: P.L.2013, c.27, s.35)

44

45 39. (New section) If any provision of P.L.2009, c.307 (C.24:6I-
46 1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.) or its application
47 to any person or circumstance is held invalid, the invalidity does not

1 affect other provisions or applications of P.L.2009, c.307 (C.24:6I-1
2 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.) which can be
3 given effect without the invalid provision or application, and to this
4 end the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) and
5 P.L.2015, c.158 (C.18A:40-12.22 et al.) are severable.

6
7 40. N.J.S.2C:35-18 is amended to read as follows:

8 2C:35-18. Exemption; Burden of Proof. a. If conduct is
9 authorized by the provisions of P.L.1970, c.226 (C.24:21-1 et seq.),
10 P.L.2009, c.307 (C.24:6I-1 et al.), or P.L.2015, c.158 (C.18A:40-
11 12.22 et al.), that authorization shall, subject to the provisions of
12 this section, constitute an exemption from criminal liability under
13 this chapter or chapter 36, and the absence of such authorization
14 shall not be construed to be an element of any offense in this
15 chapter or chapter 36. It is an affirmative defense to any criminal
16 action arising under this chapter or chapter 36 that the defendant is
17 the authorized holder of an appropriate registration, permit, or order
18 form or is otherwise exempted or excepted from criminal liability
19 by virtue of any provision of P.L.1970, c.226 (C.24:21-1 et seq.),
20 P.L.2009, c.307 (C.24:6I-1 et al.), or P.L.2015, c.158 (C.18A:40-
21 12.22 et al.). The affirmative defense established herein shall be
22 proved by the defendant by a preponderance of the evidence. It
23 shall not be necessary for the State to negate any exemption set
24 forth in this act or in any provision of Title 24 of the Revised
25 Statutes in any complaint, information, indictment, or other
26 pleading or in any trial, hearing, or other proceeding under this act.

27 b. No liability shall be imposed by virtue of this chapter or
28 chapter 36 upon any duly authorized State officer, engaged in the
29 enforcement of any law or municipal ordinance relating to
30 controlled dangerous substances or controlled substance analogs.

31 (cf: P.L.2015, c.158, s.3)

32

33 41. Section 1 of P.L.2015, c.158 (C.18A:40-12.22) is amended
34 to read as follows:

35 1. a. A board of education or chief school administrator of a
36 nonpublic school shall develop a policy authorizing parents,
37 guardians, and **【primary】** designated caregivers to administer
38 medical **【marijuana】** cannabis to a student while the student is on
39 school grounds, aboard a school bus, or attending a school-
40 sponsored event.

41 b. A policy adopted pursuant to subsection a. of this section
42 shall, at a minimum:

43 (1) require that the student be authorized to engage in the
44 medical use of **【marijuana】** cannabis pursuant to P.L.2009, c.307
45 (C.24:6I-1 et al.) and that the parent, guardian, or **【primary】**
46 designated caregiver be authorized to assist the student with the

1 medical use of **【marijuana】** cannabis pursuant to P.L.2009, c.307
2 (C.24:6I-1 et al.);

3 (2) establish protocols for verifying the registration status and
4 ongoing authorization pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
5 concerning the medical use of **【marijuana】** cannabis for the student
6 and the parent, guardian, or **【primary】** designated caregiver;

7 (3) expressly authorize parents, guardians, and **【primary】**
8 designated caregivers of students who have been authorized for the
9 medical use of **【marijuana】** cannabis to administer medical
10 **【marijuana】** cannabis to the student while the student is on school
11 grounds, aboard a school bus, or attending a school-sponsored
12 event;

13 (4) identify locations on school grounds where medical
14 **【marijuana】** cannabis may be administered; and

15 (5) prohibit the administration of medical **【marijuana】** cannabis
16 to a student by smoking or other form of inhalation while the
17 student is on school grounds, aboard a school bus, or attending a
18 school-sponsored event.

19 c. Medical **【marijuana】** cannabis may be administered to a
20 student while the student is on school grounds, aboard a school bus,
21 or attending school-sponsored events, provided that such
22 administration is consistent with the requirements of the policy
23 adopted pursuant to this section.

24 (cf: P.L.2015, c.158, s.1)

25

26 42. Section 2 of P.L.2015, c.158 (C.30:6D-5b) is amended to
27 read as follows:

28 2. a. The chief administrator of a facility that offers services
29 for persons with developmental disabilities shall develop a policy
30 authorizing a parent, guardian, or **【primary】** designated caregiver
31 authorized to assist a qualifying patient with the use of medical
32 **【marijuana】** cannabis pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
33 to administer medical **【marijuana】** cannabis to a person who is
34 receiving services for persons with developmental disabilities at the
35 facility.

36 b. A policy adopted pursuant to subsection a. of this section
37 shall, at a minimum:

38 (1) require the person receiving services for persons with
39 developmental disabilities be a qualifying patient authorized for the
40 use of medical **【marijuana】** cannabis pursuant to P.L.2009, c.307
41 (C.24:6I-1 et al.), and that the parent, guardian, or **【primary】**
42 designated caregiver be authorized to assist the person with the
43 medical use of **【marijuana】** cannabis pursuant to P.L.2009, c.307
44 (C.24:6I-1 et al.);

45 (2) establish protocols for verifying the registration status and
46 ongoing authorization pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)

1 concerning the medical use of **【marijuana】** cannabis for the person
2 and the parent, guardian, or **【primary】** designated caregiver;

3 (3) expressly authorize parents, guardians, and **【primary】**
4 designated caregivers to administer medical **【marijuana】** cannabis
5 to the person receiving services for persons with developmental
6 disabilities while the person is at the facility; and

7 (4) identify locations at the facility where medical **【marijuana】**
8 cannabis may be administered.

9 c. Medical **【marijuana】** cannabis may be administered to a
10 person receiving services for persons with developmental
11 disabilities at a facility that offers such services while the person is
12 at the facility, provided that such administration is consistent with
13 the requirements of the policy adopted pursuant to this section and
14 the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).

15 d. Nothing in this section shall be construed to authorize
16 medical **【marijuana】** cannabis to be smoked in any place where
17 smoking is prohibited pursuant to N.J.S.2C:33-13.

18 (cf: P.L.2015, c.158, s.2)

19

20 43. (New section) a. The chief administrator of a facility that
21 offers behavioral health care services shall develop a policy
22 authorizing a parent, guardian, or designated caregiver authorized to
23 assist a qualifying patient with the use of medical cannabis pursuant
24 to P.L.2009, c.307 (C.24:6I-1 et al.) to administer medical cannabis
25 to a person who is receiving behavioral health care services at the
26 facility.

27 b. A policy adopted pursuant to subsection a. of this section
28 shall, at a minimum:

29 (1) require the person receiving behavioral health care services
30 be a qualifying patient authorized for the use of medical cannabis
31 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), and that the parent,
32 guardian, or designated caregiver be authorized to assist the person
33 with the medical use of cannabis pursuant to P.L.2009, c.307
34 (C.24:6I-1 et al.);

35 (2) establish protocols for verifying the registration status and
36 ongoing authorization pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
37 concerning the medical use of cannabis for the person and the
38 parent, guardian, or designated caregiver;

39 (3) expressly authorize parents, guardians, and designated
40 caregivers to administer medical cannabis to the person receiving
41 behavioral health care services while the person is at the facility;
42 and

43 (4) identify locations at the facility where medical cannabis may
44 be administered.

45 c. Medical cannabis may be administered to a person receiving
46 behavioral health care services at a facility that offers such services

1 while the person is at the facility, provided that such administration
2 is consistent with the requirements of the policy adopted pursuant to
3 this section and the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).

4 d. Nothing in this section shall be construed to authorize
5 medical cannabis to be smoked in any place where smoking is
6 prohibited pursuant to N.J.S.2C:33-13.

7 e. As used in this section, "behavioral health care services"
8 means procedures or services provided by a health care practitioner
9 to a patient for the treatment of a mental illness or emotional
10 disorder that is of mild to moderate severity. "Behavioral health
11 care" and "behavioral health care services" shall not include
12 procedures or services that are provided for the treatment of severe
13 mental illness, severe emotional disorder, or any drug or alcohol use
14 disorder.

15

16 44. Section 11 of P.L.2009, c.307 (C.45:1-45.1) is amended to
17 read as follows:

18 11. a. A **【physician】** health care practitioner who **【provides a**
19 **certification】** authorizes a patient for the medical use of cannabis or
20 who provides a written instruction for the medical use of
21 **【marijuana】** cannabis to a qualifying patient pursuant to P.L.2009,
22 c.307 (C.24:6I-1 et al.) and **【any alternative treatment center】** each
23 medical cannabis dispensary and clinical registrant shall furnish to
24 the Director of the Division of Consumer Affairs in the Department
25 of Law and Public Safety such information, on a daily basis and in
26 such a format **【and at such intervals,】** as the director shall prescribe
27 by regulation, for inclusion in a system established to monitor the
28 dispensation of **【marijuana】** cannabis in this State for medical use
29 as authorized by the provisions of P.L.2009, c.307 (C.24:6I-
30 1 et al.), which system shall serve the same purpose as, and be
31 cross-referenced with, the electronic system for monitoring
32 controlled dangerous substances established pursuant to section 25
33 of P.L.2007, c.244 (C.45:1-45).

34 b. The Director of the Division of Consumer Affairs, pursuant
35 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
36 1 et seq.), and in consultation with the **【Commissioner of Health**
37 **and Senior Services】** Cannabis Regulatory Commission, shall adopt
38 rules and regulations to effectuate the purposes of subsection a. of
39 this section.

40 c. Notwithstanding any provision of P.L.1968, c.410
41 (C.52:14B-1 et seq.) to the contrary, the Director of the Division of
42 Consumer Affairs shall adopt, immediately upon filing with the
43 Office of Administrative Law and no later than the 90th day after
44 the effective date of P.L.2009, c.307 (C.24:6I-1 et al.), such
45 regulations as the director deems necessary to implement the
46 provisions of subsection a. of this section. Regulations adopted

1 pursuant to this subsection shall be effective until the adoption of
2 rules and regulations pursuant to subsection b. of this section and
3 may be amended, adopted, or readopted by the director in
4 accordance with the requirements of P.L.1968, c.410 (C.52:14B-
5 1 et seq.).

6 (cf: P.L.2009, c.307, s.11)

7

8 45. Section 7 of P.L.1991, c.378 (C.45:9-27.16) is amended to
9 read as follows:

10 7. a. A physician assistant may perform the following
11 procedures:

12 (1) Approaching a patient to elicit a detailed and accurate
13 history, perform an appropriate physical examination, identify
14 problems, record information, and interpret and present information
15 to the supervising physician;

16 (2) Suturing and caring for wounds including removing sutures
17 and clips and changing dressings, except for facial wounds,
18 traumatic wounds requiring suturing in layers, and infected wounds;

19 (3) Providing patient counseling services and patient education
20 consistent with directions of the supervising physician;

21 (4) Assisting a physician in an inpatient setting by conducting
22 patient rounds, recording patient progress notes, determining and
23 implementing therapeutic plans jointly with the supervising
24 physician, and compiling and recording pertinent narrative case
25 summaries;

26 (5) Assisting a physician in the delivery of services to patients
27 requiring continuing care in a private home, nursing home,
28 extended care facility, or other setting, including the review and
29 monitoring of treatment and therapy plans; and

30 (6) Referring patients to, and promoting their awareness of,
31 health care facilities and other appropriate agencies and resources in
32 the community.

33 (7) (Deleted by amendment, P.L.2015, c.224)

34 b. A physician assistant may perform the following procedures
35 only when directed, ordered, or prescribed by the supervising
36 physician, or when performance of the procedure is delegated to the
37 physician assistant by the supervising physician as authorized under
38 subsection d. of this section:

39 (1) Performing non-invasive laboratory procedures and related
40 studies or assisting duly licensed personnel in the performance of
41 invasive laboratory procedures and related studies;

42 (2) Giving injections, administering medications, and requesting
43 diagnostic studies;

44 (3) Suturing and caring for facial wounds, traumatic wounds
45 requiring suturing in layers, and infected wounds;

1 (4) Writing prescriptions or ordering medications in an inpatient
2 or outpatient setting in accordance with section 10 of P.L.1991,
3 c.378 (C.45:9-27.19); **[and]**

4 (5) Prescribing the use of patient restraints; and

5 (6) Authorizing qualifying patients for the medical use of
6 cannabis and issuing written instructions for medical cannabis to
7 registered qualifying patients pursuant to P.L.2009, c.307 (C.24:6I-
8 1 et al.).

9 c. A physician assistant may assist a supervising surgeon in the
10 operating room when a qualified assistant physician is not required
11 by the board and a second assistant is deemed necessary by the
12 supervising surgeon.

13 d. A physician assistant may perform medical services beyond
14 those explicitly authorized in this section, when such services are
15 delegated by a supervising physician with whom the physician
16 assistant has signed a delegation agreement pursuant to section 8 of
17 P.L.1991, c.378 (C.45:9-27.17). The procedures delegated to a
18 physician assistant shall be limited to those customary to the
19 supervising physician's specialty and within the supervising
20 physician's and the physician assistant's competence and training.

21 e. Notwithstanding subsection d. of this section, a physician
22 assistant shall not be authorized to measure the powers or range of
23 human vision, determine the accommodation and refractive states of
24 the human eye, or fit, prescribe, or adapt lenses, prisms, or frames
25 for the aid thereof. Nothing in this subsection shall be construed to
26 prohibit a physician assistant from performing a routine visual
27 screening.

28 (cf: P.L.2015, c.224, s.7)

29
30 46. Section 10 of P.L.1991, c.378 (C.45:9-27.19) is amended to
31 read as follows:

32 10. A physician assistant may order, prescribe, dispense, and
33 administer medications and medical devices and issue written
34 instructions to registered qualifying patients for medical cannabis to
35 the extent delegated by a supervising physician.

36 a. Controlled dangerous substances may only be ordered or
37 prescribed if:

38 (1) a supervising physician has authorized a physician assistant
39 to order or prescribe Schedule II, III, IV, or V controlled dangerous
40 substances in order to:

41 (a) continue or reissue an order or prescription for a controlled
42 dangerous substance issued by the supervising physician;

43 (b) otherwise adjust the dosage of an order or prescription for a
44 controlled dangerous substance originally ordered or prescribed by
45 the supervising physician, provided there is prior consultation with
46 the supervising physician;

- 1 (c) initiate an order or prescription for a controlled dangerous
2 substance for a patient, provided there is prior consultation with the
3 supervising physician if the order or prescription is not pursuant to
4 subparagraph (d) of this paragraph; or
- 5 (d) initiate an order or prescription for a controlled dangerous
6 substance as part of a treatment plan for a patient with a terminal
7 illness, which for the purposes of this subparagraph means a
8 medical condition that results in a patient's life expectancy being 12
9 months or less as determined by the supervising physician;
- 10 (2) the physician assistant has registered with, and obtained
11 authorization to order or prescribe controlled dangerous substances
12 from, the federal Drug Enforcement Administration and any other
13 appropriate State and federal agencies; and
- 14 (3) the physician assistant complies with all requirements which
15 the board shall establish by regulation for the ordering, prescription,
16 or administration of controlled dangerous substances, all applicable
17 educational program requirements, and continuing professional
18 education programs approved pursuant to section 16 of P.L.1991,
19 c.378 (C.45:9-27.25).
- 20 b. (Deleted by amendment, P.L.2015, c.224)
- 21 c. (Deleted by amendment, P.L.2015, c.224)
- 22 d. In the case of an order or prescription for a controlled
23 dangerous substance or written instructions for medical cannabis,
24 the physician assistant shall print on the order or prescription or the
25 written instructions the physician assistant's Drug Enforcement
26 Administration registration number.
- 27 e. The dispensing of medication or a medical device by a
28 physician assistant shall comply with relevant federal and State
29 regulations, and shall occur only if: (1) pharmacy services are not
30 reasonably available; (2) it is in the best interest of the patient; or
31 (3) the physician assistant is rendering emergency medical
32 assistance.
- 33 f. A physician assistant may request, receive, and sign for
34 prescription drug samples and may distribute those samples to
35 patients.
- 36 g. A physician assistant may issue written instructions to a
37 registered qualifying patient for medical cannabis pursuant to
38 section 10 of P.L.2009, c.307 (C.24:6I-10) only if:
- 39 (1) a supervising physician has authorized the physician
40 assistant to issue written instructions to registered qualifying
41 patients;
- 42 (2) the physician assistant verifies the patient's status as a
43 registered qualifying patient; and
- 44 (3) the physician assistant complies with the requirements for
45 issuing written instructions for medical cannabis established
46 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.).
- 47 (cf: P.L.2015, c.224, s.7)

1 47. Section 10 of P.L.1991, c.377 (C.45:11-49) is amended to
2 read as follows:

3 10. a. In addition to all other tasks which a registered
4 professional nurse may, by law, perform, an advanced practice
5 nurse may manage preventive care services and diagnose and
6 manage deviations from wellness and long-term illnesses, consistent
7 with the needs of the patient and within the scope of practice of the
8 advanced practice nurse, by:

9 (1) initiating laboratory and other diagnostic tests;

10 (2) prescribing or ordering medications and devices, as
11 authorized by subsections b. and c. of this section; and

12 (3) prescribing or ordering treatments, including referrals to
13 other licensed health care professionals, and performing specific
14 procedures in accordance with the provisions of this subsection.

15 b. An advanced practice nurse may order medications and
16 devices in the inpatient setting, subject to the following conditions:

17 (1) the collaborating physician and advanced practice nurse
18 shall address in the joint protocols whether prior consultation with
19 the collaborating physician is required to initiate an order for a
20 controlled dangerous substance;

21 (2) the order is written in accordance with standing orders or
22 joint protocols developed in agreement between a collaborating
23 physician and the advanced practice nurse, or pursuant to the
24 specific direction of a physician;

25 (3) the advanced practice nurse authorizes the order by signing
26 the nurse's own name, printing the name and certification number,
27 and printing the collaborating physician's name;

28 (4) the physician is present or readily available through
29 electronic communications;

30 (5) the charts and records of the patients treated by the advanced
31 practice nurse are reviewed by the collaborating physician and the
32 advanced practice nurse within the period of time specified by rule
33 adopted by the Commissioner of Health pursuant to section 13 of
34 P.L.1991, c.377 (C.45:11-52);

35 (6) the joint protocols developed by the collaborating physician
36 and the advanced practice nurse are reviewed, updated, and signed
37 at least annually by both parties; and

38 (7) the advanced practice nurse has completed six contact hours
39 of continuing professional education in pharmacology related to
40 controlled substances, including pharmacologic therapy, addiction
41 prevention and management, and issues concerning prescription
42 opioid drugs, including responsible prescribing practices,
43 alternatives to opioids for managing and treating pain, and the risks
44 and signs of opioid abuse, addiction, and diversion, in accordance
45 with regulations adopted by the New Jersey Board of Nursing. The
46 six contact hours shall be in addition to New Jersey Board of
47 Nursing pharmacology education requirements for advanced

1 practice nurses related to initial certification and recertification of
2 an advanced practice nurse as set forth in N.J.A.C.13:37-7.2.

3 c. An advanced practice nurse may prescribe medications and
4 devices in all other medically appropriate settings, subject to the
5 following conditions:

6 (1) the collaborating physician and advanced practice nurse
7 shall address in the joint protocols whether prior consultation with
8 the collaborating physician is required to initiate a prescription for a
9 controlled dangerous substance;

10 (2) the prescription is written in accordance with standing orders
11 or joint protocols developed in agreement between a collaborating
12 physician and the advanced practice nurse, or pursuant to the
13 specific direction of a physician;

14 (3) the advanced practice nurse writes the prescription on a New
15 Jersey Prescription Blank pursuant to P.L.2003, c.280 (C.45:14-
16 40 et seq.), signs the nurse's own name to the prescription and prints
17 the nurse's name and certification number;

18 (4) the prescription is dated and includes the name of the patient
19 and the name, address, and telephone number of the collaborating
20 physician;

21 (5) the physician is present or readily available through
22 electronic communications;

23 (6) the charts and records of the patients treated by the advanced
24 practice nurse are periodically reviewed by the collaborating
25 physician and the advanced practice nurse;

26 (7) the joint protocols developed by the collaborating physician
27 and the advanced practice nurse are reviewed, updated, and signed
28 at least annually by both parties; and

29 (8) the advanced practice nurse has completed six contact hours
30 of continuing professional education in pharmacology related to
31 controlled substances, including pharmacologic therapy, addiction
32 prevention and management, and issues concerning prescription
33 opioid drugs, including responsible prescribing practices,
34 alternatives to opioids for managing and treating pain, and the risks
35 and signs of opioid abuse, addiction, and diversion, in accordance
36 with regulations adopted by the New Jersey Board of Nursing. The
37 six contact hours shall be in addition to New Jersey Board of
38 Nursing pharmacology education requirements for advanced
39 practice nurses related to initial certification and recertification of
40 an advanced practice nurse as set forth in N.J.A.C.13:37-7.2.

41 d. The joint protocols employed pursuant to subsections b. and
42 c. of this section shall conform with standards adopted by the
43 Director of the Division of Consumer Affairs pursuant to section 12
44 of P.L.1991, c.377 (C.45:11-51) or section 10 of P.L.1999, c.85
45 (C.45:11-49.2), as applicable.

46 e. (Deleted by amendment, P.L.2004, c.122.)

1 f. An attending advanced practice nurse may determine and
2 certify the cause of death of the nurse's patient and execute the
3 death certification pursuant to R.S.26:6-8 if no collaborating
4 physician is available to do so and the nurse is the patient's primary
5 caregiver.

6 g. An advanced practice nurse may authorize qualifying
7 patients for the medical use of cannabis and issue written
8 instructions for medical cannabis to registered qualifying patients,
9 subject to the following conditions:

10 (1) the collaborating physician and advanced practice nurse
11 shall address in the joint protocols whether prior consultation with
12 the collaborating physician is required to authorize a qualifying
13 patient for the medical use of cannabis or issue written instructions
14 for medical cannabis;

15 (2) the authorization for the medical use of cannabis or issuance
16 of written instructions for cannabis is in accordance with standing
17 orders or joint protocols developed in agreement between a
18 collaborating physician and the advanced practice nurse, or
19 pursuant to the specific direction of a physician;

20 (3) the advanced practice nurse signs the nurse's own name to
21 the authorization or written instruction and prints the nurse's name
22 and certification number;

23 (4) the authorization or written instruction is dated and includes
24 the name of the qualifying patient and the name, address, and
25 telephone number of the collaborating physician;

26 (5) the physician is present or readily available through
27 electronic communications;

28 (6) the charts and records of qualifying patients treated by the
29 advanced practice nurse are periodically reviewed by the
30 collaborating physician and the advanced practice nurse;

31 (7) the joint protocols developed by the collaborating physician
32 and the advanced practice nurse are reviewed, updated, and signed
33 at least annually by both parties; and

34 (8) the advanced practice nurse complies with the requirements
35 for authorizing qualifying patients for the medical use of cannabis
36 and for issuing written instructions for medical cannabis established
37 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.).

38 (cf: P.L.2017, c.28, s.15)

39
40 48. Section 5 of P.L.2009, c.307 (C.24:6I-5) is repealed.

41
42 49. This act shall take effect immediately.

STATEMENT

1
2
3 This bill makes various revisions to the “Compassionate Use
4 Medical Marijuana Act,” P.L.2009, c.307 (C.24:6I-1 et al.),
5 including renaming the act the “Jake Honig Compassionate Use
6 Medical Cannabis Act,” establishing a new Cannabis Regulatory
7 Commission (CRC) to oversee the medical cannabis program;
8 revising the requirements to authorize a patient for medical
9 cannabis; revising the permit and operational requirements for
10 alternative treatment centers (ATCs), including establishing discrete
11 cultivator, manufacturer, and dispensary permits; creating a new
12 clinical registrant permit; authorizing delivery of medical cannabis,
13 and establishing additional protections for registry cardholders.
14

15 Cannabis Regulatory Commission
16

17 The CRC will consist of five, full-time members. At least one
18 member is to be a State representative of a national organization or
19 State branch of such an organization with a stated mission of
20 studying, advocating, or adjudicating against forms of social
21 injustice or inequality, and all members are to possess education,
22 training, or experience with: legal, policy, or criminal justice issues;
23 corporate or industry management, finance, securities, or
24 production or distribution; medicine or pharmacology; or public
25 health, mental health, or substance use disorders.

26 The initially designated chair and two other initial members will
27 be appointed by the Governor, another initial member will be
28 appointed by the Governor upon the recommendation of the Senate
29 President, and the final initial member will be appointed by the
30 Governor upon the recommendation of the Speaker of the General
31 Assembly. Thereafter, the Governor will appoint, with the advice
32 and consent of the Senate, the chair and the two other members not
33 requiring any legislative leadership recommendation. The
34 appointments based upon based upon the Senate President’s and
35 Speaker’s recommendation would continue to be direct
36 gubernatorial appointments that are not subject to the advice and
37 consent of the Senate. All five members will serve terms of five
38 years, although the initial terms would include one four-year term
39 and one three-year term in order to stagger reappointments. The
40 chair will be provided a salary not to exceed \$141,000, and the
41 other members will be provided a salary not to exceed \$125,000.

42 The CRC will assume responsibility for oversight,
43 administration, and enforcement of the medical cannabis program
44 from the Department of Health at such time as the members of the
45 commission are appointed and the commission first organizes. The
46 bill will permit, based on the transfer of responsibility, employees
47 of the department who performed the duties of any position to be
48 filled by the CRC a one-time right of first refusal offer of
49 employment. Any department employee who is employed by the

1 CRC in this manner will retain seniority, and all rights related to
2 seniority, that the employee had with the department as of the last
3 day of employment with the department.

4 The CRC will be charged with establishing a plan of
5 organization, and employing personnel as it deems necessary to
6 operate under the direct supervision of a full-time executive
7 director. The new executive director position will be initially filled
8 directly by the Governor, and thereafter will be appointed by the
9 Governor with the advice and consent of the Senate.

10 One mandatory aspect to the CRC's organization plan will be the
11 inclusion of an Office of Minority, Disabled Veterans, and Women
12 Cannabis Business Development, operating under the supervision of
13 a director appointed by the Governor. This office is to establish and
14 administer, under the direction of the CRC, unified practices and
15 procedures for promoting participation in the medical cannabis
16 industry by persons from socially and economically disadvantaged
17 communities, including by prospective and existing minority owned
18 and women's owned businesses and disabled veterans' businesses.
19 These unified practices and procedures are to include a business's
20 certification and subsequent recertification at regular intervals as a
21 minority owned or women's owned business, or a disabled
22 veterans' business, in accordance with eligibility criteria and a
23 certification application process established by the CRC in
24 consultation with the office.

25 The effectiveness of these methods will be measured by whether
26 the office's actions result in at least 30 percent of the total number
27 of ATC permits issued by the CRC being issued to businesses
28 certified by the office; the effectiveness will be further assessed by
29 considering whether the actions resulted in at least 15 percent of
30 new permits being issued to certified minority owned businesses,
31 and at least 15 percent of new permits being issued to certified
32 women-owned and disabled veterans' businesses. The office, in
33 support of these efforts, is to conduct advertising and promotional
34 campaigns, as well as sponsor seminars and informational
35 programs, directed toward those persons and prospective and
36 existing certified businesses, which would address medical cannabis
37 business management, marketing, and other practical business
38 matters.

39

40 Ethical and Conflicts-of-Interest Requirements for the CRC

41

42 The members of the CRC and all CRC employees will be subject
43 to ethical and conflicts-of-interest restrictions, addressing activities
44 engaged in prior to, during, and following service with the CRC.
45 For instance, a person generally may not be an appointed member
46 or employee of the CRC if, during the period commencing three
47 years prior to appointment or employment, the person held any
48 direct or indirect interest in, or any employment by, a holder of or
49 applicant for an ATC permit, unless the person's prior interest

1 would not, in the opinion of the CRC, interfere with the person's
2 obligations of appointment or employment. Additionally, for a
3 period of two years commencing from the date that a member's or
4 employee's service terminates, that former member or employee
5 will not be permitted to hold any direct or indirect interest in, or any
6 employment by, a holder of or applicant for an ATC permit;
7 provided that the two-year post-service restriction would not apply
8 to secretarial or clerical employees.

9 At the time each member and employee commences service, with
10 the exception of secretarial and clerical employees, the member or
11 employee will be required to file a financial disclosure statement
12 with the State Ethics Commission listing all assets and liabilities,
13 property and business interests, and sources of income for the
14 person and for the person's spouse or domestic or civil union
15 partner. Additionally, CRC members are to provide the same
16 information for each dependent child or stepchild of the member,
17 and of the member's spouse or domestic or civil union partner, who
18 resides in the same household as the member.

19 Members and employees will generally be subject to the "New
20 Jersey Conflicts of Interest Law," P.L.1971, c.182 (C.52:13D-12 et
21 seq.), as well as a Code of Ethics promulgated by the CRC that is
22 modeled upon the Code of Judicial Conduct of the American Bar
23 Association. All members and employees will be prohibited from
24 using any official authority to interfere with or affect the result of
25 an election or nomination for office, coerce or advise any person to
26 contribute anything of value to another person or organization for
27 political purposes, or take active part in any political campaign.
28 Additionally, the members of the CRC, the executive director, and
29 any other employee holding a supervisory or policy-making
30 management position will be prohibited from making any political
31 contributions to candidates or campaigns. A violation of this
32 prohibition constitutes a crime of the fourth degree, which is
33 punishable by imprisonment for up to 18 months, a fine of up to
34 \$10,000, or both.

35 The bill also revises the "New Jersey Conflicts of Interest Law"
36 to establish restrictions on various State officers or employees, the
37 Governor and full-time professionals employed in the Governor's
38 Office, full-time members of the Judiciary, and various officers of
39 the municipality in which an ATC is located. These restrictions
40 concern not only their own activities, but the activities of their
41 associated partnerships, firms, or corporations, and their family
42 members in connection with either employment or another interest
43 in, or representation of, current ATCs. These restrictions are
44 similar to the restrictions that apply to these people and businesses
45 under the current law concerning casino licensees and applicants,
46 and casino-related activities, and include a general prohibition on
47 employment, representation, appearance for, or negotiation on
48 behalf of, any permit holder or applicant in connection with any
49 cause, application, or matter, and these restrictions can carry over

1 into the post-employment or post-service period following the
2 departure of a person from State or local employment or office.

3 The ethical and conflicts-of-interest restrictions will be enforced
4 by the State Ethics Commission, and any person found to have
5 committed a violation will be subject to a civil penalty of not less
6 than \$500 or more than \$10,000. Additionally, any willful violation
7 of these restrictions will constitute a disorderly persons offense,
8 punishable by a term of imprisonment of up to six months, a fine of
9 up to \$1,000, or both.

10 If the CRC finds that a holder of or applicant for an ATC permit
11 committed a violation involving a CRC member or employee with
12 respect to pre-service activities, activities during service, or post-
13 service activities, the permit holder or applicant will be subject to a
14 civil penalty of not less than \$500 or more than \$10,000, and
15 possible permit revocation or suspension, or denial of an
16 application, as applicable.

17 The bill provides that nothing in the ethics and conflict-of-
18 interest restrictions would prohibit a member or employee from
19 being a registered qualifying patient or from serving as a designated
20 or institutional caregiver for a patient.

21

22 Patient and Caregiver Requirements

23

24 Current law sets forth an enumerated list of debilitating medical
25 conditions that can qualify a patient for the medical use of cannabis.
26 The bill changes the term “debilitating medical condition” to
27 “qualifying medical condition,” and updates and revises the list of
28 conditions in certain ways, including adding additional conditions
29 and providing that medical cannabis may be used as a treatment of
30 first resort for any condition included in the list, which are: seizure
31 disorder, including epilepsy; intractable skeletal muscular
32 spasticity; post-traumatic stress disorder; glaucoma; positive status
33 for human immunodeficiency virus; acquired immune deficiency
34 syndrome; cancer; amyotrophic lateral sclerosis; multiple sclerosis;
35 muscular dystrophy; inflammatory bowel disease, including Crohn's
36 disease; terminal illness, if the patient has a prognosis of less than
37 12 months of life; anxiety; migraine; Tourette's syndrome;
38 dysmenorrhea; chronic pain; opioid use disorder; or any other
39 condition that is approved by the CRC.

40 The bill expands the list of professionals who can authorize
41 patients for the medical use of cannabis. Current law only allows
42 physicians to provide this authorization; the bill provides that
43 physician assistants and advanced practice nurses may authorize
44 patients for medical cannabis as well, and eliminates the
45 requirement for the professional to have a bona fide provider-
46 patient relationship with the patient. The bill requires that only a
47 pediatric specialist may approve a patient who is a minor for
48 medical cannabis. The bill provides that health care practitioners
49 will not be required to register with the CRC, or be publicly listed

1 in any CRC registry, as a condition of authorizing patients for
2 medical cannabis. Practitioners will be prohibited from authorizing
3 themselves or members of their immediate family for medical
4 cannabis.

5 With regard to caregivers, current law provides that each patient
6 may have only one primary caregiver and that a person may serve
7 as primary caregiver to no more than one patient at a time. The bill
8 changes the term “primary caregiver” to “designated caregiver,”
9 and provides that each caregiver may serve up to two patients at one
10 time and that each patient may have up to two designated caregivers
11 at one time. Patients may petition the CRC for approval to have
12 more than two designated caregivers. An immediate family
13 member of a patient will not be required to undergo a criminal
14 history record background check as a condition of serving as
15 designated caregiver.

16 The bill also establishes the position of “institutional caregiver,”
17 which is an employee of a health care facility who is authorized to
18 assist qualifying patients who are patients or residents at the health
19 care facility with the medical use of cannabis, including obtaining
20 medical cannabis for the patient from a medical cannabis dispensary
21 or clinical registrant and accepting deliveries of medical cannabis
22 for the patient. An institutional caregiver registration will be valid
23 for one year. Each institutional caregiver will be required to be a
24 New Jersey resident, at least 18 years of age, and authorized, within
25 the individual’s scope of professional practice, to possess and
26 administer controlled dangerous substances to patients and residents
27 at the facility. An institutional caregiver will be required to
28 undergo a criminal history record background check unless the
29 individual has already done so as a condition of professional
30 licensure or certification. Medical cannabis may be dispensed to an
31 institutional caregiver if authorized by the patient. There will be no
32 limit to the number of patients an institutional caregiver can serve at
33 one time, provided that the caregiver is able to meet the needs of all
34 such patients and attend to the caregiver’s other duties at the facility
35 without jeopardizing the health or safety of any patient or resident
36 at the facility. Facilities that choose to authorize the use of
37 institutional caregivers will be required to certify, with each
38 caregiver application, that the facility has established appropriate
39 security measures to prevent unauthorized access to medical
40 cannabis to guard against theft, diversion, and adulteration while
41 the cannabis is stored at the facility or is being transported to the
42 facility by an institutional caregiver; the facility has established
43 protocols to prevent adverse drug interactions between medical
44 cannabis and other medications; the facility will not charge a patient
45 for medical cannabis in excess of the actual cost of the medical
46 cannabis plus reasonable acquisition costs; and the facility will
47 promptly notify the CRC in the event that an institutional caregiver
48 ceases to be employed by the facility or is convicted of a crime.
49 For the purposes of the bill, “health care facility” includes a general

1 acute care hospital, nursing home, long term care facility, hospice
2 care facility, group home, facility that provides services to persons
3 with developmental disabilities, behavioral health care facility, and
4 rehabilitation center.

5 The bill provides that qualifying patients and designated
6 caregivers who are registered with a medical cannabis program in
7 another state will be deemed to be qualifying patients and
8 designated caregivers for the purposes of New Jersey law for up to
9 six months, provided the individual possesses a valid registry card
10 and a photo identification card issued by the other state. Medical
11 cannabis may only be dispensed to an out-of-State patient or
12 caregiver pursuant to written instructions issued by a New Jersey
13 practitioner, and medical cannabis cannot be delivered to any
14 individual who is not registered with the CRC. After six months,
15 the out-of-State registrant will be prohibited from engaging in
16 conduct related to medical cannabis in New Jersey unless the
17 individual is registered as a qualifying patient or caregiver in New
18 Jersey. The CRC is to seek to establish medical cannabis
19 reciprocity agreements with other states.

20 The bill allows the CRC to establish an alternate means to
21 identify and verify the registration status of patients and caregivers
22 other than the registry identification card currently in use.

23

24 Dispensing Requirements for Medical Cannabis

25

26 Current law provides that up to two ounces of medical cannabis
27 may be dispensed to a patient in a 30-day period. The bill revises
28 these quantity restrictions to provide that, for a period of 18 months
29 after the effective date of the bill, patients may be dispensed up to
30 three ounces of medical cannabis in dried form or the equivalent
31 amount in any other form. Thereafter, the maximum amount that
32 may be dispensed to a patient will be established by the CRC by
33 regulation. Current law provides that a physician may authorize a
34 patient for up to a 90-day supply of medical cannabis at one time,
35 with specified dates on which each set of written instructions
36 becomes valid for dispensing. The bill revises this to allow a
37 practitioner to authorize up to a one-year supply at one time, subject
38 to the same staggered dispensing requirements. Upon dispensing
39 medical cannabis, the medical cannabis dispensary or clinical
40 registrant is to notify the practitioner of the amount, strain, and
41 form of medical cannabis dispensed. The bill removes a provision
42 that limits access to edible forms of medical cannabis, including
43 oils, to qualifying patients who are minors, and specifies that
44 medical cannabis may be distributed in transdermal, sublingual, and
45 tincture forms, as well as in the forms authorized under current law.

46 The bill authorizes delivery of medical cannabis to patients by a
47 certified medical cannabis handler who holds a medical cannabis
48 delivery certification. Medical cannabis may be delivered to the
49 patient at the patient's home address or at a second address on file

1 with the CRC, to the home address of the patient's designated
2 caregiver, or directly to an institutional caregiver at a health care
3 facility where the patient is a current resident. The CRC is to
4 additionally establish a process to authorize deliveries of medical
5 cannabis to the patient at an alternate address in cases of need.
6 Medical cannabis deliveries may be made by an employee of a
7 medical cannabis dispensary or clinical registrant or by an
8 independent third party contractor. A handler who holds a medical
9 cannabis delivery certification may simultaneously hold a medical
10 cannabis transfer certification, described below. Municipalities
11 may not restrict or prohibit deliveries of medical cannabis by
12 municipal ordinance or any other measure, and any such
13 prohibition, if enacted, would be deemed null and void. The CRC
14 may authorize the use of an Internet-based web service operated by
15 an independent third party entity for patients and their caregivers to
16 request and schedule deliveries. Permitted entities that use a third
17 party delivery service will be exempt from any criminal liability for
18 any reportable events occurring during delivery, such as motor
19 vehicle accidents, diversion, or losses.

20 The CRC is to establish recommended dosing guidelines for
21 medical cannabis products that are equivalent to one ounce of
22 medical cannabis in dried form.

23 The bill requires the CRC to establish a process for patients to be
24 dispensed up to a two-week supply of medical cannabis during the
25 pendency of the patient's registration with the CRC. The CRC is to
26 establish appropriate restrictions to protect against fraud, abuse, and
27 diversion.

28 The bill provides that medical cannabis may be dispensed to a
29 patient by any medical cannabis dispensary or clinical registrant in
30 the State; under current law, patients are to be registered with, and
31 may only be dispensed medical cannabis from, a single ATC where
32 the patient is registered. The bill requires that, prior to dispensing
33 medical cannabis to a patient, the dispensary or clinical registrant
34 will be required to access a system currently maintained by the
35 Division of Consumer Affairs in the Department of Law and Public
36 Safety that tracks written instructions for, and dispensations of,
37 medical cannabis, in order to ascertain whether any medical
38 cannabis was dispensed to or on behalf of the patient within the
39 preceding 30 days.

40 The bill provides that a practitioner or an immediate family
41 member of a practitioner who authorizes patients for medical
42 cannabis may not hold any profit or ownership interest in an ATC.
43 A practitioner or the immediate family member of a practitioner
44 who applies for an ATC identification card is to certify that the
45 practitioner has not authorized any patients for medical cannabis in
46 the preceding 90 days. A person who violates the prohibition will
47 be guilty of a crime of the fourth degree, which is punishable by
48 imprisonment for up to 18 months, up to a \$10,000 fine, or both.
49 The bill specifies that nothing in the prohibition will ban any

1 practitioner from serving on the governing board or medical
2 advisory board of an ATC, provided the practitioner receives no
3 special compensation or remuneration from the ATC, including
4 payments based on patient volumes or the number of authorizations
5 for medical cannabis the practitioner issues.

6 The bill additionally prohibits practitioners from authorizing
7 themselves or members of their immediate family for the medical
8 use of cannabis.

9 The bill requires the CRC to establish curricula for practitioners
10 and employees of medical cannabis dispensaries and clinical
11 registrants that are designed to assist with patient consultations
12 regarding the form, strain, quantity, and dosing of medical cannabis
13 appropriate to the patient's qualifying medical condition.
14 Practitioners will be required to complete the health care
15 practitioner curriculum as a condition of authorizing patients for the
16 medical use of cannabis, and employees of medical cannabis
17 dispensaries and clinical registrants will be required to complete the
18 curriculum as a condition of registering with the CRC.

19 Currently, medical cannabis is subject to the State sales tax. The
20 bill will phase out the sales tax over three years, with the tax
21 dropping to four percent on July 1, 2020, to two percent on July 1,
22 2021, and being completely exempt from all state sales tax as of
23 July 1, 2022. Until then, any sales tax assessed on medical
24 cannabis is to be exclusively appropriated to programs for the
25 treatment of mental health and substance use disorders.

26 The bill also authorizes municipalities in which a medical
27 cannabis dispensary or clinical registrant is located to assess a
28 transfer tax of up to two percent on the purchase price of all
29 medical cannabis dispensed by the dispensary or clinical registrant.

30

31 ATC Application and Permitting Requirements

32

33 The bill establishes three distinct permit types in connection with
34 the production and dispensing of medical cannabis: medical
35 cannabis cultivators, medical cannabis manufacturers, and medical
36 cannabis dispensaries. The bill identifies the specific activities and
37 functions authorized for each permit type. The CRC will be
38 required to issue a request for new permit applications within 90
39 days of the effective date of the bill, and to make a determination on
40 any permit application within 90 days after the date of submission.

41 For a period of 18 months after the effective date of the bill, an
42 entity will be permitted to hold only one permit of any type. After
43 18 months, an entity will be authorized to concurrently hold
44 medical cannabis cultivator, medical cannabis manufacturer, and
45 medical cannabis dispensary permits.

46 However, the bill provides that the CRC is to issue three new
47 ATC permits that are not subject to these restrictions; these three
48 ATCs will be deemed to concurrently hold medical cannabis
49 cultivator, medical cannabis manufacturer, and medical cannabis

1 dispensary permits immediately upon approval, regardless on the
2 general 18-month restriction on vertical integration. These three
3 ATCs will also be authorized to establish one satellite dispensary
4 location each, provided the entity applies for the satellite dispensary
5 within 18 months after the effective date of the bill. The three ATC
6 permits are to be distributed with one located in each of the
7 northern, central, and southern regions of the State.

8 The restriction on vertical integration will also not apply to
9 ATCs that were issued a permit prior to the effective date of the bill
10 or that were issued a permit after the effective date of the bill
11 pursuant to an application submitted prior to the effective date of
12 the bill, or to up to four ATCs issued permits after the effective date
13 of the bill pursuant to a request for applications published in the
14 New Jersey Register prior to the effective date of the bill, which
15 will be deemed to hold medical cannabis cultivator, medical
16 cannabis manufacturer, and medical cannabis dispensary permits.
17 Any ATC issued a permit prior to the effective date of the bill and
18 any ATCs issued a permit after the effective date of the bill
19 pursuant to an application submitted prior to the effective date of
20 the bill will be authorized to hold up to two satellite dispensary
21 permits, including any satellite dispensary permit approved prior to
22 the effective date of the bill or approved pursuant to an application
23 submitted prior to the effective date of the bill, and any satellite
24 dispensary approved pursuant to an application submitted within the
25 first 18 months after the effective date of the bill. Aside from these
26 grandfathered satellite dispensaries and the new satellite
27 dispensaries expressly authorized under the bill, plus any satellite
28 dispensary authorized for a clinical registrant, no new satellite
29 dispensaries will be approved.

30 The bill restricts the total number of entities authorized to
31 cultivate medical cannabis to 28 for the first 18 months after the
32 effective date of the bill, which will include any ATCs issued a
33 permit prior to the effective date of the bill and the new permits
34 required to be issued under the bill, but will not include
35 microbusinesses issued a cultivator permit.

36 The CRC will be required to specify by regulation the number of
37 new permits of each type that it will authorize in the first year
38 following the effective date of the bill, and thereafter periodically
39 evaluate whether the current number of permits is sufficient to meet
40 the needs of qualifying patients and issue requests for new
41 applications as needed. The CRC may additionally convene a task
42 force comprising individuals with expertise in the medical cannabis
43 industry to make recommendations to the CRC concerning the
44 content of rules and regulations governing the medical cannabis
45 program.

46 The bill sets forth the specific information to be considered when
47 reviewing new permit applications, which includes specific
48 information concerning the applicant's operational experience,
49 workforce development plan, community impact analysis, security

1 capabilities, storage systems, emergency management plan, prisoner
2 reentry program plan, and proposed location, along with any other
3 criteria the CRC deems appropriate. The CRC will determine the
4 weight to be afforded to each criterion.

5 Additionally, each applicant will be required to submit an
6 attestation by a bona fide labor organization stating that the
7 applicant has entered into a labor peace agreement with the
8 organization. Maintenance of a labor peace agreement will be an
9 ongoing condition for maintaining a permit. In reviewing
10 applications, the CRC is to additionally evaluate the applicant's
11 history and relationships with labor organizations, as well as any
12 current collective bargaining agreements the applicant is part of.
13 Microbusinesses, described below, are exempt from these
14 requirements.

15 The bill requires that at least one-third of new permits of all
16 types, other than clinical registrant permits, be issued as
17 "conditional permits," which are permits issued pursuant to a less-
18 restrictive application process for entities funded by smaller
19 investors with an adjusted gross income of no more than \$200,000,
20 or \$400,000 if filing jointly. The CRC is to provide the conditional
21 permit holder with a list of requirements with which the permit
22 holder will be required to comply within 120 days after issuance of
23 the conditional permit. If the CRC determines that, during this 120-
24 day period, the permit holder was in compliance with the CRC's
25 requirements, the CRC may convert the conditional permit into a
26 full permit, which will be renewable annually. If the permit holder
27 is not in compliance with the requirements, the permit will expire at
28 the end of the 120-day period, unless it is revoked by the CRC
29 sooner. A converted conditional permit will continue to count
30 towards the total percentage of conditional permits required for that
31 permit type. The requirement that one third of all new permits be
32 conditional permits will not apply to the first three ATC permits
33 issued after the effective date of the bill.

34 The bill additionally requires that at least 10 percent of the total
35 permits issued for each permit type, other than clinical registrant
36 permits, are to be issued to microbusinesses. The requirements for
37 a microbusiness are: 100 percent of the ownership of a
38 microbusiness is to be held by current New Jersey residents who
39 have resided in the State for at least the past two years; at least 51
40 percent of the owners, directors, officers, and employees of the
41 microbusiness are to be residents of the municipality where the
42 microbusiness is located or a bordering municipality; the
43 microbusiness may employ no more than 10 employees, inclusive
44 of owners, officers, and directors; and the microbusiness facility
45 may occupy an area of no more than 2,500 square feet. The bill sets
46 forth certain restrictions for each type of microbusiness permit:
47 microbusiness medical cannabis cultivators will be restricted to a
48 grow canopy of no more than 2,500 square feet and a height
49 restriction of 24 feet, and will be limited to possessing no more than

1 1,000 mature and immature plants at one time; microbusiness
2 medical cannabis manufacturers will be restricted to acquiring and
3 processing no more than 1,000 pounds of medical cannabis in dried
4 form, or the equivalent amount in any other form, in a month; and a
5 microbusiness medical cannabis dispensary will be permitted to
6 acquire and dispense no more than 1,000 pounds of medical
7 cannabis in dried form, or the equivalent in any other form, in a
8 month. Permit fees for microbusinesses are half the regular permit
9 fees. The application process for a microbusiness permit is the
10 same as for any other permit, and a permit issued to a
11 microbusiness, like any other permit, is renewable annually.

12 Applicants may submit multiple permit applications, with a
13 separate application for each proposed facility; the bill establishes
14 procedures for determining which permit to award to an applicant
15 who scores high enough to be awarded multiple permits of the same
16 type.

17 The CRC will be required to conduct a disparity study to
18 evaluate the adverse effects of the State's drug laws on New Jersey
19 communities to determine whether race-based measures should be
20 considered when issuing new medical cannabis cultivator,
21 manufacturer, and dispensary permits, and incorporate the policies,
22 practices, protocols, standards, and criteria developed by the Office
23 of Minority, Disabled Veterans, and Women Medical Cannabis
24 Business Development to promote participation in the medical
25 cannabis industry by persons from socially and economically
26 disadvantaged communities. At least 15 percent of the total number
27 of new permits are to be issued to minority-owned businesses, and
28 an additional 15 percent of the total number of new permits are to
29 be issued to women-owned or disabled veteran-owned businesses.

30 The CRC is to grant special consideration to an applicant for an
31 integrated curriculum permit or "IC permit," pursuant to which the
32 applicant establishes an agreement with an institution of higher
33 education to create an integrated curriculum involving the
34 theoretical or practical application of medical cannabis cultivation,
35 manufacturing, or dispensing to an area of academic study.
36 Integrated curricula are subject to approval by the CRC and the
37 Office of the Secretary of Higher Education. If an IC permit
38 holder's agreement with an institution of higher education ends, the
39 IC permit holder will have six months to establish a new integrated
40 curriculum or the IC permit will be revoked, unless the CRC
41 determines that the entity should be allowed to retain the permit.
42 The CRC may establish incentives to encourage applicants to seek
43 IC permits, such as revised permit fees.

44 The bill additionally establishes requirements for issuance of a
45 clinical registrant permit, which will authorize the permit holder to
46 engage in all conduct related to the cultivation, manufacturing, and
47 dispensing of medical cannabis and medical cannabis products as is
48 authorized for other ATC permit holders. The clinical registrant
49 will be required to enter into a contractual relationship with an

1 academic medical center, which is a facility located in New Jersey
2 that has a faculty practice in addiction medicine or is in the same
3 health care system as another facility in the State that offers
4 substance use disorder treatment services, has a faculty practice in
5 pain management or a facility-based pain management practice, has
6 a graduate medical training program that includes primary care and
7 specialized medicine, is the principal teaching affiliate of a New
8 Jersey medical school, and has the ability to conduct research
9 related to cannabis. If the facility is part of a health care system,
10 the health care system is required to be principally located in New
11 Jersey in order for the facility to qualify as an academic medical
12 center. The CRC will be required to request applications for at least
13 four clinical registrant permits within 90 days after the effective
14 date of the bill or upon the adoption of rules and regulations
15 required under the bill, whichever occurs first.

16 Academic medical centers will engage in clinical research related
17 to medical cannabis in order to advise the affiliated clinical
18 registrant concerning patient health and safety, medical
19 applications, and the dispensing and management of controlled
20 dangerous substances. Clinical registrant applicants will be
21 required to demonstrate at least \$15 million in capital.

22 A clinical registrant permit will be valid for the term of the
23 contractual relationship, and may be renewed based upon the
24 clinical registrant renewing its contractual relationship with the
25 academic medical center. A clinical registrant permit may not be
26 sold or transferred. Each clinical registrant may contract with no
27 more than one academic medical center.

28 Clinical registrants will be authorized to serve all qualifying
29 patients, as well as qualifying patients who agree to participate in
30 clinical research. Clinical registrants may operate from more than
31 one location and may be approved for a satellite dispensing
32 location, and may relocate to another location in the same region
33 unless the CRC determines relocation would be contrary to the
34 purposes of the medical cannabis laws. Clinical registrants are
35 required to report the results of the clinical research to the CRC
36 upon completion of the study or following publication of the study
37 in a peer-reviewed medical journal.

38 An entity issued a medical cannabis cultivator, manufacturer, or
39 dispensary permit may not concurrently hold a clinical registrant
40 permit, and an entity issued a clinical registrant permit may not
41 concurrently hold any medical cannabis cultivator, manufacturer, or
42 dispensary permit.

43 The bill revises the criminal history record background check
44 requirements for medical cannabis cultivator, manufacturer,
45 dispensary, and clinical registrant applicants to provide that a
46 conviction for a crime of the first, second, or third degree, as well
47 as any drug offense other than marijuana possession convictions or
48 convictions for dispensing less than five pounds of marijuana,
49 constitutes a disqualifying conviction that may bar the applicant

1 from holding an interest in or being employed by a medical
2 cannabis cultivator, manufacturer, dispensary, or clinical registrant.
3 Current law limits disqualifying convictions to drug offenses other
4 than minor cannabis possession. The CRC will retain the discretion
5 to issue a permit to an applicant if it finds evidence of
6 rehabilitation.

7 The bill further provides that no criminal history record
8 background check will be required for an applicant who holds less
9 than a five percent investment interest in the medical cannabis
10 cultivator, manufacturer, dispensary, or clinical registrant, or who is
11 a member of a group that holds less than a 20 percent investment
12 interest where no member of the group holds more than a five
13 percent interest in the total group investment, and the applicant does
14 not have the authority to make operational decisions for the
15 permitted entity. Individuals and groups that are exempt from the
16 criminal history record background check requirement will not be
17 required to complete any application information. If the applicant
18 or group gains an investment interest above these thresholds or the
19 applicant gains the authority to make operational decisions, the
20 individual or group will be required to notify the CRC, provide all
21 information as may be required by the CRC, and undergo a criminal
22 history record background check within 30 days, or the permit will
23 be revoked and the individual or group will be prohibited from
24 holding any investment interest in a medical cannabis cultivator,
25 manufacturer, dispensary, or clinical registrant for a period of at
26 least two years, and for such additional period as the CRC deems
27 appropriate in light of the duration of the nondisclosure, the size of
28 the undisclosed interest, the profits realized from the entity during
29 the period of nondisclosure, and whether the individual would have
30 been otherwise ineligible to hold the investment interest or
31 controlling authority based on a disqualifying conviction or other
32 factor.

33 The bill prohibits an employee of any department, division,
34 agency, board, or other governmental entity involved in the process
35 of reviewing, processing, or making determinations with regard to a
36 medical cannabis permit from having any financial interest in
37 medical cannabis or receiving anything of value from a permit
38 applicant in exchange for reviewing, processing, or making
39 recommendations with regard to a permit application.

40 Applications for medical cannabis cultivator, manufacturer, and
41 dispensary permits and for clinical registrant permits will be exempt
42 from the "Open Public Records Act," P.L.1963, c.73 (C.47:1A-1 et
43 seq.) and P.L.2001, c.404 (C.47:1A-5 et al.).

44

45 ATC Operational Requirements

46

47 The bill requires medical cannabis dispensaries and clinical
48 registrants to establish and maintain standardized price lists, which
49 will reflect the price of all medical cannabis, medical cannabis

1 products, and related supplies and paraphernalia dispensed or sold
2 by the dispensary or clinical registrant to or on behalf of registered
3 qualifying patients. Price lists are to be posted on the dispensary's
4 or clinical registrant's Internet website, if any, maintained on file
5 with the CRC, and may be updated once per month. A dispensary
6 or clinical registrant that sells medical cannabis or medical cannabis
7 products at a price that deviates from its price list will be liable to a
8 civil penalty of \$1,000 per sale, and dispensary or clinical registrant
9 that fails to maintain its current price list on file with the CRC will
10 be liable to a civil penalty of \$10,000 for each week during which
11 the CRC does not have the current price list. The prices charged by
12 a medical cannabis dispensary or clinical registrant are to be
13 reasonable and consistent with the costs of acquiring and
14 dispensing, selling, or transferring the medical cannabis or medical
15 cannabis product.

16 The bill provides that medical cannabis may be transferred
17 between medical cannabis cultivators, manufacturers, dispensaries,
18 clinical registrants, and testing laboratories by a medical cannabis
19 handler certified as a medical cannabis transporter. Transfers may
20 be effectuated using either medical cannabis handlers employed by
21 a permitted entity or by an independent third-party entity. The bill
22 sets forth certain operational protocols and recordkeeping
23 requirements for the transfer of medical cannabis, which are
24 generally comparable to the operational requirements and protocols
25 for deliveries of medical cannabis. A medical cannabis handler
26 may possess both delivery and transfer certifications.
27 Municipalities may not restrict or prohibit transfers of medical
28 cannabis by municipal ordinance or any other measure, and any
29 such prohibition, if enacted, would be deemed null and void.

30 The bill requires the CRC to develop and maintain a
31 comprehensive tracking system for medical cannabis that covers
32 cultivation through final dispensing. The tracking system is to be
33 designed to prevent diversion and tampering while promoting
34 accurate accounting and recording of all information relevant to the
35 medical cannabis or medical cannabis product. The system is to
36 utilize a stamp for tracking purposes, which is to be affixed to
37 medical cannabis packages and containers by medical cannabis
38 cultivators, medical cannabis manufacturers, and clinical
39 registrants. The purchase price of the stamp is to be reasonable and
40 commensurate with the cost of producing the stamp.

41 The owners, directors, officers, and employees at each medical
42 cannabis cultivator, manufacturer, dispensary, courier, and clinical
43 registrant will be required to undergo eight hours of ongoing
44 training each calendar year. The training is to be tailored to the
45 roles and responsibilities of the individual's job function and
46 include training on confidentiality and any other topics required by
47 the CRC. For medical cannabis dispensary and clinical registrant
48 employees, the ongoing training may include completing the
49 curriculum developed by the CRC concerning patient consultations.

1 Additionally, all individuals who handle medical cannabis in any
2 capacity are required to be certified by the CRC as medical
3 cannabis handlers. The training required for handler certification
4 will only be required once, and will count toward the required eight
5 hours of annual training.

6 The bill requires the CRC to establish, by regulation, thresholds
7 for administrative action to be taken against permit holders,
8 including specific penalties and disciplinary actions that may be
9 imposed in a summary proceeding.

10 The bill provides that the first six ATC permits issued after
11 P.L.2009, c.307 (C.24:6I-1 et al.) took effect may sell or transfer
12 that permit to a for profit entity, provided that: the owners, officers,
13 directors, employees, and applicable investors complete a criminal
14 history record background check; the CRC approves the sale or
15 transfer; and the sale or transfer takes place within one year after
16 the effective date of the bill. The sale or transfer will not be subject
17 to the requirements of the “New Jersey Nonprofit Corporation Act,”
18 N.J.S.15A:1-1 et seq., provided that, prior to or at the time of the
19 sale or transfer, all debts and obligations of the nonprofit entity are
20 either paid in full or assumed by the for-profit entity purchasing or
21 acquiring the permit, or a reserve fund is established for the purpose
22 of paying in full the debts and obligations of the nonprofit entity,
23 and the for-profit entity pays the full value of all assets held by the
24 nonprofit entity, as reflected on the nonprofit entity’s balance sheet,
25 in addition to the agreed-upon price for the sale or transfer of the
26 entity’s alternative treatment center permit. Any other sale or
27 transfer of an interest in a permitted entity of five percent or more
28 will be subject to approval by the CRC and will be conditioned on
29 the entity purchasing or receiving the transfer of the interest
30 completing a criminal history record background check.

31 The bill authorizes medical cannabis dispensaries and clinical
32 registrants to establish medical cannabis consumption areas, subject
33 to approval by the CRC and the municipality in which the
34 dispensary or clinical registrant is located. A consumption area is
35 required to be on the premises of the dispensary or clinical
36 registrant, accessible only to patients and their designated
37 caregivers, and screened by sufficient walls or other barriers to
38 prevent any view of patients consuming medical cannabis.
39 Consumption areas may be indoor or outdoor, provided that no
40 consumption of medical cannabis by smoking occurs indoors and no
41 medical cannabis smoke seeps into any indoor public area or
42 workplace. The CRC may require any ventilation features for a
43 consumption area as it deems necessary and appropriate, and smoke
44 from the consumption of medical cannabis may not seep into any
45 indoor public place or workplace.

46 The bill provides that medical cannabis cultivators,
47 manufacturers, dispensaries, and clinical registrants will be
48 permitted to establish a medical advisory board to advise the
49 permitted entity on all aspects of its business. A medical advisory

1 board is to comprise five members: three healthcare practitioners;
2 one qualifying patient who resides in the same area as the permitted
3 entity; and one business owner from the same area as the permitted
4 entity. No owner, director, officer, or employee of a permitted
5 entity may serve on a medical advisory board. Medical advisory
6 boards are to meet at least two times per year.

7 Medical cannabis dispensaries and clinical registrants are to
8 consider whether to make interpreter services available to the
9 population served, including for individuals with a vision or hearing
10 impairment. The CRC is to assist facilities in locating appropriate
11 interpreter resources. Dispensaries and clinical registrants will be
12 responsible for the cost of providing interpreter services.

13 Medical cannabis cultivators, manufacturers, dispensaries,
14 clinical registrants, and entities employing medical cannabis
15 handlers to perform deliveries and transfers of medical cannabis
16 operating on a for-profit basis may not operate at any premises that
17 were the subject of a business development incentive. Medical
18 cannabis cultivators and clinical registrants may not be located on
19 land valued, assessed, or taxed as an agricultural or horticultural use
20 pursuant to the “Farmland Assessment Act of 1964,” P.L.1964, c.48
21 (C.54:4-23.1 et seq.).

22

23

Other Cannabis-Related Licensure

24

25 The bill requires each batch of medical cannabis and each batch
26 of a medical cannabis product to be tested by a laboratory to
27 determine its chemical composition and potency and to screen for
28 contamination by microbial contaminants, foreign material, residual
29 pesticides, other agricultural residue and residual solvents, and
30 heavy metals. The laboratory is to produce a written report
31 detailing the results of the testing, a summary of which is to be
32 included in any packaging materials for the medical cannabis or
33 cannabis product. Laboratories may charge a reasonable fee for
34 performing the test. The testing requirement will take effect once
35 the CRC certifies that there are a sufficient number of testing
36 laboratories licensed to ensure that the testing and labeling
37 requirements can be satisfied without disrupting timely patient
38 access to medical cannabis.

39 Laboratories providing testing services will be required to
40 register with the CRC and will be subject to inspection to ensure
41 that the equipment used is in good condition and properly
42 calibrated. The owners, directors, officers, and employees of a
43 testing laboratory will be required to undergo a criminal history
44 record background check as a condition of licensure; no applicant
45 with a disqualifying conviction will be authorized to own, operate,
46 or be employed by a medical cannabis testing laboratory.
47 “Disqualifying conviction” means any drug offense other than
48 minor cannabis possession; applicants with a disqualifying
49 conviction may still be approved if the applicant demonstrates clear

1 and convincing evidence of rehabilitation. As a condition of
2 licensure, each laboratory will be required to certify its intention to
3 seek third party accreditation in accordance with ISO 17025 to
4 ensure equipment is routinely inspected, calibrated, or maintained,
5 until such time as the CRC issues its own standards or confirms the
6 use of ISO 17025.

7 The CRC will be required to establish testing standards;
8 however, until such time as the standards are adopted, testing
9 laboratories will be authorized to utilize testing standards from
10 another state with a medical cannabis program, which state is to be
11 designated by the CRC.

12 The CRC is required to conduct a feasibility study concerning
13 the establishment of a new research and development permit that
14 would be dedicated to advancing the medical uses of cannabis. The
15 study is to examine potential funding sources and include a public
16 hearing, and the CRC is to conduct the study every three years until
17 such time as a research and development permit is established in the
18 State. The CRC will be authorized to establish additional permit
19 types as may be appropriate, including permits authorizing
20 pharmacies to be issued medical cannabis dispensary permits.

21

22 Legal Protections for Patients and Caregivers

23

24 The bill provides that qualifying patients and designated
25 caregivers may not be discriminated against when enrolling in
26 schools and institutions of higher education, when renting or leasing
27 real property, or in the issuance of professional licensing,
28 certifications, or permits issued by the State, solely on the basis of
29 the individual's status as a registry cardholder or engaging in
30 authorized conduct in relation to medical cannabis. However,
31 schools, institutions of higher education, landlords, and licensing
32 authorities will not be required to take any action that would
33 jeopardize a monetary grant or privilege of licensure based on
34 federal law. Schools, institutions, and landlords may not be
35 penalized or denied benefits under State law solely on the basis of
36 enrolling or renting or leasing real property to a registered patient.
37 A person's status as a patient or caregiver, or as an owner, officer,
38 director, or employee of a medical cannabis cultivator,
39 manufacturer, dispensary, or clinical registrant will not constitute
40 the sole grounds for entering an order restricting or denying custody
41 of, or visitation with, a minor child of the person.

42 The bill provides that medical cannabis is to be treated the same
43 as any other medication for the purposes of furnishing medical care,
44 including determining the individual's eligibility for an organ
45 transplant.

46 The bill prohibits employers from taking any adverse
47 employment action against an employee based on the employee's
48 status as a registry identification cardholder. If an employer has a
49 drug testing policy and an employee or job applicant tests positive

1 for cannabis, the employee or job applicant is to be offered an
2 opportunity to present a legitimate medical explanation for the
3 positive test result or request a retest. Nothing in the bill will
4 restrict an employer's ability to prohibit or take adverse
5 employment action for the possession or use of intoxicating
6 substances during work hours or on workplace premises outside of
7 work hours, or require an employer to commit any act that would
8 violate federal law or result in the loss of a federal contract or
9 federal funding. Employers will not be penalized or denied any
10 benefit under State law for employing a person who is a registry
11 cardholder.

12 The bill provides that health care facilities are prohibited from
13 taking adverse employment action or ending a professional
14 affiliation with a health care practitioner solely based on the
15 practitioner authorizing patients for the medical use of medical
16 cannabis or otherwise engaging in authorized conduct in relation to
17 medical cannabis. Health care facilities may not be penalized or
18 denied benefits under State law for employing or maintaining a
19 professional affiliation with a practitioner who engages in
20 authorized conduct in relation to medical cannabis.

21 Health care facilities may not be penalized or denied any benefit
22 under State law solely for permitting or prohibiting the handling,
23 administration, usage, or storage of medical cannabis, provided that
24 the facility's policies related to medical cannabis are consistent with
25 all other facility policy on medication handling, administration,
26 usage, or storage. Health care facilities will also not be penalized
27 or denied any benefit under State law solely for prohibiting the
28 smoking of medical cannabis on facility property in accordance
29 with the facility's smoke free policy.

30 Insurance carriers will be prohibited from denying health care
31 practitioners medical malpractice coverage or charging increased
32 premiums, deductibles, or other fees based on the practitioner
33 engaging in authorized conduct in relation to medical cannabis.

34 The bill prohibits any action or proceeding by the Division of
35 Child Protection and Permanency in the Department of Children
36 and Families be initiated against a pregnant woman or against the
37 parent or guardian of a minor child on the sole grounds that the
38 individual is a registered qualifying patient, a designated or
39 institutional caregiver, or a director, officer, or employee of an
40 ATC.

41 The bill provides that the chief administrator of a facility that
42 provides behavioral health services is to develop a policy allowing
43 designated caregivers, parents, and guardians access to registered
44 qualifying patients who are receiving services at the facility, for the
45 purpose of assisting the patient with the administration of medical
46 cannabis. Nothing in the bill will authorize medical cannabis to be
47 smoked in any area of the facility where smoking is otherwise
48 prohibited by law.

1 The bill updates the annual reporting requirements for the CRC
2 to reflect new data that will be generated pursuant to the bill,
3 including information concerning diversity in the permits awarded
4 in by the CRC and information on disparities in drug arrests.

5 Nothing in the bill is to be construed to restrict or otherwise
6 affect the sale, prescribing, and dispensing of prescription drugs and
7 devices approved by the federal Food and Drug Administration.

8 The bill adds a severability clause and provides that the CRC
9 may waive any requirements of the State medical cannabis laws if a
10 waiver is necessary to achieve the purposes of the law and provide
11 access to patients who would not otherwise qualify for medical
12 cannabis to alleviate suffering from a debilitating medical
13 condition, and if granting the waiver does not create a danger to the
14 public health, safety, or welfare.

15

16

17

18

19 Revises requirements to authorize and access medical cannabis;
20 establishes Cannabis Regulatory Commission; revises permit
21 requirements for alternative treatment centers; and establishes
22 additional legal protections for patients and caregivers.

ASSEMBLY, No. 20

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JUNE 18, 2019

Sponsored by:

Assemblywoman JOANN DOWNEY

District 11 (Monmouth)

Assemblyman JOE DANIELSEN

District 17 (Middlesex and Somerset)

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex)

Assemblyman ANDREW ZWICKER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblyman ERIC HOUGHTALING

District 11 (Monmouth)

Assemblywoman CAROL A. MURPHY

District 7 (Burlington)

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator NICHOLAS P. SCUTARI

District 22 (Middlesex, Somerset and Union)

Senator DECLAN J. O'SCANLON, JR.

District 13 (Monmouth)

Co-Sponsored by:

**Assemblyman Calabrese, Assemblywomen McKnight, Jasey, Lampitt,
Quijano, Lopez, Assemblymen McKeon and Karabinchak**

SYNOPSIS

Revises requirements to authorize and access medical cannabis; establishes Cannabis Regulatory Commission; revises permit requirements for alternative treatment centers; and establishes additional legal protections for patients and caregivers.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 6/21/2019)

1 AN ACT concerning medical cannabis, revising various parts of the
2 statutory law, and supplementing P.L.2009, c.307.

3

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

6

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

9 1. This act shall be known and may be cited as the **["New**
10 **Jersey]** "Jake Honig Compassionate Use Medical [Marijuana]
11 Cannabis Act."

12 (cf: P.L.2009, c.307, s.1)

13

14 2. Section 2 of P.L.2009, c.307 (C.24:6I-2) is amended to read
15 as follows:

16 2. The Legislature finds and declares that:

17 a. Modern medical research has discovered a beneficial use for
18 **[marijuana] cannabis** in treating or alleviating the pain or other
19 symptoms associated with certain **[debilitating]** medical conditions,
20 as found by the National Academy of Sciences' Institute of
21 Medicine in March 1999 **【;】** .

22 b. According to the U.S. Sentencing Commission and the
23 Federal Bureau of Investigation, 99 out of every 100 **[marijuana]**
24 cannabis arrests in the country are made under state law, rather than
25 under federal law. Consequently, changing state law will have the
26 practical effect of protecting from arrest the vast majority of
27 seriously ill people who have a medical need to use **[marijuana]**
28 cannabis **【;】** .

29 c. Although federal law currently prohibits the use of
30 **[marijuana] cannabis**, the laws of Alaska, Arkansas, California,
31 Colorado, Connecticut, Delaware, Florida, Hawaii, Illinois, Maine,
32 Maryland, Massachusetts, Michigan, Minnesota, Montana, Nevada,
33 New Hampshire, New Mexico, New York, North Dakota, Ohio,
34 Oregon, Pennsylvania, Rhode Island, Vermont, **【and】** Washington,
35 West Virginia, and the District of Columbia permit the use of
36 **[marijuana] cannabis** for medical purposes, and in Arizona doctors
37 are permitted to prescribe **[marijuana] cannabis**. New Jersey joins
38 this effort for the health and welfare of its citizens **【;】** .

39 d. States are not required to enforce federal law or prosecute
40 people for engaging in activities prohibited by federal law;
41 therefore, compliance with this act does not put the State of New
42 Jersey in violation of federal law **【; and】** .

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 e. Compassion dictates that a distinction be made between
2 medical and non-medical uses of **【marijuana】** cannabis. Hence, the
3 purpose of this act is to protect from arrest, prosecution, property
4 forfeiture, and criminal and other penalties, those patients who use
5 **【marijuana】** cannabis to alleviate suffering from **【debilitating】**
6 qualifying medical conditions, as well as their **【physicians】** health
7 care practitioners, **【primary】** designated caregivers, institutional
8 caregivers, and those who are authorized to produce **【marijuana】**
9 cannabis for medical purposes.

10 (cf: P.L.2009, c.307, s.2)

11
12 3. Section 3 of P.L.2009, c.307 (C.24:6I-3) is amended to read
13 as follows:

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

16 “Academic medical center” means an entity located in New
17 Jersey that, on the effective date of P.L. , c. (C.) (pending
18 before the Legislature as this bill), has an addiction medicine
19 faculty practice or is in the same health care system as another
20 facility located in New Jersey that offers outpatient medical
21 detoxification services or inpatient treatment services for substance
22 use disorder; has a pain management faculty practice or a facility-
23 based pain management service located in New Jersey; has graduate
24 medical training programs accredited, or pending accreditation, by
25 the Accreditation Council for Graduate Medical Education or the
26 American Osteopathic Association in primary care and medical
27 specialties; is the principal teaching affiliate of a medical school
28 based in the State; and has the ability to conduct research related to
29 medical cannabis. If the entity is part of a system of health care
30 facilities, the entity shall not qualify as an academic medical center
31 unless the health care system is principally located within the State.

32 “Adverse employment action” means refusing to hire or employ
33 an individual, barring or discharging an individual from
34 employment, requiring an individual to retire from employment, or
35 discriminating against an individual in compensation or in any
36 terms, conditions, or privileges of employment.

37 **【"Bona fide physician-patient relationship"** means a relationship
38 in which the physician has ongoing responsibility for the
39 assessment, care, and treatment of a patient's debilitating medical
40 condition. **】**

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

44 **【"Certification"** means a statement signed by a physician with
45 whom a qualifying patient has a bona fide physician-patient

1 relationship, which attests to the physician's authorization for the
2 patient to apply for registration for the medical use of marijuana. **】**

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

11 “Commission” means the Cannabis Regulatory Commission
12 established pursuant to section 31 of P.L. , c. (C.) (pending
13 before the Legislature as this bill).

14 "Commissioner" means the Commissioner of Health.

15 **【**"Debilitating medical condition" means:

16 (1) one of the following conditions, if resistant to conventional
17 medical therapy: seizure disorder, including epilepsy; intractable
18 skeletal muscular spasticity; post-traumatic stress disorder; or
19 glaucoma;

20 (2) one of the following conditions, if severe or chronic pain,
21 severe nausea or vomiting, cachexia, or wasting syndrome results
22 from the condition or treatment thereof: positive status for human
23 immunodeficiency virus; acquired immune deficiency syndrome; or
24 cancer;

25 (3) amyotrophic lateral sclerosis, multiple sclerosis, terminal
26 cancer, muscular dystrophy, or inflammatory bowel disease,
27 including Crohn's disease;

28 (4) terminal illness, if the physician has determined a prognosis
29 of less than 12 months of life; or

30 (5) any other medical condition or its treatment that is approved
31 by the department by regulation. **】**

32 “Common ownership or control” means:

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

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

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

42 "Department" means the Department of Health.

43 “Designated caregiver” means a resident of the State who:

44 (1) is at least 18 years old;

45 (2) has agreed to assist with a registered qualifying patient's
46 medical use of cannabis, is not currently serving as designated

1 caregiver for more than one other qualifying patient, and is not the
2 qualifying patient's health care practitioner;

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

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

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

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

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

32 "Health care practitioner" means a physician, advanced practice
33 nurse, or physician assistant licensed or certified pursuant to Title
34 45 of the Revised Statutes who:

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

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

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

1 “Immediate family” means the spouse, domestic partner, civil
2 union partner, child, sibling, or parent of an individual, and shall
3 include the siblings, parents, and children of the individual’s
4 spouse, domestic partner, or civil union partner, and the parents,
5 spouses, domestic partners, or civil union partners of the
6 individual’s parents, siblings, and children.

7 “Institutional caregiver” means a resident of the State who:

8 (1) is at least 18 years old;

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

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

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

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

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

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

42 “Integrated curriculum permit” or “IC permit” means a permit
43 issued to a medical cannabis cultivator, medical cannabis
44 manufacturer, or medical cannabis dispensary that includes an
45 integrated curriculum approved by the commission and the Office
46 of the Secretary of Higher Education.

1 ["Marijuana" has the meaning given in section 2 of the "New
2 Jersey Controlled Dangerous Substances Act," P.L.1970, c.226
3 (C.24:21-2).]

4 "Medical **[marijuana]** cannabis alternative treatment center" or
5 "alternative treatment center" means an organization **[approved]**
6 issued a permit, including a conditional permit, by the **[department]**
7 commission to **[perform activities necessary to provide registered**
8 **qualifying patients with usable marijuana and related paraphernalia**
9 **in accordance with the provisions of this act]** operate as a medical
10 cannabis cultivator, medical cannabis manufacturer, medical
11 cannabis dispensary, or clinical registrant. This term shall include
12 the organization's officers, directors, board members, and
13 employees.

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

28 "Medical cannabis dispensary" means an organization issued a
29 permit by the commission that authorizes the organization to:
30 purchase or obtain medical cannabis and related supplies from
31 medical cannabis cultivators; purchase or obtain medical cannabis
32 products and related supplies from medical cannabis manufacturers;
33 purchase or obtain medical cannabis, medical cannabis products,
34 and related supplies and paraphernalia from other medical cannabis
35 dispensaries and from clinical registrants; deliver, transfer,
36 transport, distribute, supply, and sell medical cannabis and medical
37 cannabis products to other medical cannabis dispensaries; furnish
38 medical cannabis, including medical cannabis products, to a
39 medical cannabis handler for delivery to a registered qualifying
40 patient, designated caregiver, or institutional caregiver consistent
41 with the requirements of subsection i. of section 27 of P.L. , c.
42 (C.) (pending before the Legislature as this bill); and possess,
43 display, deliver, transfer, transport, distribute, supply, sell, and
44 dispense medical cannabis, medical cannabis products,
45 paraphernalia, and related supplies to qualifying patients,

1 designated caregivers, and institutional caregivers. A medical
2 cannabis dispensary permit shall not authorize the permit holder to
3 cultivate medical cannabis, to produce, manufacture, or otherwise
4 create medical cannabis products.

5 “Medical cannabis manufacturer” means an organization issued a
6 permit by the commission that authorizes the organization to:
7 purchase or obtain medical cannabis and related supplies from a
8 medical cannabis cultivator or a clinical registrant; purchase or
9 obtain medical cannabis products from another medical cannabis
10 manufacturer or a clinical registrant; produce, manufacture, or
11 otherwise create medical cannabis products; and possess, deliver,
12 transfer, transport, distribute, supply, and sell medical cannabis
13 products and related supplies to other medical cannabis
14 manufacturers and to medical cannabis dispensaries and clinical
15 registrants. A medical cannabis manufacturer permit shall not
16 authorize the permit holder to cultivate medical cannabis or to
17 deliver, transfer, transport, distribute, supply, sell, or dispense
18 medical cannabis, medical cannabis products, paraphernalia, or
19 related supplies to registered qualifying patients, designated
20 caregivers, or institutional caregivers.

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

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

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

30 “Pediatric specialist” means a physician who is a board-certified
31 pediatrician or pediatric specialist, or an advanced practice nurse or
32 physician assistant who is certified as a pediatric specialist by an
33 appropriate professional certification or licensing entity.

34 ["Physician" means a person licensed to practice medicine and
35 surgery pursuant to Title 45 of the Revised Statutes with whom the
36 patient has a bona fide physician-patient relationship and who is the
37 primary care physician, hospice physician, or physician responsible
38 for the ongoing treatment of a patient's debilitating medical
39 condition, provided, however, that the ongoing treatment shall not
40 be limited to the provision of authorization for a patient to use
41 medical marijuana or consultation solely for that purpose.

42 "Primary caregiver" or "caregiver" means a resident of the State
43 who:

- 44 a. is at least 18 years old;
45 b. has agreed to assist with a registered qualifying patient's
46 medical use of marijuana, is not currently serving as primary

1 caregiver for another qualifying patient, and is not the qualifying
2 patient's physician;

3 c. has never been convicted of possession or sale of a
4 controlled dangerous substance, unless such conviction occurred
5 after the effective date of this act and was for a violation of federal
6 law related to possession or sale of marijuana that is authorized
7 under this act;

8 d. has registered with the department pursuant to section 5 of
9 this act, and has satisfied the criminal history record background
10 check requirement of section 5 of this act; and

11 e. has been designated as primary caregiver on the qualifying
12 patient's application or renewal for a registry identification card or
13 in other written notification to the department. **】**

14 “Primary care” means the practice of family medicine, general
15 internal medicine, general pediatrics, general obstetrics, or
16 gynecology.

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

28 "Qualifying patient" or "patient" means a resident of the State
29 who has been **【provided with a certification】** authorized for the
30 medical use of cannabis by a **【physician】** health care practitioner
31 **【pursuant to a bona fide physician-patient relationship】**.

32 **【“Registry identification card”】** “Registration with the
33 commission” means 【a document issued by the department that
34 identifies】 a person has met the qualification requirements for, and
35 has been registered by the commission as, a registered qualifying
36 patient **【or primary】**, designated caregiver, or institutional
37 caregiver. The commission shall establish appropriate means for
38 health care practitioners, health care facilities, medical cannabis
39 dispensaries, law enforcement, schools, facilities providing
40 behavioral health services or services for persons with
41 developmental disabilities, and other appropriate entities to verify
42 an individual’s status as a registrant with the commission.

43 “Significantly involved person” means a person or entity who
44 holds at least a five percent investment interest in an entity issued,
45 or applying for a permit to operate as, a medical cannabis cultivator,

1 medical cannabis manufacturer, medical cannabis dispensary, or
2 clinical registrant, or who is a decision making member of a group
3 that holds at least a 20 percent investment interest in an entity
4 issued, or applying for a permit to operate as, a medical cannabis
5 cultivator, medical cannabis manufacturer, medical cannabis
6 dispensary, or clinical registrant, in which no member of that group
7 holds more than a five percent interest in the total group investment
8 interest, and the person or entity makes controlling decisions
9 regarding the operations of the entity issued, or applying for a
10 permit to operate as, a medical cannabis cultivator, medical
11 cannabis manufacturer, medical cannabis dispensary, or clinical
12 registrant.

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

15 "Usable **【marijuana】** cannabis" means the dried leaves and
16 flowers of **【marijuana】** cannabis, and any mixture or preparation
17 thereof, and does not include the seeds, stems, stalks, or roots of the
18 plant.

19 (cf: P.L.2016, c.53, s.1)

20

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

23 4. a. The **【department】** commission shall establish a registry
24 of qualifying patients and their **【primary】** each designated
25 caregivers **【,** and shall issue a registry identification card, which
26 shall be valid for two years, to a qualifying patient and caregiver, if
27 applicable, who submits **】** and shall establish a means of identifying
28 and verifying the registration status of patients and designated
29 caregivers who are registered with the commission. Registration
30 with the commission shall be valid for two years. A patient or
31 designated caregiver shall be registered with the commission upon
32 submitting the following, in accordance with regulations adopted by
33 the **【department】** commission:

34 (1) **【a certification that meets the requirements of section 5 of**
35 **this act】** documentation of a health care practitioner's authorization
36 for the patient for the medical use of cannabis;

37 (2) an application or renewal fee, which may be based on a
38 sliding scale as determined by the **【commissioner】** commission;

39 (3) the name, home address, and date of birth of the patient and
40 each designated caregiver, as applicable; **【and】**

41 (4) the name, address, and telephone number of the patient's
42 **【physician】** health care practitioner; and

43 (5) up to one alternate address for the patient, which may be
44 used for delivery of medical cannabis to the patient pursuant to

1 section 27 of P.L. , c. (C.) (pending before the Legislature
2 as this bill).

3 Each qualifying patient may concurrently have up to two
4 designated caregivers. A qualifying patient may petition the
5 commission for approval to concurrently have more than two
6 designated caregivers, which petition shall be approved if the
7 commission finds that allowing the patient additional designated
8 caregivers is necessary to meet the patient's treatment needs and is
9 consistent with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).

10 The commission shall establish a registry of institutional
11 caregivers and shall establish a means of identifying and verifying
12 the registration status of institutional caregivers who are registered
13 with the commission. Registration with the commission shall be
14 valid for one year. An institutional caregiver shall be registered
15 with the commission upon submitting the name, address, and
16 telephone number of the institutional caregiver and of the health
17 care facility at which the individual will be serving as institutional
18 caregiver and a certification that meets the requirements of
19 subsection h. of this section. The application or renewal fee for the
20 institutional caregiver shall be paid by the health care facility at
21 which the institutional caregiver will be serving as institutional
22 caregiver. An institutional caregiver shall not be limited in the
23 number of qualifying patients for whom the institutional caregiver
24 may serve as institutional caregiver at one time, provided that each
25 qualifying patient served by the institutional caregiver is a current
26 patient or resident at the health care facility at which the
27 institutional caregiver is authorized to serve as institutional
28 caregiver, and the number of qualifying patients served by the
29 institutional caregiver is commensurate with the institutional
30 caregiver's ability to fully meet the treatment and related needs of
31 each qualifying patient and attend to the institutional caregiver's
32 other professional duties at the health care facility without
33 jeopardizing the health or safety of any patient or resident at the
34 facility.

35 b. Before **【issuing a registry identification card】** registering an
36 individual, the **【department】** commission shall verify the

37 information contained in the application or renewal form submitted

38 pursuant to this section. In the case of a **【primary】** designated or

39 institutional caregiver, the **【department】** commission shall

40 provisionally approve an application pending the results of a

41 criminal history record background check, if the caregiver

42 otherwise meets the requirements of **【this act】** P.L.2009, c.307

43 (C.24:6I-1 et al.). The **【department】** commission shall approve or

44 deny an application or renewal and complete the registration

45 process for successful applicants within 30 days of receipt of the

1 completed application or renewal **【**, and shall issue a registry
2 identification card within five days of approving the application or
3 renewal**】**. The **【department】** commission may deny an application
4 or renewal only if the applicant fails to provide the information
5 required pursuant to this section, or if the **【department】** commission
6 determines that the information was incorrect or falsified or does
7 not meet the requirements of **【this act】** P.L.2009, c.307 (C.24:6I-1
8 et al.). Denial of an application shall be a final agency decision,
9 subject to review by the Superior Court, Appellate Division.

10 c. (1) The **【commissioner】** commission shall require each
11 applicant seeking to serve as a **【primary】** designated or institutional
12 caregiver to undergo a criminal history record background check;
13 except that no criminal history record background check shall be
14 required for an applicant seeking to serve as a designated caregiver
15 if the applicant is an immediate family member of the patient, and
16 no criminal history record background check shall be required for
17 an applicant seeking to serve as an institutional caregiver if the
18 applicant completed a criminal history record background check as
19 a condition of professional licensure or certification. The
20 **【commissioner】** commission is authorized to exchange fingerprint
21 data with and receive criminal history record background
22 information from the Division of State Police and the Federal
23 Bureau of Investigation consistent with the provisions of applicable
24 federal and State laws, rules, and regulations. The Division of State
25 Police shall forward criminal history record background
26 information to the **【commissioner】** commission in a timely manner
27 when requested pursuant to the provisions of this section.

28 An applicant seeking to serve as a **【primary】** designated or
29 institutional caregiver who is required to complete a criminal
30 history record background check pursuant to this section shall
31 submit to being fingerprinted in accordance with applicable State
32 and federal laws, rules, and regulations. No check of criminal
33 history record background information shall be performed pursuant
34 to this section unless the applicant has furnished **【his】** the
35 applicant's written consent to that check. An applicant who is
36 required to complete a criminal history record background check
37 pursuant to this section who refuses to consent to, or cooperate in,
38 the securing of a check of criminal history record background
39 information shall not be considered for inclusion in the registry as a
40 **【primary】** designated or institutional caregiver **【or issuance of an**
41 **identification card】**. An applicant shall bear the cost for the
42 criminal history record background check, including all costs of
43 administering and processing the check.

44 (2) The **【commissioner】** commission shall not approve an
45 applicant seeking to serve as a **【primary】** designated or institutional

1 caregiver who is required to complete a criminal history record
2 background check pursuant to this section if the criminal history
3 record background information of the applicant reveals a
4 disqualifying conviction. For the purposes of this section, a
5 disqualifying conviction shall mean a conviction of a crime
6 involving any controlled dangerous substance or controlled
7 substance analog as set forth in chapter 35 of Title 2C of the New
8 Jersey Statutes except paragraph (4) of subsection a. of
9 N.J.S.2C:35-10, or any similar law of the United States or of any
10 other state.

11 (3) Upon receipt of the criminal history record background
12 information from the Division of State Police and the Federal
13 Bureau of Investigation, the **【commissioner】** commission shall
14 provide written notification to the applicant of **【his】** the applicant's
15 qualification or disqualification for serving as a **【primary】**
16 designated or institutional caregiver.

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

21 (4) The Division of State Police shall promptly notify the
22 **【commissioner】** commission in the event that an individual who
23 was the subject of a criminal history record background check
24 conducted pursuant to this section is convicted of a crime or offense
25 in this State after the date the background check was performed.
26 Upon receipt of that notification, the **【commissioner】** commission
27 shall make a determination regarding the continued eligibility of the
28 applicant to serve as a **【primary】** designated or institutional
29 caregiver.

30 (5) Notwithstanding the provisions of paragraph (2) of this
31 subsection **【b. of this section】** to the contrary, no applicant shall be
32 disqualified from serving as a **【registered primary】** designated or
33 institutional caregiver on the basis of any conviction disclosed by a
34 criminal history record background check conducted pursuant to
35 this section if the individual has affirmatively demonstrated to the
36 **【commissioner】** commission clear and convincing evidence of
37 rehabilitation. In determining whether clear and convincing
38 evidence of rehabilitation has been demonstrated, the following
39 factors shall be considered:

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

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

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

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

- 1 (e) the age of the individual when the crime or offense was
2 committed;
- 3 (f) whether the crime or offense was an isolated or repeated
4 incident;
- 5 (g) any social conditions which may have contributed to the
6 commission of the crime or offense; and
- 7 (h) any evidence of rehabilitation, including good conduct in
8 prison or in the community, counseling or psychiatric treatment
9 received, acquisition of additional academic or vocational
10 schooling, successful participation in correctional work-release
11 programs, or the recommendation of those who have had the
12 individual under their supervision.
- 13 d. **【A registry identification card】** A verification of registration
14 issued by the commission shall contain the following information:
- 15 (1) (a) in the case of a patient or designated caregiver
16 registration, the name, address, and date of birth of the patient and
17 **【primary】** each designated caregiver, if applicable; and
- 18 (b) in the case of an institutional caregiver, the caregiver's name
19 and date of birth and the name and address of the health care
20 facility at which the caregiver is serving as institutional caregiver;
- 21 (2) the expiration date of the **【registry identification card】**
22 registration;
- 23 (3) photo identification of the **【cardholder】** registrant; and
- 24 (4) such other information that the **【department】** commission
25 may specify by regulation.
- 26 e. (1) A patient who has been **【issued a registry identification**
27 **card】** registered by the commission shall notify the **【department】**
28 commission of any change in the patient's name, address, or
29 **【physician】** health care practitioner or change in status of the
30 patient's **【debilitating】** qualifying medical condition, within 10 days
31 of such change, or the **【registry identification card】** patient's
32 registration shall be deemed null and void.
- 33 (2) A **【primary】** designated caregiver who has been **【issued a**
34 **registry identification card】** registered by the commission shall
35 notify the **【department】** commission of any change in the
36 caregiver's name or address within 10 days of such change, or the
37 **【registry identification card】** caregiver's registration shall be
38 deemed null and void.
- 39 (3) An institutional caregiver who has been registered by the
40 commission shall notify the commission of any change in the
41 caregiver's name, address, employment by a health care facility at
42 which the caregiver is registered to serve as institutional caregiver,
43 or authorization from the health care facility to assist qualifying
44 patients with the medical use of cannabis, within 10 days of such
45 change, or the caregiver's registration shall be deemed null and

1 void and the individual shall be deemed ineligible to serve as an
2 institutional caregiver for a period of not less than one year.

3 f. The **【department】** commission shall maintain a confidential
4 list of the persons **【to whom it has issued registry identification**
5 **cards】** registered with the commission. Individual names and other
6 identifying information on the list, and information contained in any
7 application form, or accompanying or supporting document shall be
8 confidential, and shall not be considered a public record under
9 P.L.1963, c.73 (C.47:1A-1 et seq.) **【or】** , P.L.2001, c.404 (C.47:1A-
10 5 et al.), or the common law concerning access to government
11 records, and shall not be disclosed except to:

12 (1) authorized employees of the **【department】** commission and
13 the Division of Consumer Affairs in the Department of Law and
14 Public Safety as necessary to perform official duties of the
15 **【department】** commission and the division, as applicable; and

16 (2) authorized employees of State or local law enforcement
17 agencies, only as necessary to verify that a person who is engaged
18 in the suspected or alleged medical use of **【marijuana】** cannabis is
19 lawfully **【in possession of a registry identification card】** registered
20 with the commission.

21 g. Applying for **【or receiving a registry card】** registration or
22 being registered by the commission does not constitute a waiver of
23 the qualifying patient's **【patient-physician】** practitioner-patient
24 privilege.

25 h. An applicant seeking to serve as an institutional caregiver
26 shall submit with the application a certification executed by the
27 director or administrator of the health care facility employing the
28 applicant attesting that:

29 (1) the facility has authorized the applicant to assist registered
30 qualifying patients at the facility with the medical use of cannabis,
31 including obtaining medical cannabis from a medical cannabis
32 dispensary, accepting deliveries of medical cannabis on behalf of
33 registered qualifying patients, and assisting registered qualifying
34 patients with the administration of medical cannabis;

35 (2) the facility has established protocols and procedures and
36 implemented security measures to ensure that any medical cannabis
37 obtained by an institutional caregiver that is transported by the
38 caregiver to the facility is transported in a safe and secure manner
39 that prevents theft, diversion, adulteration, and access by
40 unauthorized individuals, and that any medical cannabis present at
41 the facility is stored in a safe and secure manner that prevents theft,
42 diversion, adulteration, and access by unauthorized individuals;

43 (3) the facility has established protocols and procedures to
44 review the medications and treatment plans of registered qualifying
45 patients at the facility to ensure that the patient's medical use of

1 cannabis will not result in adverse drug interactions, side effects, or
2 other complications that could significantly jeopardize the health or
3 safety of the patient;

4 (4) the facility will not charge a registered qualifying patient for
5 medical cannabis obtained on the registered qualifying patient's
6 behalf in an amount that exceeds the actual cost of the medical
7 cannabis, plus any reasonable costs incurred in acquiring the
8 medical cannabis;

9 (5) the facility has established protocols and procedures
10 concerning whether, and to what extent, designated caregivers are
11 permitted to assist registered qualifying patients with the medical
12 use of cannabis while at the facility; and

13 (6) the facility will promptly notify the commission in the event
14 that:

15 (a) an institutional caregiver registered with the commission
16 pursuant to this section ceases to be employed by the facility or
17 ceases to be authorized by the facility to assist registered qualifying
18 patients with the medical use of cannabis, in which case, upon
19 receipt of the notification, the commission shall immediately revoke
20 the institutional caregiver's registration; or

21 (b) an institutional caregiver registered with the commission
22 pursuant to this section, who completed a criminal history record
23 background check as a condition of professional licensure or
24 certification, is convicted of a crime or offense in this State after the
25 date the criminal history background check was performed, in
26 which case, upon receipt of that notification, the commission shall
27 make a determination regarding the continued eligibility of the
28 applicant to serve as an institutional caregiver.

29 Nothing in this section shall be deemed to require any facility to
30 authorize any employee of the facility to serve as an institutional
31 caregiver or to issue a certification that meets the requirements of
32 this subsection.

33 (cf: P.L.2009, c.307, s.4)

34

35 5. (New section) a. A health care practitioner shall not be
36 required to be listed publicly in any medical cannabis practitioner
37 registry as a condition of authorizing patients for the medical use of
38 cannabis.

39 b. No authorization for the medical use of cannabis may be
40 issued by a health care practitioner to the practitioner's own self or
41 to a member of the practitioner's immediate family.

42 c. The commission shall establish a process to allow medical
43 cannabis to be dispensed to a patient who has been authorized for
44 the medical use of cannabis and who has initiated the process of
45 registering with the commission pursuant to section 4 of P.L.2009,
46 c.307 (C.24:6I-4), but whose registration has not been completed or

1 subject to other final action by the commission. A patient may be
2 dispensed medical cannabis in quantities of up to a two-week
3 supply during the pendency of the patient's registration, after which
4 time the patient may be dispensed medical cannabis in an amount
5 consistent with the requirements of section 10 of P.L.2009, c.307
6 (C.24:6I-10). The commission shall impose such restrictions on
7 access to medical cannabis pursuant to this subsection as shall be
8 necessary to protect against fraud, abuse, and diversion.

9
10 6. (New section) a. Except as provided in subsection b. of this
11 section, no health care practitioner who has authorized a patient for
12 the medical use of cannabis pursuant to P.L.2009, c.307 (C.24:6I-1
13 et al.) within the past 90 days, and no member of such health care
14 practitioner's immediate family, shall be an interest holder in, or
15 receive any form of direct or indirect compensation from, any
16 medical cannabis cultivator, medical cannabis manufacturer,
17 medical cannabis dispensary, or clinical registrant.

18 b. Nothing in subsection a. of this section shall be construed to
19 prevent a health care practitioner from serving on the governing
20 board of a medical cannabis cultivator, medical cannabis
21 manufacturer, medical cannabis dispensary, or clinical registrant, or
22 on the medical advisory board of a medical cannabis cultivator,
23 medical cannabis manufacturer, medical cannabis dispensary, or
24 clinical registrant established pursuant to section 15 of
25 P.L. , c. (C.) (pending before the Legislature as this bill),
26 or from receiving a reasonable stipend for such service, provided
27 that:

28 (1) the stipend does not exceed the stipend paid to any other
29 member of the governing board or medical advisory board for
30 serving on the board; and

31 (2) the amount of the stipend is not based on patient volumes at
32 any medical cannabis dispensary or clinical registrant or on the
33 number of authorizations for the medical use of cannabis issued by
34 the health care practitioner pursuant to P.L.2009, c.307 (C.24:6I-1
35 et al.).

36 c. A health care practitioner, or an immediate family member
37 of a health care practitioner, who applies to be an owner, director,
38 officer, or employee of a medical cannabis cultivator, medical
39 cannabis manufacturer, medical cannabis dispensary, or clinical
40 registrant, or who otherwise seeks to be an interest holder in, or
41 receive any form of direct or indirect compensation from, a medical
42 cannabis cultivator, medical cannabis manufacturer, medical
43 cannabis dispensary, or clinical registrant, shall certify that the
44 health care practitioner has not authorized a patient for the medical
45 use of cannabis pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) within
46 the 90 days immediately preceding the date of the application.

1 d. A person who violates subsection a. of this section shall be
2 guilty of a crime of the fourth degree.

3
4 7. (New section) a. An individual who is registered as a
5 qualifying patient in another state or jurisdiction within the United
6 States that authorizes the medical use of cannabis shall be
7 considered a registered qualifying patient for the purposes of
8 P.L.2009, c.307 (C.24:6I-1 et al.) for a period of up to six months,
9 provided that the individual possesses both proof of registration in,
10 and a valid photo identification card issued by, the other state or
11 jurisdiction. During the six month period, the individual shall be
12 authorized to possess and use medical cannabis and engage in such
13 other conduct related to medical cannabis in New Jersey as is
14 consistent with the requirements of P.L.2009, c.307 (C.24:6I-1 et
15 al.) and the laws of the state or jurisdiction in which the patient is
16 registered, except that medical cannabis shall not be dispensed to
17 the individual unless a health care practitioner licensed in New
18 Jersey issues written instructions for the individual that meet the
19 requirements of section 10 of P.L.2009, c.307 (C.24:6I-10). No
20 individual shall be authorized to acquire, possess, use, or engage in
21 other conduct in connection with medical cannabis in New Jersey
22 pursuant to a medical cannabis registration from another State or
23 jurisdiction for more than six months unless the individual registers
24 with the commission as a qualifying patient pursuant to section 4 of
25 P.L.2009, c.307 (C.24:6I-4). Nothing in this subsection shall be
26 construed to authorize delivery of medical cannabis to any person
27 who is not registered with the commission pursuant to section 4 of
28 P.L.2009, c.307 (C.24:6I-4).

29 b. An individual who is registered as a designated caregiver in
30 another state or jurisdiction within the United States that authorizes
31 the medical use of cannabis shall be considered a designated
32 caregiver for the purposes of P.L.2009, c.307 (C.24:6I-1 et al.) for a
33 period of up to six months, provided that the individual is in
34 possession of both proof of registration in, and a valid photo
35 identification card issued by, the other state or jurisdiction. During
36 the six month period, the individual shall be authorized to assist a
37 registered qualifying patient with the medical use of cannabis and
38 engage in such other conduct in connection with medical cannabis
39 in New Jersey as is consistent with the requirements of P.L.2009,
40 c.307 (C.24:6I-1 et al.) and the laws of the state or jurisdiction in
41 which the caregiver is registered, except that medical cannabis shall
42 not be dispensed to the individual on behalf of a registered
43 qualifying patient unless a health care practitioner licensed in New
44 Jersey issues written instructions for the registered qualifying
45 patient that meet the requirements of section 10 of P.L.2009, c.307
46 (C.24:6I-10). No individual shall be authorized to assist a registered

1 qualifying patient with the medical use of cannabis or engage in
2 other conduct in connection with medical cannabis in New Jersey
3 pursuant to a medical cannabis registration from another State or
4 jurisdiction for more than six months unless the individual registers
5 with the commission as a designated caregiver pursuant to section 4
6 of P.L.2009, c.307 (C.24:6I-4). Nothing in this subsection shall be
7 construed to authorize delivery of medical cannabis to any person
8 who is not registered with the commission pursuant to section 4 of
9 P.L.2009, c.307 (C.24:6I-4).

10 c. The commission shall seek to enter into reciprocity
11 agreements with other states and jurisdictions within the United
12 States that authorize the medical use of cannabis.

13

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

16 6. a. The provisions of N.J.S.2C:35-18 shall apply to any
17 qualifying patient, **【primary】** designated caregiver, **【alternative**
18 **treatment center, physician】** institutional caregiver, health care
19 facility, medical cannabis cultivator, medical cannabis
20 manufacturer, medical cannabis dispensary, medical cannabis
21 handler, health care practitioner, academic medical center, clinical
22 registrant, testing laboratory, or any other person acting in
23 accordance with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.)
24 or P.L.2015, c.158 (C.18A:40-12.22 et al.).

25 b. A qualifying patient, **【primary】** designated caregiver,
26 **【alternative treatment center, physician】** institutional caregiver,
27 health care facility, medical cannabis cultivator, medical cannabis
28 manufacturer, medical cannabis dispensary, medical cannabis
29 handler, health care practitioner, academic medical center, clinical
30 registrant, testing laboratory, or any other person acting in
31 accordance with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.)
32 or P.L.2015, c.158 (C.18A:40-12.22 et al.) shall not be subject to
33 any civil or administrative penalty, or denied any right or privilege,
34 including, but not limited to, civil penalty or disciplinary action by
35 a professional licensing board, related to the medical use of
36 **【marijuana】** cannabis as authorized under P.L.2009, c.307 (C.24:6I-
37 1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

38 c. Registration with the commission, or application for
39 registration by the commission, **【a registry identification card】** shall
40 not alone constitute probable cause to search the person or the
41 property of the **【person possessing or applying for the registry**
42 **identification card】** registrant or applicant, or otherwise subject the
43 person or **【his】** the person's property to inspection by any
44 governmental agency.

1 d. The provisions of section 2 of P.L.1939, c.248 (C.26:2-82),
2 relating to destruction of **【marijuana】** cannabis determined to exist
3 by the **【department】** commission, shall not apply if a qualifying
4 patient **【or primary】**, designated caregiver, or institutional caregiver
5 **【has in his possession a registry identification card】** is registered
6 with the commission and is in possession of no more than the
7 maximum amount of usable **【marijuana】** cannabis that may be
8 obtained in accordance with section 10 of P.L.2009, c.307 (C.24:6I-
9 10).

10 e. No person shall be subject to arrest or prosecution for
11 constructive possession, conspiracy, or any other offense for simply
12 being in the presence or vicinity of the medical use of **【marijuana】**
13 cannabis as authorized under P.L.2009, c.307 (C.24:6I-1 et al.)
14 or P.L.2015, c.158 (C.18A:40-12.22 et al.).

15 f. No custodial parent, guardian, or person who has legal
16 custody of a qualifying patient who is a minor shall be subject to
17 arrest or prosecution for constructive possession, conspiracy, or any
18 other offense for assisting the minor in the medical use of
19 **【marijuana】** cannabis as authorized under P.L.2009, c.307 (C.24:6I-
20 1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

21 g. For the purposes of medical care, including organ
22 transplants, a qualifying patient's authorized use of medical
23 cannabis in accordance with the provisions of P.L.2009, c.307
24 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.), shall
25 be considered equivalent to the authorized use of any other
26 medication used at the direction of a health care practitioner, and
27 shall not constitute the use of an illicit substance or otherwise
28 disqualify a qualifying patient from needed medical care.

29 h. No public or private school or institution of higher education
30 may refuse to enroll a person based solely on the person's status as
31 a registrant with the commission, unless failing to do so would
32 result in the school or institution losing a monetary or licensing-
33 related benefit granted pursuant to federal law. No public or private
34 school or institution of higher education shall be penalized or
35 denied any benefit under State law solely on the basis of enrolling a
36 person who is registered with the commission.

37 i. No person shall refuse to rent, lease, or sublease any real
38 property or part or portion thereof, or discriminate in the terms,
39 conditions, or privileges of the rental or lease of any real property
40 or part or portion thereof or in the furnishing of facilities or services
41 in connection therewith, based solely on the status of the
42 prospective tenant as a registrant with the commission, unless
43 failing to do so would result in the person losing a monetary or
44 licensing-related benefit granted pursuant to federal law. No such
45 person shall be penalized or denied any benefit under State law

1 solely on the basis of renting or leasing real property to a person
2 who is registered with the commission.

3 j. No person shall be denied, or subject to adverse action in
4 connection with, any license, certification, or permit issued
5 pursuant to State law solely based on the person's status as a
6 registrant with the commission, unless issuance or continuance of
7 the license, certification, or permit would result in the licensing or
8 permitting agency losing federal certification, federal funding, or
9 other benefits granted pursuant to federal law.

10 k. (1) Unless failing to do so would result in the health care
11 facility losing a monetary or licensing-related benefit granted
12 pursuant to federal law, a health care facility that employs or
13 maintains a professional affiliation with a health care practitioner
14 shall not take adverse employment action against the health care
15 practitioner or otherwise limit, restrict, or terminate a professional
16 affiliation with the health care practitioner solely based on the
17 health care practitioner engaging in conduct authorized under
18 P.L.2009, c.307 (C.24:6I-1 et al.), including, but not limited to,
19 authorizing patients for the medical use of cannabis, issuing written
20 instructions pursuant to section 10 of P.L.2009, c.307 (C.24:6I-10),
21 and consulting with patients regarding the use of medical cannabis
22 to treat the patient's qualifying medical condition.

23 (2) No health care facility shall be penalized or denied any
24 benefit under State law solely on the basis of employing or
25 maintaining a professional affiliation with a health care practitioner
26 who engages in conduct authorized under P.L.2009, c.307 (C.24:6I-
27 1 et al.).

28 l. Unless failing to do so would result in the insurer or
29 insurance association losing a monetary or licensing-related benefit
30 granted pursuant to federal law, an insurer or insurance association
31 authorized to issue medical malpractice liability insurance in New
32 Jersey shall not deny coverage to a health care practitioner, increase
33 the amount of premiums or deductibles under the policy, or charge
34 any additional fees in connection with the policy, solely based on
35 the health care practitioner engaging in conduct authorized under
36 P.L.2009, c.307 (C.24:6I-1 et al.), including, but not limited to,
37 authorizing qualifying patients for the medical use of cannabis,
38 issuing written instructions pursuant to section 10 of P.L.2009,
39 c.307 (C.24:6I-10), and consulting with patients regarding the use
40 of medical cannabis to treat a qualifying medical condition. No
41 insurer or insurance association shall be penalized or denied any
42 benefit under State law solely on the basis of providing medical
43 malpractice liability insurance to a health care practitioner who
44 engages in conduct authorized under P.L.2009, c.307 (C.24:6I-
45 1 et al.).

1 m. A person's status as a registered qualifying patient, a
2 designated or institutional caregiver, or an owner, director, officer,
3 or employee of a medical cannabis cultivator, medical cannabis
4 manufacturer, medical cannabis dispensary, clinical registrant, or
5 licensed testing laboratory, or as a certified medical cannabis
6 handler, shall not constitute the sole grounds for entering an order
7 that restricts or denies custody of, or visitation with, a minor child
8 of the person.

9 n. (1) No health care facility shall be penalized or denied any
10 benefit under State law solely for permitting or prohibiting the
11 handling, administration, usage, or storage of medical cannabis,
12 provided that the facility's policies related to medical cannabis are
13 consistent with all other facility policies concerning medication
14 handling, administration, usage, or storage.

15 (2) No health care facility shall be penalized or denied any
16 benefit under State law solely for prohibiting the smoking of
17 medical cannabis on facility property in accordance with the
18 facility's smoke free policy.

19 o. No action or proceeding by the Division of Child Protection
20 and Permanency in the Department of Children and Families shall
21 be initiated against a pregnant woman or against the parent or legal
22 guardian of minor child on the sole grounds that the pregnant
23 woman or the parent or legal guardian is a registered qualifying
24 patient, a designated or institutional caregiver, an owner, director,
25 officer, or employee of a medical cannabis cultivator, medical
26 cannabis manufacturer, medical cannabis dispensary, clinical
27 registrant, or licensed testing laboratory, or a certified medical
28 cannabis handler; provided, however, that nothing in this subsection
29 shall preclude any action or proceeding by the division based on
30 harm or risk of harm to a child.

31 (cf: P.L.2015, c.158, s.4)

32
33 9. (New section) a. It shall be unlawful to take any adverse
34 employment action against an employee who is a registered
35 qualifying patient based solely on the employee's status as a
36 registrant with the commission.

37 b. (1) If an employer has a drug testing policy and an
38 employee or job applicant tests positive for cannabis, the employer
39 shall offer the employee or job applicant an opportunity to present a
40 legitimate medical explanation for the positive test result, and shall
41 provide written notice of the right to explain to the employee or job
42 applicant.

43 (2) Within three working days after receiving notice pursuant to
44 paragraph (1) of this subsection, the employee or job applicant may
45 submit information to the employer to explain the positive test
46 result, or may request a confirmatory retest of the original sample at

1 the employee's or job applicant's own expense. As part of an
2 employee's or job applicant's explanation for the positive test
3 result, the employee or job applicant may present an authorization
4 for medical cannabis issued by a health care practitioner, proof of
5 registration with the commission, or both.

6 c. Nothing in this section shall be deemed to:

7 (1) restrict an employer's ability to prohibit, or take adverse
8 employment action for, the possession or use of intoxicating
9 substances during work hours or on the premises of the workplace
10 outside of work hours; or

11 (2) require an employer to commit any act that would cause the
12 employer to be in violation of federal law, that would result in a
13 loss of a licensing-related benefit pursuant to federal law, or that
14 would result in the loss of a federal contract or federal funding.

15 d. No employer shall be penalized or denied any benefit under
16 State law solely on the basis of employing a person who is
17 registered with the commission.

18

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

21 7. a. (1) The **【department】** commission shall accept
22 applications from entities for permits to operate as **【alternative**
23 **treatment centers and may charge a reasonable fee for the issuance**
24 **of a permit under this section】** medical cannabis cultivators,
25 medical cannabis manufacturers, and medical cannabis dispensaries.
26 For the purposes of this section, the term "permit" shall be deemed
27 to include a conditional permit issued pursuant to subsection d. of
28 section 11 of P.L. , c. (C.) (pending before the Legislature
29 as this bill) and any permit issued to a microbusiness pursuant to
30 subsection e. of section 11 of P.L. , c. (C.) (pending before
31 the Legislature as this bill).

32 (2) (a) For a period of 18 months after the effective date of
33 P.L. , c. (C.) (pending before the Legislature as this bill):

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

37 (ii) there shall be no more than 28 active medical cannabis
38 cultivator permits, including medical cannabis cultivator permits
39 deemed to be held by alternative treatment centers issued a permit
40 prior to the effective date of P.L. , c. (C.) (pending before
41 the Legislature as this bill) and medical cannabis cultivator permits
42 deemed to be held by alternative treatment centers issued a permit
43 subsequent to the effective date of P.L. , c. (C.) (pending
44 before the Legislature as this bill) pursuant to an application
45 submitted prior to the effective date of P.L. , c. (C.)
46 (pending before the Legislature as this bill); provided that medical

1 cannabis cultivator permits issued to microbusinesses pursuant to
2 subsection e. of section 11 of P.L. , c. (C.) (pending before
3 the Legislature as this bill) shall not count toward this limit.

4 (b) Commencing 18 months after the effective date of P.L. , c.
5 (C.) (pending before the Legislature as this bill), a permit
6 holder shall be authorized to concurrently hold a medical cannabis
7 cultivator permit, a medical cannabis manufacturer permit, and a
8 medical cannabis dispensary permit, provided that no permit holder
9 shall be authorized to concurrently hold more than one permit of
10 each type. The permit holder may submit an application for a
11 permit of any type that the permit holder does not currently hold
12 prior to the expiration of the 18 month period described in
13 subparagraph (a) of this paragraph, provided that no additional
14 permit shall be awarded to the permit holder during the 18 month
15 period.

16 (c) The provisions of subparagraph (a) of this paragraph shall
17 not apply to any alternative treatment center that was issued a
18 permit prior to the effective date of P.L. , c. (C.) (pending
19 before the Legislature as this bill), to any alternative treatment
20 center that was issued a permit after the effective date of P.L. , c.
21 (C.) (pending before the Legislature as this bill) pursuant to an
22 application submitted prior to the effective date of P.L. , c.
23 (C.) (pending before the Legislature as this bill), to one of the
24 four alternative treatment centers issued a permit pursuant to an
25 application submitted after the effective date of P.L. , c.
26 (C.) (pending before the Legislature as this bill) pursuant to a
27 request for applications published in the New Jersey Register prior
28 to the effective date of P.L. , c. (C.) (pending before the
29 Legislature as this bill) that are expressly exempt from the
30 provisions of subparagraph (i) of subparagraph (a) of this
31 paragraph, or to one of the three alternative treatment centers issued
32 a permit pursuant to section 11 of P.L. , c. (C.) (pending
33 before the Legislature as this bill) that are expressly exempt from
34 the provisions of subparagraph (i) of subparagraph (a) of this
35 paragraph, which alternative treatment centers shall be deemed to
36 concurrently hold a medical cannabis cultivator permit, a medical
37 cannabis manufacturer permit, and a medical cannabis dispensary
38 permit, and shall be authorized to engage in any conduct authorized
39 pursuant to those permits in relation to the cultivation,
40 manufacturing, and dispensing of medical cannabis.

41 (d) No entity may be issued or concurrently hold more than one
42 medical cannabis cultivator permit, one medical cannabis
43 manufacturer permit, or one medical cannabis dispensary permit at
44 one time, and no medical cannabis dispensary shall be authorized to
45 establish a satellite location on or after the effective date of P.L. ,
46 c (C.) (pending before the Legislature as this bill), except

1 that an alternative treatment center that was issued a permit prior to
2 the effective date of P.L. , c. (C.) (pending before the
3 Legislature as this bill) or that was issued a permit after the
4 effective date of P.L. , c. (C.) (pending before the
5 Legislature as this bill) pursuant to an application submitted prior to
6 the effective date of P.L. , c. (C.) (pending before the
7 Legislature as this bill) shall be authorized to maintain up to two
8 satellite dispensaries, including any satellite dispensary that was
9 approved pursuant to an application submitted prior to or within 18
10 months after the effective date of P.L. , c. (C.) (pending
11 before the Legislature as this bill). The three alternative treatment
12 centers issued permits pursuant to section 11 of P.L. , c.
13 (C.) (pending before the Legislature as this bill) that are
14 expressly exempt from the provisions of subsubparagraph (i) of
15 subparagraph (a) of this paragraph shall be authorized to establish
16 and maintain up to one satellite dispensary location, provided that
17 the satellite dispensary was approved pursuant to an application
18 submitted within 18 months after the effective date of P.L. , c.
19 (C.) (pending before the Legislature as this bill).

20 (e) No entity issued a medical cannabis cultivator, medical
21 cannabis manufacturer, or medical cannabis dispensary permit may
22 concurrently hold a clinical registrant permit issued pursuant to
23 section 13 of P.L. , c. (C.) (pending before the legislature
24 as this bill), and no entity issued a clinical registrant permit
25 pursuant to section 13 of P.L. , c. (C.) (pending before the
26 Legislature as this bill) may concurrently hold a medical cannabis
27 cultivator permit, a medical cannabis manufacturer permit, or a
28 medical cannabis dispensary permit.

29 (f) Any medical cannabis dispensary permit holder may be
30 approved by the commission to operate a medical cannabis
31 consumption area, provided that the permit holder otherwise meets
32 the requirements of section 28 of P.L. , c. (C.) (pending
33 before the Legislature as this bill.

34 (g) An alternative treatment center that was issued a permit prior
35 to the effective date of P.L. , c. (C.) (pending before the
36 Legislature as this bill), that was issued a permit after the effective
37 date of P.L. , c. (C.) (pending before the Legislature as this
38 bill) pursuant to an application submitted pursuant to a request for
39 applications published in the New Jersey Register prior to the
40 effective date of P.L. , c. (C.) (pending before the
41 Legislature as this bill), or that was issued a permit after the
42 effective date of P.L. , c. (C.) (pending before the
43 Legislature as this bill) pursuant to an application submitted prior to
44 the effective date of P.L. , c. (C.) (pending before the
45 Legislature as this bill), shall be required to submit an attestation
46 signed by a bona fide labor organization stating that the alternative

1 treatment center has entered into a labor peace agreement with such
2 bona fide labor organization no later than 100 days after the
3 effective date of P.L. _____, c. _____ (C. _____) (pending before the
4 Legislature as this bill) or no later than 100 days after the date the
5 alternative treatment center first opens, whichever date is later. The
6 maintenance of a labor peace agreement with a bona fide labor
7 organization shall be an ongoing material condition of maintaining
8 the alternative treatment center's permit. The failure to submit an
9 attestation as required pursuant to this subparagraph within 100
10 days after the effective date of P.L. _____, c. _____ (C. _____) (pending
11 before the Legislature as this bill) or within 100 days after the
12 alternative treatment center first opens, as applicable, shall result in
13 the suspension or revocation of the alternative treatment center's
14 permit, provided that the commission may grant an extension to this
15 deadline to the alternative treatment center based upon extenuating
16 circumstances or for good cause shown.

17 (3) The **【department】** commission shall seek to ensure the
18 availability of a sufficient number of **【alternative treatment centers】**
19 medical cannabis cultivators, medical cannabis manufacturers, and
20 medical cannabis dispensaries throughout the State, pursuant to
21 need, including at least two each in the northern, central, and
22 southern regions of the State. **【The first two centers issued a permit**
23 **in each region shall be nonprofit entities, and centers subsequently】**
24 Medical cannabis cultivators, medical cannabis manufacturers, and
25 medical cannabis dispensaries issued permits pursuant to this
26 section may be nonprofit or for-profit entities.

27 **【An alternative treatment center】**

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

37 (5) (a) A medical cannabis cultivator shall be authorized to:
38 acquire a reasonable initial and ongoing inventory, as determined
39 by the **【department】** commission, of **【marijuana】** cannabis seeds or
40 seedlings and paraphernalia **【,】** ; possess, cultivate, plant, grow,
41 harvest, **【process, display, manufacture,】** and package medical
42 cannabis, including prerolled forms, for any authorized purpose,
43 including, but not limited to, research purposes; and deliver,
44 transfer, transport, distribute, supply, or sell **【, or dispense】** medical
45 **【marijuana】** cannabis **【, or】** and related supplies to any medical

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

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

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

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

1 other form as authorized by the **【commissioner】** commission,
2 except that the edible forms made available to minor patients shall
3 be limited to forms that are medically appropriate for children,
4 including pills, tablets, capsules, chewable forms, and drops, oils,
5 syrops, and other liquids. **【Edible forms shall be available only to**
6 **qualifying patients who are minors.**

7 Applicants for authorization as nonprofit alternative treatment
8 centers shall be subject to all applicable State laws governing
9 nonprofit entities, but**】**

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

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

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

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

43 Any individual seeking to become a director, officer, or
44 employee of a medical cannabis cultivator, medical cannabis

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

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

42 An applicant who is required to undergo a criminal history
43 record background check pursuant to this section shall submit to
44 being fingerprinted in accordance with applicable State and federal
45 laws, rules, and regulations. No check of criminal history record
46 background information shall be performed pursuant to this section

1 unless the applicant has furnished **【his】** the applicant's written
2 consent to that check. An applicant who is required to undergo a
3 criminal history record background check pursuant to this section
4 who refuses to consent to, or cooperate in, the securing of a check
5 of criminal history record background information shall not be
6 considered for a permit to operate, or authorization to be employed
7 at or to be a significantly involved person in, **【an alternative**
8 **treatment center】** a medical cannabis cultivator, medical cannabis
9 manufacturer, medical cannabis dispensary, or clinical registrant.
10 An applicant shall bear the cost for the criminal history record
11 background check, including all costs of administering and
12 processing the check.

13 (2) The **【commissioner】** commission shall not approve an
14 applicant for a permit to operate, or authorization to be employed at
15 or to be a significantly involved person in, **【an alternative treatment**
16 **center】** a medical cannabis cultivator, medical cannabis
17 manufacturer, medical cannabis dispensary, or clinical registrant if
18 the criminal history record background information of the applicant
19 reveals a disqualifying conviction as set forth in subsection c. of
20 this section.

21 (3) Upon receipt of the criminal history record background
22 information from the Division of State Police and the Federal
23 Bureau of Investigation, the **【commissioner】** commission shall
24 provide written notification to the applicant of **【his】** the applicant's
25 qualification for or disqualification for a permit to operate or be a
26 director, officer, or employee of **【an alternative treatment center】** ,
27 or a significantly involved person in, a medical cannabis cultivator,
28 medical cannabis manufacturer, medical cannabis dispensary, or
29 clinical registrant.

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

34 (4) The Division of State Police shall promptly notify the
35 **【commissioner】** commission in the event that an individual who
36 was the subject of a criminal history record background check
37 conducted pursuant to this section is convicted of a crime or offense
38 in this State after the date the background check was performed.
39 Upon receipt of that notification, the **【commissioner】** commission
40 shall make a determination regarding the continued eligibility to
41 operate or be a director, officer, or employee of **【an alternative**
42 **treatment center】** , or a significantly involved person in, a medical
43 cannabis cultivator, medical cannabis manufacturer, medical
44 cannabis dispensary, or clinical registrant.

1 (5) Notwithstanding the provisions of subsection **[b.] c.** of this
2 section to the contrary, the **[commissioner]** commission may offer
3 provisional authority for an applicant to be an owner, director,
4 officer, or employee of [an alternative treatment center] , or a
5 significantly involved person in, a medical cannabis cultivator,
6 medical cannabis manufacturer, medical cannabis dispensary, or
7 clinical registrant for a period not to exceed three months if the
8 applicant submits to the **[commissioner]** commission a sworn
9 statement attesting that the person has not been convicted of any
10 disqualifying conviction pursuant to this section.

11 (6) Notwithstanding the provisions of subsection **[b.] c.** of this
12 section to the contrary, no applicant to be an owner, director,
13 officer, or employee of [an alternative treatment center] , or a
14 significantly involved person in, a medical cannabis cultivator,
15 medical cannabis manufacturer, medical cannabis dispensary, or
16 clinical registrant shall be disqualified on the basis of any
17 conviction disclosed by a criminal history record background check
18 conducted pursuant to this section if the individual has affirmatively
19 demonstrated to the **[commissioner]** commission clear and
20 convincing evidence of rehabilitation. In determining whether clear
21 and convincing evidence of rehabilitation has been demonstrated,
22 the following factors shall be considered:

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

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

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

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

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

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

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

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

41 e. The **[department]** commission shall issue a permit to **[a**
42 **person to]** operate **[as an alternative treatment center]** or be an
43 owner, director, officer, or employee of, or a significantly involved
44 person in, a medical cannabis cultivator, medical cannabis
45 manufacturer, or medical cannabis dispensary if the **[department]**

1 commission finds that issuing such a permit would be consistent
2 with the purposes of **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.)
3 and the requirements of this section and section 11 of P.L. , c.
4 (C.) (pending before the Legislature as this bill) are met **【and**
5 **the department has verified the information contained in the**
6 **application. The department shall approve or deny an application**
7 **within 60 days after receipt of a completed application】**. The denial
8 of an application shall be considered a final agency decision,
9 subject to review by the Appellate Division of the Superior Court.
10 **【The department may suspend or revoke a permit to operate as an**
11 **alternative treatment center for cause, which shall be subject to**
12 **review by the Appellate Division of the Superior Court】** A permit
13 to operate a medical cannabis cultivator, medical cannabis
14 manufacturer, or medical cannabis dispensary issued on or after the
15 effective date of P.L. , c. (C.) (pending before the
16 Legislature as this bill) shall be valid for one year and shall be
17 renewable annually.

18 f. A person who has been issued a permit pursuant to this
19 section or a clinical registrant permit pursuant to section 13 of
20 P.L. , c. (C.) (pending before the Legislature as this bill)
21 shall display the permit at the front entrance to the premises of the
22 **【alternative treatment center】** permitted facility at all times when
23 **【marijuana is being produced, or dispensed to a registered**
24 **qualifying patient or the patient's primary caregiver】** the facility is
25 engaged in conduct authorized pursuant to P.L.2009, c.307
26 (C.24:6I-1 et al.) involving medical cannabis, including, but not
27 limited to, the cultivating, manufacturing, or dispensing of medical
28 cannabis.

29 g. **【An alternative treatment center】** A medical cannabis
30 cultivator, medical cannabis manufacturer, medical cannabis
31 dispensary, or clinical registrant shall report any change in
32 information to the **【department】** commission not later than 10 days
33 after such change, or the permit shall be deemed null and void.

34 h. **【An alternative treatment center may charge a registered**
35 **qualifying patient or primary caregiver for the reasonable costs**
36 **associated with the production and distribution of marijuana for the**
37 **cardholder】** Each medical cannabis dispensary and clinical
38 registrant shall maintain and make available on its Internet website,
39 if any, a standard price list that shall apply to all medical cannabis,
40 medical cannabis products, and related supplies and paraphernalia
41 sold or dispensed by the medical cannabis dispensary or clinical
42 registrant, which prices shall be reasonable and consistent with the
43 actual costs incurred by the medical cannabis dispensary or clinical
44 registrant in connection with acquiring and selling, transferring, or
45 dispensing the medical cannabis or medical cannabis product and

1 related supplies and paraphernalia. The prices charged by medical
2 cannabis dispensary or clinical registrant shall not deviate from the
3 prices indicated on the entity's current price list, provided that a
4 price list maintained by a medical cannabis dispensary or clinical
5 registrant may allow for medical cannabis to be made available at a
6 reduced price or without charge to qualifying patients who have a
7 demonstrated financial hardship, as that term shall be defined by the
8 commission by regulation. A price list required pursuant to this
9 subsection may be revised no more than once per month, and each
10 medical cannabis dispensary and clinical registrant shall be
11 responsible for ensuring that the commission has a copy of the
12 facility's current price list. A medical cannabis dispensary or
13 clinical registrant shall be liable to a civil penalty of \$1,000 for
14 each sale that occurs at a price that deviates from the entity's
15 current price list, and to a civil penalty of \$10,000 for each week
16 during which the entity's current price list is not on file with the
17 commission. Any civil penalties collected by the commission
18 pursuant to this section shall be used by the commission for the
19 purposes of administering the State medical cannabis program.

- 20 i. The **【commissioner】** commission shall adopt regulations to:
- 21 (1) require such written documentation of each delivery or
22 dispensation of **【marijuana】** cannabis to, and pickup of **【marijuana】**
23 cannabis for, a registered qualifying patient, including the date and
24 amount dispensed, and, in the case of delivery, the date and times
25 the delivery commenced and was completed, the address where the
26 medical cannabis was delivered, the name of the patient or
27 caregiver to whom the medical cannabis was delivered, and the
28 name, handler certification number, and delivery certification
29 number of the medical cannabis handler who performed the
30 delivery, to be maintained in the records of the **【alternative**
31 treatment center**】** medical cannabis dispensary or clinical registrant,
32 as the **【commissioner】** commission determines necessary to ensure
33 effective documentation of the operations of each **【alternative**
34 treatment center**】** medical cannabis dispensary or clinical registrant;
- 35 (2) monitor, oversee, and investigate all activities performed by
36 **【an alternative treatment center】** medical cannabis cultivators,
37 medical cannabis manufacturers, medical cannabis dispensaries, and
38 clinical registrants; **【and】**
- 39 (3) ensure adequate security of all facilities 24 hours per day **【,**
40 including production and retail locations,**】** and security of all
41 delivery methods to registered qualifying patients; and
- 42 (4) establish thresholds for administrative action to be taken
43 against a medical cannabis cultivator, medical cannabis
44 manufacturer, medical cannabis dispensary, or clinical registrant
45 and its employees, officers, investors, directors, or governing board

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

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

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

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

1 the nonprofit entity's balance sheet, in addition to the agreed-upon
2 price for the sale or transfer of the entity's alternative treatment
3 center permit. Until such time as the members of the Cannabis
4 Regulatory Commission are appointed and the commission first
5 organizes, the Department of Health shall have full authority to
6 approve a sale or transfer pursuant to this paragraph.

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

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

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

43 (cf: P.L.2013, c.160, s.2)

44

45 11. (New section) a. The commission shall, no later than 90
46 days after the effective date of P.L. , c. (C.) (pending

1 before the Legislature as this bill) or upon adoption of rules and
2 regulations as provided in subsection c. of section 18 of P.L.2009,
3 c.307 (C.24:6I-16), whichever occurs later, begin accepting and
4 processing applications for new medical cannabis cultivator,
5 medical cannabis manufacturer, and medical cannabis dispensary
6 permits. Notwithstanding the provisions of subsubparagraph (i) of
7 subparagraph (a) of paragraph (2) of subsection a. of section 7 of
8 P.L.2009, c.307 (C.24:6I-7), the first three alternative treatment
9 center permits issued by the commission pursuant to an application
10 submitted on or after the effective date of P.L. , c. (C.)
11 (pending before the Legislature as this bill) and up to four
12 alternative treatment centers permits issued by the commission after
13 the effective date of P.L. , c. (C.) (pending before the
14 Legislature as this bill) pursuant to an application submitted
15 pursuant to a request for applications published in the New Jersey
16 Register prior to the effective date of P.L. , c. (C.) (pending
17 before the Legislature as this bill) shall be deemed to concurrently
18 hold a medical cannabis cultivator permit, a medical cannabis
19 manufacturer permit, and a medical cannabis dispensary permit; of
20 these permits, one permit shall be issued to an applicant located in
21 the northern region of the State, one permit shall be issued to an
22 applicant located in the central region of the State, and one permit
23 shall be issued to an applicant located in the southern region of the
24 State. Any permits issued by the commission thereafter shall be
25 subject to the provisions of subsubparagraph (i) of subparagraph (a)
26 of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307
27 (C.24:6I-7), and the requirements of subsection d. of this section
28 concerning conditional permits.

29 b. The commission may establish nonrefundable application
30 fees for permit applications and conditional permit applications, and
31 permit and conditional permit fees for successful applicants.

32 c. (1) The commission shall make a determination as to any
33 permit application, other than an application for a conditional
34 permit submitted pursuant to subsection d. of this section, no later
35 than 90 days after receiving the application, which may include a
36 determination that the commission reasonably requires more time to
37 adequately review the application.

38 (2) The commission shall issue a permit, other than a
39 conditional permit, to an approved applicant at such time as the
40 commission completes the application review process and any
41 mandatory inspections, and determines that the applicant is in
42 compliance with and is implementing the plans, procedures,
43 protocols, actions, or other measures set forth in the applicant's
44 permit application submitted pursuant to section 12 of P.L. , c.
45 (C.) (pending before the Legislature as this bill), did maintain
46 compliance with the terms, conditions, or restrictions of a

1 conditional permit issued to the applicant, if applicable, and is
2 otherwise in compliance with the requirements of P.L.2009, c.307
3 (C.24:6I-1 et al.).

4 d. (1) The commission shall ensure that at least one third of
5 the total permits issued for each type of medical cannabis permit are
6 conditional permits, which one-third figure shall include any
7 conditional permit issued to an applicant which is subsequently
8 converted by the commission into a full permit pursuant to
9 paragraph (4) of this subsection and any conditional permit,
10 including a converted permit, issued to a microbusiness pursuant to
11 subsection e. of this section. The requirements of this subsection
12 shall not apply to permits issued to clinical registrants or to permits
13 issued to the three alternative treatment centers issued a permit
14 pursuant to subsection a. of this section that are expressly exempt
15 from the provisions of subparagraph (i) of subparagraph (a) of
16 paragraph (2) of subsection a. of section 7 of P.L.2009, c.307
17 (C.24:6I-7).

18 (2) An application for a conditional permit shall include:

19 (a) documentation that the applicant entity includes at least one
20 significantly involved person who has resided in this State for at
21 least two years as of the date of the application;

22 (b) a list of all owners, officers, directors, and employees of,
23 and significantly involved persons in, the proposed medical
24 cannabis entity, including their names, addresses, dates of birth,
25 resumes, and a photocopy of their driver's licenses or other
26 government-issued form of identification;

27 (c) a criminal history record background check completed
28 pursuant to subsection d. of section 7 of P.L.2009, c.307 (C.24:6I-7)
29 for each owner, officer, director, and employee of, and each
30 significantly involved person in, the proposed medical cannabis
31 entity, provided that a conditional permit may be issued pending the
32 results of a criminal history record background check;

33 (d) documentation that each significantly involved person in the
34 proposed medical cannabis entity has, for the immediately
35 preceding taxable year, an adjusted gross income of no more than
36 \$200,000 or no more than \$400,000 if filing jointly with another;

37 (e) a certification that each significantly involved person in the
38 proposed medical cannabis entity does not have any financial
39 interest in an entity applying for any other medical cannabis permit,
40 or in an entity that currently holds a permit issued pursuant to
41 section 7 of P.L.2009, c.307 (C.24:6I-7);

42 (f) the federal and State tax identification numbers for the
43 proposed medical cannabis entity, and proof of business registration
44 with the Division of Revenue in the Department of the Treasury;

45 (g) information about the proposed medical cannabis entity,
46 including its legal name, any registered alternate name under which

1 it may conduct business, and a copy of its articles of organization
2 and bylaws;

3 (h) the business plan and management operation profile for the
4 proposed medical cannabis entity;

5 (i) the plan by which the applicant intends to obtain appropriate
6 liability insurance coverage for the proposed medical cannabis
7 entity; and

8 (j) any other requirements established by the commission
9 pursuant to regulation.

10 (3) The commission shall make a determination on an
11 application for a conditional permit within 30 days after the date the
12 application is received. A determination made pursuant to this
13 paragraph may include a determination that the commission
14 requires more time to adequately review the application. The
15 commission shall approve a permit application that meets the
16 requirements of this subsection unless the commission finds by
17 clear and convincing evidence that the applicant would be
18 manifestly unsuitable to perform the activities authorized for the
19 permit sought by the applicant. The commission shall deny a
20 conditional permit to any applicant who fails to provide
21 information, documentation, and assurances as required by this
22 subsection; who fails to reveal any fact material to qualification; or
23 who supplies information that is untrue or misleading as to a
24 material fact pertaining to the qualification criteria for issuance of a
25 conditional permit. If the application is denied, the commission
26 shall notify the applicant in writing of the specific reason for its
27 denial and provide the applicant with the opportunity for a hearing
28 in accordance with the "Administrative Procedure Act," P.L.1968,
29 c.410 (C.52:14B-1 et seq.).

30 (4) The commission shall furnish to each entity issued a
31 conditional permit a list of the requirements that the entity will be
32 required to comply with within 120 days after issuance of the
33 conditional permit. If the commission subsequently determines
34 that, during the 120-day period, the conditional permit holder is in
35 compliance with all applicable conditions and is implementing the
36 plans, procedures, protocols, actions, or other measures set forth in
37 its application, the commission shall convert the conditional permit
38 into a full permit, which will expire one year from its date of
39 issuance and be subject to annual renewal; if the commission
40 determines that the conditional permit holder is not in compliance
41 with all applicable conditions or not implementing the plans,
42 procedures, protocols, actions, or other measures set forth in its
43 application, the conditional permit shall automatically expire at the
44 end of the 120-day period, or, at the discretion of the commission,
45 may be revoked prior to the end of the 120-day period.

1 (5) A conditional permit issued pursuant this subsection may not
2 be sold or transferred.

3 e. (1) The commission shall ensure that at least 10 percent of
4 the total permits issued for each medical cannabis permit type, other
5 than a clinical registrant permit, are designated for and only issued
6 to microbusinesses, and that at least 25 percent of the total permits
7 issued be issued to microbusinesses. A microbusiness may be
8 issued a full annual permit pursuant to section 7 of P.L.2009, c.307
9 (C.24:6I-7) or a conditional permit pursuant to subsection d. of this
10 section. The maximum fee assessed by the commission for issuance
11 or renewal of a permit issued to a microbusiness shall be no more
12 than half the fee applicable to a permit of the same type issued to a
13 person or entity that is not a microbusiness. A permit issued to a
14 microbusiness shall be valid for one year and may be renewed
15 annually.

16 (2) A microbusiness shall meet the following requirements:

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

20 (b) at least 51 percent of the owners, directors, officers, and
21 employees of the microbusiness shall be residents of the
22 municipality in which the microbusiness is or will be located, or a
23 municipality bordering the municipality in which the microbusiness
24 is or will be located;

25 (c) the microbusiness shall employ no more than 10 employees
26 at one time, inclusive of any owners, officers, and directors of the
27 microbusiness;

28 (d) the microbusiness shall not exceed the following size and
29 capacity restrictions:

30 (i) the entire microbusiness facility shall occupy an area of no
31 more than 2,500 square feet;

32 (ii) in the case of a microbusiness that is a medical cannabis
33 cultivator, the total medical cannabis grow area shall not exceed
34 2,500 square feet, measured on a horizontal plane, shall grow no
35 higher than 24 feet above that plane, and shall possess a total of no
36 more than 1,000 plants, including mature and immature medical
37 cannabis plants, but not including seedlings;

38 (iii) in the case of a microbusiness that is a medical cannabis
39 manufacturer, the manufacturer shall acquire and process no more
40 than 1,000 pounds of medical cannabis in dried form each month;
41 and

42 (iv) in the case of a microbusiness that is a medical cannabis
43 dispensary, the dispensary shall acquire no more than 1,000 pounds
44 of medical cannabis in dried form, or the equivalent amount in any
45 other form, or any combination thereof, for dispensing to or on
46 behalf of registered qualifying patients each month; and

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

3 (3) The requirements of this subsection shall not apply to
4 permits issued pursuant to an application submitted pursuant to a
5 request for applications published in the New Jersey Register prior
6 to the effective date of P.L. , c. (C.) (pending before the
7 Legislature as this bill).

8
9 12. (New section) a. Each application for a medical cannabis
10 cultivator permit, medical cannabis manufacturer permit, and
11 medical cannabis dispensary permit, and each application for annual
12 renewal of such permit, including permit and renewal applications
13 for microbusinesses that meet the requirements of subsection e. of
14 section 11 of P.L. , c. (C.) (pending before the Legislature
15 as this bill), shall be submitted to the commission. A full, separate
16 application shall be required for each initial permit requested by the
17 applicant and for each location at which an applicant seeks to
18 operate, regardless of whether the applicant was previously issued
19 a medical cannabis cultivator, medical cannabis manufacturer,
20 medical cannabis dispensary, or clinical registrant permit, and
21 regardless of whether the applicant currently holds a medical
22 cannabis cultivator, medical cannabis manufacturer, or medical
23 cannabis dispensary permit. Renewal applications shall be
24 submitted to the commission on a form and in a manner as shall be
25 specified by the commission no later than 90 days before the date
26 the current permit will expire.

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

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

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

42 (a) State-authorized cultivation of medical cannabis;

43 (b) conventional horticulture or agriculture, familiarity with
44 good agricultural practices, and any relevant certifications or
45 degrees;

46 (c) quality control and quality assurance;

- 1 (d) recall plans;
 - 2 (e) packaging and labeling;
 - 3 (f) inventory control and tracking software or systems for the
 - 4 production of medical cannabis;
 - 5 (g) analytical chemistry and testing of medical cannabis;
 - 6 (h) water management practices;
 - 7 (i) odor mitigation practices;
 - 8 (j) onsite and offsite recordkeeping;
 - 9 (k) strain variety and plant genetics;
 - 10 (l) pest control and disease management practices, including
 - 11 plans for the use of pesticides, nutrients, and additives;
 - 12 (m) waste disposal plans; and
 - 13 (n) compliance with applicable laws and regulations.
- 14 (2) In the case of an applicant for a medical cannabis
- 15 manufacturer permit, the operating plan summary shall include a
- 16 written description concerning the applicant's qualifications for,
- 17 experience in, and knowledge of each of the following topics:
- 18 (a) State-authorized manufacture, production, and creation of
 - 19 cannabis products using appropriate extraction methods, including
 - 20 intended use and sourcing of extraction equipment and associated
 - 21 solvents or intended methods and equipment for non-solvent
 - 22 extraction;
 - 23 (b) pharmaceutical manufacturing, good manufacturing
 - 24 practices, and good laboratory practices;
 - 25 (c) quality control and quality assurance;
 - 26 (d) recall plans;
 - 27 (e) packaging and labeling;
 - 28 (f) inventory control and tracking software or systems for the
 - 29 production of medical cannabis;
 - 30 (g) analytical chemistry and testing of medical cannabis and
 - 31 medical cannabis products and formulations;
 - 32 (h) water management practices;
 - 33 (i) odor mitigation practices;
 - 34 (j) onsite and offsite recordkeeping;
 - 35 (k) a list of product formulations or products proposed to be
 - 36 manufactured with estimated cannabinoid profiles, if known,
 - 37 including varieties with high cannabidiol content;
 - 38 (l) intended use and sourcing of all non-cannabis ingredients
 - 39 used in the manufacture, production, and creation of cannabis
 - 40 products, including methods to verify or ensure the safety and
 - 41 integrity of those ingredients and their potential to be or contain
 - 42 allergens;
 - 43 (m) waste disposal plans; and
 - 44 (n) compliance with applicable laws and regulations.
- 45 (3) In the case of an applicant for a medical cannabis dispensary
- 46 permit, the operating plan summary shall include a written

- 1 description concerning the applicant's qualifications for, experience
2 in, and knowledge of each of the following topics:
- 3 (a) State-authorized dispensation of medical cannabis to
4 qualifying patients;
 - 5 (b) healthcare, medicine, and treatment of patients with
6 qualifying medical conditions;
 - 7 (c) medical cannabis product evaluation procedures;
 - 8 (d) recall plans;
 - 9 (e) packaging and labeling;
 - 10 (f) inventory control and point-of-sale software or systems for
11 the sale of medical cannabis;
 - 12 (g) patient counseling procedures;
 - 13 (h) the routes of administration, strains, varieties, and
14 cannabinoid profiles of medical cannabis and medical cannabis
15 products;
 - 16 (i) odor mitigation practices;
 - 17 (j) onsite and offsite recordkeeping;
 - 18 (k) compliance with State and federal patient privacy rules;
 - 19 (l) waste disposal plans; and
 - 20 (m) compliance with applicable laws and regulations.
- 21 d. The criteria to be developed by the commission pursuant to
22 subsection b. of this section shall include, in addition to the criteria
23 set forth in subsections c. and e. of this section and any other
24 criteria developed by the commission, an analysis of the following
25 factors, if applicable:
- 26 (1) The applicant's environmental impact plan.
 - 27 (2) A summary of the applicant's safety and security plans and
28 procedures, which shall include descriptions of the following:
 - 29 (a) plans for the use of security personnel, including
30 contractors;
 - 31 (b) the experience or qualifications of security personnel and
32 proposed contractors;
 - 33 (c) security and surveillance features, including descriptions of
34 any alarm systems, video surveillance systems, and access and
35 visitor management systems, along with drawings identifying the
36 proposed locations for surveillance cameras and other security
37 features;
 - 38 (d) plans for the storage of medical cannabis and medical
39 cannabis products, including any safes, vaults, and climate control
40 systems that will be utilized for this purpose;
 - 41 (e) a diversion prevention plan;
 - 42 (f) an emergency management plan;
 - 43 (g) procedures for screening, monitoring, and performing
44 criminal history record background checks of employees;
 - 45 (h) cybersecurity procedures, including, in the case of an
46 applicant for a medical cannabis dispensary permit, procedures for

1 collecting, processing, and storing patient data, and the applicant's
2 familiarity with State and federal privacy laws;

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

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

7 (k) procedures for reporting adverse events; and

8 (l) a sanitation practices plan.

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

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

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

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

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

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

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

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

45 (c) the submission of proof of local support for the suitability of
46 the location, which may be demonstrated by a resolution adopted by

1 the municipality's governing body indicating that the intended
2 location is appropriately located or otherwise suitable for such
3 activities related to the cultivation, manufacturing, or dispensing of
4 medical cannabis, cannabis products, and related supplies as will be
5 conducted at the proposed facility.

6 Notwithstanding any other provision of this subsection, an
7 application shall be disqualified from consideration unless it
8 includes documentation demonstrating that the applicant will have
9 final control of the premises upon approval of the application,
10 including, but not limited to, a lease agreement, contract for sale,
11 title, deed, or similar documentation. In addition, if the applicant
12 will lease the premises, the application will be disqualified from
13 consideration unless it includes certification from the landlord that
14 the landlord is aware that the tenant's use of the premises will
15 involve activities related to the cultivation, manufacturing, or
16 dispensing of medical cannabis and medical cannabis products. An
17 application shall not be disqualified from consideration if the
18 application does not include the materials described in
19 subparagraphs (b) or (c) of this paragraph.

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

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

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

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

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

40 In evaluating the information submitted pursuant to
41 subparagraphs (b) and (c) of this paragraph, the commission shall
42 afford the greatest weight to responses pertaining to the applicant
43 itself, controlling owners, and entities with common ownership or
44 control with the applicant; followed by responses pertaining to
45 those with a 15 percent or greater ownership interest in the
46 applicant's organization; followed by significantly involved persons

1 in the applicant's organization; followed by other officers,
2 directors, and current and prospective employees of the applicant
3 who have a bona fide relationship with the applicant's organization
4 as of the submission date of the application.

5 (6) A workforce development and job creation plan, which may
6 include, but shall not be limited to a description of the applicant's
7 workforce development and job creation plan, which may include
8 information on the applicant's history of job creation and planned
9 job creation at the proposed facility; education, training, and
10 resources to be made available for employees; any relevant
11 certifications; and a diversity plan.

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

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

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

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

35 (8) Whether any of the applicant's majority or controlling
36 owners were previously approved by the commission to serve as an
37 officer, director, principal, or key employee of an alternative
38 treatment center, provided any such individual served in that
39 capacity at the alternative treatment center for six or more months.

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

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

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

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

15 (10) The proposed composition of the applicant's medical
16 advisory board established pursuant to section 15 of P.L. ,
17 c. (C.) (pending before the Legislature as this bill), if any.

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

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

30 e. In addition to the information to be submitted pursuant to
31 subsections c. and d. of this section, the commission shall require
32 all permit applicants, other than applicants issued a conditional
33 permit, to submit an attestation signed by a bona fide labor
34 organization stating that the applicant has entered into a labor peace
35 agreement with such bona fide labor organization. Except in the
36 case of an entity holding an unconverted conditional permit, the
37 maintenance of a labor peace agreement with a bona fide labor
38 organization shall be an ongoing material condition of maintaining
39 a medical cannabis cultivator, medical cannabis manufacturer, or
40 medical cannabis dispensary permit. The submission of an
41 attestation and maintenance of a labor peace agreement with a bona
42 fide labor organization by an applicant issued a conditional permit
43 pursuant to subsection d. of section 11 of P.L. , c. (C.)
44 (pending before the Legislature as this bill) shall be a requirement
45 for conversion of a conditional permit into a full permit. The
46 failure to enter into a collective bargaining agreement within 200

1 days after the date that a medical cannabis cultivator, medical
2 cannabis manufacturer, or medical cannabis dispensary first opens
3 shall result in the suspension or revocation of such permit or
4 conditional permit. In reviewing initial permit applications, the
5 commission shall give priority to the following:

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

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

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

15 (4) Applicants that submit an attestation affirming that they will
16 use best efforts to utilize union labor in the construction or retrofit
17 of the facilities associated with the permitted entity.

18 The requirements of this subsection shall not apply to a
19 microbusiness applying for a conditional or annual permit of any
20 type.

21 f. In reviewing an initial permit application, unless the
22 information is otherwise solicited by the commission in a specific
23 application question, the commission's evaluation of the application
24 shall be limited to the experience and qualifications of the
25 applicant's organization, including any entities with common
26 ownership or control of the applicant's organization, controlling
27 owners or interest holders in the applicant's organization, the
28 officers, directors, and current or prospective employees of the
29 applicant's organization who have a bona fide relationship with the
30 applicant's organization as of the date of the application, and
31 consultants and independent contractors who have a bona fide
32 relationship with the applicant as of the date of the application.
33 Responses pertaining to applicants who are exempt from the
34 criminal history record background check requirements of section 7
35 of P.L.2009, c.307 (C.24:6I-7) shall not be considered. Each
36 applicant shall certify as to the status of the individuals and entities
37 included in the application.

38 g. The commission shall conduct a disparity study to determine
39 whether race-based measures should be considered when issuing
40 permits pursuant to this section, and shall incorporate the policies,
41 practices, protocols, standards, and criteria developed by the Office
42 of Minority, Disabled Veterans, and Women Medical Cannabis
43 Business Development pursuant to section 32 of P.L. , c.
44 (C.) (pending before the Legislature as this bill) to promote
45 participation in the medical cannabis industry by persons from
46 socially and economically disadvantaged communities, including

1 promoting applications for, and the issuance of, medical cannabis
2 cultivator, medical cannabis manufacturer, and medical cannabis
3 dispensary permits to certified minority, women's, and disabled
4 veterans' businesses. To this end, the commission shall seek to
5 issue at least 30 percent of the total number of new medical
6 cannabis cultivator permits, medical cannabis manufacturer permits,
7 and medical cannabis dispensary permits issued on or after the
8 effective date of P.L. , c. (C.) (pending before the
9 Legislature as this bill) as follows:

10 (1) at least 15 percent of the total number of new medical
11 cannabis cultivator permits, medical cannabis manufacturer
12 permits, and medical cannabis dispensary permits issued on or after
13 the effective date of P.L. , c. (C.) (pending before the
14 Legislature as this bill) are issued to a qualified applicant that has
15 been certified as a minority business pursuant to P.L.1986, c.195
16 (C.52:27H-21.18 et seq.); and

17 (2) at least 15 percent of the total number of new medical
18 cannabis cultivator permits, medical cannabis manufacturer
19 permits, and medical cannabis dispensary permits issued on or after
20 the effective date of P.L. , c. (C.) (pending before the
21 Legislature as this bill) are issued to a qualified applicant that has
22 been certified as a women's business pursuant to P.L.1986, c.195
23 (C.52:27H-21.18 et seq.) or that is a disabled-veterans' business, as
24 defined in section 2 of P.L.2015, c.116 (C.52:32-31.2).

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

28 h. The commission shall give special consideration to any
29 applicant that has entered into an agreement with an institution of
30 higher education to create an integrated curriculum involving the
31 cultivation, manufacturing, dispensing or delivery of medical
32 cannabis, provided that the curriculum is approved by both the
33 commission and the Office of the Secretary of Higher Education
34 and the applicant agrees to maintain the integrated curriculum in
35 perpetuity. An integrated curriculum permit shall be subject to
36 revocation if the IC permit holder fails to maintain or continue the
37 integrated curriculum. In the event that, because of circumstances
38 outside an IC permit holder's control, the IC permit holder will no
39 longer be able to continue an integrated curriculum, the IC permit
40 holder shall notify the commission and shall make reasonable
41 efforts to establish a new integrated curriculum with an institution
42 of higher education, subject to approval by the commission and the
43 Office of the Secretary of Higher Education. If the IC permit
44 holder is unable to establish a new integrated curriculum within six
45 months after the date the current integrated curriculum arrangement
46 ends, the commission shall revoke the entity's IC permit, unless the

1 commission finds there are extraordinary circumstances that justify
2 allowing the permit holder to retain the permit without an integrated
3 curriculum and the commission finds that allowing the permit
4 holder to retain the permit would be consistent with the purposes of
5 P.L.2009, c.307 (C.24:6I-1 et al.), in which case the IC permit shall
6 convert to a regular permit of the same type. The commission may
7 revise the application and permit fees or other conditions for an IC
8 permit as may be necessary to encourage applications for IC
9 permits.

10 i. Application materials submitted to the commission pursuant
11 to this section shall not be considered a public record pursuant to
12 P.L.1963, c.73 (C.47:1A-1 et seq.) or P.L.2001, c.404 (C.47:1A-
13 5 et al.).

14 j. If the commission notifies an applicant that it has performed
15 sufficiently well on multiple applications to be awarded more than
16 one medical cannabis cultivator permit, more than one medical
17 cannabis manufacturer permit, or more than one medical cannabis
18 dispensary permit by the commission, the applicant shall notify the
19 commission, within seven business days after receiving such notice,
20 as to which permit it will accept. For any permit award declined by
21 an applicant pursuant to this subsection, the commission shall, upon
22 receiving notice from the applicant of the declination, award the
23 permit to the applicant for that permit type who, in the
24 determination of the commission, best satisfies the commission's
25 criteria while meeting the commission's determination of Statewide
26 need. If an applicant fails to notify the commission as to which
27 permit it will accept, the commission shall have the discretion to
28 determine which permit it will award to the applicant, based on the
29 commission's determination of Statewide need and other
30 applications submitted for facilities to be located in the affected
31 regions.

32 k. The provisions of this section shall not apply to any permit
33 applications submitted pursuant to a request for applications
34 published in the New Jersey Register prior to the effective date of
35 P.L. , c. (C.) (pending before the Legislature as this bill).

36

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

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

- 1 (2) submit to the commission any required application and
2 permit fees;
- 3 (3) submit to the commission written documentation of an
4 existing contract with an academic medical center that meets the
5 requirements of subsection c. of this section; and
- 6 (4) submit to the commission documentation that the applicant
7 has a minimum of \$15 million in capital.
- 8 b. The commission shall, no later than 90 days after the
9 effective date of P.L. , c. (C.) (pending before the
10 Legislature as this bill) or upon adoption of rules and regulations as
11 provided in subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-
12 16), whichever occurs first, begin accepting and processing
13 applications for four clinical registrant permits. Thereafter, the
14 commission shall accept applications for and issue such additional
15 clinical registrant permits as it determines to be necessary and
16 consistent with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).
17 The commission shall make a determination as to a clinical
18 registrant permit application no later than 90 days after receiving
19 the application, which may include a determination that the
20 commission reasonably requires more time to adequately review the
21 application. In reviewing and approving applications for clinical
22 registrant permits, the commission shall seek to incorporate the
23 policies, practices, protocols, standards, and criteria developed by
24 the Office of Minority, Disabled Veterans, and Women Medical
25 Cannabis Business Development pursuant to section 32 of P.L. ,
26 c. (C.) (pending before the Legislature as this bill) to
27 promote participation in the medical cannabis industry by persons
28 from socially and economically disadvantaged communities. In no
29 case shall the commission accept, process, or approve an
30 application submitted by an applicant that has contracted with an
31 academic medical center that is part of a health care system that
32 includes another academic medical center that has contracted with
33 an applicant for, or a holder of, a clinical registrant permit.
- 34 c. A contract between a clinical registrant and an academic
35 medical center shall include a commitment by the academic medical
36 center, or its affiliate, to engage in clinical research related to the
37 use of medical cannabis in order to advise the clinical registrant
38 concerning patient health and safety, medical applications, and
39 dispensing and management of controlled substances, among other
40 areas. A clinical registrant issued a permit pursuant to this section
41 shall have a written contractual relationship with no more than one
42 academic medical center.
- 43 d. A clinical registrant issued a permit pursuant to this section
44 shall be authorized to engage in all conduct involving the
45 cultivation, manufacturing, and dispensing of medical cannabis as is
46 authorized for an entity holding medical cannabis cultivator,

1 medical cannabis manufacturer, and medical cannabis dispensary
2 permits pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), including
3 dispensing medical cannabis and medical cannabis products to
4 qualifying patients and designated and institutional caregivers. The
5 clinical registrant shall additionally be authorized to engage in
6 clinical research involving medical cannabis using qualifying
7 patients who consent to being part of such research, subject to any
8 restrictions established by the commission.

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

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

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

30 (4) In no case shall a clinical registrant operate or be located on
31 land that is valued, assessed or taxed as an agricultural or
32 horticultural use pursuant to the "Farmland Assessment Act of
33 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

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

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

42 h. Each clinical registrant shall submit the results of the clinical
43 research obtained through an approved clinical registrant permit to
44 the commission no later than one year following the conclusion of
45 the research study or publication of the research study in a peer-
46 reviewed medical journal. Nothing in this subsection shall be

1 deemed to require the disclosure of any clinical research that would
2 infringe on the intellectual property of the clinical registrant or on
3 the confidentiality of patient information.

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

8
9 14. (New section) a. (1) The commission shall, within 18
10 months following the commission's organization, and every three
11 years thereafter, conduct a feasibility study concerning the potential
12 for establishing a cannabis research and development permit type.
13 In order to advance scientific and medical understanding concerning
14 the potential uses of medical cannabis, and to ensure ongoing
15 quality control in the collection of data and the aggregation of
16 clinical, translational, and other research, the feasibility study shall
17 assess the medical cannabis market and industry, current
18 perspectives in the scientific and medical communities on medical
19 cannabis, as well as those of other relevant disciplines, to determine
20 the potential benefits of establishing a research and development
21 permit type. Any cannabis research and development permit
22 established by the commission shall be limited to advancing the use
23 of cannabis as medicine, improving the lives of current registered
24 qualifying patients as well as future patients who could derive
25 therapeutic benefit from the use of cannabis, and furthering the
26 knowledge of cannabis in the scientific and medical communities.

27 (2) The commission shall additionally assess the feasibility of
28 securing State funding to support the award of a monetary grant in
29 conjunction with the issuance of a cannabis research and
30 development permit to a successful applicant, following a
31 competitive application process, as well as assess potential future
32 regulations to apply to any cannabis research and development
33 permits that are supported by private investment.

34 (3) Each feasibility study conducted pursuant to this subsection
35 shall include at least one public hearing, at which the commission
36 shall receive testimony from interested members of the public.

37 (4) The commission shall submit a report of its findings and
38 conclusions to the Governor and, pursuant to section 2 of P.L.1991,
39 c.164 (C.52:14-19.1), to the Legislature, within 90 days following
40 the conclusion of each feasibility study.

41 b. The requirement to complete a feasibility study pursuant to
42 subsection a. of this section shall expire at such time as the
43 commission establishes a cannabis research and development permit
44 type and promulgates rules and regulations with regard to the
45 permit pursuant to the "Administrative Procedure Act," P.L.1968,
46 c.410 (C.52:14B-1 et seq.).

1 c. The commission may establish, by regulation, such
2 additional permit types in connection with medical cannabis as the
3 commission deems necessary and appropriate to maximize the
4 effectiveness and efficiency of the State medical cannabis program
5 and meet the needs of qualifying patients, health care practitioners,
6 medical cannabis cultivators, medical cannabis manufacturers,
7 medical cannabis dispensaries, and related entities. Such permits
8 may include, but shall not be limited to, permits authorizing
9 pharmacy practice sites licensed pursuant to
10 P.L.2003, c.280 (C.45:14-40 et seq.) to be authorized to dispense
11 medical cannabis to qualifying patients and their designated and
12 institutional caregivers.

13

14 15. (New section) a. A medical cannabis cultivator, medical
15 cannabis manufacturer, medical cannabis dispensary, or clinical
16 registrant may appoint a medical advisory board to provide advice
17 to the medical cannabis cultivator, medical cannabis manufacturer,
18 medical cannabis dispensary, or clinical registrant on all aspects of
19 its business.

20 b. A medical advisory board appointed pursuant to this section
21 shall comprise five members: three health care practitioners
22 licensed or certified to practice in New Jersey; one qualifying
23 patient who resides in the same area in which the medical cannabis
24 cultivator, medical cannabis manufacturer, medical cannabis
25 dispensary, or clinical registrant is located; and one individual who
26 owns a business in the same area in which the medical cannabis
27 cultivator, medical cannabis manufacturer, medical cannabis
28 dispensary, or clinical registrant is located. No owner, director,
29 officer, or employee of a medical cannabis cultivator, medical
30 cannabis manufacturer, medical cannabis dispensary, or clinical
31 registrant may serve on a medical advisory board. The membership
32 of a medical advisory board shall be subject to commission
33 approval.

34 c. A medical advisory board appointed pursuant to this section
35 shall meet at least two times per calendar year.

36

37 16. (New section) a. (1) An organization issued a permit to
38 operate a medical cannabis cultivator, medical cannabis
39 manufacturer, medical cannabis dispensary, or clinical registrant or
40 that employs certified medical cannabis handlers for transfer or
41 delivery of medical cannabis pursuant to section 27 of P.L. , c.
42 (C.) (pending before the Legislature as this bill shall not be
43 eligible for a State or local economic incentive.

44 (2) The issuance of a permit to operate a medical cannabis
45 cultivator, medical cannabis manufacturer, cannabis dispensary, or
46 clinical registrant or a certification to a handler employed by any

1 entity to perform transfers or deliveries of medical cannabis
2 pursuant to section 27 of P.L. , c. (C.) (pending before the
3 Legislature as this bill) to an organization that has been awarded a
4 State or local economic incentive shall invalidate the right of the
5 organization to benefit from the economic incentive as of the date
6 of issuance of the permit, except that an academic medical center
7 that has entered into a contractual relationship with a clinical
8 registrant shall not have any right to benefit from an economic
9 incentive invalidated pursuant to this paragraph on the basis of that
10 contractual relationship.

11 b. (1) A property owner, developer, or operator of a project to
12 be used, in whole or in part, as a medical cannabis cultivator,
13 medical cannabis manufacturer, medical cannabis dispensary, or
14 clinical registrant or an entity that employs medical cannabis
15 handlers to perform transfers or deliveries of medical cannabis
16 pursuant to section 27 of P.L. , c. (C.) (pending before the
17 Legislature as this bill) shall not be eligible for a State or local
18 economic incentive during the period of time that the economic
19 incentive is in effect.

20 (2) The issuance of a permit to operate a medical cannabis
21 cultivator, medical cannabis manufacturer, medical cannabis
22 dispensary, or clinical registrant or of a certification to a medical
23 cannabis handler employed by any entity to perform transfers and
24 deliveries of medical cannabis pursuant to section 27 of P.L. , c.
25 (C.) (pending before the Legislature as this bill) at a location
26 that is the subject of a State or local economic incentive shall
27 invalidate the right of a property owner, developer, or operator to
28 benefit from the economic incentive as of the date of issuance of the
29 permit, except that an academic medical center that has entered into
30 a contractual relationship with a clinical registrant shall not have
31 any right to benefit from an economic incentive invalidated
32 pursuant to this paragraph on the basis of that contractual
33 relationship.

34 c. As used in this section:

35 "Business" means any non-governmental person, association,
36 for-profit or non-profit corporation, joint venture, limited liability
37 company, partnership, sole proprietorship, or other form of business
38 organization or entity.

39 "Governmental entity" means the State, a local unit of
40 government, or a State or local government agency or authority.

41 "State or local economic incentive" means a financial incentive,
42 awarded by a governmental entity to a business, or agreed to
43 between a governmental entity and a business, for the purpose of
44 stimulating economic development or redevelopment in New
45 Jersey, including, but not limited to, a bond, grant, loan, loan
46 guarantee, matching fund, tax credit, or other tax expenditure.

1 "Tax expenditure" means the amount of foregone tax collections
2 due to any abatement, reduction, exemption, credit, or transfer
3 certificate against any State or local tax.

4
5 17. Section 8 of P.L.2009, c.307 (C.24:6I-8) is amended to read
6 as follows:

7 8. The provisions of **【this 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.) shall not be
9 construed to permit a person to:

10 a. operate, navigate, or be in actual physical control of any
11 vehicle, aircraft, railroad train, stationary heavy equipment or vessel
12 while under the influence of **【marijuana】** cannabis; or

13 b. smoke **【marijuana】** cannabis in a school bus or other form of
14 public transportation, in a private vehicle unless the vehicle is not in
15 operation, on any school grounds, in any correctional facility, at any
16 public park or beach, at any recreation center, or in any place where
17 smoking is prohibited pursuant to N.J.S.2C:33-13.

18 A person who commits an act as provided in this section shall be
19 subject to such penalties as are provided by law.

20 (cf: P.L.2009, c.307, c.8)

21
22 18. Section 10 of P.L.2009, c.307 (C.24:6I-10) is amended to
23 read as follows:

24 10. a. A **【physician】** health care practitioner shall provide
25 written instructions for a registered qualifying patient or **【his】** the
26 patient's designated caregiver, or an institutional caregiver acting
27 on behalf of the patient, to present to **【an alternative treatment**
28 **center】** a medical cannabis dispensary or a clinical registrant
29 concerning the total amount of usable **【marijuana】** cannabis that a
30 patient may be dispensed, in weight, in a 30-day period, which
31 amount shall not exceed **【two ounces**. If no amount is noted, the
32 maximum amount that may be dispensed at one time is two ounces**】**
33 the maximum amount that may be authorized for the patient
34 pursuant to subsection f. of this section.

35 b. A **【physician】** health care practitioner may issue multiple
36 written instructions at one time authorizing the patient to receive a
37 total of up to a **【90-day】** one year supply, provided that the
38 following conditions are met:

39 (1) Each separate set of instructions shall be issued for a
40 legitimate medical purpose by the **【physician】** health care
41 practitioner, as provided in **【this act】** P.L.2009, c.307 (C.24:6I-
42 1 et al.);

43 (2) Each separate set of instructions shall indicate the earliest
44 date on which a **【center】** dispensary or clinical registrant may

1 dispense the **【marijuana】** cannabis, except for the first dispensation
2 if it is to be filled immediately; and

3 (3) The **【physician】** health care practitioner has determined that
4 providing the patient with multiple instructions in this manner does
5 not create an undue risk of diversion or abuse.

6 c. A registered qualifying patient or **【his primary】** the patient's
7 designated caregiver, or an institutional caregiver acting on behalf
8 of a qualifying patient, shall present verification of the patient's or
9 caregiver's **【registry identification card】** registration with the
10 commission, as applicable, and these written instructions to **【the**
11 alternative treatment center**】** any medical cannabis dispensary or
12 clinical registrant at the time the patient or caregiver requests the
13 dispensing or delivery of medical cannabis, which medical cannabis
14 dispensary or clinical registrant shall verify and log the
15 documentation presented. An institutional caregiver shall
16 additionally present an authorization executed by the patient
17 certifying that the institutional caregiver is authorized to obtain
18 medical cannabis on behalf of the patient. A **【physician】** health
19 care practitioner may provide a copy of a written instruction by
20 electronic or other means, as determined by the **【commissioner】**
21 commission, directly to **【an alternative treatment center】** a medical
22 cannabis dispensary or a clinical registrant on behalf of a registered
23 qualifying patient. The dispensation of **【marijuana】** medical
24 cannabis pursuant to any written instructions shall occur within one
25 **【month】** year of the date that the instructions were written or
26 become eligible for dispensing, whichever is later, or the
27 instructions are void.

28 d. **【A patient may be registered at only one alternative**
29 **treatment center at any time.】** (deleted by amendment, P.L. , c.)
30 (pending before the Legislature as this bill)

31 e. Prior to dispensing medical cannabis to a qualifying patient,
32 the patient's designated caregiver, or an institutional caregiver, the
33 medical cannabis dispensary or clinical registrant shall access the
34 system established pursuant to section 11 of P.L.2009, c.307
35 (C.45:1-45.1) to ascertain whether medical cannabis was dispensed
36 to or on behalf of the patient by any medical cannabis dispensary or
37 clinical registrant within the preceding 30 days. Upon dispensing
38 medical cannabis to a qualifying patient, the patient's designated
39 caregiver, or an institutional caregiver, the medical cannabis
40 dispensary or clinical registrant shall transmit to the patient's health
41 care practitioner information concerning the amount, strain, and
42 form of medical cannabis that was dispensed.

43 f. (1) Except as provided in paragraph (2) of this subsection,
44 for a period of 18 months after the effective date of P.L. , c.
45 (C.) (pending before the Legislature as this bill), the maximum

1 amount of usable cannabis that a patient may be dispensed, in
2 weight, in a 30-day period, shall be three ounces. Commencing 18
3 months after the effective date of P.L. , c. (C.) (pending
4 before the Legislature as this bill), the maximum amount of usable
5 cannabis that a patient may be dispensed shall prescribed by the
6 commission by regulation.

7 (2) The monthly limits set forth in paragraph (1) of this
8 subsection shall not apply to patients who are terminally ill or who
9 are currently receiving hospice care through a licensed hospice,
10 which patients may be dispensed an unlimited amount of medical
11 cannabis. Qualifying patients who are not receiving hospice care or
12 who are not terminally ill may petition the commission, on a form
13 and in a manner as the commission shall require by regulation, for
14 an exemption from the monthly limits set forth in paragraph (1) of
15 this paragraph, which petition the commission shall approve if the
16 commission finds that granting the exemption is necessary to meet
17 the patient's treatment needs and is consistent with the provisions of
18 P.L.2009, c.307 (C.24:6I-1 et al.).

19 g. The commission shall establish, by regulation, curricula for
20 health care practitioners and for staff at medical cannabis
21 dispensaries and clinical registrants:

22 (1) The curriculum for health care practitioners shall be
23 designed to assist practitioners in counseling patients with regard to
24 the quantity, dosing, and administration of medical cannabis as
25 shall be appropriate to treat the patient's qualifying medical
26 condition. Health care practitioners shall complete the curriculum
27 as a condition of authorizing patients for the medical use of
28 cannabis; and

29 (2) The curriculum for employees of medical cannabis
30 dispensaries and clinical registrants shall be designed to assist the
31 employees in counseling patients with regard to determining the
32 strain and form of medical cannabis that is appropriate to treat the
33 patient's qualifying medical condition. Employees of medical
34 cannabis dispensaries and clinical registrants shall be required to
35 complete the curriculum as a condition of registration with the
36 commission. Completion of the curriculum may constitute part of
37 the annual training required pursuant to paragraph (1) of subsection
38 j. of section 7 of P.L.2009, c.307 (C.24:6I-7).

39 h. Commencing July 1, 2020, the amount of the sales tax that
40 may be imposed under the "Sales and Use Tax Act," P.L.1966, c.30
41 (C.54:32B-1 et seq.) on medical cannabis dispensed by a medical
42 cannabis dispensary or clinical registrant shall not exceed four
43 percent.

44 Commencing July 1, 2021, the amount of the sales tax that may
45 be imposed under the "Sales and Use Tax Act," P.L.1966, c.30
46 (C.54:32B-1 et seq.) on medical cannabis dispensed by a medical

1 cannabis dispensary or clinical registrant shall not exceed two
2 percent.

3 Commencing July 1, 2022, medical cannabis dispensed by a
4 medical cannabis dispensary or clinical registrant shall not be
5 subject to any tax imposed under the "Sales and Use Tax Act,"
6 P.L.1966, c.30 (C.54:32B-1 et seq.).

7 Any revenue collected pursuant to a tax imposed on the sale of
8 medical cannabis under the "Sales and Use Tax Act," P.L.1966,
9 c.30 (C.54:32B-1 et seq.), shall be exclusively appropriated to
10 programs for the treatment of mental health and substance use
11 disorders.

12 i. A municipality in which a medical cannabis dispensary is
13 located may adopt an ordinance imposing a transfer tax on any
14 medical cannabis dispensed by the dispensary, including medical
15 cannabis that is furnished by the dispensary to a medical cannabis
16 handler for delivery to a registered qualifying patient or the
17 patient's caregiver. The rate of a transfer tax established pursuant
18 to this subsection shall be at the discretion of the municipality,
19 except that in no case shall the rate exceed two percent of the
20 purchase price of the medical cannabis.

21 (cf: P.L.2009, c.307, s.10)

22

23 19. Section 13 of P.L.2009, c.307 (C.24:6I-11) is amended to
24 read as follows:

25 13. a. The **【commissioner】** commission may accept from any
26 governmental department or agency, public or private body or any
27 other source grants or contributions to be used in carrying out the
28 purposes of **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.).

29 b. All fees collected pursuant to **【this act】** P.L.2009, c.307
30 (C.24:6I-1 et al.), including those from qualifying patients,
31 designated and institutional caregivers, and **【alternative treatment**
32 centers**】** initial, modification and renewal applications for
33 alternative treatment centers, including medical cannabis
34 cultivators, medical cannabis manufacturers, medical cannabis
35 dispensaries, and clinical registrants, shall be used to offset the cost
36 of the **【department's】** commission's administration of the
37 provisions of **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.).

38 (cf: P.L.2009, c.307, s.13)

39

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

42 14. a. The commissioner, or after the effective date of
43 P.L. , c. (C.) (pending before the Legislature as this bill), the
44 commission, shall report to the Governor, and to the Legislature
45 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1):

1 (1) no later than one year after the effective date of **【this act】**
2 P.L.2009, c.307 (C.24:6I-1 et al.), on the actions taken to
3 implement the provisions of **【this act】** P.L.2009, c.307 (C.24:6I-
4 1 et al.); and

5 (2) annually thereafter on the number of applications for
6 **【registry identification cards】** registration with the commission, the
7 number of qualifying patients registered, the number of **【primary】**
8 designated and institutional caregivers registered, the nature of the
9 **【debilitating】** qualifying medical conditions of the patients, the
10 number of **【registry identification cards】** registrations revoked, the
11 number of **【alternative treatment center】** medical cannabis
12 cultivator, medical cannabis manufacturer, and medical cannabis
13 dispensary permits issued and revoked, the number and type of
14 integrated curricula approved, established, and maintained in
15 connection with an IC permit, the number of testing laboratories
16 licensed, the number of clinical registrant permits issued and the
17 nature of the clinical research conducted by each clinical registrant,
18 any incidents of diversion of medical cannabis, information
19 concerning racial, ethnic, disabled veteran, and gender diversity in
20 the individuals issued and currently holding permits issued by the
21 commission, the number of permit applications received from
22 businesses owned by minorities, disabled veterans, and women and
23 the number of such applications that were approved, the business
24 development initiatives undertaken by the Office of Minority,
25 Disabled Veterans, and Women Medical Cannabis Business
26 Development pursuant to section 32 of P.L. , c. (C.)
27 (pending before the Legislature as this bill) and the outcomes or
28 effects of those initiatives, statistics concerning arrests for drug
29 offenses throughout the State and in areas where medical cannabis
30 dispensaries are located, including information concerning racial
31 disparities in arrest rates for drug offenses generally and cannabis
32 offenses in particular, the number of motor vehicle stops by law
33 enforcement involving violations of R.S.39:4-50, or section 5 of
34 P.L.1990, c.103 (C.39:3-10.13) concerning operators of commercial
35 motor vehicles, for driving under the influence of medical cannabis,
36 or suspicion thereof, cataloged by the jurisdictions in which the stop
37 occurred, and the race, ethnicity, gender, and age of the vehicle
38 driver and any other vehicle occupants, the number of deliveries of
39 medical cannabis performed and the percentage of total medical
40 cannabis dispensations that were completed by delivery, and the
41 number of **【physicians providing certifications for】** health care
42 practitioners authorizing patients for the medical use of cannabis,
43 including the types of license or certification held by those
44 practitioners.

1 b. The reports shall not contain any identifying information of
2 patients, caregivers, or **【physicians】** health care practitioners.

3 c. Within two years after the effective date of **【this act】**
4 P.L.2009, c.307 (C.24:6I-1 et al.) and every two years thereafter,
5 the commissioner or, after the effective date of
6 P.L. , c. (C.) (pending before the Legislature as this bill),
7 the commission, shall: evaluate whether there are sufficient
8 numbers of **【alternative treatment centers】** medical cannabis
9 cultivators, medical cannabis manufacturers, medical cannabis
10 dispensaries, and clinical registrants to meet the needs of registered
11 qualifying patients throughout the State; evaluate whether the
12 maximum amount of medical **【marijuana】** cannabis allowed
13 pursuant to **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.) is sufficient
14 to meet the medical needs of qualifying patients; and determine
15 whether any **【alternative treatment center】** medical cannabis
16 cultivator, medical cannabis manufacturer, medical cannabis
17 dispensary, or clinical registrant has charged excessive prices **【for**
18 **marijuana】** in connection with medical cannabis **【that the center**
19 **dispensed】**.

20 The commissioner or, after the effective date of
21 P.L. , c. (C.) (pending before the Legislature as this bill),
22 the commission, shall report **【his】** all such findings no later than
23 two years after the effective date of **【this act】** P.L.2009, c.307
24 (C.24:6I-1 et al.), and every two years thereafter, to the Governor,
25 and to the Legislature pursuant to section 2 of P.L.1991, c.164
26 (C.52:14-19.1).

27 (cf: P.L.2009, c.307, s.14)

28

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

31 15. a. The **【Department of Health】** Cannabis Regulatory
32 Commission is authorized to exchange fingerprint data with, and
33 receive information from, the Division of State Police in the
34 Department of Law and Public Safety and the Federal Bureau of
35 Investigation for use in reviewing applications for individuals
36 **【seeking】** who are required to complete a criminal history record
37 background check in connection with applications to serve as
38 **【primary】** designated caregivers or institutional caregivers pursuant
39 to section 4 of P.L.2009, c.307 (C.24:6I-4), for licenses to operate
40 as, or to be a director, officer, or employee of, medical cannabis
41 testing laboratories pursuant to section 25 of P.L. , c. (C.)
42 (pending before the Legislature as this bill), for permits to operate
43 as, or to be a director, officer, or employee of, or a significantly
44 involved person in, clinical registrants pursuant to section 13 of
45 P.L. , c. (C.) (pending before the Legislature as this bill),

1 and for permits to operate as, or to be a director, officer, or
2 employee of, **【alternative treatment centers】**, or a significantly
3 involved person in, medical cannabis cultivators, medical cannabis
4 manufacturers, and medical cannabis dispensaries pursuant to
5 section 7 of P.L.2009, c.307 (C.24:6I-7).

6 b. The Division of State Police shall promptly notify the
7 **【Department of Health】** Cannabis Regulatory Commission in the
8 event an applicant seeking to serve as a **【primary】** designated or
9 institutional caregiver, an applicant for a license to operate as, or to
10 be a director, officer, or employee of, a medical cannabis testing
11 laboratory, an applicant for a permit to operate as, or to be a
12 director, officer, or employee of, or a significantly involved person
13 in, a clinical registrant, or an applicant for a permit to operate as, or
14 to be a director, officer, or employee of, 【an alternative treatment
15 center】 or a significantly involved person in, a medical cannabis
16 cultivator, medical cannabis manufacturer, or medical cannabis
17 dispensary, who was the subject of a criminal history record
18 background check conducted pursuant to subsection a. of this
19 section, is convicted of a crime involving possession or sale of a
20 controlled dangerous substance.
21 (cf: P.L.2012, c.17, s.91)

22
23 22. Section 16 of P.L.2009, c.307 (C.24:6I-14) is amended to
24 read as follows:

25 16. Nothing in **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.) or
26 P.L.2015, c.158 (C.18A:40-12.22 et al.) shall be construed to
27 require a government medical assistance program or private health
28 insurer to reimburse a person for costs associated with the medical
29 use of **【marijuana, or an employer to accommodate the medical use**
30 **of marijuana in any workplace】** cannabis, or to restrict or otherwise
31 affect the distribution, sale, prescribing, and dispensing of any
32 product that has been approved for marketing as a prescription drug
33 or device by the federal Food and Drug Administration.

34 (cf: P.L.2009, c.307, s.16)

35
36 23. Section 18 of P.L.2009, c.307 (C.24:6I-16) is amended to
37 read as follows:

38 18. a. Pursuant to the "Administrative Procedure Act,"
39 P.L.1968, c.410 (C.52:14B-1 et seq.), the commissioner or, after the
40 effective date of P.L. , c. (C.) (pending before the
41 Legislature as this bill), the commission, shall promulgate rules and
42 regulations to effectuate the purposes of 【this act】 P.L.2009, c.307
43 (C.24:6I-1 et al.), in consultation with the Department of Law and
44 Public Safety.

1 b. Notwithstanding any provision of P.L.1968, c.410
2 (C.52:14B-1 et seq.) to the contrary, the commissioner shall adopt,
3 immediately upon filing with the Office of Administrative Law and
4 no later than the 90th day after the effective date of **[this act]**
5 P.L.2009, c.307 (C.24:6I-1 et al.), such regulations as the
6 commissioner deems necessary to implement the provisions of **[this**
7 **act]** P.L.2009, c.307 (C.24:6I-1 et al.). Regulations adopted
8 pursuant to this subsection shall be effective until the adoption of
9 rules and regulations pursuant to subsection a. of this section and
10 may be amended, adopted, or readopted by the commissioner in
11 accordance with the requirements of P.L.1968, c.410 (C.52:14B-
12 1 et seq.).

13 c. No later than 180 days after the effective date of
14 P.L. , c. (C.) (pending before the Legislature as this bill),
15 the commission shall promulgate rules and regulations to effectuate
16 the purposes of P.L. , c. (C.) (pending before the
17 Legislature as this bill). Rules and regulations adopted pursuant to
18 this subsection shall, at a minimum:

19 (1) Specify the number of new medical cannabis cultivator,
20 medical cannabis manufacturer, and medical cannabis dispensary
21 permits the commission will issue in the first year next following
22 the effective date of P.L. , c. (C.) (pending before the
23 Legislature as this bill); and

24 (2) Establish recommended dosage guidelines for medical
25 cannabis in each form available to qualifying patients that are
26 equivalent to one ounce of medical cannabis in dried form. The
27 commission shall periodically review and update the dosage
28 guidelines as appropriate, including to establish dosage guidelines
29 for new forms of medical cannabis that become available.

30 d. The commission may convene a task force comprised of
31 individuals with expertise in matters pertaining to the medical
32 cannabis industry to make recommendations to the commission
33 concerning the content of rules and regulations adopted by the
34 commission to implement the provisions of P.L.2009, c.307
35 (C.24:6I-1 et al.) and P.L. , c. (C.) (pending before the
36 Legislature as this bill).

37 (cf: P.L.2009, c.307, s.18)

38

39 24. (New section) a. Each batch of medical cannabis cultivated
40 by a medical cannabis cultivator or a clinical registrant and each
41 batch of a medical cannabis product produced by a medical
42 cannabis manufacturer or a clinical registrant shall be tested in
43 accordance with the requirements of section 26 of
44 P.L. , c. (C.) (pending before the Legislature as this bill) by
45 a laboratory licensed pursuant to section 25 of P.L. , c. (C.)
46 (pending before the Legislature as this bill). The laboratory

1 performing the testing shall produce a written report detailing the
2 results of the testing, a summary of which shall be included in any
3 packaging materials for medical cannabis and medical cannabis
4 products dispensed to qualifying patients and their designated and
5 institutional caregivers. The laboratory may charge a reasonable
6 fee for any test performed pursuant to this section.

7 b. The requirements of subsection a. of this section shall take
8 effect at such time as the commission certifies that a sufficient
9 number of laboratories have been licensed pursuant to section 25 of
10 P.L. , c. (C.) (pending before the Legislature as this bill) to
11 ensure that all medical cannabis and medical cannabis products can
12 be promptly tested consistent with the requirements of this section
13 without disrupting patient access to medical cannabis.

14
15 25. (New section) a. A laboratory that performs testing services
16 pursuant to section 24 of P.L. , c. (C.) (pending before the
17 Legislature as this bill) shall be licensed by the commission and may
18 be subject to inspection by the commission to determine the condition
19 and calibration of any equipment used for testing purposes and to
20 ensure that testing is being performed in accordance with the
21 requirements of section 26 of P.L. , c. (C.) (pending before the
22 Legislature as this bill). Each applicant for licensure pursuant to this
23 section shall submit an attestation signed by a bona fide labor
24 organization stating that the applicant has entered into a labor peace
25 agreement with such bona fide labor organization. The maintenance
26 of a labor peace agreement with a bona fide labor organization shall be
27 an ongoing material condition of maintaining a license to test medical
28 cannabis.

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

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

42 d. (1) The commission shall require each applicant for licensure
43 as a medical cannabis testing laboratory to undergo a criminal history
44 record background check, except that no criminal history record
45 background check shall be required for an applicant who completed a

1 criminal history record background check as a condition of
2 professional licensure or certification.

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

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

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

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

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

42 (4) The Division of State Police shall promptly notify the
43 commission in the event that an individual who was the subject of a
44 criminal history record background check conducted pursuant to this
45 section is convicted of a crime or offense in this State after the date the
46 background check was performed. Upon receipt of that notification,

1 the commission shall make a determination regarding the continued
2 eligibility to operate or be a director, officer, or employee of a medical
3 cannabis testing laboratory.

4 (5) Notwithstanding the provisions of subsection c. of this section
5 to the contrary, the commission may offer provisional authority for an
6 applicant to be an owner, director, officer, or employee of a medical
7 cannabis testing laboratory for a period not to exceed three months if
8 the applicant submits to the commission a sworn statement attesting
9 that the person has not been convicted of any disqualifying conviction
10 pursuant to this section.

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

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

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

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

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

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

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

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

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

37
38 26. (New section) a. The commission shall establish, by
39 regulation, standardized requirements and procedures for testing
40 medical cannabis and medical cannabis products.

41 b. Any test performed on medical cannabis or on a medical
42 cannabis product shall include liquid chromatography analysis to
43 determine chemical composition and potency, and, at a minimum,
44 screening for each of the following:

45 (1) microbial contamination;

46 (2) foreign material;

- 1 (3) residual pesticides;
- 2 (4) other agricultural residue and residual solvents; and
- 3 (5) heavy metals.

4 c. Laboratories shall use the dosage equivalence guidelines
5 developed by the commission pursuant to paragraph (2) of
6 subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-16) when
7 testing and determining the potency of medical cannabis products.

8 d. As a condition of licensure, each laboratory shall certify its
9 intention to seek third party accreditation in accordance with ISO
10 17025 standards in order to ensure equipment is routinely inspected,
11 calibrated, and maintained until such time as the commission issues
12 its own standards or confirms the use of ISO 17025.

13 e. Until such time as the commission establishes the standards
14 required by this section, a licensed laboratory shall utilize the
15 testing standards established by another state with a medical
16 cannabis program, which state shall be designated by the
17 commission.

18

19 27. (New section) a. An individual who performs work for or
20 on behalf of a medical cannabis cultivator, medical cannabis
21 manufacturer, or medical cannabis dispensary, issued a permit
22 pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), a clinical
23 registrant issued a permit pursuant to section 13 of P.L. , c.
24 (C.) (pending before the Legislature as this bill), or a testing
25 laboratory licensed pursuant to section 25 of P.L. , c. (C.)
26 (pending before the Legislature as this bill) shall hold a valid
27 medical cannabis handler certification issued by the commission
28 pursuant to this section if the individual participates in any activity
29 involving obtaining, possessing, cultivating, processing,
30 manufacturing, creating, testing, transporting, transferring,
31 relocating, dispensing, or delivering medical cannabis.

32 b. An entity issued a permit pursuant to section 7 of P.L.2009,
33 c.307 (C.24:6I-7) or section 13 of P.L. , c. (C.) (pending
34 before the Legislature as this bill) or a license pursuant to section
35 25 of P.L. , c. (C.) (pending before the Legislature as this
36 bill) shall verify that, before allowing any individual to perform any
37 work described in subsection a. of this section at the premises for
38 which the permit has been issued, the individual holds a valid
39 medical cannabis handler certification issued pursuant to this
40 section.

41 c. The commission shall issue medical cannabis handler
42 certifications to qualified applicants to perform work described in
43 subsection a. of this section. The commission shall adopt rules and
44 regulations establishing: the qualifications for performing work
45 described in subsection a. of this section; the terms of a medical
46 cannabis handler certification issued pursuant to this section;

1 procedures for applying for and renewing a medical cannabis
2 handler certification issued pursuant to this section; and reasonable
3 application, issuance, and renewal fees for a medical cannabis
4 handler certification issued pursuant to this section.

5 d. The commission may require an individual applying for a
6 medical cannabis handler certification under this section to
7 successfully complete a course, to be made available by or through
8 the commission, in which the individual receives training on:
9 verifying the registration status of patients, designated caregivers,
10 and institutional caregivers; handling medical cannabis; statutory
11 and regulatory provisions relating to medical cannabis; and any
12 matter deemed necessary by the commission to protect the public
13 health and safety. The commission or other provider may charge a
14 reasonable fee for the course.

15 The commission shall not require an individual to successfully
16 complete the course required pursuant to this subsection more than
17 once, except that the commission may adopt regulations directing
18 continuing education training on a prescribed schedule. The course
19 may comprise part of the eight hours of training required for
20 employees of medical cannabis cultivators, medical cannabis
21 manufacturers, medical cannabis dispensaries, and clinical
22 registrants pursuant to paragraph (1) of subsection j. of section 7 of
23 P.L.2009, c.307 (C.24:6I-7).

24 As part of a final order suspending a medical cannabis handler
25 certification issued pursuant to this section, the commission may
26 require the holder of a medical cannabis handler certification to
27 successfully complete the course described in this subsection as a
28 condition of lifting the suspension; and as part of a final order
29 revoking a medical cannabis handler certification issued pursuant to
30 this section, the commission shall require an individual to
31 successfully complete the course described in this subsection prior
32 to applying for a new medical cannabis handler certification.

33 e. The commission shall deny an application to any applicant
34 who fails to provide information, documentation, and assurances as
35 required by P.L.2009, c.307 (C.24:6I-1 et al.) or as requested by the
36 commission, or who fails to reveal any fact material to
37 qualification, or who supplies information which is untrue or
38 misleading as to a material fact pertaining to the qualification
39 criteria for medical cannabis handler certification.

40 f. The commission may suspend, revoke, or refuse to renew a
41 medical cannabis handler certification if the individual who is
42 applying for or who holds the certification: violates any provision
43 of P.L.2009, c.307 (C.24:6I-1 et al.) or any rule or regulation
44 adopted by the commission; makes a false statement to the
45 commission; or refuses to cooperate in any investigation by the
46 commission.

1 g. A medical cannabis handler certification issued pursuant to
2 this section is a personal privilege and permits work described in
3 subsection a. of this section only for the individual who holds the
4 certification.

5 h. The commission shall enact rules and regulations governing
6 the transfer of medical cannabis and medical cannabis products
7 between medical cannabis cultivators, medical cannabis
8 manufacturers, medical cannabis dispensaries, clinical registrants,
9 and testing laboratories, which regulations shall require, at a
10 minimum:

11 (1) Transfer of medical cannabis and medical cannabis products
12 shall be made directly to the medical cannabis cultivator, medical
13 cannabis manufacturer, medical cannabis dispensary, clinical
14 registrant, or testing laboratory receiving the medical cannabis or
15 medical cannabis product.

16 (2) Transfers shall be performed by a medical cannabis handler
17 who is certified by the department to perform transfers and is at
18 least 18 years of age. Transfers of medical cannabis may be
19 performed by a medical cannabis handler who is an employee of the
20 medical cannabis cultivator, medical cannabis manufacturer,
21 medical cannabis dispensary, or clinical registrant providing or
22 receiving the transfer or by an independent third party who has
23 entered into a contract with a medical cannabis cultivator, medical
24 cannabis manufacturer, medical cannabis dispensary, or clinical
25 registrant to perform transfers of medical cannabis, which contract
26 may provide for a one-time transfer of medical cannabis or for
27 ongoing transfers of medical cannabis. A medical cannabis handler
28 holding a transfer certification issued by the commission may
29 simultaneously hold a delivery certification issued by the
30 commission, subject to the requirements of paragraph (2) of
31 subsection i. of this section.

32 (3) Medical cannabis shall not be transferred to an address
33 located on land owned by the federal government or any address on
34 land or in a building leased by the federal government.

35 (4) All transfers of medical cannabis shall be made in person. A
36 transfer of medical cannabis shall not be made through the use of an
37 unmanned vehicle.

38 (5) Each certified medical cannabis handler shall carry a copy of
39 the individual's medical cannabis handler certification card and
40 transfer certification card when performing a transfer. The medical
41 cannabis handler shall present the certification cards upon request
42 to State and local law enforcement and to State and local regulatory
43 authorities and agencies.

44 (6) Each certified medical cannabis handler engaged in a
45 transfer of medical cannabis shall have access to a secure form of
46 communication with the medical cannabis cultivator, medical

1 cannabis manufacturer, medical cannabis dispensary, or clinical
2 registrant that furnished the medical cannabis to the handler for
3 transfer, such as a cellular telephone, at all times that the handler is
4 in possession of medical cannabis for transfer.

5 (7) During transfer, the certified medical cannabis handler shall
6 maintain a physical or electronic copy of the transfer order, and
7 shall make it available upon request to State and local law
8 enforcement and to State and local regulatory authorities and
9 agencies.

10 (8) Vehicles used for the transfer of medical cannabis shall be
11 equipped with a secure lockbox in a secured cargo area, which shall
12 be used for the sanitary and secure transport of medical cannabis.

13 (9) A certified medical cannabis handler shall not leave medical
14 cannabis in an unattended vehicle unless the vehicle is locked and
15 equipped with an active vehicle alarm system.

16 (10) A transfer vehicle shall contain a Global Positioning
17 System (GPS) device for identifying the geographic location of the
18 vehicle. The device shall be either permanently or temporarily
19 affixed to the vehicle while the vehicle is in operation, and the
20 device shall remain active and in the possession of the certified
21 medical cannabis handler at all times while the vehicle is being
22 used for the transfer of medical cannabis. At all times, the medical
23 cannabis cultivator, medical cannabis manufacturer, medical
24 cannabis dispensary, or clinical registrant that furnished the medical
25 cannabis to the handler for transfer shall be able to identify the
26 geographic location of all vehicles that are making transfers for that
27 entity and shall provide that information to the commission upon
28 request.

29 (11) Each entity that employs a medical cannabis handler
30 certified to perform transfers of medical cannabis shall provide the
31 commission with current information concerning all vehicles
32 utilized for medical cannabis transfers, including each vehicle's
33 make, model, color, Vehicle Identification Number, license plate
34 number, and vehicle registration.

35 (12) Each medical cannabis cultivator, medical cannabis
36 manufacturer, medical cannabis dispensary, and clinical registrant
37 that engages in, or contracts with an independent third party to
38 perform, transfers of medical cannabis shall maintain current hired
39 and non-owned automobile liability insurance sufficient to insure
40 all transfer vehicles in the amount of not less than \$1,000,000 per
41 occurrence or accident.

42 (13) Transfer vehicles shall bear no markings that would either
43 identify or indicate that the vehicle is used to transport medical
44 cannabis.

45 (14) All transfers of medical cannabis shall be completed in a
46 timely and efficient manner.

1 (15) While performing transfers of medical cannabis, a certified
2 medical cannabis handler shall only travel from the premises of the
3 medical cannabis cultivator, medical cannabis manufacturer,
4 medical cannabis dispensary, or clinical registrant furnishing the
5 medical cannabis to the transfer address; from one transfer address
6 to another transfer address; from a testing laboratory back to the
7 medical cannabis cultivator, medical cannabis manufacturer, or
8 clinical registrant that furnished the medical cannabis for testing
9 purposes, or from a transfer address back to the premises of the
10 medical cannabis handler's employer. A medical cannabis handler
11 shall not deviate from the route described in this paragraph, except
12 in the event of emergency or as necessary for rest, fuel, or vehicle
13 repair stops, or because road conditions make continued use of the
14 route or operation of the vehicle unsafe, impossible, or
15 impracticable.

16 (16) The process of transfer shall begin when the certified
17 medical cannabis handler leaves the premises of the medical
18 cannabis cultivator, medical cannabis manufacturer, medical
19 cannabis dispensary, clinical registrant, or testing laboratory with
20 medical cannabis for transfer. The process of transferring medical
21 cannabis ends when the medical cannabis handler returns to the
22 premises of the medical cannabis handler's employer after
23 completing the transfer.

24 (17) Each medical cannabis handler performing transfers of
25 medical cannabis shall maintain a record of each transfer in a log,
26 which may be written or electronic. For each transfer, the log shall
27 record:

- 28 (a) The date and time that the transfer began and ended;
29 (b) The handler's name, medical cannabis handler certification
30 number, and medical cannabis transfer certification number;
31 (c) The tracking number of the medical cannabis; and
32 (d) The signature and employee identification number of the
33 employee accepting the transfer.

34 (18) A medical cannabis handler shall report any vehicle
35 accidents, diversions, losses, or other reportable events that occur
36 during transfer of medical cannabis to the appropriate State and
37 local authorities, including the commission. A medical cannabis
38 cultivator, medical cannabis manufacturer, medical cannabis
39 dispensary, or clinical registrant furnishing medical cannabis for
40 transfer or accepting the transfer of medical cannabis shall have no
41 criminal liability for any vehicle accidents, diversions, losses, or
42 other reportable events that occur during the transfer.

43 i. The commission shall enact rules and regulations governing
44 the delivery of medical cannabis, including medical cannabis
45 products, to a registered qualifying patient, designated caregiver, or

1 institutional caregiver by a medical cannabis dispensary, which
2 regulations shall require, at a minimum:

3 (1) Delivery of medical cannabis shall only be made to a
4 registered qualifying patient at the patient's home or secondary
5 address, to the patient's designated caregiver at the caregiver's
6 home address, or directly to the patient's institutional caregiver at
7 the health care facility where the patient is a current patient or
8 resident; except that the commission shall establish a process for
9 registered qualifying patients to request delivery directly to the
10 patient at an alternate address in cases of need.

11 (2) Deliveries shall be performed by a medical cannabis handler
12 who is certified by the department to perform deliveries and is at
13 least 18 years of age. Deliveries may be performed by an employee
14 of a medical cannabis dispensary or clinical registrant or by an
15 independent third party who has entered into a contract with a
16 medical cannabis dispensary or clinical registrant to perform
17 deliveries of medical cannabis, which contract may provide for a
18 one-time delivery or for ongoing deliveries of medical cannabis. A
19 medical cannabis handler holding a delivery certification issued by
20 the commission may simultaneously hold a transfer certification
21 issued by the commission.

22 (3) Medical cannabis shall not be delivered to an address located
23 on land owned by the federal government or any address on land or
24 in a building leased by the federal government.

25 (4) All deliveries of medical cannabis shall be made in person.
26 Delivery of medical cannabis shall not be made through the use of
27 an unmanned vehicle.

28 (5) Each certified medical cannabis handler shall carry a copy of
29 the individual's medical cannabis handler certification card and
30 delivery certification card when performing a delivery of medical
31 cannabis. The medical cannabis handler shall present the
32 certification cards upon request to State and local law enforcement
33 and to State and local regulatory authorities and agencies.

34 (6) Each certified medical cannabis handler engaged in a
35 delivery of medical cannabis shall have access to a secure form of
36 communication with the medical cannabis dispensary or clinical
37 registrant that furnished the medical cannabis to the handler for
38 delivery, such as a cellular telephone, at all times that the handler is
39 in possession of medical cannabis for delivery.

40 (7) During delivery, the certified medical cannabis handler shall
41 maintain a physical or electronic copy of the delivery request, and
42 shall make it available upon request to State and local law
43 enforcement and to State and local regulatory authorities and
44 agencies.

1 (8) Delivery vehicles shall be equipped with a secure lockbox in
2 a secured cargo area, which shall be used for the sanitary and secure
3 transport of medical cannabis.

4 (9) A certified medical cannabis handler shall not leave medical
5 cannabis in an unattended vehicle unless the vehicle is locked and
6 equipped with an active vehicle alarm system.

7 (10) A delivery vehicle shall contain a Global Positioning
8 System (GPS) device for identifying the geographic location of the
9 vehicle. The device shall be either permanently or temporarily
10 affixed to the vehicle while the vehicle is in operation, and the
11 device shall remain active and in the possession of the certified
12 medical cannabis handler at all times during which the vehicle is
13 engaged in the delivery of medical cannabis. At all times, the
14 medical cannabis dispensary or clinical registrant that furnished the
15 medical cannabis to the handler for delivery shall be able to identify
16 the geographic location of all vehicles that are making deliveries for
17 that entity and shall provide that information to the commission
18 upon request.

19 (11) Each entity that employs a medical cannabis handler
20 certified to deliver medical cannabis shall provide the commission
21 with current information concerning all vehicles utilized for
22 medical cannabis deliveries, including each vehicle's make, model,
23 color, Vehicle Identification Number, license plate number, and
24 vehicle registration.

25 (12) A medical cannabis dispensary or clinical registrant
26 furnishing medical cannabis to a medical cannabis handler for
27 delivery shall maintain current hired and non-owned automobile
28 liability insurance sufficient to insure all delivery vehicles in the
29 amount of not less than \$1,000,000 per occurrence or accident.

30 (13) Delivery vehicles shall bear no markings that would either
31 identify or indicate that the vehicle is used to transport medical
32 cannabis.

33 (14) All deliveries of medical cannabis shall be completed in a
34 timely and efficient manner.

35 (15) While performing deliveries of medical cannabis, a certified
36 medical cannabis handler shall only travel from the premises of the
37 medical cannabis dispensary or clinical registrant furnishing the
38 medical cannabis to the delivery address; from one delivery address
39 to another delivery address; or from a delivery address back to the
40 premises of the medical cannabis handler's employer. A medical
41 cannabis handler shall not deviate from the route described in this
42 paragraph, except in the event of emergency or as necessary for
43 rest, fuel, or vehicle repair stops, or because road conditions make
44 continued use of the route or operation of the vehicle unsafe,
45 impossible, or impracticable.

1 (16) The process of delivery shall begin when the certified
2 medical cannabis handler leaves the premises of the medical
3 cannabis dispensary or clinical registrant with medical cannabis for
4 delivery. The process of delivering medical cannabis ends when the
5 medical cannabis handler returns to the premises of the medical
6 cannabis handler's employer after completing the delivery.

7 (17) Each medical cannabis handler performing deliveries of
8 medical cannabis shall maintain a record of each delivery in a log,
9 which may be written or electronic. For each delivery, the log shall
10 record:

11 (a) The date and time that the delivery began and ended;

12 (b) The handler's name, medical cannabis handler certification
13 number, and medical cannabis delivery certification number;

14 (c) The tracking number of the medical cannabis; and

15 (d) The signature and registry number of the patient or caregiver
16 who accepted delivery.

17 (18) A medical cannabis handler shall report any vehicle
18 accidents, diversions, losses, or other reportable events that occur
19 during delivery of medical cannabis to the appropriate State and
20 local authorities, including the commission. A medical cannabis
21 dispensary or clinical registrant furnishing medical cannabis for
22 delivery shall have no criminal liability for any vehicle accidents,
23 diversions, losses, or other reportable events that occur during
24 delivery after such time as the dispensary or clinical registrant, as
25 applicable, furnishes medical cannabis for delivery.

26 (19) A medical cannabis dispensary or clinical registrant shall be
27 authorized to use any medical cannabis handler employed by the
28 dispensary or clinical registrant or any independent third party
29 medical cannabis handler that is not employed by a medical
30 cannabis dispensary or clinical registrant for the purposes of
31 delivering medical cannabis, and, subject to the requirements of
32 paragraph (2) of this subsection, an independent third party medical
33 cannabis handler possessing a delivery certification who is not
34 employed by any medical cannabis dispensary or clinical registrant
35 shall be authorized to provide medical cannabis transport services
36 to any medical cannabis dispensary or clinical registrant.

37 j. Medical cannabis may be transferred or delivered, consistent
38 with the requirements of subsections h. and i. of this section,
39 respectively, to any location in the State. In no case may a
40 municipality restrict transfers or deliveries of medical cannabis
41 within that municipality by adoption of municipal ordinance or any
42 other measure, and any restriction to the contrary shall be deemed
43 void and unenforceable.

44 k. The commission may authorize the use of an Internet-based
45 web service developed and maintained by an independent third
46 party entity that does not hold any permit, license, or certificate

1 issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), and is not a
2 significantly involved person or other investor in any permit holder,
3 which web service may be used by registered qualifying patients,
4 designated caregivers, and institutional caregivers to request or
5 schedule deliveries of medical cannabis pursuant i. of
6 this section.

7
8 28. (New section) a. A municipality may authorize, through
9 the enactment of an ordinance, the operation of locally endorsed
10 medical cannabis consumption areas by medical cannabis
11 dispensaries and clinical registrants within its jurisdiction, at which
12 areas the on-premises consumption of medical cannabis may occur.

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

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

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

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

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

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

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

13 d. A medical cannabis consumption area endorsement shall be
14 valid for one year and may be renewed annually, subject to the
15 approval of the commission and the municipality as set forth in this
16 section. The commission shall establish by rule the amount of the
17 application fee and renewal fee for the endorsement, which shall not
18 exceed the administrative cost for processing and reviewing the
19 application.

20 e. The commission shall maintain a list of all medical cannabis
21 consumption areas in the State and shall make the list available on
22 its Internet website.

23 f. A medical cannabis consumption area shall be located on the
24 premises of a medical cannabis dispensary or clinical registrant,
25 may be indoors or outdoors, and shall be designated by conspicuous
26 signage.

27 (1) An indoor medical cannabis consumption area shall be a
28 structurally enclosed area within a medical cannabis dispensary or
29 clinical registrant facility that is separated by solid walls or
30 windows from the area in which medical cannabis is dispensed and
31 shall only be accessible through an interior door after first entering
32 the facility.

33 (2) An outdoor medical cannabis consumption area shall be an
34 exterior structure on the same premises as the medical cannabis
35 dispensary or clinical registrant facility, that is either separate from
36 or connected to the facility, and that is not required to be
37 completely enclosed, but shall have sufficient walls, fences, or other
38 barriers to prevent any view of patients consuming medical
39 cannabis from any sidewalk or other pedestrian or non-motorist
40 right-of-way, as the case may be, within the consumption area.

41 (3) Nothing in this subsection shall be construed to authorize the
42 consumption of medical cannabis by smoking in any indoor public
43 place or workplace, as those terms are defined in subsection 3 of
44 P.L.2005, c.383 (C.26:3D-57), and the medical cannabis dispensary
45 or clinical registrant operating the consumption area shall ensure
46 that any smoking of medical cannabis that occurs in an outdoor

1 medical cannabis consumption area does not result in migration,
2 seepage, or recirculation of smoke to any indoor public place or
3 workplace. The commission may require a consumption area to
4 include any ventilation features as the commission deems necessary
5 and appropriate.

6 g. (1) A medical cannabis dispensary or clinical registrant
7 holding a medical cannabis consumption area endorsement, and the
8 employees of the dispensary or clinical registrant, subject to any
9 regulations for medical cannabis consumption areas promulgated by
10 the commission, may permit a person to bring medical cannabis into
11 a medical cannabis consumption area.

12 (2) A medical cannabis dispensary or clinical registrant holding
13 a medical cannabis consumption area endorsement shall not sell
14 alcohol, including fermented malt beverages or malt, vinous, or
15 spirituous liquor, sell tobacco or nicotine products, or allow the
16 consumption of alcohol, tobacco, or nicotine products on premises,
17 or operate as a retail food establishment.

18 (3) A medical cannabis dispensary or clinical registrant holding
19 a medical cannabis consumption area endorsement shall not allow
20 on-duty employees of the establishment to consume any medical
21 cannabis in the consumption area.

22 h. Access to a medical cannabis consumption area shall be
23 restricted to employees of the medical cannabis dispensary or
24 clinical registrant and to registered qualified patients and their
25 designated caregivers.

26 i. When a patient leaves a medical cannabis consumption area,
27 the establishment shall ensure any remaining unconsumed medical
28 cannabis that is not taken by the patient or the patient's designated
29 caregiver is destroyed.

30 j. A medical cannabis consumption area and its employees:

31 (1) shall operate the establishment in a decent, orderly, and
32 respectable manner;

33 (2) may remove an individual from the establishment for any
34 reason;

35 (3) shall not knowingly permit any activity or acts of disorderly
36 conduct; and

37 (4) shall not permit rowdiness, undue noise, or other
38 disturbances or activity offensive to the average citizen or to the
39 residents of the neighborhood in which the consumption area is
40 located.

41 k. If an emergency requires law enforcement, firefighters,
42 emergency medical services providers, or other public safety
43 personnel to enter a medical cannabis consumption area, employees
44 of the establishment shall prohibit on-site consumption of medical
45 cannabis until such personnel have completed their investigation or
46 services and have left the premises.

1 29. (New section) a. (1) The commission shall develop and
2 maintain a system for tracking the cultivation of medical cannabis,
3 the manufacturing of medical cannabis products, the transfer of
4 medical cannabis and medical cannabis products between medical
5 cannabis cultivators, medical cannabis manufacturers, medical
6 cannabis dispensaries, clinical registrants, and testing laboratories
7 as authorized pursuant to paragraph (5) of subsection a. of section 7
8 of P.L.2009, c.307 (C.24:6I-7) and subsection h. of section 27 of
9 P.L. , c. (C.) (pending before the Legislature as this bill),
10 and the dispensing or delivery of medical cannabis to registered
11 qualifying patients, designated caregivers, and institutional
12 caregivers.

13 (2) The tracking system shall, among other features as
14 determined by the commission, utilize a stamp affixed to a
15 container or package for medical cannabis to assist in the collection
16 of the information required to be tracked pursuant to subsection c.
17 of this section.

18 (a) The commission, in consultation with the Director of the
19 Division of Taxation, shall secure stamps based on the designs,
20 specifications, and denominations prescribed by the commission in
21 regulation, and which incorporate encryption, security, and
22 counterfeit-resistant features to prevent the unauthorized
23 duplication or counterfeiting of any stamp. The stamp shall be
24 readable by a scanner or similar device that may be used by the
25 commission, the Director of the Division of Taxation, and medical
26 cannabis cultivators, medical cannabis manufacturers, medical
27 cannabis dispensaries, or clinical registrants.

28 (b) The commission, and the Director of the Division of
29 Taxation if authorized by the commission, shall make stamps
30 available for purchase by medical cannabis cultivators, medical
31 cannabis manufacturers, and clinical registrants, which shall be the
32 only entities authorized to affix a stamp to a container or package
33 for medical cannabis in accordance with applicable regulations
34 promulgated by the commission in consultation with the Director of
35 the Division of Taxation. The price charged by the commission to
36 medical cannabis cultivators, medical cannabis manufacturers, and
37 clinical registrants for a stamp required pursuant to this paragraph
38 shall be reasonable and commensurate with the cost of producing
39 the stamp.

40 (c) A medical cannabis cultivator, medical cannabis
41 manufacturer, medical cannabis dispensary, clinical registrant, or
42 certified medical cannabis handler shall not purchase, sell, offer for
43 sale, transfer, transport, or deliver any medical cannabis unless a
44 stamp is properly affixed to the container or package for the
45 medical cannabis.

1 b. The purposes of the system developed and maintained under
2 this section include, but are not limited to:

3 (1) preventing the diversion of medical cannabis to criminal
4 enterprises, gangs, cartels, persons not authorized to possess
5 medical cannabis, and other states;

6 (2) preventing persons from substituting or tampering with
7 medical cannabis;

8 (3) ensuring an accurate accounting of the cultivation,
9 manufacturing, transferring, dispensing, and delivery of medical
10 cannabis;

11 (4) ensuring that the testing results from licensed testing
12 laboratories are accurately reported; and

13 (5) ensuring compliance with the rules and regulations adopted
14 by the commission and any other law of this State that charges the
15 commission with a duty, function, or power related to medical
16 cannabis.

17 c. The system developed and maintained under this section
18 shall be capable of tracking, at a minimum:

19 (1) the propagation of immature medical cannabis plants and the
20 production of medical cannabis by a medical cannabis cultivator;

21 (2) the utilization of medical cannabis in the manufacture,
22 production, and creation of medical cannabis products by a medical
23 cannabis manufacturer;

24 (3) the transfer of medical cannabis and medical cannabis
25 products to and from licensed testing laboratories for testing
26 purposes;

27 (4) the dispensing of medical cannabis by a medical cannabis
28 dispensary or clinical registrant;

29 (5) the furnishing of medical cannabis by a medical cannabis
30 dispensary or clinical registrant to a medical cannabis handler for
31 delivery;

32 (6) the delivery of medical cannabis by a medical cannabis
33 handler;

34 (7) the purchase, sale, or other transfer of medical cannabis and
35 medical cannabis products between medical cannabis cultivators,
36 medical cannabis manufacturers, medical cannabis dispensaries, and
37 clinical registrants as authorized pursuant to paragraph (5) of
38 subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) and
39 subsection h. of section 27 of P.L. , c. (C.) (pending before
40 the Legislature as this bill); and

41 (8) any other information that the commission determines is
42 reasonably necessary to accomplish the duties, functions, and
43 powers of the commission.

44

45 30. (New section) The commission may waive any requirement
46 of P.L.2009, c.307 (C.24:6I-1 et al.) if the commission determines

1 that granting the waiver is necessary to achieve the purposes of
2 P.L.2009, c.307 (C.24:6I-1 et al.) and provide access to patients
3 who would not otherwise qualify for the medical use of cannabis to
4 alleviate suffering from a diagnosed medical condition, and does
5 not create a danger to the public health, safety, or welfare.

6
7 31. (New section) a. The Cannabis Regulatory Commission is
8 hereby created in, but not of, the Department of the Treasury, to
9 assume all powers, duties, and responsibilities with regard to the
10 regulation and oversight of activities authorized pursuant to
11 P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health
12 for the further development, expansion, regulation, and enforcement
13 of activities associated with the medical use of cannabis pursuant
14 P.L.2009, c.307 (C.24:6I-1 et al.). All powers, duties, and
15 responsibilities with regard to the regulation and oversight of
16 activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
17 shall be transferred from the Department of Health to the Cannabis
18 Regulatory Commission at such time as the members of the
19 commission are appointed as provided in subsection b. of this
20 section and the commission first organizes. Thereafter, any
21 reference to the Department of Health or the Commissioner of
22 Health in any statute or regulation pertaining to the provisions of
23 P.L.2009, c.307 (C.24:6I-1 et al.) shall be deemed to refer to the
24 Cannabis Regulatory Commission. The provisions of this
25 subsection shall be carried out in accordance with the "State
26 Agency Transfer Act," P.L.1971, c.375 (C.52:14D-1 et seq.).

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

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

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

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

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

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

1 subsection shall be made in the same manner as the original
2 appointment.

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

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

27 (6) The chair and other members of the commission shall devote
28 full time to their respective duties of office and shall not pursue or
29 engage in any other business, occupation, or gainful employment.
30 Each member shall receive an annual salary to be fixed and
31 established by the Governor, which for the chair shall not exceed
32 \$141,000, and for the other members shall not exceed \$125,000.

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

45 (8) A majority of the total authorized membership of the
46 commission shall be required to establish a quorum, and a majority

1 of the total authorized membership of the commission shall be
2 required to exercise its powers at any meeting thereof. However,
3 only if all five commissioners have been duly appointed in
4 accordance with the appointment process set forth in paragraph (2)
5 of this subsection, and five appointed commissioners are present at
6 a meeting, may a majority of the total authorized membership act to
7 assume the powers, duties, and responsibilities with regard to the
8 regulation and oversight of activities authorized pursuant to
9 P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health.

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

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

17 c. (1) The commission may establish, and from time to time
18 alter, a plan of organization, and employ personnel as it deems
19 necessary under the direct supervision of a full-time executive
20 director for the commission. The plan of organization shall include
21 the Office of Minority, Disabled Veterans, and Women Medical
22 Cannabis Business Development established by section 32 of
23 P.L. , c. (C.) (pending before the Legislature as this bill).

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

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

43 (ii) If, as a result of transferring powers, duties, and
44 responsibilities with regard to the regulation and oversight of
45 activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
46 from the Department of Health to the commission pursuant to

1 subsection a. of this section, the commission needs to employ an
2 individual to fill a position, employees of the department who
3 performed the duties of the position to be filled shall be given a
4 one-time right of first refusal offer of employment with the
5 commission, and such employees may be removed by the
6 commission for cause or if deemed unqualified to hold the position,
7 notwithstanding any other provision of law to the contrary. A
8 department employee who becomes employed by the commission
9 shall retain as an employee of the commission the seniority, and all
10 rights related to seniority, that the employee had with the
11 department as of the last day of employment with the department;
12 provided, however, that such seniority and seniority rights shall be
13 retained only by an employee who was transferred from
14 employment with the department to employment with the
15 commission, and shall not be retained by an employee who was
16 removed from employment with the department due to layoff
17 procedures or who resigned from a position with the department
18 prior to being hired by the commission.

19 (2) The commission may sue and be sued in any court, employ
20 legal counsel to represent the commission in any proceeding to
21 which it is a party and render legal advice to the commission upon
22 its request, as well as contract for the services of other professional,
23 technical, and operational personnel and consultants as may be
24 necessary to the performance of its responsibilities.

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

28 d. With respect to the activities of the commission, neither the
29 President of the Senate or the Speaker of the General Assembly
30 shall be permitted to appear or practice or act in any capacity
31 whatsoever before the commission regarding any matter
32 whatsoever, nor shall any member of the immediate family of the
33 Governor, President of the Senate, or Speaker of the General
34 Assembly be permitted to so practice or appear in any capacity
35 whatsoever before the commission regarding any matter
36 whatsoever. As used in this subsection, "immediate family" means
37 the spouse, domestic partner, or civil union partner, and any
38 dependent child or stepchild, recognized by blood or by law, of the
39 Governor, President of the Senate, or Speaker of the General
40 Assembly, or of the spouse, domestic partner, or civil union partner
41 residing in the same household as the Governor, President of the
42 Senate, or Speaker of the General Assembly.

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

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

5 (1) the commission's organization;

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

7 (3) the overall effectiveness of the commission as a full time
8 entity; and

9 (4) whether the regulation and oversight of medical cannabis
10 could be more effectively and efficiently managed through a
11 reorganization of the commission, consolidation of the commission
12 within the Department of Health or another Executive Branch
13 department, conversion to a part-time commission, or the transfer of
14 some or all of the commission's operations elsewhere within the
15 Executive Branch.

16 The commission shall submit the findings of the independent
17 study, along with the commission's recommendations for
18 appropriate executive, administrative, or legislative action, to the
19 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
20 19.1), to the Legislature.

21

22 32. (New section) a. There is hereby established in the
23 commission an Office of Minority, Disabled Veterans, and Women
24 Medical Cannabis Business Development. The office shall be
25 under the immediate supervision of a director. The director of the
26 office shall be appointed by the Governor, and shall serve at the
27 pleasure of the appointing Governor during the Governor's term of
28 office and until a successor has been duly appointed and qualified.
29 Any vacancy in the directorship occurring for any reason other than
30 the expiration of the director's term of office shall be filled for the
31 unexpired term only in the same manner as the original
32 appointment. The director shall receive an annual salary as
33 provided by law which shall be at an amount not to exceed the
34 annual salary of the executive director of the commission.

35 b. (1) The office shall establish and administer, under the
36 direction of the commission, unified practices and procedures for
37 promoting participation in the medical cannabis industry by persons
38 from socially and economically disadvantaged communities,
39 including by prospective and existing ownership of minority
40 businesses and women's businesses, as these terms are defined in
41 section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled
42 veterans' businesses as defined in section 2 of P.L.2015, c.116
43 (C.52:32-31.2), to be issued medical cannabis cultivator, medical
44 cannabis manufacturer, medical cannabis dispensary, and clinical
45 registrant permits. These unified practices and procedures shall
46 include the certification and subsequent recertification at regular

1 intervals of a business as a minority or women's business, or a
2 disabled veterans' business, in accordance with eligibility criteria
3 and a certification application process established by the
4 commission through regulation in consultation with the office.

5 (2) The office shall conduct advertising and promotional
6 campaigns, and shall disseminate information to the public, to
7 increase awareness for participation in the medical cannabis
8 industry by persons from socially and economically disadvantaged
9 communities. To this end, the office shall sponsor seminars and
10 informational programs, and shall provide information on its
11 Internet website, providing practical information concerning the
12 medical cannabis industry, including information on business
13 management, marketing, and other related matters.

14 c. (1) The office shall develop, recommend, and implement
15 policies, practices, protocols, standards, and criteria designed to
16 promote the formulation of medical cannabis business entities and
17 participation in the medical cannabis industry by persons from
18 socially and economically disadvantaged communities, including by
19 promoting applications for, and the issuance of, medical cannabis
20 cultivator, medical cannabis manufacturer, medical cannabis
21 dispensary, and clinical registrant permits to certified minority,
22 women's, and disabled veterans' businesses. The office shall
23 evaluate the effectiveness of these measures by considering whether
24 the measures have resulted in new medical cannabis cultivator,
25 medical cannabis manufacturer, and medical cannabis dispensary
26 permits being issued in accordance with the provisions of
27 subsection g. of section 12 of P.L. , c. (C.) (pending
28 before the Legislature as this bill).

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

42 d. The office may review the commission's measures regarding
43 participation in the medical cannabis industry by persons from
44 socially and economically disadvantaged communities, and
45 minority, women's, and disabled veterans' businesses, and make
46 recommendations on relevant policy and implementation matters for

1 the improvement thereof. The office may consult with experts or
2 other knowledgeable individuals in the public or private sector on
3 any aspect of its mission.

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

13

14 33. (New section) a. No person shall be appointed to or
15 employed by the commission if, during the period commencing
16 three years prior to appointment or employment, the person held
17 any direct or indirect interest in, or any employment by, any holder
18 of, or applicant for, a medical cannabis cultivator, medical cannabis
19 manufacturer, medical cannabis dispensary, or clinical registrant
20 permit pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or otherwise
21 employs any certified medical cannabis handler to perform transfers
22 or deliveries of medical cannabis; provided, however, that
23 notwithstanding any other provision of law to the contrary, any such
24 person may be appointed to or employed by the commission if the
25 person's prior interest in any such permit holder or applicant would
26 not, in the opinion of the commission, interfere with the objective
27 discharge of the person's obligations of appointment or
28 employment, but in no instance shall any person be appointed to or
29 employed by the commission if the person's prior interest in such
30 permit holder or applicant constituted a controlling interest in that
31 permit holder or applicant; and provided further, however, that
32 notwithstanding any other provision of law to the contrary, any such
33 person may be employed by the commission in a secretarial or
34 clerical position if, in the opinion of the commission, the person's
35 previous employment by, or interest in, any permit holder would
36 not interfere with the objective discharge of the person's
37 employment obligations.

38 b. Prior to appointment or employment, each member of the
39 commission and each employee of the commission shall swear or
40 affirm that the member or employee, as applicable, possesses no
41 interest in any business or organization issued a medical cannabis
42 cultivator, medical cannabis manufacturer, medical cannabis
43 dispensary, or clinical registrant permit by the commission.

44 c. (1) Each member of the commission shall file with the State
45 Ethics Commission a financial disclosure statement listing all assets
46 and liabilities, property and business interests, and sources of

1 income of the member and the member's spouse, domestic partner,
2 or partner in a civil union couple, as the case may be, and shall also
3 provide to the State Ethics Commission in the same financial
4 disclosure statement a list of all assets and liabilities, property and
5 business interests, and sources of income of each dependent child or
6 stepchild, recognized by blood or by law, of the member, or of the
7 spouse, domestic partner, or partner in a civil union couple residing
8 in the same household as the member. Each statement shall be
9 under oath and shall be filed at the time of appointment and
10 annually thereafter.

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

23
24 34. (New section) a. The "New Jersey Conflicts of Interest
25 Law," P.L.1971, c.182 (C.52:13D-12 et seq.) shall apply to
26 members of the commission and to all employees of the
27 commission, except as herein specifically provided.

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

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

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

40 (1) No commission member or employee shall be permitted to
41 enter and engage in any activities, nor have any interest, directly or
42 indirectly, in any medical cannabis cultivator, medical cannabis
43 manufacturer, medical cannabis dispensary, or clinical registrant
44 issued a permit by the commission in accordance with the P.L.2009,
45 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
46 medical cannabis handler to perform transfers or deliveries of

1 medical cannabis, except in the course of the member's or
2 employee's duties; provided that nothing in this paragraph shall be
3 construed to prohibit a member or employee who is a registered
4 qualifying patient, or who is serving as a designated caregiver or
5 institutional caregiver for a registered qualifying patient, from being
6 dispensed medical cannabis consistent with the requirements of
7 P.L.2009, c.307 (C.24:6I-1 et al.).

8 (2) No commission member or employee shall solicit or accept
9 employment from any holder of, or applicant for, a medical
10 cannabis cultivator, medical cannabis manufacturer, medical
11 cannabis dispensary, or clinical registrant permit or any entity that
12 employs any certified medical cannabis handler to perform transfers
13 or deliveries of medical cannabis for a period of two years after
14 termination of service with the commission, except as otherwise
15 provided in section 35 of P.L. , c. (C.) (pending before the
16 Legislature as this bill).

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

24 (4) No commission member or employee shall act in the
25 member's or employee's official capacity in a matter concerning
26 any holder of, or applicant for, a medical cannabis cultivator,
27 medical cannabis manufacturer, medical cannabis dispensary, or
28 clinical registrant permit or any entity that employs any certified
29 medical cannabis handler to perform transfers or deliveries of
30 medical cannabis who is the employer of a spouse, domestic
31 partner, or partner in a civil union couple, or child, parent, or
32 sibling of the commission member or employee when the fact of the
33 employment of the spouse, domestic partner, or partner in a civil
34 union couple, or child, parent, or sibling might reasonably be
35 expected to impair the objectivity and independence of judgment of
36 the commission member or employee.

37 (5) No spouse, domestic partner, or partner in a civil union
38 couple, or child, parent, or sibling of a commission member shall be
39 employed in any capacity by any holder of, or applicant for, a
40 medical cannabis cultivator, medical cannabis manufacturer,
41 medical cannabis dispensary, or clinical registrant permit, or any
42 entity that employs any certified medical cannabis handler to
43 perform transfers or deliveries of medical cannabis nor by any
44 holding, intermediary, or subsidiary company thereof.

45 (6) No commission member shall meet with any person, except
46 for any other member of the commission or employee of the

1 commission, or discuss any issues involving any pending or
2 proposed application or any matter whatsoever which may
3 reasonably be expected to come before the commission, or any
4 member thereof, for determination unless the meeting or discussion
5 takes place on the business premises of the commission, provided,
6 however, that commission members may meet to consider matters
7 requiring the physical inspection of equipment or premises at the
8 location of the equipment or premises. All meetings or discussions
9 subject to this paragraph shall be noted in a log maintained for this
10 purpose and available for inspection pursuant to the provisions of
11 P.L.1963, c.73 (C.47:1A-1 et seq.).

12 d. No commission member or employee shall have any interest,
13 direct or indirect, in any holder of, or applicant for, a medical
14 cannabis cultivator, medical cannabis manufacturer, medical
15 cannabis dispensary, or clinical registrant permit or in any entity
16 that employs any certified medical cannabis handler to perform
17 transfers or deliveries of medical cannabis during the member's
18 term of office or employee's term of employment.

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

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

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

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

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

44 (c) take any active part in political campaigns or the
45 management thereof; provided, however, that nothing herein shall
46 prohibit a member or employee from voting as the member or

1 employee chooses or from expressing personal opinions on political
2 subjects and candidates.

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

11

12 35. (New section) a. No member of the commission shall hold
13 any direct or indirect interest in, or be employed by, any holder of,
14 or applicant for, a medical cannabis cultivator, medical cannabis
15 manufacturer, medical cannabis dispensary, or clinical registrant
16 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or in
17 any entity that employs any certified medical cannabis handler to
18 perform transfers or deliveries of medical cannabis for a period of
19 two years commencing on the date that membership on the
20 commission terminates.

21 b. (1) No employee of the commission may acquire any direct
22 or indirect interest in, or accept employment with, any holder of, or
23 applicant for, a medical cannabis cultivator, medical cannabis
24 manufacturer, medical cannabis dispensary, or clinical registrant
25 permit or in any entity that employs any certified medical cannabis
26 handler to perform transfers or deliveries of medical cannabis, for a
27 period of two years commencing at the termination of employment
28 with the commission, except that a secretarial or clerical employee
29 of the commission may accept such employment at any time after
30 the termination of employment with the commission. At the end of
31 two years and for a period of two years thereafter, a former
32 employee who held a policy-making management position at any
33 time during the five years prior to termination of employment may
34 acquire an interest in, or accept employment with, any holder of, or
35 applicant for, a medical cannabis cultivator, medical cannabis
36 manufacturer, medical cannabis dispensary, or clinical registrant
37 permit or in any entity that employs any certified medical cannabis
38 handler to perform transfers or deliveries of medical cannabis, upon
39 application to, and the approval of, the commission, upon a finding
40 that the interest to be acquired or the employment will not create the
41 appearance of a conflict of interest and does not evidence a conflict
42 of interest in fact.

43 (2) Notwithstanding the provisions of this subsection, if the
44 employment of a commission employee, other than an employee
45 who held a policy-making management position at any time during
46 the five years prior to termination of employment, is terminated as a

1 result of a reduction in the workforce at the commission, the
2 employee may, at any time prior to the end of the two-year period,
3 accept employment with any holder of, or applicant for, a medical
4 cannabis cultivator, medical cannabis manufacturer, medical
5 cannabis dispensary, or clinical registrant permit or any entity that
6 employs any certified medical cannabis handler to perform transfers
7 or deliveries of medical cannabis, upon application to, and the
8 approval of, the commission, upon a finding that the employment
9 will not create the appearance of a conflict of interest and does not
10 evidence a conflict of interest in fact. The commission shall take
11 action on an application within 30 days of receipt and an
12 application may be submitted to the commission prior to or after the
13 commencement of the employment.

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

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

23
24 36. (New section) a. (1) No holder of, or applicant for, a
25 medical cannabis cultivator, medical cannabis manufacturer,
26 medical cannabis dispensary, or clinical registrant permit issued
27 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that
28 employs any certified medical cannabis handler to perform transfers
29 or deliveries of medical cannabis shall employ or offer to employ,
30 or provide, transfer, or sell, or offer to provide, transfer, or sell any
31 interest, direct or indirect, in any medical cannabis cultivator,
32 medical cannabis manufacturer, medical cannabis dispensary, or
33 clinical registrant permit holder to any person restricted from such
34 transactions by the provisions of sections 33 through 35 of P.L. ,
35 c. (C.) (pending before the Legislature as this bill).

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

40 b. (1) A member or employee of the commission who makes
41 or causes to be made a political contribution prohibited under
42 subsection f. of section 34 of P.L. , c. (C.) (pending before
43 the Legislature as this bill) is guilty of a crime of the fourth degree,
44 but notwithstanding the provisions of subsection b. of N.J.S.2C:43-
45 3, a fine not to exceed \$200,000 may be imposed.

1 (2) A member or employee of the commission who willfully
2 violates any other provisions in sections 33 through 35 of P.L. ,
3 c. (C.) (pending before the Legislature as this bill) is guilty of
4 a disorderly persons offense.

5 c. The State Ethics Commission, established pursuant to the
6 "New Jersey Conflicts of Interest Law," P.L.1971, c.182
7 (C.52:13D-12 et seq.), shall enforce the provisions of sections 33
8 through 36 of P.L. , c. (C.) (pending before the Legislature
9 as this bill), and upon a finding of a violation, impose a civil
10 penalty of not less than \$500 nor more than \$10,000, which penalty
11 may be collected in a summary proceeding pursuant to the "Penalty
12 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
13 If a violation also represents a crime or disorderly persons offense
14 as set forth in subsection b. of this section, the State Ethics
15 Commission shall also refer the matter to the Attorney General or
16 appropriate county prosecutor for further investigation and
17 prosecution.

18
19 37. Section 2 of P.L.1971, c.182 (C.52:13D-13) is amended to
20 read as follows:

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

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

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

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

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

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

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

14 g. "Interest" means: (1) the ownership or control of more than
15 ~~【10%】~~ 10 percent of the profits or assets of a firm, association, or
16 partnership, or more than ~~【10%】~~ 10 percent of the stock in a
17 corporation for profit other than a professional service corporation
18 organized under the "Professional Service Corporation Act,"
19 P.L.1969, c.232 (C. 14A:17-1 et seq.); or (2) the ownership or
20 control of more than ~~【1%】~~ one percent of the profits of a firm,
21 association, or partnership, or more than ~~【1%】~~ one percent of the
22 stock in any corporation, (a) which is the holder of, or an applicant
23 for, a casino license or in any holding or intermediary company
24 with respect thereto, as defined by the "Casino Control Act,"
25 P.L.1977, c.110 (C.5:12-1 et seq.), or (b) which is the holder of, or
26 an applicant for, a medical cannabis cultivator, medical cannabis
27 manufacturer, medical cannabis dispensary, or clinical registrant
28 permit issued pursuant P.L.2009, c.307 (C.24:6I-1 et al.), or any
29 holding or intermediary company with respect thereto. The
30 provisions of this act governing the conduct of individuals are
31 applicable to shareholders, associates or professional employees of
32 a professional service corporation regardless of the extent or
33 amount of their shareholder interest in such a corporation.

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

39 i. "Member of the immediate family" of any person means the
40 person's spouse, domestic partner, civil union partner, child, parent,
41 or sibling residing in the same household.
42 (cf: P.L.1987, c.432, s.2)

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

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

1 (1) **【**any State officer or employee subject to financial disclosure
2 by law or executive order and any other State officer or employee
3 with responsibility for matters affecting casino activity; any special
4 State officer or employee with responsibility for matters affecting
5 casino activity;**】** (a) with respect to casino activity and activity
6 related to medical cannabis authorized pursuant to P.L.2009, c.307
7 (C.24:6I-1 et al.), the Governor; **【**any member of the Legislature
8 or**】** the President of the Senate; the Speaker of the General
9 Assembly; any full-time member of the Judiciary; any full-time
10 professional employee of the Office of the Governor **【**, or the
11 Legislature; members of the Casino Reinvestment Development
12 Authority**】**; the head of a principal department; the assistant or
13 deputy heads of a principal department, including all assistant and
14 deputy commissioners; the head of any division of a principal
15 department;

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

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

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

39 (b) any member of the governing body or the municipal judge of
40 a municipality, any member of the planning board or zoning board
41 of adjustment, or any professional planner, or consultant regularly
42 employed or retained by such planning board or zoning board of
43 adjustment, of a municipality wherein a medical cannabis
44 cultivator, medical cannabis manufacturer, medical cannabis

1 dispensary, or clinical registrant issued a permit pursuant to
2 P.L.2009, c.307 (C.24:6I-1 et al.) is located.

3 b. (1) No State officer or employee, nor any person, nor any
4 member of the immediate family of any State officer or employee,
5 or person, nor any partnership, firm, or corporation with which any
6 such State officer or employee or person is associated or in which
7 he has an interest, nor any partner, officer, director, or employee
8 while he is associated with such partnership, firm, or corporation,
9 shall hold, directly or indirectly, an interest in, or hold employment
10 with, or represent, appear for, or negotiate on behalf of, any holder
11 of, or applicant for, a casino license, or any holding or intermediary
12 company with respect thereto, in connection with any cause,
13 application, or matter, except as provided in section 3 of P.L.2009,
14 c.26 (C.52:13D-17.3), and except that **[(1)]** (a) a State officer or
15 employee other than a State officer or employee included in the
16 definition of person, and **[(2)]** (b) a member of the immediate
17 family of a State officer or employee, or of a person, may hold
18 employment with the holder of, or applicant for, a casino license if,
19 in the judgment of the State Ethics Commission, the Joint
20 Legislative Committee on Ethical Standards, or the Supreme Court,
21 as appropriate, such employment will not interfere with the
22 responsibilities of the State officer or employee, or person, and will
23 not create a conflict of interest, or reasonable risk of the public
24 perception of a conflict of interest, on the part of the State officer or
25 employee, or person. No special State officer or employee without
26 responsibility for matters affecting casino activity, excluding those
27 serving in the Departments of Education, Health **[and Senior**
28 **Services]**, and Human Services and the **[Commission on]** Office of
29 the Secretary of Higher Education, shall hold, directly or indirectly,
30 an interest in, or represent, appear for, or negotiate on behalf of, any
31 holder of, or applicant for, a casino license, or any holding or
32 intermediary company with respect thereto, in connection with any
33 cause, application, or matter. However, a special State officer or
34 employee without responsibility for matters affecting casino
35 activity may hold employment directly with any holder of or
36 applicant for a casino license or any holding or intermediary
37 company thereof and if so employed may hold, directly or
38 indirectly, an interest in, or represent, appear for, or negotiate on
39 behalf of, **[his]** that employer, except as otherwise prohibited by
40 law.

41 (2) No State officer or employee, nor any person, nor any
42 member of the immediate family of any State officer or employee,
43 or person, nor any partnership, firm, or corporation with which any
44 such State officer or employee or person is associated or in which
45 he has an interest, nor any partner, officer, director, or employee
46 while he is associated with such partnership, firm, or corporation,

1 shall hold, directly or indirectly, an interest in, or hold employment
2 with, or represent, appear for, or negotiate on behalf of, or derive
3 any remuneration, payment, benefit, or any other thing of value for
4 any services, including but not limited to consulting or similar
5 services, from any holder of, or applicant for, a license, permit, or
6 other approval to conduct Internet gaming, or any holding or
7 intermediary company with respect thereto, or any Internet gaming
8 affiliate of any holder of, or applicant for, a casino license, or any
9 holding or intermediary company with respect thereto, or any
10 business, association, enterprise, or other entity that is organized, in
11 whole or in part, for the purpose of promoting, advocating for, or
12 advancing the interests of the Internet gaming industry generally or
13 any Internet gaming-related business or businesses in connection
14 with any cause, application, or matter, except as provided in section
15 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that **[(1)]** (a) a
16 State officer or employee other than a State officer or employee
17 included in the definition of person, and **[(2)]** (b) a member of the
18 immediate family of a State officer or employee, or of a person,
19 may hold employment with the holder of, or applicant for, a license,
20 permit, or other approval to conduct Internet gaming, or any
21 holding or intermediary company with respect thereto, or any
22 Internet gaming affiliate of any holder of, or applicant for, a casino
23 license, or any holding or intermediary company with respect
24 thereto if, in the judgment of the State Ethics Commission, the Joint
25 Legislative Committee on Ethical Standards, or the Supreme Court,
26 as appropriate, such employment will not interfere with the
27 responsibilities of the State officer or employee, or person, and will
28 not create a conflict of interest, or reasonable risk of the public
29 perception of a conflict of interest, on the part of the State officer or
30 employee, or person.

31 (3) No State officer or employee, nor any person, nor any
32 member of the immediate family of any State officer or employee,
33 or person, nor any partnership, firm, or corporation with which any
34 such State officer or employee or person is associated or in which
35 he has an interest, nor any partner, officer, director, or employee
36 while he is associated with such partnership, firm, or corporation,
37 shall hold, directly or indirectly, an interest in, or hold employment
38 with, or represent, appear for, or negotiate on behalf of, any holder
39 of, or applicant for, a medical cannabis cultivator, medical cannabis
40 manufacturer, medical cannabis dispensary, or clinical registrant
41 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or in
42 any entity that employs any certified medical cannabis handler to
43 perform transfers or deliveries of medical cannabis, or any holding
44 or intermediary company with respect thereto, in connection with
45 any cause, application, or matter, except as provided in section 3 of
46 P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State officer

1 or employee other than a State officer or employee included in the
2 definition of person, and (b) a member of the immediate family of a
3 State officer or employee, or of a person, may hold employment
4 with the holder of, or applicant for, a medical cannabis cultivator,
5 medical cannabis manufacturer, medical cannabis dispensary, or
6 clinical registrant permit or any entity that employs any certified
7 medical cannabis handler to perform transfers or deliveries of
8 medical cannabis if, in the judgment of the State Ethics
9 Commission, the Joint Legislative Committee on Ethical Standards,
10 or the Supreme Court, as appropriate, such employment will not
11 interfere with the responsibilities of the State officer or employee,
12 or person, and will not create a conflict of interest, or reasonable
13 risk of the public perception of a conflict of interest, on the part of
14 the State officer or employee, or person. No special State officer or
15 employee without responsibility for matters affecting medical
16 cannabis activity, excluding those serving in the Departments of
17 Education, Health, and Human Services and the Office of the
18 Secretary of Higher Education, shall hold, directly or indirectly, an
19 interest in, or represent, appear for, or negotiate on behalf of, any
20 holder of, or applicant for, a medical cannabis cultivator, medical
21 cannabis manufacturer, medical cannabis dispensary, or clinical
22 registrant permit or any entity that employs any certified medical
23 cannabis handler to perform transfers or deliveries of medical
24 cannabis, or any holding or intermediary company with respect
25 thereto, in connection with any cause, application, or matter.
26 However, a special State officer or employee without responsibility
27 for matters affecting medical cannabis activity may hold
28 employment directly with any holder of or applicant for a medical
29 cannabis cultivator, medical cannabis manufacturer, medical
30 cannabis dispensary, or clinical registrant permit, or any entity that
31 employs any certified medical cannabis handler to perform transfers
32 or deliveries of medical cannabis, or any holding or intermediary
33 company thereof, and if so employed may hold, directly or
34 indirectly, an interest in, or represent, appear for, or negotiate on
35 behalf of, that employer, except as otherwise prohibited by law.

36 c. (1) No person or any member of his immediate family, nor
37 any partnership, firm, or corporation with which such person is
38 associated or in which he has an interest, nor any partner, officer,
39 director, or employee while he is associated with such partnership,
40 firm or corporation, shall, within two years next subsequent to the
41 termination of the office or employment of such person, hold,
42 directly or indirectly, an interest in, or hold employment with, or
43 represent, appear for, or negotiate on behalf of, any holder of, or
44 applicant for, a casino license in connection with any cause,
45 application or matter, or any holding or intermediary company with
46 respect to such holder of, or applicant for, a casino license in

1 connection with any phase of casino development, permitting,
2 licensure, or any other matter whatsoever related to casino activity,
3 except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3),
4 and except that:

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

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

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

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

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

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

35 (a) a member of the immediate family of a person may hold
36 employment with the holder of, or applicant for, a medical cannabis
37 cultivator, medical cannabis manufacturer, medical cannabis
38 dispensary, or clinical registrant permit issued pursuant to P.L.2009,
39 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
40 medical cannabis handler to perform transfers or deliveries of
41 medical cannabis if, in the judgment of the State Ethics
42 Commission, the Joint Legislative Committee on Ethical Standards,
43 or the Supreme Court, as appropriate, such employment will not
44 interfere with the responsibilities of the person and will not create a
45 conflict of interest, or reasonable risk of the public perception of a
46 conflict of interest, on the part of the person;

1 (b) an employee who is terminated as a result of a reduction in
2 the workforce at the agency where employed, other than an
3 employee who held a policy-making management position at any
4 time during the five years prior to termination of employment, may,
5 at any time prior to the end of the two-year period, accept
6 employment with the holder of, or applicant for, a medical cannabis
7 cultivator, medical cannabis manufacturer, medical cannabis
8 dispensary, or clinical registrant permit or any entity that employs
9 any certified medical cannabis handler to perform transfers or
10 deliveries of medical cannabis if, in the judgment of the State Ethics
11 Commission, the Joint Legislative Committee on Ethical Standards,
12 or the Supreme Court, as appropriate, such employment will not
13 create a conflict of interest, or reasonable risk of the public
14 perception of a conflict of interest, on the part of the employee. In
15 no case shall the restrictions of this subsection apply to a secretarial
16 or clerical employee. Nothing herein contained shall alter or amend
17 the post-service or post-employment restrictions applicable to
18 members and employees of the Cannabis Regulatory Commission
19 pursuant to paragraph (2) of subsection c. of section 34 and section
20 35 of P.L. , c. (C.) (pending before the Legislature as this
21 bill); and

22 (c) any partnership, firm, or corporation engaged in the practice
23 of law or in providing any other professional services with which
24 any person included in subparagraphs (a) and (c) of paragraph (1) of
25 subsection a. of this section, or a member of the immediate family
26 of that person, is associated, and any partner, officer, director, or
27 employee thereof, other than that person, or immediate family
28 member, may represent, appear for, or negotiate on behalf of any
29 holder of, or applicant for, a medical cannabis cultivator, medical
30 cannabis manufacturer, medical cannabis dispensary, or clinical
31 registrant permit or any entity that employs any certified medical
32 cannabis handler to perform transfers or deliveries of medical
33 cannabis in connection with any cause, application, or matter or any
34 holding company or intermediary company with respect to such
35 holder of, or applicant for, a medical cannabis cultivator, medical
36 cannabis manufacturer, medical cannabis dispensary, or clinical
37 registrant permit or entity that employs any certified medical
38 cannabis handler to perform transfers or deliveries of medical
39 cannabis, in connection with any phase of development, permitting,
40 or any other matter whatsoever related to medical cannabis activity,
41 and that person or immediate family member shall not be barred
42 from association with such partnership, firm, or corporation, if for a
43 period of two years next subsequent to the termination of the
44 person's office or employment, the person or immediate family
45 member (i) is screened from personal participation in any such
46 representation, appearance or negotiation; and (ii) is associated with

1 the partnership, firm, or corporation in a position which does not
2 entail any equity interest in the partnership, firm, or corporation.
3 The exception provided in this paragraph shall not apply to a former
4 Governor, Lieutenant Governor, Attorney General, the President of
5 the Senate, the Speaker of the General Assembly, to a person
6 included in subparagraph (b) of paragraph (2) of subsection a. of
7 this section, or to the members of their immediate families.

8 d. This section shall not apply to the spouse of a State officer
9 or employee, which State officer or employee is without
10 responsibility for matters affecting casino or medical cannabis
11 activity, who becomes the spouse subsequent to the State officer's
12 or employee's appointment or employment as a State officer or
13 employee and who is not individually or directly employed by a
14 holder of, or applicant for, a casino license **[.]** or medical cannabis
15 permit, or any holding or intermediary company thereof.

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

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

26 (2) No person shall solicit or accept, directly or indirectly, any
27 complimentary service or discount from any holder of, or applicant
28 for, a medical cannabis cultivator, medical cannabis manufacturer,
29 medical cannabis dispensary, or clinical registrant permit issued
30 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that
31 employs any certified medical cannabis handler to perform transfers
32 or deliveries of medical cannabis, which the person knows or has
33 reason to know is other than a service or discount that is offered to
34 members of the general public in like circumstance.

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

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

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

18 In addition, for violations of subsection c. of this section
19 occurring after the effective date of P.L.2005, c.382, a civil penalty
20 of not less than \$500 nor more than \$10,000 shall be imposed upon
21 a former State officer or employee or former special State officer or
22 employee of a State agency in the Executive Branch upon a finding
23 of a violation by the State Ethics Commission, which penalty may
24 be collected in a summary proceeding pursuant to the "Penalty
25 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
26 (cf: P.L.2013, c.27, s.35)

27
28 39. (New section) If any provision of P.L.2009, c.307 (C.24:6I-
29 1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.) or its application
30 to any person or circumstance is held invalid, the invalidity does not
31 affect other provisions or applications of P.L.2009, c.307 (C.24:6I-1
32 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.) which can be
33 given effect without the invalid provision or application, and to this
34 end the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) and
35 P.L.2015, c.158 (C.18A:40-12.22 et al.) are severable.

36
37 40. N.J.S.2C:35-18 is amended to read as follows:
38 2C:35-18. Exemption; Burden of Proof. a. If conduct is
39 authorized by the provisions of P.L.1970, c.226 (C.24:21-1 et seq.),
40 P.L.2009, c.307 (C.24:6I-1 et al.), or P.L.2015, c.158 (C.18A:40-
41 12.22 et al.), that authorization shall, subject to the provisions of
42 this section, constitute an exemption from criminal liability under
43 this chapter or chapter 36, and the absence of such authorization
44 shall not be construed to be an element of any offense in this
45 chapter or chapter 36. It is an affirmative defense to any criminal
46 action arising under this chapter or chapter 36 that the defendant is

1 the authorized holder of an appropriate registration, permit, or order
2 form or is otherwise exempted or excepted from criminal liability
3 by virtue of any provision of P.L.1970, c.226 (C.24:21-1 et seq.),
4 P.L.2009, c.307 (C.24:6I-1 et al.), or P.L.2015, c.158 (C.18A:40-
5 12.22 et al.). The affirmative defense established herein shall be
6 proved by the defendant by a preponderance of the evidence. It
7 shall not be necessary for the State to negate any exemption set
8 forth in this act or in any provision of Title 24 of the Revised
9 Statutes in any complaint, information, indictment, or other
10 pleading or in any trial, hearing, or other proceeding under this act.

11 b. No liability shall be imposed by virtue of this chapter or
12 chapter 36 upon any duly authorized State officer, engaged in the
13 enforcement of any law or municipal ordinance relating to
14 controlled dangerous substances or controlled substance analogs.
15 (cf: P.L.2015, c.158, s.3)

16

17 41. Section 1 of P.L.2015, c.158 (C.18A:40-12.22) is amended
18 to read as follows:

19 1. a. A board of education or chief school administrator of a
20 nonpublic school shall develop a policy authorizing parents,
21 guardians, and **【primary】** designated caregivers to administer
22 medical **【marijuana】** cannabis to a student while the student is on
23 school grounds, aboard a school bus, or attending a school-
24 sponsored event.

25 b. A policy adopted pursuant to subsection a. of this section
26 shall, at a minimum:

27 (1) require that the student be authorized to engage in the
28 medical use of **【marijuana】** cannabis pursuant to P.L.2009, c.307
29 (C.24:6I-1 et al.) and that the parent, guardian, or **【primary】**
30 designated caregiver be authorized to assist the student with the
31 medical use of **【marijuana】** cannabis pursuant to P.L.2009, c.307
32 (C.24:6I-1 et al.);

33 (2) establish protocols for verifying the registration status and
34 ongoing authorization pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
35 concerning the medical use of **【marijuana】** cannabis for the student
36 and the parent, guardian, or **【primary】** designated caregiver;

37 (3) expressly authorize parents, guardians, and **【primary】**
38 designated caregivers of students who have been authorized for the
39 medical use of **【marijuana】** cannabis to administer medical
40 **【marijuana】** cannabis to the student while the student is on school
41 grounds, aboard a school bus, or attending a school-sponsored
42 event;

43 (4) identify locations on school grounds where medical
44 **【marijuana】** cannabis may be administered; and

1 (5) prohibit the administration of medical **【marijuana】** cannabis
2 to a student by smoking or other form of inhalation while the
3 student is on school grounds, aboard a school bus, or attending a
4 school-sponsored event.

5 c. Medical **【marijuana】** cannabis may be administered to a
6 student while the student is on school grounds, aboard a school bus,
7 or attending school-sponsored events, provided that such
8 administration is consistent with the requirements of the policy
9 adopted pursuant to this section.

10 (cf: P.L.2015, c.158, s.1)

11

12 42. Section 2 of P.L.2015, c.158 (C.30:6D-5b) is amended to
13 read as follows:

14 2. a. The chief administrator of a facility that offers services
15 for persons with developmental disabilities shall develop a policy
16 authorizing a parent, guardian, or **【primary】** designated caregiver
17 authorized to assist a qualifying patient with the use of medical
18 **【marijuana】** cannabis pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
19 to administer medical **【marijuana】** cannabis to a person who is
20 receiving services for persons with developmental disabilities at the
21 facility.

22 b. A policy adopted pursuant to subsection a. of this section
23 shall, at a minimum:

24 (1) require the person receiving services for persons with
25 developmental disabilities be a qualifying patient authorized for the
26 use of medical **【marijuana】** cannabis pursuant to P.L.2009, c.307
27 (C.24:6I-1 et al.), and that the parent, guardian, or **【primary】**
28 designated caregiver be authorized to assist the person with the
29 medical use of **【marijuana】** cannabis pursuant to P.L.2009, c.307
30 (C.24:6I-1 et al.);

31 (2) establish protocols for verifying the registration status and
32 ongoing authorization pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
33 concerning the medical use of **【marijuana】** cannabis for the person
34 and the parent, guardian, or **【primary】** designated caregiver;

35 (3) expressly authorize parents, guardians, and **【primary】**
36 designated caregivers to administer medical **【marijuana】** cannabis
37 to the person receiving services for persons with developmental
38 disabilities while the person is at the facility; and

39 (4) identify locations at the facility where medical **【marijuana】**
40 cannabis may be administered.

41 c. Medical **【marijuana】** cannabis may be administered to a
42 person receiving services for persons with developmental
43 disabilities at a facility that offers such services while the person is
44 at the facility, provided that such administration is consistent with

1 the requirements of the policy adopted pursuant to this section and
2 the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).

3 d. Nothing in this section shall be construed to authorize
4 medical **【marijuana】** cannabis to be smoked in any place where
5 smoking is prohibited pursuant to N.J.S.2C:33-13.
6 (cf: P.L.2015, c.158, s.2)

7
8 43. (New section) a. The chief administrator of a facility that
9 offers behavioral health care services shall develop a policy
10 authorizing a parent, guardian, or designated caregiver authorized to
11 assist a qualifying patient with the use of medical cannabis pursuant
12 to P.L.2009, c.307 (C.24:6I-1 et al.) to administer medical cannabis
13 to a person who is receiving behavioral health care services at the
14 facility.

15 b. A policy adopted pursuant to subsection a. of this section
16 shall, at a minimum:

17 (1) require the person receiving behavioral health care services
18 be a qualifying patient authorized for the use of medical cannabis
19 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), and that the parent,
20 guardian, or designated caregiver be authorized to assist the person
21 with the medical use of cannabis pursuant to P.L.2009, c.307
22 (C.24:6I-1 et al.);

23 (2) establish protocols for verifying the registration status and
24 ongoing authorization pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
25 concerning the medical use of cannabis for the person and the
26 parent, guardian, or designated caregiver;

27 (3) expressly authorize parents, guardians, and designated
28 caregivers to administer medical cannabis to the person receiving
29 behavioral health care services while the person is at the facility;
30 and

31 (4) identify locations at the facility where medical cannabis may
32 be administered.

33 c. Medical cannabis may be administered to a person receiving
34 behavioral health care services at a facility that offers such services
35 while the person is at the facility, provided that such administration
36 is consistent with the requirements of the policy adopted pursuant to
37 this section and the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).

38 d. Nothing in this section shall be construed to authorize
39 medical cannabis to be smoked in any place where smoking is
40 prohibited pursuant to N.J.S.2C:33-13.

41 e. As used in this section, "behavioral health care services"
42 means procedures or services provided by a health care practitioner
43 to a patient for the treatment of a mental illness or emotional
44 disorder that is of mild to moderate severity. "Behavioral health
45 care" and "behavioral health care services" shall not include
46 procedures or services that are provided for the treatment of severe

1 mental illness, severe emotional disorder, or any drug or alcohol use
2 disorder.

3
4 44. Section 11 of P.L.2009, c.307 (C.45:1-45.1) is amended to
5 read as follows:

6 11. a. A **【physician】** health care practitioner who **【provides a**
7 **certification】** authorizes a patient for the medical use of cannabis or
8 who provides a written instruction for the medical use of
9 **【marijuana】** cannabis to a qualifying patient pursuant to P.L.2009,
10 c.307 (C.24:6I-1 et al.) and **【any alternative treatment center】** each
11 medical cannabis dispensary and clinical registrant shall furnish to
12 the Director of the Division of Consumer Affairs in the Department
13 of Law and Public Safety such information, on a daily basis and in
14 such a format **【and at such intervals,】** as the director shall prescribe
15 by regulation, for inclusion in a system established to monitor the
16 dispensation of **【marijuana】** cannabis in this State for medical use
17 as authorized by the provisions of P.L.2009, c.307 (C.24:6I-
18 1 et al.), which system shall serve the same purpose as, and be
19 cross-referenced with, the electronic system for monitoring
20 controlled dangerous substances established pursuant to section 25
21 of P.L.2007, c.244 (C.45:1-45).

22 b. The Director of the Division of Consumer Affairs, pursuant
23 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
24 1 et seq.), and in consultation with the **【Commissioner of Health**
25 **and Senior Services】** Cannabis Regulatory Commission, shall adopt
26 rules and regulations to effectuate the purposes of subsection a. of
27 this section.

28 c. Notwithstanding any provision of P.L.1968, c.410
29 (C.52:14B-1 et seq.) to the contrary, the Director of the Division of
30 Consumer Affairs shall adopt, immediately upon filing with the
31 Office of Administrative Law and no later than the 90th day after
32 the effective date of P.L.2009, c.307 (C.24:6I-1 et al.), such
33 regulations as the director deems necessary to implement the
34 provisions of subsection a. of this section. Regulations adopted
35 pursuant to this subsection shall be effective until the adoption of
36 rules and regulations pursuant to subsection b. of this section and
37 may be amended, adopted, or readopted by the director in
38 accordance with the requirements of P.L.1968, c.410 (C.52:14B-
39 1 et seq.).

40 (cf: P.L.2009, c.307, s.11)

41
42 45. Section 7 of P.L.1991, c.378 (C.45:9-27.16) is amended to
43 read as follows:

44 7. a. A physician assistant may perform the following
45 procedures:

- 1 (1) Approaching a patient to elicit a detailed and accurate
2 history, perform an appropriate physical examination, identify
3 problems, record information, and interpret and present information
4 to the supervising physician;
 - 5 (2) Suturing and caring for wounds including removing sutures
6 and clips and changing dressings, except for facial wounds,
7 traumatic wounds requiring suturing in layers, and infected wounds;
 - 8 (3) Providing patient counseling services and patient education
9 consistent with directions of the supervising physician;
 - 10 (4) Assisting a physician in an inpatient setting by conducting
11 patient rounds, recording patient progress notes, determining and
12 implementing therapeutic plans jointly with the supervising
13 physician, and compiling and recording pertinent narrative case
14 summaries;
 - 15 (5) Assisting a physician in the delivery of services to patients
16 requiring continuing care in a private home, nursing home,
17 extended care facility, or other setting, including the review and
18 monitoring of treatment and therapy plans; and
 - 19 (6) Referring patients to, and promoting their awareness of,
20 health care facilities and other appropriate agencies and resources in
21 the community.
 - 22 (7) (Deleted by amendment, P.L.2015, c.224)
- 23 b. A physician assistant may perform the following procedures
24 only when directed, ordered, or prescribed by the supervising
25 physician, or when performance of the procedure is delegated to the
26 physician assistant by the supervising physician as authorized under
27 subsection d. of this section:
- 28 (1) Performing non-invasive laboratory procedures and related
29 studies or assisting duly licensed personnel in the performance of
30 invasive laboratory procedures and related studies;
 - 31 (2) Giving injections, administering medications, and requesting
32 diagnostic studies;
 - 33 (3) Suturing and caring for facial wounds, traumatic wounds
34 requiring suturing in layers, and infected wounds;
 - 35 (4) Writing prescriptions or ordering medications in an inpatient
36 or outpatient setting in accordance with section 10 of P.L.1991,
37 c.378 (C.45:9-27.19); **and**
 - 38 (5) Prescribing the use of patient restraints; and
 - 39 (6) Authorizing qualifying patients for the medical use of
40 cannabis and issuing written instructions for medical cannabis to
41 registered qualifying patients pursuant to P.L.2009, c.307 (C.24:6I-
42 1 et al.).
- 43 c. A physician assistant may assist a supervising surgeon in the
44 operating room when a qualified assistant physician is not required
45 by the board and a second assistant is deemed necessary by the
46 supervising surgeon.

1 d. A physician assistant may perform medical services beyond
2 those explicitly authorized in this section, when such services are
3 delegated by a supervising physician with whom the physician
4 assistant has signed a delegation agreement pursuant to section 8 of
5 P.L.1991, c.378 (C.45:9-27.17). The procedures delegated to a
6 physician assistant shall be limited to those customary to the
7 supervising physician's specialty and within the supervising
8 physician's and the physician assistant's competence and training.

9 e. Notwithstanding subsection d. of this section, a physician
10 assistant shall not be authorized to measure the powers or range of
11 human vision, determine the accommodation and refractive states of
12 the human eye, or fit, prescribe, or adapt lenses, prisms, or frames
13 for the aid thereof. Nothing in this subsection shall be construed to
14 prohibit a physician assistant from performing a routine visual
15 screening.

16 (cf: P.L.2015, c.224, s.7)

17

18 46. Section 10 of P.L.1991, c.378 (C.45:9-27.19) is amended to
19 read as follows:

20 10. A physician assistant may order, prescribe, dispense, and
21 administer medications and medical devices and issue written
22 instructions to registered qualifying patients for medical cannabis to
23 the extent delegated by a supervising physician.

24 a. Controlled dangerous substances may only be ordered or
25 prescribed if:

26 (1) a supervising physician has authorized a physician assistant
27 to order or prescribe Schedule II, III, IV, or V controlled dangerous
28 substances in order to:

29 (a) continue or reissue an order or prescription for a controlled
30 dangerous substance issued by the supervising physician;

31 (b) otherwise adjust the dosage of an order or prescription for a
32 controlled dangerous substance originally ordered or prescribed by
33 the supervising physician, provided there is prior consultation with
34 the supervising physician;

35 (c) initiate an order or prescription for a controlled dangerous
36 substance for a patient, provided there is prior consultation with the
37 supervising physician if the order or prescription is not pursuant to
38 subparagraph (d) of this paragraph; or

39 (d) initiate an order or prescription for a controlled dangerous
40 substance as part of a treatment plan for a patient with a terminal
41 illness, which for the purposes of this subparagraph means a
42 medical condition that results in a patient's life expectancy being 12
43 months or less as determined by the supervising physician;

44 (2) the physician assistant has registered with, and obtained
45 authorization to order or prescribe controlled dangerous substances

1 from, the federal Drug Enforcement Administration and any other
2 appropriate State and federal agencies; and

3 (3) the physician assistant complies with all requirements which
4 the board shall establish by regulation for the ordering, prescription,
5 or administration of controlled dangerous substances, all applicable
6 educational program requirements, and continuing professional
7 education programs approved pursuant to section 16 of P.L.1991,
8 c.378 (C.45:9-27.25).

9 b. (Deleted by amendment, P.L.2015, c.224)

10 c. (Deleted by amendment, P.L.2015, c.224)

11 d. In the case of an order or prescription for a controlled
12 dangerous substance or written instructions for medical cannabis,
13 the physician assistant shall print on the order or prescription or the
14 written instructions the physician assistant's Drug Enforcement
15 Administration registration number.

16 e. The dispensing of medication or a medical device by a
17 physician assistant shall comply with relevant federal and State
18 regulations, and shall occur only if: (1) pharmacy services are not
19 reasonably available; (2) it is in the best interest of the patient; or
20 (3) the physician assistant is rendering emergency medical
21 assistance.

22 f. A physician assistant may request, receive, and sign for
23 prescription drug samples and may distribute those samples to
24 patients.

25 g. A physician assistant may issue written instructions to a
26 registered qualifying patient for medical cannabis pursuant to
27 section 10 of P.L.2009, c.307 (C.24:6I-10) only if:

28 (1) a supervising physician has authorized the physician
29 assistant to issue written instructions to registered qualifying
30 patients;

31 (2) the physician assistant verifies the patient's status as a
32 registered qualifying patient; and

33 (3) the physician assistant complies with the requirements for
34 issuing written instructions for medical cannabis established
35 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.).

36 (cf: P.L.2015, c.224, s.7)

37

38 47. Section 10 of P.L.1991, c.377 (C.45:11-49) is amended to
39 read as follows:

40 10. a. In addition to all other tasks which a registered
41 professional nurse may, by law, perform, an advanced practice
42 nurse may manage preventive care services and diagnose and
43 manage deviations from wellness and long-term illnesses, consistent
44 with the needs of the patient and within the scope of practice of the
45 advanced practice nurse, by:

46 (1) initiating laboratory and other diagnostic tests;

1 (2) prescribing or ordering medications and devices, as
2 authorized by subsections b. and c. of this section; and

3 (3) prescribing or ordering treatments, including referrals to
4 other licensed health care professionals, and performing specific
5 procedures in accordance with the provisions of this subsection.

6 b. An advanced practice nurse may order medications and
7 devices in the inpatient setting, subject to the following conditions:

8 (1) the collaborating physician and advanced practice nurse
9 shall address in the joint protocols whether prior consultation with
10 the collaborating physician is required to initiate an order for a
11 controlled dangerous substance;

12 (2) the order is written in accordance with standing orders or
13 joint protocols developed in agreement between a collaborating
14 physician and the advanced practice nurse, or pursuant to the
15 specific direction of a physician;

16 (3) the advanced practice nurse authorizes the order by signing
17 the nurse's own name, printing the name and certification number,
18 and printing the collaborating physician's name;

19 (4) the physician is present or readily available through
20 electronic communications;

21 (5) the charts and records of the patients treated by the advanced
22 practice nurse are reviewed by the collaborating physician and the
23 advanced practice nurse within the period of time specified by rule
24 adopted by the Commissioner of Health pursuant to section 13 of
25 P.L.1991, c.377 (C.45:11-52);

26 (6) the joint protocols developed by the collaborating physician
27 and the advanced practice nurse are reviewed, updated, and signed
28 at least annually by both parties; and

29 (7) the advanced practice nurse has completed six contact hours
30 of continuing professional education in pharmacology related to
31 controlled substances, including pharmacologic therapy, addiction
32 prevention and management, and issues concerning prescription
33 opioid drugs, including responsible prescribing practices,
34 alternatives to opioids for managing and treating pain, and the risks
35 and signs of opioid abuse, addiction, and diversion, in accordance
36 with regulations adopted by the New Jersey Board of Nursing. The
37 six contact hours shall be in addition to New Jersey Board of
38 Nursing pharmacology education requirements for advanced
39 practice nurses related to initial certification and recertification of
40 an advanced practice nurse as set forth in N.J.A.C.13:37-7.2.

41 c. An advanced practice nurse may prescribe medications and
42 devices in all other medically appropriate settings, subject to the
43 following conditions:

44 (1) the collaborating physician and advanced practice nurse
45 shall address in the joint protocols whether prior consultation with

- 1 the collaborating physician is required to initiate a prescription for a
2 controlled dangerous substance;
- 3 (2) the prescription is written in accordance with standing orders
4 or joint protocols developed in agreement between a collaborating
5 physician and the advanced practice nurse, or pursuant to the
6 specific direction of a physician;
- 7 (3) the advanced practice nurse writes the prescription on a New
8 Jersey Prescription Blank pursuant to P.L.2003, c.280 (C.45:14-
9 40 et seq.), signs the nurse's own name to the prescription and prints
10 the nurse's name and certification number;
- 11 (4) the prescription is dated and includes the name of the patient
12 and the name, address, and telephone number of the collaborating
13 physician;
- 14 (5) the physician is present or readily available through
15 electronic communications;
- 16 (6) the charts and records of the patients treated by the advanced
17 practice nurse are periodically reviewed by the collaborating
18 physician and the advanced practice nurse;
- 19 (7) the joint protocols developed by the collaborating physician
20 and the advanced practice nurse are reviewed, updated, and signed
21 at least annually by both parties; and
- 22 (8) the advanced practice nurse has completed six contact hours
23 of continuing professional education in pharmacology related to
24 controlled substances, including pharmacologic therapy, addiction
25 prevention and management, and issues concerning prescription
26 opioid drugs, including responsible prescribing practices,
27 alternatives to opioids for managing and treating pain, and the risks
28 and signs of opioid abuse, addiction, and diversion, in accordance
29 with regulations adopted by the New Jersey Board of Nursing. The
30 six contact hours shall be in addition to New Jersey Board of
31 Nursing pharmacology education requirements for advanced
32 practice nurses related to initial certification and recertification of
33 an advanced practice nurse as set forth in N.J.A.C.13:37-7.2.
- 34 d. The joint protocols employed pursuant to subsections b. and
35 c. of this section shall conform with standards adopted by the
36 Director of the Division of Consumer Affairs pursuant to section 12
37 of P.L.1991, c.377 (C.45:11-51) or section 10 of P.L.1999, c.85
38 (C.45:11-49.2), as applicable.
- 39 e. (Deleted by amendment, P.L.2004, c.122.)
- 40 f. An attending advanced practice nurse may determine and
41 certify the cause of death of the nurse's patient and execute the
42 death certification pursuant to R.S.26:6-8 if no collaborating
43 physician is available to do so and the nurse is the patient's primary
44 caregiver.
- 45 g. An advanced practice nurse may authorize qualifying
46 patients for the medical use of cannabis and issue written

1 instructions for medical cannabis to registered qualifying patients,
2 subject to the following conditions:

3 (1) the collaborating physician and advanced practice nurse
4 shall address in the joint protocols whether prior consultation with
5 the collaborating physician is required to authorize a qualifying
6 patient for the medical use of cannabis or issue written instructions
7 for medical cannabis;

8 (2) the authorization for the medical use of cannabis or issuance
9 of written instructions for cannabis is in accordance with standing
10 orders or joint protocols developed in agreement between a
11 collaborating physician and the advanced practice nurse, or
12 pursuant to the specific direction of a physician;

13 (3) the advanced practice nurse signs the nurse's own name to
14 the authorization or written instruction and prints the nurse's name
15 and certification number;

16 (4) the authorization or written instruction is dated and includes
17 the name of the qualifying patient and the name, address, and
18 telephone number of the collaborating physician;

19 (5) the physician is present or readily available through
20 electronic communications;

21 (6) the charts and records of qualifying patients treated by the
22 advanced practice nurse are periodically reviewed by the
23 collaborating physician and the advanced practice nurse;

24 (7) the joint protocols developed by the collaborating physician
25 and the advanced practice nurse are reviewed, updated, and signed
26 at least annually by both parties; and

27 (8) the advanced practice nurse complies with the requirements
28 for authorizing qualifying patients for the medical use of cannabis
29 and for issuing written instructions for medical cannabis established
30 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.).

31 (cf: P.L.2017, c.28, s.15)

32

33 48. Section 5 of P.L.2009, c.307 (C.24:6I-5) is repealed.

34

35 49. This act shall take effect immediately.

36

37

38

STATEMENT

39

40 This bill makes various revisions to the “Compassionate Use
41 Medical Marijuana Act,” P.L.2009, c.307 (C.24:6I-1 et al.),
42 including renaming the act the “Jake Honig Compassionate Use
43 Medical Cannabis Act,” establishing a new Cannabis Regulatory
44 Commission (CRC) to oversee the medical cannabis program;
45 revising the requirements to authorize a patient for medical
46 cannabis; revising the permit and operational requirements for
47 alternative treatment centers (ATCs), including establishing discrete

1 cultivator, manufacturer, and dispensary permits; creating a new
2 clinical registrant permit; authorizing delivery of medical cannabis,
3 and establishing additional protections for registry cardholders.

4
5 Cannabis Regulatory Commission
6

7 The CRC will consist of five, full-time members. At least one
8 member is to be a State representative of a national organization or
9 State branch of such an organization with a stated mission of
10 studying, advocating, or adjudicating against forms of social
11 injustice or inequality, and all members are to possess education,
12 training, or experience with: legal, policy, or criminal justice issues;
13 corporate or industry management, finance, securities, or
14 production or distribution; medicine or pharmacology; or public
15 health, mental health, or substance use disorders.

16 The initially designated chair and two other initial members will
17 be appointed by the Governor, another initial member will be
18 appointed by the Governor upon the recommendation of the Senate
19 President, and the final initial member will be appointed by the
20 Governor upon the recommendation of the Speaker of the General
21 Assembly. Thereafter, the Governor will appoint, with the advice
22 and consent of the Senate, the chair and the two other members not
23 requiring any legislative leadership recommendation. The
24 appointments based upon based upon the Senate President's and
25 Speaker's recommendation would continue to be direct
26 gubernatorial appointments that are not subject to the advice and
27 consent of the Senate. All five members will serve terms of five
28 years, although the initial terms would include one four-year term
29 and one three-year term in order to stagger reappointments. The
30 chair will be provided a salary not to exceed \$141,000, and the
31 other members will be provided a salary not to exceed \$125,000.

32 The CRC will assume responsibility for oversight,
33 administration, and enforcement of the medical cannabis program
34 from the Department of Health at such time as the members of the
35 commission are appointed and the commission first organizes. The
36 bill will permit, based on the transfer of responsibility, employees
37 of the department who performed the duties of any position to be
38 filled by the CRC a one-time right of first refusal offer of
39 employment. Any department employee who is employed by the
40 CRC in this manner will retain seniority, and all rights related to
41 seniority, that the employee had with the department as of the last
42 day of employment with the department.

43 The CRC will be charged with establishing a plan of
44 organization, and employing personnel as it deems necessary to
45 operate under the direct supervision of a full-time executive
46 director. The new executive director position will be initially filled
47 directly by the Governor, and thereafter will be appointed by the
48 Governor with the advice and consent of the Senate.

1 One mandatory aspect to the CRC's organization plan will be the
2 inclusion of an Office of Minority, Disabled Veterans, and Women
3 Cannabis Business Development, operating under the supervision of
4 a director appointed by the Governor. This office is to establish and
5 administer, under the direction of the CRC, unified practices and
6 procedures for promoting participation in the medical cannabis
7 industry by persons from socially and economically disadvantaged
8 communities, including by prospective and existing minority owned
9 and women's owned businesses and disabled veterans' businesses.
10 These unified practices and procedures are to include a business's
11 certification and subsequent recertification at regular intervals as a
12 minority owned or women's owned business, or a disabled
13 veterans' business, in accordance with eligibility criteria and a
14 certification application process established by the CRC in
15 consultation with the office.

16 The effectiveness of these methods will be measured by whether
17 the office's actions result in at least 30 percent of the total number
18 of ATC permits issued by the CRC being issued to businesses
19 certified by the office; the effectiveness will be further assessed by
20 considering whether the actions resulted in at least 15 percent of
21 new permits being issued to certified minority owned businesses,
22 and at least 15 percent of new permits being issued to certified
23 women-owned and disabled veterans' businesses. The office, in
24 support of these efforts, is to conduct advertising and promotional
25 campaigns, as well as sponsor seminars and informational
26 programs, directed toward those persons and prospective and
27 existing certified businesses, which would address medical cannabis
28 business management, marketing, and other practical business
29 matters.

30

31 Ethical and Conflicts-of-Interest Requirements for the CRC

32

33 The members of the CRC and all CRC employees will be subject
34 to ethical and conflicts-of-interest restrictions, addressing activities
35 engaged in prior to, during, and following service with the CRC.
36 For instance, a person generally may not be an appointed member
37 or employee of the CRC if, during the period commencing three
38 years prior to appointment or employment, the person held any
39 direct or indirect interest in, or any employment by, a holder of or
40 applicant for an ATC permit, unless the person's prior interest
41 would not, in the opinion of the CRC, interfere with the person's
42 obligations of appointment or employment. Additionally, for a
43 period of two years commencing from the date that a member's or
44 employee's service terminates, that former member or employee
45 will not be permitted to hold any direct or indirect interest in, or any
46 employment by, a holder of or applicant for an ATC permit;
47 provided that the two-year post-service restriction would not apply
48 to secretarial or clerical employees.

1 At the time each member and employee commences service, with
2 the exception of secretarial and clerical employees, the member or
3 employee will be required to file a financial disclosure statement
4 with the State Ethics Commission listing all assets and liabilities,
5 property and business interests, and sources of income for the
6 person and for the person's spouse or domestic or civil union
7 partner. Additionally, CRC members are to provide the same
8 information for each dependent child or stepchild of the member,
9 and of the member's spouse or domestic or civil union partner, who
10 resides in the same household as the member.

11 Members and employees will generally be subject to the "New
12 Jersey Conflicts of Interest Law," P.L.1971, c.182 (C.52:13D-12 et
13 seq.), as well as a Code of Ethics promulgated by the CRC that is
14 modeled upon the Code of Judicial Conduct of the American Bar
15 Association. All members and employees will be prohibited from
16 using any official authority to interfere with or affect the result of
17 an election or nomination for office, coerce or advise any person to
18 contribute anything of value to another person or organization for
19 political purposes, or take active part in any political campaign.
20 Additionally, the members of the CRC, the executive director, and
21 any other employee holding a supervisory or policy-making
22 management position will be prohibited from making any political
23 contributions to candidates or campaigns. A violation of this
24 prohibition constitutes a crime of the fourth degree, which is
25 punishable by imprisonment for up to 18 months, a fine of up to
26 \$10,000, or both.

27 The bill also revises the "New Jersey Conflicts of Interest Law"
28 to establish restrictions on various State officers or employees, the
29 Governor and full-time professionals employed in the Governor's
30 Office, full-time members of the Judiciary, and various officers of
31 the municipality in which an ATC is located. These restrictions
32 concern not only their own activities, but the activities of their
33 associated partnerships, firms, or corporations, and their family
34 members in connection with either employment or another interest
35 in, or representation of, current ATCs. These restrictions are
36 similar to the restrictions that apply to these people and businesses
37 under the current law concerning casino licensees and applicants,
38 and casino-related activities, and include a general prohibition on
39 employment, representation, appearance for, or negotiation on
40 behalf of, any permit holder or applicant in connection with any
41 cause, application, or matter, and these restrictions can carry over
42 into the post-employment or post-service period following the
43 departure of a person from State or local employment or office.

44 The ethical and conflicts-of-interest restrictions will be enforced
45 by the State Ethics Commission, and any person found to have
46 committed a violation will be subject to a civil penalty of not less
47 than \$500 or more than \$10,000. Additionally, any willful violation
48 of these restrictions will constitute a disorderly persons offense,

1 punishable by a term of imprisonment of up to six months, a fine of
2 up to \$1,000, or both.

3 If the CRC finds that a holder of or applicant for an ATC permit
4 committed a violation involving a CRC member or employee with
5 respect to pre-service activities, activities during service, or post-
6 service activities, the permit holder or applicant will be subject to a
7 civil penalty of not less than \$500 or more than \$10,000, and
8 possible permit revocation or suspension, or denial of an
9 application, as applicable.

10 The bill provides that nothing in the ethics and conflict-of-
11 interest restrictions would prohibit a member or employee from
12 being a registered qualifying patient or from serving as a designated
13 or institutional caregiver for a patient.

14

15 Patient and Caregiver Requirements

16

17 Current law sets forth an enumerated list of debilitating medical
18 conditions that can qualify a patient for the medical use of cannabis.
19 The bill changes the term “debilitating medical condition” to
20 “qualifying medical condition,” and updates and revises the list of
21 conditions in certain ways, including adding additional conditions
22 and providing that medical cannabis may be used as a treatment of
23 first resort for any condition included in the list, which are: seizure
24 disorder, including epilepsy; intractable skeletal muscular
25 spasticity; post-traumatic stress disorder; glaucoma; positive status
26 for human immunodeficiency virus; acquired immune deficiency
27 syndrome; cancer; amyotrophic lateral sclerosis; multiple sclerosis;
28 muscular dystrophy; inflammatory bowel disease, including Crohn's
29 disease; terminal illness, if the patient has a prognosis of less than
30 12 months of life; anxiety; migraine; Tourette's syndrome;
31 dysmenorrhea; chronic pain; opioid use disorder; or any other
32 condition that is approved by the CRC.

33 The bill expands the list of professionals who can authorize
34 patients for the medical use of cannabis. Current law only allows
35 physicians to provide this authorization; the bill provides that
36 physician assistants and advanced practice nurses may authorize
37 patients for medical cannabis as well, and eliminates the
38 requirement for the professional to have a bona fide provider-
39 patient relationship with the patient. The bill requires that only a
40 pediatric specialist may approve a patient who is a minor for
41 medical cannabis. The bill provides that health care practitioners
42 will not be required to register with the CRC, or be publicly listed
43 in any CRC registry, as a condition of authorizing patients for
44 medical cannabis. Practitioners will be prohibited from authorizing
45 themselves or members of their immediate family for medical
46 cannabis.

47 With regard to caregivers, current law provides that each patient
48 may have only one primary caregiver and that a person may serve

1 as primary caregiver to no more than one patient at a time. The bill
2 changes the term “primary caregiver” to “designated caregiver,”
3 and provides that each caregiver may serve up to two patients at one
4 time and that each patient may have up to two designated caregivers
5 at one time. Patients may petition the CRC for approval to have
6 more than two designated caregivers. An immediate family
7 member of a patient will not be required to undergo a criminal
8 history record background check as a condition of serving as
9 designated caregiver.

10 The bill also establishes the position of “institutional caregiver,”
11 which is an employee of a health care facility who is authorized to
12 assist qualifying patients who are patients or residents at the health
13 care facility with the medical use of cannabis, including obtaining
14 medical cannabis for the patient from a medical cannabis dispensary
15 or clinical registrant and accepting deliveries of medical cannabis
16 for the patient. An institutional caregiver registration will be valid
17 for one year. Each institutional caregiver will be required to be a
18 New Jersey resident, at least 18 years of age, and authorized, within
19 the individual’s scope of professional practice, to possess and
20 administer controlled dangerous substances to patients and residents
21 at the facility. An institutional caregiver will be required to
22 undergo a criminal history record background check unless the
23 individual has already done so as a condition of professional
24 licensure or certification. Medical cannabis may be dispensed to an
25 institutional caregiver if authorized by the patient. There will be no
26 limit to the number of patients an institutional caregiver can serve at
27 one time, provided that the caregiver is able to meet the needs of all
28 such patients and attend to the caregiver’s other duties at the facility
29 without jeopardizing the health or safety of any patient or resident
30 at the facility. Facilities that choose to authorize the use of
31 institutional caregivers will be required to certify, with each
32 caregiver application, that the facility has established appropriate
33 security measures to prevent unauthorized access to medical
34 cannabis to guard against theft, diversion, and adulteration while
35 the cannabis is stored at the facility or is being transported to the
36 facility by an institutional caregiver; the facility has established
37 protocols to prevent adverse drug interactions between medical
38 cannabis and other medications; the facility will not charge a patient
39 for medical cannabis in excess of the actual cost of the medical
40 cannabis plus reasonable acquisition costs; and the facility will
41 promptly notify the CRC in the event that an institutional caregiver
42 ceases to be employed by the facility or is convicted of a crime.
43 For the purposes of the bill, “health care facility” includes a general
44 acute care hospital, nursing home, long term care facility, hospice
45 care facility, group home, facility that provides services to persons
46 with developmental disabilities, behavioral health care facility, and
47 rehabilitation center.

1 The bill provides that qualifying patients and designated
2 caregivers who are registered with a medical cannabis program in
3 another state will be deemed to be qualifying patients and
4 designated caregivers for the purposes of New Jersey law for up to
5 six months, provided the individual possesses a valid registry card
6 and a photo identification card issued by the other state. Medical
7 cannabis may only be dispensed to an out-of-State patient or
8 caregiver pursuant to written instructions issued by a New Jersey
9 practitioner, and medical cannabis cannot be delivered to any
10 individual who is not registered with the CRC. After six months,
11 the out-of-State registrant will be prohibited from engaging in
12 conduct related to medical cannabis in New Jersey unless the
13 individual is registered as a qualifying patient or caregiver in New
14 Jersey. The CRC is to seek to establish medical cannabis
15 reciprocity agreements with other states.

16 The bill allows the CRC to establish an alternate means to
17 identify and verify the registration status of patients and caregivers
18 other than the registry identification card currently in use.

19

20 Dispensing Requirements for Medical Cannabis

21

22 Current law provides that up to two ounces of medical cannabis
23 may be dispensed to a patient in a 30-day period. The bill revises
24 these quantity restrictions to provide that, for a period of 18 months
25 after the effective date of the bill, patients may be dispensed up to
26 three ounces of medical cannabis in dried form or the equivalent
27 amount in any other form. Thereafter, the maximum amount that
28 may be dispensed to a patient will be established by the CRC by
29 regulation. Current law provides that a physician may authorize a
30 patient for up to a 90-day supply of medical cannabis at one time,
31 with specified dates on which each set of written instructions
32 becomes valid for dispensing. The bill revises this to allow a
33 practitioner to authorize up to a one-year supply at one time, subject
34 to the same staggered dispensing requirements. Upon dispensing
35 medical cannabis, the medical cannabis dispensary or clinical
36 registrant is to notify the practitioner of the amount, strain, and
37 form of medical cannabis dispensed. The bill removes a provision
38 that limits access to edible forms of medical cannabis, including
39 oils, to qualifying patients who are minors, and specifies that
40 medical cannabis may be distributed in transdermal, sublingual, and
41 tincture forms, as well as in the forms authorized under current law.

42 The bill authorizes delivery of medical cannabis to patients by a
43 certified medical cannabis handler who holds a medical cannabis
44 delivery certification. Medical cannabis may be delivered to the
45 patient at the patient's home address or at a second address on file
46 with the CRC, to the home address of the patient's designated
47 caregiver, or directly to an institutional caregiver at a health care
48 facility where the patient is a current resident. The CRC is to

1 additionally establish a process to authorize deliveries of medical
2 cannabis to the patient at an alternate address in cases of need.
3 Medical cannabis deliveries may be made by an employee of a
4 medical cannabis dispensary or clinical registrant or by an
5 independent third party contractor. A handler who holds a medical
6 cannabis delivery certification may simultaneously hold a medical
7 cannabis transfer certification, described below. Municipalities
8 may not restrict or prohibit deliveries of medical cannabis by
9 municipal ordinance or any other measure, and any such
10 prohibition, if enacted, would be deemed null and void. The CRC
11 may authorize the use of an Internet-based web service operated by
12 an independent third party entity for patients and their caregivers to
13 request and schedule deliveries. Permitted entities that use a third
14 party delivery service will be exempt from any criminal liability for
15 any reportable events occurring during delivery, such as motor
16 vehicle accidents, diversion, or losses.

17 The CRC is to establish recommended dosing guidelines for
18 medical cannabis products that are equivalent to one ounce of
19 medical cannabis in dried form.

20 The bill requires the CRC to establish a process for patients to be
21 dispensed up to a two-week supply of medical cannabis during the
22 pendency of the patient's registration with the CRC. The CRC is to
23 establish appropriate restrictions to protect against fraud, abuse, and
24 diversion.

25 The bill provides that medical cannabis may be dispensed to a
26 patient by any medical cannabis dispensary or clinical registrant in
27 the State; under current law, patients are to be registered with, and
28 may only be dispensed medical cannabis from, a single ATC where
29 the patient is registered. The bill requires that, prior to dispensing
30 medical cannabis to a patient, the dispensary or clinical registrant
31 will be required to access a system currently maintained by the
32 Division of Consumer Affairs in the Department of Law and Public
33 Safety that tracks written instructions for, and dispensations of,
34 medical cannabis, in order to ascertain whether any medical
35 cannabis was dispensed to or on behalf of the patient within the
36 preceding 30 days.

37 The bill provides that a practitioner or an immediate family
38 member of a practitioner who authorizes patients for medical
39 cannabis may not hold any profit or ownership interest in an ATC.
40 A practitioner or the immediate family member of a practitioner
41 who applies for an ATC identification card is to certify that the
42 practitioner has not authorized any patients for medical cannabis in
43 the preceding 90 days. A person who violates the prohibition will
44 be guilty of a crime of the fourth degree, which is punishable by
45 imprisonment for up to 18 months, up to a \$10,000 fine, or both.
46 The bill specifies that nothing in the prohibition will ban any
47 practitioner from serving on the governing board or medical
48 advisory board of an ATC, provided the practitioner receives no

1 special compensation or remuneration from the ATC, including
2 payments based on patient volumes or the number of authorizations
3 for medical cannabis the practitioner issues.

4 The bill additionally prohibits practitioners from authorizing
5 themselves or members of their immediate family for the medical
6 use of cannabis.

7 The bill requires the CRC to establish curricula for practitioners
8 and employees of medical cannabis dispensaries and clinical
9 registrants that are designed to assist with patient consultations
10 regarding the form, strain, quantity, and dosing of medical cannabis
11 appropriate to the patient's qualifying medical condition.
12 Practitioners will be required to complete the health care
13 practitioner curriculum as a condition of authorizing patients for the
14 medical use of cannabis, and employees of medical cannabis
15 dispensaries and clinical registrants will be required to complete the
16 curriculum as a condition of registering with the CRC.

17 Currently, medical cannabis is subject to the State sales tax. The
18 bill will phase out the sales tax over three years, with the tax
19 dropping to four percent on July 1, 2020, to two percent on July 1,
20 2021, and being completely exempt from all state sales tax as of
21 July 1, 2022. Until then, any sales tax assessed on medical
22 cannabis is to be exclusively appropriated to programs for the
23 treatment of mental health and substance use disorders.

24 The bill also authorizes municipalities in which a medical
25 cannabis dispensary or clinical registrant is located to assess a
26 transfer tax of up to two percent on the purchase price of all
27 medical cannabis dispensed by the dispensary or clinical registrant.

28

29 ATC Application and Permitting Requirements

30

31 The bill establishes three distinct permit types in connection with
32 the production and dispensing of medical cannabis: medical
33 cannabis cultivators, medical cannabis manufacturers, and medical
34 cannabis dispensaries. The bill identifies the specific activities and
35 functions authorized for each permit type. The CRC will be
36 required to issue a request for new permit applications within 90
37 days of the effective date of the bill, and to make a determination on
38 any permit application within 90 days after the date of submission.

39 For a period of 18 months after the effective date of the bill, an
40 entity will be permitted to hold only one permit of any type. After
41 18 months, an entity will be authorized to concurrently hold
42 medical cannabis cultivator, medical cannabis manufacturer, and
43 medical cannabis dispensary permits.

44 However, the bill provides that the CRC is to issue three new
45 ATC permits that are not subject to these restrictions; these three
46 ATCs will be deemed to concurrently hold medical cannabis
47 cultivator, medical cannabis manufacturer, and medical cannabis
48 dispensary permits immediately upon approval, regardless on the

1 general 18-month restriction on vertical integration. These three
2 ATCs will also be authorized to establish one satellite dispensary
3 location each, provided the entity applies for the satellite dispensary
4 within 18 months after the effective date of the bill. The three ATC
5 permits are to be distributed with one located in each of the
6 northern, central, and southern regions of the State.

7 The restriction on vertical integration will also not apply to
8 ATCs that were issued a permit prior to the effective date of the bill
9 or that were issued a permit after the effective date of the bill
10 pursuant to an application submitted prior to the effective date of
11 the bill, or to up to four ATCs issued permits after the effective date
12 of the bill pursuant to a request for applications published in the
13 New Jersey Register prior to the effective date of the bill, which
14 will be deemed to hold medical cannabis cultivator, medical
15 cannabis manufacturer, and medical cannabis dispensary permits.
16 Any ATC issued a permit prior to the effective date of the bill and
17 any ATCs issued a permit after the effective date of the bill
18 pursuant to an application submitted prior to the effective date of
19 the bill will be authorized to hold up to two satellite dispensary
20 permits, including any satellite dispensary permit approved prior to
21 the effective date of the bill or approved pursuant to an application
22 submitted prior to the effective date of the bill, and any satellite
23 dispensary approved pursuant to an application submitted within the
24 first 18 months after the effective date of the bill. Aside from these
25 grandfathered satellite dispensaries and the new satellite
26 dispensaries expressly authorized under the bill, plus any satellite
27 dispensary authorized for a clinical registrant, no new satellite
28 dispensaries will be approved.

29 The bill restricts the total number of entities authorized to
30 cultivate medical cannabis to 28 for the first 18 months after the
31 effective date of the bill, which will include any ATCs issued a
32 permit prior to the effective date of the bill and the new permits
33 required to be issued under the bill, but will not include
34 microbusinesses issued a cultivator permit.

35 The CRC will be required to specify by regulation the number of
36 new permits of each type that it will authorize in the first year
37 following the effective date of the bill, and thereafter periodically
38 evaluate whether the current number of permits is sufficient to meet
39 the needs of qualifying patients and issue requests for new
40 applications as needed. The CRC may additionally convene a task
41 force comprising individuals with expertise in the medical cannabis
42 industry to make recommendations to the CRC concerning the
43 content of rules and regulations governing the medical cannabis
44 program.

45 The bill sets forth the specific information to be considered when
46 reviewing new permit applications, which includes specific
47 information concerning the applicant's operational experience,
48 workforce development plan, community impact analysis, security

1 capabilities, storage systems, emergency management plan, prisoner
2 reentry program plan, and proposed location, along with any other
3 criteria the CRC deems appropriate. The CRC will determine the
4 weight to be afforded to each criterion.

5 Additionally, each applicant will be required to submit an
6 attestation by a bona fide labor organization stating that the
7 applicant has entered into a labor peace agreement with the
8 organization. Maintenance of a labor peace agreement will be an
9 ongoing condition for maintaining a permit. In reviewing
10 applications, the CRC is to additionally evaluate the applicant's
11 history and relationships with labor organizations, as well as any
12 current collective bargaining agreements the applicant is part of.
13 Microbusinesses, described below, are exempt from these
14 requirements.

15 The bill requires that at least one-third of new permits of all
16 types, other than clinical registrant permits, be issued as
17 "conditional permits," which are permits issued pursuant to a less-
18 restrictive application process for entities funded by smaller
19 investors with an adjusted gross income of no more than \$200,000,
20 or \$400,000 if filing jointly. The CRC is to provide the conditional
21 permit holder with a list of requirements with which the permit
22 holder will be required to comply within 120 days after issuance of
23 the conditional permit. If the CRC determines that, during this 120-
24 day period, the permit holder was in compliance with the CRC's
25 requirements, the CRC may convert the conditional permit into a
26 full permit, which will be renewable annually. If the permit holder
27 is not in compliance with the requirements, the permit will expire at
28 the end of the 120-day period, unless it is revoked by the CRC
29 sooner. A converted conditional permit will continue to count
30 towards the total percentage of conditional permits required for that
31 permit type. The requirement that one third of all new permits be
32 conditional permits will not apply to the first three ATC permits
33 issued after the effective date of the bill.

34 The bill additionally requires that at least 10 percent of the total
35 permits issued for each permit type, other than clinical registrant
36 permits, are to be issued to microbusinesses. The requirements for
37 a microbusiness are: 100 percent of the ownership of a
38 microbusiness is to be held by current New Jersey residents who
39 have resided in the State for at least the past two years; at least 51
40 percent of the owners, directors, officers, and employees of the
41 microbusiness are to be residents of the municipality where the
42 microbusiness is located or a bordering municipality; the
43 microbusiness may employ no more than 10 employees, inclusive
44 of owners, officers, and directors; and the microbusiness facility
45 may occupy an area of no more than 2,500 square feet. The bill sets
46 forth certain restrictions for each type of microbusiness permit:
47 microbusiness medical cannabis cultivators will be restricted to a
48 grow canopy of no more than 2,500 square feet and a height

1 restriction of 24 feet, and will be limited to possessing no more than
2 1,000 mature and immature plants at one time; microbusiness
3 medical cannabis manufacturers will be restricted to acquiring and
4 processing no more than 1,000 pounds of medical cannabis in dried
5 form, or the equivalent amount in any other form, in a month; and a
6 microbusiness medical cannabis dispensary will be permitted to
7 acquire and dispense no more than 1,000 pounds of medical
8 cannabis in dried form, or the equivalent in any other form, in a
9 month. Permit fees for microbusinesses are half the regular permit
10 fees. The application process for a microbusiness permit is the
11 same as for any other permit, and a permit issued to a
12 microbusiness, like any other permit, is renewable annually.

13 Applicants may submit multiple permit applications, with a
14 separate application for each proposed facility; the bill establishes
15 procedures for determining which permit to award to an applicant
16 who scores high enough to be awarded multiple permits of the same
17 type.

18 The CRC will be required to conduct a disparity study to
19 evaluate the adverse effects of the State's drug laws on New Jersey
20 communities to determine whether race-based measures should be
21 considered when issuing new medical cannabis cultivator,
22 manufacturer, and dispensary permits, and incorporate the policies,
23 practices, protocols, standards, and criteria developed by the Office
24 of Minority, Disabled Veterans, and Women Medical Cannabis
25 Business Development to promote participation in the medical
26 cannabis industry by persons from socially and economically
27 disadvantaged communities. At least 15 percent of the total number
28 of new permits are to be issued to minority-owned businesses, and
29 an additional 15 percent of the total number of new permits are to
30 be issued to women-owned or disabled veteran-owned businesses.

31 The CRC is to grant special consideration to an applicant for an
32 integrated curriculum permit or "IC permit," pursuant to which the
33 applicant establishes an agreement with an institution of higher
34 education to create an integrated curriculum involving the
35 theoretical or practical application of medical cannabis cultivation,
36 manufacturing, or dispensing to an area of academic study.
37 Integrated curricula are subject to approval by the CRC and the
38 Office of the Secretary of Higher Education. If an IC permit
39 holder's agreement with an institution of higher education ends, the
40 IC permit holder will have six months to establish a new integrated
41 curriculum or the IC permit will be revoked, unless the CRC
42 determines that the entity should be allowed to retain the permit.
43 The CRC may establish incentives to encourage applicants to seek
44 IC permits, such as revised permit fees.

45 The bill additionally establishes requirements for issuance of a
46 clinical registrant permit, which will authorize the permit holder to
47 engage in all conduct related to the cultivation, manufacturing, and
48 dispensing of medical cannabis and medical cannabis products as is

1 authorized for other ATC permit holders. The clinical registrant
2 will be required to enter into a contractual relationship with an
3 academic medical center, which is a facility located in New Jersey
4 that has a faculty practice in addiction medicine or is in the same
5 health care system as another facility in the State that offers
6 substance use disorder treatment services, has a faculty practice in
7 pain management or a facility-based pain management practice, has
8 a graduate medical training program that includes primary care and
9 specialized medicine, is the principal teaching affiliate of a New
10 Jersey medical school, and has the ability to conduct research
11 related to cannabis. If the facility is part of a health care system,
12 the health care system is required to be principally located in New
13 Jersey in order for the facility to qualify as an academic medical
14 center. The CRC will be required to request applications for at least
15 four clinical registrant permits within 90 days after the effective
16 date of the bill or upon the adoption of rules and regulations
17 required under the bill, whichever occurs first.

18 Academic medical centers will engage in clinical research related
19 to medical cannabis in order to advise the affiliated clinical
20 registrant concerning patient health and safety, medical
21 applications, and the dispensing and management of controlled
22 dangerous substances. Clinical registrant applicants will be
23 required to demonstrate at least \$15 million in capital.

24 A clinical registrant permit will be valid for the term of the
25 contractual relationship, and may be renewed based upon the
26 clinical registrant renewing its contractual relationship with the
27 academic medical center. A clinical registrant permit may not be
28 sold or transferred. Each clinical registrant may contract with no
29 more than one academic medical center.

30 Clinical registrants will be authorized to serve all qualifying
31 patients, as well as qualifying patients who agree to participate in
32 clinical research. Clinical registrants may operate from more than
33 one location and may be approved for a satellite dispensing
34 location, and may relocate to another location in the same region
35 unless the CRC determines relocation would be contrary to the
36 purposes of the medical cannabis laws. Clinical registrants are
37 required to report the results of the clinical research to the CRC
38 upon completion of the study or following publication of the study
39 in a peer-reviewed medical journal.

40 An entity issued a medical cannabis cultivator, manufacturer, or
41 dispensary permit may not concurrently hold a clinical registrant
42 permit, and an entity issued a clinical registrant permit may not
43 concurrently hold any medical cannabis cultivator, manufacturer, or
44 dispensary permit.

45 The bill revises the criminal history record background check
46 requirements for medical cannabis cultivator, manufacturer,
47 dispensary, and clinical registrant applicants to provide that a
48 conviction for a crime of the first, second, or third degree, as well

1 as any drug offense other than marijuana possession convictions or
2 convictions for dispensing less than five pounds of marijuana,
3 constitutes a disqualifying conviction that may bar the applicant
4 from holding an interest in or being employed by a medical
5 cannabis cultivator, manufacturer, dispensary, or clinical registrant.
6 Current law limits disqualifying convictions to drug offenses other
7 than minor cannabis possession. The CRC will retain the discretion
8 to issue a permit to an applicant if it finds evidence of
9 rehabilitation.

10 The bill further provides that no criminal history record
11 background check will be required for an applicant who holds less
12 than a five percent investment interest in the medical cannabis
13 cultivator, manufacturer, dispensary, or clinical registrant, or who is
14 a member of a group that holds less than a 20 percent investment
15 interest where no member of the group holds more than a five
16 percent interest in the total group investment, and the applicant does
17 not have the authority to make operational decisions for the
18 permitted entity. Individuals and groups that are exempt from the
19 criminal history record background check requirement will not be
20 required to complete any application information. If the applicant
21 or group gains an investment interest above these thresholds or the
22 applicant gains the authority to make operational decisions, the
23 individual or group will be required to notify the CRC, provide all
24 information as may be required by the CRC, and undergo a criminal
25 history record background check within 30 days, or the permit will
26 be revoked and the individual or group will be prohibited from
27 holding any investment interest in a medical cannabis cultivator,
28 manufacturer, dispensary, or clinical registrant for a period of at
29 least two years, and for such additional period as the CRC deems
30 appropriate in light of the duration of the nondisclosure, the size of
31 the undisclosed interest, the profits realized from the entity during
32 the period of nondisclosure, and whether the individual would have
33 been otherwise ineligible to hold the investment interest or
34 controlling authority based on a disqualifying conviction or other
35 factor.

36 The bill prohibits an employee of any department, division,
37 agency, board, or other governmental entity involved in the process
38 of reviewing, processing, or making determinations with regard to a
39 medical cannabis permit from having any financial interest in
40 medical cannabis or receiving anything of value from a permit
41 applicant in exchange for reviewing, processing, or making
42 recommendations with regard to a permit application.

43 Applications for medical cannabis cultivator, manufacturer, and
44 dispensary permits and for clinical registrant permits will be exempt
45 from the "Open Public Records Act," P.L.1963, c.73 (C.47:1A-1 et
46 seq.) and P.L.2001, c.404 (C.47:1A-5 et al.).

ATC Operational Requirements

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The bill requires medical cannabis dispensaries and clinical registrants to establish and maintain standardized price lists, which will reflect the price of all medical cannabis, medical cannabis products, and related supplies and paraphernalia dispensed or sold by the dispensary or clinical registrant to or on behalf of registered qualifying patients. Price lists are to be posted on the dispensary's or clinical registrant's Internet website, if any, maintained on file with the CRC, and may be updated once per month. A dispensary or clinical registrant that sells medical cannabis or medical cannabis products at a price that deviates from its price list will be liable to a civil penalty of \$1,000 per sale, and dispensary or clinical registrant that fails to maintain its current price list on file with the CRC will be liable to a civil penalty of \$10,000 for each week during which the CRC does not have the current price list. The prices charged by a medical cannabis dispensary or clinical registrant are to be reasonable and consistent with the costs of acquiring and dispensing, selling, or transferring the medical cannabis or medical cannabis product.

The bill provides that medical cannabis may be transferred between medical cannabis cultivators, manufacturers, dispensaries, clinical registrants, and testing laboratories by a medical cannabis handler certified as a medical cannabis transporter. Transfers may be effectuated using either medical cannabis handlers employed by a permitted entity or by an independent third-party entity. The bill sets forth certain operational protocols and recordkeeping requirements for the transfer of medical cannabis, which are generally comparable to the operational requirements and protocols for deliveries of medical cannabis. A medical cannabis handler may possess both delivery and transfer certifications. Municipalities may not restrict or prohibit transfers of medical cannabis by municipal ordinance or any other measure, and any such prohibition, if enacted, would be deemed null and void.

The bill requires the CRC to develop and maintain a comprehensive tracking system for medical cannabis that covers cultivation through final dispensing. The tracking system is to be designed to prevent diversion and tampering while promoting accurate accounting and recording of all information relevant to the medical cannabis or medical cannabis product. The system is to utilize a stamp for tracking purposes, which is to be affixed to medical cannabis packages and containers by medical cannabis cultivators, medical cannabis manufacturers, and clinical registrants. The purchase price of the stamp is to be reasonable and commensurate with the cost of producing the stamp.

The owners, directors, officers, and employees at each medical cannabis cultivator, manufacturer, dispensary, courier, and clinical registrant will be required to undergo eight hours of ongoing

1 training each calendar year. The training is to be tailored to the
2 roles and responsibilities of the individual's job function and
3 include training on confidentiality and any other topics required by
4 the CRC. For medical cannabis dispensary and clinical registrant
5 employees, the ongoing training may include completing the
6 curriculum developed by the CRC concerning patient consultations.
7 Additionally, all individuals who handle medical cannabis in any
8 capacity are required to be certified by the CRC as medical
9 cannabis handlers. The training required for handler certification
10 will only be required once, and will count toward the required eight
11 hours of annual training.

12 The bill requires the CRC to establish, by regulation, thresholds
13 for administrative action to be taken against permit holders,
14 including specific penalties and disciplinary actions that may be
15 imposed in a summary proceeding.

16 The bill provides that the first six ATC permits issued after
17 P.L.2009, c.307 (C.24:6I-1 et al.) took effect may sell or transfer
18 that permit to a for profit entity, provided that: the owners, officers,
19 directors, employees, and applicable investors complete a criminal
20 history record background check; the CRC approves the sale or
21 transfer; and the sale or transfer takes place within one year after
22 the effective date of the bill. The sale or transfer will not be subject
23 to the requirements of the "New Jersey Nonprofit Corporation Act,"
24 N.J.S.15A:1-1 et seq., provided that, prior to or at the time of the
25 sale or transfer, all debts and obligations of the nonprofit entity are
26 either paid in full or assumed by the for-profit entity purchasing or
27 acquiring the permit, or a reserve fund is established for the purpose
28 of paying in full the debts and obligations of the nonprofit entity,
29 and the for-profit entity pays the full value of all assets held by the
30 nonprofit entity, as reflected on the nonprofit entity's balance sheet,
31 in addition to the agreed-upon price for the sale or transfer of the
32 entity's alternative treatment center permit. Any other sale or
33 transfer of an interest in a permitted entity of five percent or more
34 will be subject to approval by the CRC and will be conditioned on
35 the entity purchasing or receiving the transfer of the interest
36 completing a criminal history record background check.

37 The bill authorizes medical cannabis dispensaries and clinical
38 registrants to establish medical cannabis consumption areas, subject
39 to approval by the CRC and the municipality in which the
40 dispensary or clinical registrant is located. A consumption area is
41 required to be on the premises of the dispensary or clinical
42 registrant, accessible only to patients and their designated
43 caregivers, and screened by sufficient walls or other barriers to
44 prevent any view of patients consuming medical cannabis.
45 Consumption areas may be indoor or outdoor, provided that no
46 consumption of medical cannabis by smoking occurs indoors and no
47 medical cannabis smoke seeps into any indoor public area or
48 workplace. The CRC may require any ventilation features for a

1 consumption area as it deems necessary and appropriate, and smoke
2 from the consumption of medical cannabis may not seep into any
3 indoor public place or workplace.

4 The bill provides that medical cannabis cultivators,
5 manufacturers, dispensaries, and clinical registrants will be
6 permitted to establish a medical advisory board to advise the
7 permitted entity on all aspects of its business. A medical advisory
8 board is to comprise five members: three healthcare practitioners;
9 one qualifying patient who resides in the same area as the permitted
10 entity; and one business owner from the same area as the permitted
11 entity. No owner, director, officer, or employee of a permitted
12 entity may serve on a medical advisory board. Medical advisory
13 boards are to meet at least two times per year.

14 Medical cannabis dispensaries and clinical registrants are to
15 consider whether to make interpreter services available to the
16 population served, including for individuals with a vision or hearing
17 impairment. The CRC is to assist facilities in locating appropriate
18 interpreter resources. Dispensaries and clinical registrants will be
19 responsible for the cost of providing interpreter services.

20 Medical cannabis cultivators, manufacturers, dispensaries,
21 clinical registrants, and entities employing medical cannabis
22 handlers to perform deliveries and transfers of medical cannabis
23 operating on a for-profit basis may not operate at any premises that
24 were the subject of a business development incentive. Medical
25 cannabis cultivators and clinical registrants may not be located on
26 land valued, assessed, or taxed as an agricultural or horticultural use
27 pursuant to the "Farmland Assessment Act of 1964," P.L.1964, c.48
28 (C.54:4-23.1 et seq.).

29

30 Other Cannabis-Related Licensure

31

32 The bill requires each batch of medical cannabis and each batch
33 of a medical cannabis product to be tested by a laboratory to
34 determine its chemical composition and potency and to screen for
35 contamination by microbial contaminants, foreign material, residual
36 pesticides, other agricultural residue and residual solvents, and
37 heavy metals. The laboratory is to produce a written report
38 detailing the results of the testing, a summary of which is to be
39 included in any packaging materials for the medical cannabis or
40 cannabis product. Laboratories may charge a reasonable fee for
41 performing the test. The testing requirement will take effect once
42 the CRC certifies that there are a sufficient number of testing
43 laboratories licensed to ensure that the testing and labeling
44 requirements can be satisfied without disrupting timely patient
45 access to medical cannabis.

46 Laboratories providing testing services will be required to
47 register with the CRC and will be subject to inspection to ensure
48 that the equipment used is in good condition and properly

1 calibrated. The owners, directors, officers, and employees of a
2 testing laboratory will be required to undergo a criminal history
3 record background check as a condition of licensure; no applicant
4 with a disqualifying conviction will be authorized to own, operate,
5 or be employed by a medical cannabis testing laboratory.
6 “Disqualifying conviction” means any drug offense other than
7 minor cannabis possession; applicants with a disqualifying
8 conviction may still be approved if the applicant demonstrates clear
9 and convincing evidence of rehabilitation. As a condition of
10 licensure, each laboratory will be required to certify its intention to
11 seek third party accreditation in accordance with ISO 17025 to
12 ensure equipment is routinely inspected, calibrated, or maintained,
13 until such time as the CRC issues its own standards or confirms the
14 use of ISO 17025.

15 The CRC will be required to establish testing standards;
16 however, until such time as the standards are adopted, testing
17 laboratories will be authorized to utilize testing standards from
18 another state with a medical cannabis program, which state is to be
19 designated by the CRC.

20 The CRC is required to conduct a feasibility study concerning
21 the establishment of a new research and development permit that
22 would be dedicated to advancing the medical uses of cannabis. The
23 study is to examine potential funding sources and include a public
24 hearing, and the CRC is to conduct the study every three years until
25 such time as a research and development permit is established in the
26 State. The CRC will be authorized to establish additional permit
27 types as may be appropriate, including permits authorizing
28 pharmacies to be issued medical cannabis dispensary permits.

29

30 Legal Protections for Patients and Caregivers

31

32 The bill provides that qualifying patients and designated
33 caregivers may not be discriminated against when enrolling in
34 schools and institutions of higher education, when renting or leasing
35 real property, or in the issuance of professional licensing,
36 certifications, or permits issued by the State, solely on the basis of
37 the individual’s status as a registry cardholder or engaging in
38 authorized conduct in relation to medical cannabis. However,
39 schools, institutions of higher education, landlords, and licensing
40 authorities will not be required to take any action that would
41 jeopardize a monetary grant or privilege of licensure based on
42 federal law. Schools, institutions, and landlords may not be
43 penalized or denied benefits under State law solely on the basis of
44 enrolling or renting or leasing real property to a registered patient.
45 A person’s status as a patient or caregiver, or as an owner, officer,
46 director, or employee of a medical cannabis cultivator,
47 manufacturer, dispensary, or clinical registrant will not constitute

1 the sole grounds for entering an order restricting or denying custody
2 of, or visitation with, a minor child of the person.

3 The bill provides that medical cannabis is to be treated the same
4 as any other medication for the purposes of furnishing medical care,
5 including determining the individual's eligibility for an organ
6 transplant.

7 The bill prohibits employers from taking any adverse
8 employment action against an employee based on the employee's
9 status as a registry identification cardholder. If an employer has a
10 drug testing policy and an employee or job applicant tests positive
11 for cannabis, the employee or job applicant is to be offered an
12 opportunity to present a legitimate medical explanation for the
13 positive test result or request a retest. Nothing in the bill will
14 restrict an employer's ability to prohibit or take adverse
15 employment action for the possession or use of intoxicating
16 substances during work hours or on workplace premises outside of
17 work hours, or require an employer to commit any act that would
18 violate federal law or result in the loss of a federal contract or
19 federal funding. Employers will not be penalized or denied any
20 benefit under State law for employing a person who is a registry
21 cardholder.

22 The bill provides that health care facilities are prohibited from
23 taking adverse employment action or ending a professional
24 affiliation with a health care practitioner solely based on the
25 practitioner authorizing patients for the medical use of medical
26 cannabis or otherwise engaging in authorized conduct in relation to
27 medical cannabis. Health care facilities may not be penalized or
28 denied benefits under State law for employing or maintaining a
29 professional affiliation with a practitioner who engages in
30 authorized conduct in relation to medical cannabis.

31 Health care facilities may not be penalized or denied any benefit
32 under State law solely for permitting or prohibiting the handling,
33 administration, usage, or storage of medical cannabis, provided that
34 the facility's policies related to medical cannabis are consistent with
35 all other facility policy on medication handling, administration,
36 usage, or storage. Health care facilities will also not be penalized
37 or denied any benefit under State law solely for prohibiting the
38 smoking of medical cannabis on facility property in accordance
39 with the facility's smoke free policy.

40 Insurance carriers will be prohibited from denying health care
41 practitioners medical malpractice coverage or charging increased
42 premiums, deductibles, or other fees based on the practitioner
43 engaging in authorized conduct in relation to medical cannabis.

44 The bill prohibits any action or proceeding by the Division of
45 Child Protection and Permanency in the Department of Children
46 and Families be initiated against a pregnant woman or against the
47 parent or guardian of a minor child on the sole grounds that the
48 individual is a registered qualifying patient, a designated or

1 institutional caregiver, or a director, officer, or employee of an
2 ATC.

3 The bill provides that the chief administrator of a facility that
4 provides behavioral health services is to develop a policy allowing
5 designated caregivers, parents, and guardians access to registered
6 qualifying patients who are receiving services at the facility, for the
7 purpose of assisting the patient with the administration of medical
8 cannabis. Nothing in the bill will authorize medical cannabis to be
9 smoked in any area of the facility where smoking is otherwise
10 prohibited by law.

11 The bill updates the annual reporting requirements for the CRC
12 to reflect new data that will be generated pursuant to the bill,
13 including information concerning diversity in the permits awarded
14 in by the CRC and information on disparities in drug arrests.

15 Nothing in the bill is to be construed to restrict or otherwise
16 affect the sale, prescribing, and dispensing of prescription drugs and
17 devices approved by the federal Food and Drug Administration.

18 The bill adds a severability clause and provides that the CRC
19 may waive any requirements of the State medical cannabis laws if a
20 waiver is necessary to achieve the purposes of the law and provide
21 access to patients who would not otherwise qualify for medical
22 cannabis to alleviate suffering from a debilitating medical
23 condition, and if granting the waiver does not create a danger to the
24 public health, safety, or welfare.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 20

STATE OF NEW JERSEY

DATED: JUNE 18, 2019

The Assembly Appropriations Committee reports favorably Assembly Bill No. 20.

This bill makes various revisions to the “Compassionate Use Medical Marijuana Act,” P.L.2009, c.307 (C.24:6I-1 et al.), including renaming the act the “Jake Honig Compassionate Use Medical Cannabis Act,” establishing a new Cannabis Regulatory Commission (CRC) to oversee the medical cannabis program; revising the requirements to authorize a patient for medical cannabis; revising the permit and operational requirements for alternative treatment centers (ATCs), including establishing discrete cultivator, manufacturer, and dispensary permits; creating a new clinical registrant permit; authorizing delivery of medical cannabis, and establishing additional protections for registry cardholders.

Cannabis Regulatory Commission

The CRC will consist of five, full-time members. At least one member is to be a State representative of a national organization or State branch of such an organization with a stated mission of studying, advocating, or adjudicating against forms of social injustice or inequality, and all members are to possess education, training, or experience with: legal, policy, or criminal justice issues; corporate or industry management, finance, securities, or production or distribution; medicine or pharmacology; or public health, mental health, or substance use disorders.

The initially designated chair and two other initial members will be appointed by the Governor, another initial member will be appointed by the Governor upon the recommendation of the Senate President, and the final initial member will be appointed by the Governor upon the recommendation of the Speaker of the General Assembly. Thereafter, the Governor will appoint, with the advice and consent of the Senate, the chair and the two other members not requiring any legislative leadership recommendation. The appointments based upon based upon the Senate President’s and Speaker’s recommendation would continue to be direct gubernatorial appointments that are not subject to the advice and consent of the Senate. All five members will serve terms of five years, although the initial terms would include one four-year term and one three-year term in order to stagger

reappointments. The chair will be provided a salary not to exceed \$141,000, and the other members will be provided a salary not to exceed \$125,000.

The CRC will assume responsibility for oversight, administration, and enforcement of the medical cannabis program from the Department of Health at such time as the members of the commission are appointed and the commission first organizes. The bill will permit, based on the transfer of responsibility, employees of the department who performed the duties of any position to be filled by the CRC a one-time right of first refusal offer of employment. Any department employee who is employed by the CRC in this manner will retain seniority, and all rights related to seniority, that the employee had with the department as of the last day of employment with the department.

The CRC will be charged with establishing a plan of organization, and employing personnel as it deems necessary to operate under the direct supervision of a full-time executive director. The new executive director position will be initially filled directly by the Governor, and thereafter will be appointed by the Governor with the advice and consent of the Senate.

One mandatory aspect to the CRC's organization plan will be the inclusion of an Office of Minority, Disabled Veterans, and Women Cannabis Business Development, operating under the supervision of a director appointed by the Governor. This office is to establish and administer, under the direction of the CRC, unified practices and procedures for promoting participation in the medical cannabis industry by persons from socially and economically disadvantaged communities, including by prospective and existing minority owned and women's owned businesses and disabled veterans' businesses. These unified practices and procedures are to include a business's certification and subsequent recertification at regular intervals as a minority owned or women's owned business, or a disabled veterans' business, in accordance with eligibility criteria and a certification application process established by the CRC in consultation with the office.

The effectiveness of these methods will be measured by whether the office's actions result in at least 30 percent of the total number of ATC permits issued by the CRC being issued to businesses certified by the office; the effectiveness will be further assessed by considering whether the actions resulted in at least 15 percent of new permits being issued to certified minority owned businesses, and at least 15 percent of new permits being issued to certified women-owned and disabled veterans' businesses. The office, in support of these efforts, is to conduct advertising and promotional campaigns, as well as sponsor seminars and informational programs, directed toward those persons and prospective and existing certified businesses, which would address medical cannabis business management, marketing, and other practical business matters.

Ethical and Conflicts-of-Interest Requirements for the CRC

The members of the CRC and all CRC employees will be subject to ethical and conflicts-of-interest restrictions, addressing activities engaged in prior to, during, and following service with the CRC. For instance, a person generally may not be an appointed member or employee of the CRC if, during the period commencing three years prior to appointment or employment, the person held any direct or indirect interest in, or any employment by, a holder of or applicant for an ATC permit, unless the person's prior interest would not, in the opinion of the CRC, interfere with the person's obligations of appointment or employment. Additionally, for a period of two years commencing from the date that a member's or employee's service terminates, that former member or employee will not be permitted to hold any direct or indirect interest in, or any employment by, a holder of or applicant for an ATC permit; provided that the two-year post-service restriction would not apply to secretarial or clerical employees.

At the time each member and employee commences service, with the exception of secretarial and clerical employees, the member or employee will be required to file a financial disclosure statement with the State Ethics Commission listing all assets and liabilities, property and business interests, and sources of income for the person and for the person's spouse or domestic or civil union partner. Additionally, CRC members are to provide the same information for each dependent child or stepchild of the member, and of the member's spouse or domestic or civil union partner, who resides in the same household as the member.

Members and employees will generally be subject to the "New Jersey Conflicts of Interest Law," P.L.1971, c.182 (C.52:13D-12 et seq.), as well as a Code of Ethics promulgated by the CRC that is modeled upon the Code of Judicial Conduct of the American Bar Association. All members and employees will be prohibited from using any official authority to interfere with or affect the result of an election or nomination for office, coerce or advise any person to contribute anything of value to another person or organization for political purposes, or take active part in any political campaign. Additionally, the members of the CRC, the executive director, and any other employee holding a supervisory or policy-making management position will be prohibited from making any political contributions to candidates or campaigns. A violation of this prohibition constitutes a crime of the fourth degree, which is punishable by imprisonment for up to 18 months, a fine of up to \$10,000, or both.

The bill also revises the "New Jersey Conflicts of Interest Law" to establish restrictions on various State officers or employees, the Governor and full-time professionals employed in the Governor's Office, full-time members of the Judiciary, and various officers of the municipality in which an ATC is located. These restrictions concern

not only their own activities, but the activities of their associated partnerships, firms, or corporations, and their family members in connection with either employment or another interest in, or representation of, current ATCs. These restrictions are similar to the restrictions that apply to these people and businesses under the current law concerning casino licensees and applicants, and casino-related activities, and include a general prohibition on employment, representation, appearance for, or negotiation on behalf of, any permit holder or applicant in connection with any cause, application, or matter, and these restrictions can carry over into the post-employment or post-service period following the departure of a person from State or local employment or office.

The ethical and conflicts-of-interest restrictions will be enforced by the State Ethics Commission, and any person found to have committed a violation will be subject to a civil penalty of not less than \$500 or more than \$10,000. Additionally, any willful violation of these restrictions will constitute a disorderly persons offense, punishable by a term of imprisonment of up to six months, a fine of up to \$1,000, or both.

If the CRC finds that a holder of or applicant for an ATC permit committed a violation involving a CRC member or employee with respect to pre-service activities, activities during service, or post-service activities, the permit holder or applicant will be subject to a civil penalty of not less than \$500 or more than \$10,000, and possible permit revocation or suspension, or denial of an application, as applicable.

The bill provides that nothing in the ethics and conflict-of-interest restrictions would prohibit a member or employee from being a registered qualifying patient or from serving as a designated or institutional caregiver for a patient.

Patient and Caregiver Requirements

Current law sets forth an enumerated list of debilitating medical conditions that can qualify a patient for the medical use of cannabis. The bill changes the term “debilitating medical condition” to “qualifying medical condition,” and updates and revises the list of conditions in certain ways, including adding additional conditions and providing that medical cannabis may be used as a treatment of first resort for any condition included in the list, which are: seizure disorder, including epilepsy; intractable skeletal muscular spasticity; post-traumatic stress disorder; glaucoma; positive status for human immunodeficiency virus; acquired immune deficiency syndrome; cancer; amyotrophic lateral sclerosis; multiple sclerosis; muscular dystrophy; inflammatory bowel disease, including Crohn's disease; terminal illness, if the patient has a prognosis of less than 12 months of life; anxiety; migraine; Tourette's syndrome; dysmenorrhea; chronic

pain; opioid use disorder; or any other condition that is approved by the CRC.

The bill expands the list of professionals who can authorize patients for the medical use of cannabis. Current law only allows physicians to provide this authorization; the bill provides that physician assistants and advanced practice nurses may authorize patients for medical cannabis as well, and eliminates the requirement for the professional to have a bona fide provider-patient relationship with the patient. The bill requires that only a pediatric specialist may approve a patient who is a minor for medical cannabis. The bill provides that health care practitioners will not be required to register with the CRC, or be publicly listed in any CRC registry, as a condition of authorizing patients for medical cannabis. Practitioners will be prohibited from authorizing themselves or members of their immediate family for medical cannabis.

With regard to caregivers, current law provides that each patient may have only one primary caregiver and that a person may serve as primary caregiver to no more than one patient at a time. The bill changes the term “primary caregiver” to “designated caregiver,” and provides that each caregiver may serve up to two patients at one time and that each patient may have up to two designated caregivers at one time. Patients may petition the CRC for approval to have more than two designated caregivers. An immediate family member of a patient will not be required to undergo a criminal history record background check as a condition of serving as designated caregiver.

The bill also establishes the position of “institutional caregiver,” which is an employee of a health care facility who is authorized to assist qualifying patients who are patients or residents at the health care facility with the medical use of cannabis, including obtaining medical cannabis for the patient from a medical cannabis dispensary or clinical registrant and accepting deliveries of medical cannabis for the patient. An institutional caregiver registration will be valid for one year. Each institutional caregiver will be required to be a New Jersey resident, at least 18 years of age, and authorized, within the individual’s scope of professional practice, to possess and administer controlled dangerous substances to patients and residents at the facility. An institutional caregiver will be required to undergo a criminal history record background check unless the individual has already done so as a condition of professional licensure or certification. Medical cannabis may be dispensed to an institutional caregiver if authorized by the patient. There will be no limit to the number of patients an institutional caregiver can serve at one time, provided that the caregiver is able to meet the needs of all such patients and attend to the caregiver’s other duties at the facility without jeopardizing the health or safety of any patient or resident at the facility. Facilities that choose to authorize the use of institutional caregivers will be required to certify, with each caregiver application,

that the facility has established appropriate security measures to prevent unauthorized access to medical cannabis to guard against theft, diversion, and adulteration while the cannabis is stored at the facility or is being transported to the facility by an institutional caregiver; the facility has established protocols to prevent adverse drug interactions between medical cannabis and other medications; the facility will not charge a patient for medical cannabis in excess of the actual cost of the medical cannabis plus reasonable acquisition costs; and the facility will promptly notify the CRC in the event that an institutional caregiver ceases to be employed by the facility or is convicted of a crime. For the purposes of the bill, “health care facility” includes a general acute care hospital, nursing home, long term care facility, hospice care facility, group home, facility that provides services to persons with developmental disabilities, behavioral health care facility, and rehabilitation center.

The bill provides that qualifying patients and designated caregivers who are registered with a medical cannabis program in another state will be deemed to be qualifying patients and designated caregivers for the purposes of New Jersey law for up to six months, provided the individual possesses a valid registry card and a photo identification card issued by the other state. Medical cannabis may only be dispensed to an out-of-State patient or caregiver pursuant to written instructions issued by a New Jersey practitioner, and medical cannabis cannot be delivered to any individual who is not registered with the CRC. After six months, the out-of-State registrant will be prohibited from engaging in conduct related to medical cannabis in New Jersey unless the individual is registered as a qualifying patient or caregiver in New Jersey. The CRC is to seek to establish medical cannabis reciprocity agreements with other states.

The bill allows the CRC to establish an alternate means to identify and verify the registration status of patients and caregivers other than the registry identification card currently in use.

Dispensing Requirements for Medical Cannabis

Current law provides that up to two ounces of medical cannabis may be dispensed to a patient in a 30-day period. The bill revises these quantity restrictions to provide that, for a period of 18 months after the effective date of the bill, patients may be dispensed up to three ounces of medical cannabis in dried form or the equivalent amount in any other form. Thereafter, the maximum amount that may be dispensed to a patient will be established by the CRC by regulation. Current law provides that a physician may authorize a patient for up to a 90-day supply of medical cannabis at one time, with specified dates on which each set of written instructions becomes valid for dispensing. The bill revises this to allow a practitioner to authorize up to a one-year supply at one time, subject to the same staggered dispensing

requirements. Upon dispensing medical cannabis, the medical cannabis dispensary or clinical registrant is to notify the practitioner of the amount, strain, and form of medical cannabis dispensed. The bill removes a provision that limits access to edible forms of medical cannabis, including oils, to qualifying patients who are minors, and specifies that medical cannabis may be distributed in transdermal, sublingual, and tincture forms, as well as in the forms authorized under current law.

The bill authorizes delivery of medical cannabis to patients by a certified medical cannabis handler who holds a medical cannabis delivery certification. Medical cannabis may be delivered to the patient at the patient's home address or at a second address on file with the CRC, to the home address of the patient's designated caregiver, or directly to an institutional caregiver at a health care facility where the patient is a current resident. The CRC is to additionally establish a process to authorize deliveries of medical cannabis to the patient at an alternate address in cases of need. Medical cannabis deliveries may be made by an employee of a medical cannabis dispensary or clinical registrant or by an independent third party contractor. A handler who holds a medical cannabis delivery certification may simultaneously hold a medical cannabis transfer certification, described below. Municipalities may not restrict or prohibit deliveries of medical cannabis by municipal ordinance or any other measure, and any such prohibition, if enacted, would be deemed null and void. The CRC may authorize the use of an Internet-based web service operated by an independent third party entity for patients and their caregivers to request and schedule deliveries. Permitted entities that use a third party delivery service will be exempt from any criminal liability for any reportable events occurring during delivery, such as motor vehicle accidents, diversion, or losses.

The CRC is to establish recommended dosing guidelines for medical cannabis products that are equivalent to one ounce of medical cannabis in dried form.

The bill requires the CRC to establish a process for patients to be dispensed up to a two-week supply of medical cannabis during the pendency of the patient's registration with the CRC. The CRC is to establish appropriate restrictions to protect against fraud, abuse, and diversion.

The bill provides that medical cannabis may be dispensed to a patient by any medical cannabis dispensary or clinical registrant in the State; under current law, patients are to be registered with, and may only be dispensed medical cannabis from, a single ATC where the patient is registered. The bill requires that, prior to dispensing medical cannabis to a patient, the dispensary or clinical registrant will be required to access a system currently maintained by the Division of Consumer Affairs in the Department of Law and Public Safety that tracks written instructions for, and dispensations of, medical cannabis,

in order to ascertain whether any medical cannabis was dispensed to or on behalf of the patient within the preceding 30 days.

The bill provides that a practitioner or an immediate family member of a practitioner who authorizes patients for medical cannabis may not hold any profit or ownership interest in an ATC. A practitioner or the immediate family member of a practitioner who applies for an ATC identification card is to certify that the practitioner has not authorized any patients for medical cannabis in the preceding 90 days. A person who violates the prohibition will be guilty of a crime of the fourth degree, which is punishable by imprisonment for up to 18 months, up to a \$10,000 fine, or both. The bill specifies that nothing in the prohibition will ban any practitioner from serving on the governing board or medical advisory board of an ATC, provided the practitioner receives no special compensation or remuneration from the ATC, including payments based on patient volumes or the number of authorizations for medical cannabis the practitioner issues.

The bill additionally prohibits practitioners from authorizing themselves or members of their immediate family for the medical use of cannabis.

The bill requires the CRC to establish curricula for practitioners and employees of medical cannabis dispensaries and clinical registrants that are designed to assist with patient consultations regarding the form, strain, quantity, and dosing of medical cannabis appropriate to the patient's qualifying medical condition. Practitioners will be required to complete the health care practitioner curriculum as a condition of authorizing patients for the medical use of cannabis, and employees of medical cannabis dispensaries and clinical registrants will be required to complete the curriculum as a condition of registering with the CRC.

Currently, medical cannabis is subject to the State sales tax. The bill will phase out the sales tax over three years, with the tax dropping to four percent on July 1, 2020, to two percent on July 1, 2021, and being completely exempt from all state sales tax as of July 1, 2022. Until then, any sales tax assessed on medical cannabis is to be exclusively appropriated to programs for the treatment of mental health and substance use disorders.

The bill also authorizes municipalities in which a medical cannabis dispensary or clinical registrant is located to assess a transfer tax of up to two percent on the purchase price of all medical cannabis dispensed by the dispensary or clinical registrant.

ATC Application and Permitting Requirements

The bill establishes three distinct permit types in connection with the production and dispensing of medical cannabis: medical cannabis cultivators, medical cannabis manufacturers, and medical cannabis dispensaries. The bill identifies the specific activities and functions

authorized for each permit type. The CRC will be required to issue a request for new permit applications within 90 days of the effective date of the bill, and to make a determination on any permit application within 90 days after the date of submission.

For a period of 18 months after the effective date of the bill, an entity will be permitted to hold only one permit of any type. After 18 months, an entity will be authorized to concurrently hold medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits.

However, the bill provides that the CRC is to issue three new ATC permits that are not subject to these restrictions; these three ATCs will be deemed to concurrently hold medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits immediately upon approval, regardless on the general 18-month restriction on vertical integration. These three ATCs will also be authorized to establish one satellite dispensary location each, provided the entity applies for the satellite dispensary within 18 months after the effective date of the bill. The three ATC permits are to be distributed with one located in each of the northern, central, and southern regions of the State.

The restriction on vertical integration will also not apply to ATCs that were issued a permit prior to the effective date of the bill or that were issued a permit after the effective date of the bill pursuant to an application submitted prior to the effective date of the bill, or to up to four ATCs issued permits after the effective date of the bill pursuant to a request for applications published in the New Jersey Register prior to the effective date of the bill, which will be deemed to hold medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits. Any ATC issued a permit prior to the effective date of the bill and any ATCs issued a permit after the effective date of the bill pursuant to an application submitted prior to the effective date of the bill will be authorized to hold up to two satellite dispensary permits, including any satellite dispensary permit approved prior to the effective date of the bill or approved pursuant to an application submitted prior to the effective date of the bill, and any satellite dispensary approved pursuant to an application submitted within the first 18 months after the effective date of the bill. Aside from these grandfathered satellite dispensaries and the new satellite dispensaries expressly authorized under the bill, plus any satellite dispensary authorized for a clinical registrant, no new satellite dispensaries will be approved.

The bill restricts the total number of entities authorized to cultivate medical cannabis to 28 for the first 18 months after the effective date of the bill, which will include any ATCs issued a permit prior to the effective date of the bill and the new permits required to be issued under the bill, but will not include microbusinesses issued a cultivator permit.

The CRC will be required to specify by regulation the number of new permits of each type that it will authorize in the first year following the effective date of the bill, and thereafter periodically evaluate whether the current number of permits is sufficient to meet the needs of qualifying patients and issue requests for new applications as needed. The CRC may additionally convene a task force comprising individuals with expertise in the medical cannabis industry to make recommendations to the CRC concerning the content of rules and regulations governing the medical cannabis program.

The bill sets forth the specific information to be considered when reviewing new permit applications, which includes specific information concerning the applicant's operational experience, workforce development plan, community impact analysis, security capabilities, storage systems, emergency management plan, prisoner reentry program plan, and proposed location, along with any other criteria the CRC deems appropriate. The CRC will determine the weight to be afforded to each criterion. Applications submitted pursuant to a request for applications published in the New Jersey Register prior to the effective date of the bill will not be subject to these application criteria.

Additionally, each applicant will be required to submit an attestation by a bona fide labor organization stating that the applicant has entered into a labor peace agreement with the organization. Maintenance of a labor peace agreement will be an ongoing condition for maintaining a permit. In reviewing applications, the CRC is to additionally evaluate the applicant's history and relationships with labor organizations, as well as any current collective bargaining agreements the applicant is part of. Microbusinesses, described below, are exempt from these requirements.

The bill requires that at least one-third of new permits of all types, other than clinical registrant permits, be issued as "conditional permits," which are permits issued pursuant to a less-restrictive application process for entities funded by smaller investors with an adjusted gross income of no more than \$200,000, or \$400,000 if filing jointly. The CRC is to provide the conditional permit holder with a list of requirements with which the permit holder will be required to comply within 120 days after issuance of the conditional permit. If the CRC determines that, during this 120-day period, the permit holder was in compliance with the CRC's requirements, the CRC may convert the conditional permit into a full permit, which will be renewable annually. If the permit holder is not in compliance with the requirements, the permit will expire at the end of the 120-day period, unless it is revoked by the CRC sooner. A converted conditional permit will continue to count towards the total percentage of conditional permits required for that permit type. The requirement that one third of all new permits be conditional permits will not apply to the first three ATC permits issued after the effective date of the bill.

The bill additionally requires that at least 10 percent of the total permits issued for each permit type, other than clinical registrant permits, are to be issued to microbusinesses. The requirements for a microbusiness are: 100 percent of the ownership of a microbusiness is to be held by current New Jersey residents who have resided in the State for at least the past two years; at least 51 percent of the owners, directors, officers, and employees of the microbusiness are to be residents of the municipality where the microbusiness is located or a bordering municipality; the microbusiness may employ no more than 10 employees, inclusive of owners, officers, and directors; and the microbusiness facility may occupy an area of no more than 2,500 square feet. The bill sets forth certain restrictions for each type of microbusiness permit: microbusiness medical cannabis cultivators will be restricted to a grow canopy of no more than 2,500 square feet and a height restriction of 24 feet, and will be limited to possessing no more than 1,000 mature and immature plants at one time; microbusiness medical cannabis manufacturers will be restricted to acquiring and processing no more than 1,000 pounds of medical cannabis in dried form, or the equivalent amount in any other form, in a month; and a microbusiness medical cannabis dispensary will be permitted to acquire and dispense no more than 1,000 pounds of medical cannabis in dried form, or the equivalent in any other form, in a month. Permit fees for microbusinesses are half the regular permit fees. The application process for a microbusiness permit is the same as for any other permit, and a permit issued to a microbusiness, like any other permit, is renewable annually.

Applicants may submit multiple permit applications, with a separate application for each proposed facility; the bill establishes procedures for determining which permit to award to an applicant who scores high enough to be awarded multiple permits of the same type.

The CRC will be required to conduct a disparity study to evaluate the adverse effects of the State's drug laws on New Jersey communities to determine whether race-based measures should be considered when issuing new medical cannabis cultivator, manufacturer, and dispensary permits, and incorporate the policies, practices, protocols, standards, and criteria developed by the Office of Minority, Disabled Veterans, and Women Medical Cannabis Business Development to promote participation in the medical cannabis industry by persons from socially and economically disadvantaged communities. The CRC is to seek to issue at least 15 percent of the total number of new permits to minority-owned businesses, and an additional 15 percent of the total number of new permits to women-owned or disabled veteran-owned businesses.

The CRC is to grant special consideration to an applicant for an integrated curriculum permit or "IC permit," pursuant to which the applicant establishes an agreement with an institution of higher education to create an integrated curriculum involving the theoretical

or practical application of medical cannabis cultivation, manufacturing, or dispensing to an area of academic study. Integrated curricula are subject to approval by the CRC and the Office of the Secretary of Higher Education. If an IC permit holder's agreement with an institution of higher education ends, the IC permit holder will have six months to establish a new integrated curriculum or the IC permit will be revoked, unless the CRC determines that the entity should be allowed to retain the permit. The CRC may establish incentives to encourage applicants to seek IC permits, such as revised permit fees.

The bill additionally establishes requirements for issuance of a clinical registrant permit, which will authorize the permit holder to engage in all conduct related to the cultivation, manufacturing, and dispensing of medical cannabis and medical cannabis products as is authorized for other ATC permit holders. The clinical registrant will be required to enter into a contractual relationship with an academic medical center, which is a facility located in New Jersey that has a faculty practice in addiction medicine or is in the same health care system as another facility in the State that offers substance use disorder treatment services, has a faculty practice in pain management or a facility-based pain management practice, has a graduate medical training program that includes primary care and specialized medicine, is the principal teaching affiliate of a New Jersey medical school, and has the ability to conduct research related to cannabis. If the facility is part of a health care system, the health care system is required to be principally located in New Jersey in order for the facility to qualify as an academic medical center. The CRC will be required to request applications for at least four clinical registrant permits within 90 days after the effective date of the bill or upon the adoption of rules and regulations required under the bill, whichever occurs first.

Academic medical centers will engage in clinical research related to medical cannabis in order to advise the affiliated clinical registrant concerning patient health and safety, medical applications, and the dispensing and management of controlled dangerous substances. Clinical registrant applicants will be required to demonstrate at least \$15 million in capital.

A clinical registrant permit will be valid for the term of the contractual relationship, and may be renewed based upon the clinical registrant renewing its contractual relationship with the academic medical center. A clinical registrant permit may not be sold or transferred. Each clinical registrant may contract with no more than one academic medical center.

Clinical registrants will be authorized to serve all qualifying patients, as well as qualifying patients who agree to participate in clinical research. Clinical registrants may operate from more than one location and may be approved for a satellite dispensing location, and may relocate to another location in the same region unless the CRC

determines relocation would be contrary to the purposes of the medical cannabis laws. Clinical registrants are required to report the results of the clinical research to the CRC upon completion of the study or following publication of the study in a peer-reviewed medical journal.

An entity issued a medical cannabis cultivator, manufacturer, or dispensary permit may not concurrently hold a clinical registrant permit, and an entity issued a clinical registrant permit may not concurrently hold any medical cannabis cultivator, manufacturer, or dispensary permit.

The bill revises the criminal history record background check requirements for medical cannabis cultivator, manufacturer, dispensary, and clinical registrant applicants to provide that a conviction for a crime of the first, second, or third degree, as well as any drug offense other than marijuana possession convictions or convictions for dispensing less than five pounds of marijuana, constitutes a disqualifying conviction that may bar the applicant from holding an interest in or being employed by a medical cannabis cultivator, manufacturer, dispensary, or clinical registrant. Current law limits disqualifying convictions to drug offenses other than minor cannabis possession. The CRC will retain the discretion to issue a permit to an applicant if it finds evidence of rehabilitation.

The bill further provides that no criminal history record background check will be required for an applicant who holds less than a five percent investment interest in the medical cannabis cultivator, manufacturer, dispensary, or clinical registrant, or who is a member of a group that holds less than a 20 percent investment interest where no member of the group holds more than a five percent interest in the total group investment, and the applicant does not have the authority to make operational decisions for the permitted entity. Individuals and groups that are exempt from the criminal history record background check requirement will not be required to complete any application information. If the applicant or group gains an investment interest above these thresholds or the applicant gains the authority to make operational decisions, the individual or group will be required to notify the CRC, provide all information as may be required by the CRC, and undergo a criminal history record background check within 30 days, or the permit will be revoked and the individual or group will be prohibited from holding any investment interest in a medical cannabis cultivator, manufacturer, dispensary, or clinical registrant for a period of at least two years, and for such additional period as the CRC deems appropriate in light of the duration of the nondisclosure, the size of the undisclosed interest, the profits realized from the entity during the period of nondisclosure, and whether the individual would have been otherwise ineligible to hold the investment interest or controlling authority based on a disqualifying conviction or other factor.

The bill prohibits an employee of any department, division, agency, board, or other governmental entity involved in the process of reviewing, processing, or making determinations with regard to a medical cannabis permit from having any financial interest in medical cannabis or receiving anything of value from a permit applicant in exchange for reviewing, processing, or making recommendations with regard to a permit application.

Applications for medical cannabis cultivator, manufacturer, and dispensary permits and for clinical registrant permits will be exempt from the “Open Public Records Act,” P.L.1963, c.73 (C.47:1A-1 et seq.) and P.L.2001, c.404 (C.47:1A-5 et al.).

ATC Operational Requirements

The bill requires medical cannabis dispensaries and clinical registrants to establish and maintain standardized price lists, which will reflect the price of all medical cannabis, medical cannabis products, and related supplies and paraphernalia dispensed or sold by the dispensary or clinical registrant to or on behalf of registered qualifying patients. Price lists are to be posted on the dispensary’s or clinical registrant’s Internet website, if any, maintained on file with the CRC, and may be updated once per month. A dispensary or clinical registrant that sells medical cannabis or medical cannabis products at a price that deviates from its price list will be liable to a civil penalty of \$1,000 per sale, and dispensary or clinical registrant that fails to maintain its current price list on file with the CRC will be liable to a civil penalty of \$10,000 for each week during which the CRC does not have the current price list. The prices charged by a medical cannabis dispensary or clinical registrant are to be reasonable and consistent with the costs of acquiring and dispensing, selling, or transferring the medical cannabis or medical cannabis product.

The bill provides that medical cannabis may be transferred between medical cannabis cultivators, manufacturers, dispensaries, clinical registrants, and testing laboratories by a medical cannabis handler certified as a medical cannabis transporter. Transfers may be effectuated using either medical cannabis handlers employed by a permitted entity or by an independent third-party entity. The bill sets forth certain operational protocols and recordkeeping requirements for the transfer of medical cannabis, which are generally comparable to the operational requirements and protocols for deliveries of medical cannabis. A medical cannabis handler may possess both delivery and transfer certifications. Municipalities may not restrict or prohibit transfers of medical cannabis by municipal ordinance or any other measure, and any such prohibition, if enacted, would be deemed null and void.

The bill requires the CRC to develop and maintain a comprehensive tracking system for medical cannabis that covers cultivation through

final dispensing. The tracking system is to be designed to prevent diversion and tampering while promoting accurate accounting and recording of all information relevant to the medical cannabis or medical cannabis product. The system is to utilize a stamp for tracking purposes, which is to be affixed to medical cannabis packages and containers by medical cannabis cultivators, medical cannabis manufacturers, and clinical registrants. The purchase price of the stamp is to be reasonable and commensurate with the cost of producing the stamp.

The owners, directors, officers, and employees at each medical cannabis cultivator, manufacturer, dispensary, courier, and clinical registrant will be required to undergo eight hours of ongoing training each calendar year. The training is to be tailored to the roles and responsibilities of the individual's job function and include training on confidentiality and any other topics required by the CRC. For medical cannabis dispensary and clinical registrant employees, the ongoing training may include completing the curriculum developed by the CRC concerning patient consultations. Additionally, all individuals who handle medical cannabis in any capacity are required to be certified by the CRC as medical cannabis handlers. The training required for handler certification will only be required once, and will count toward the required eight hours of annual training.

The bill requires the CRC to establish, by regulation, thresholds for administrative action to be taken against permit holders, including specific penalties and disciplinary actions that may be imposed in a summary proceeding.

The bill provides that the first six ATC permits issued after P.L.2009, c.307 (C.24:6I-1 et al.) took effect may sell or transfer that permit to a for profit entity, provided that: the owners, officers, directors, employees, and applicable investors complete a criminal history record background check; the CRC approves the sale or transfer; and the sale or transfer takes place within one year after the effective date of the bill. The sale or transfer will not be subject to the requirements of the "New Jersey Nonprofit Corporation Act," N.J.S.15A:1-1 et seq., provided that, prior to or at the time of the sale or transfer, all debts and obligations of the nonprofit entity are either paid in full or assumed by the for-profit entity purchasing or acquiring the permit, or a reserve fund is established for the purpose of paying in full the debts and obligations of the nonprofit entity, and the for-profit entity pays the full value of all assets held by the nonprofit entity, as reflected on the nonprofit entity's balance sheet, in addition to the agreed-upon price for the sale or transfer of the entity's alternative treatment center permit. Any other sale or transfer of an interest in a permitted entity of five percent or more will be subject to approval by the CRC and will be conditioned on the entity purchasing or receiving the transfer of the interest completing a criminal history record background check.

The bill authorizes medical cannabis dispensaries and clinical registrants to establish medical cannabis consumption areas, subject to approval by the CRC and the municipality in which the dispensary or clinical registrant is located. A consumption area is required to be on the premises of the dispensary or clinical registrant, accessible only to patients and their designated caregivers, and screened by sufficient walls or other barriers to prevent any view of patients consuming medical cannabis. Consumption areas may be indoor or outdoor, provided that no consumption of medical cannabis by smoking occurs indoors and no medical cannabis smoke seeps into any indoor public area or workplace. The CRC may require any ventilation features for a consumption area as it deems necessary and appropriate, and smoke from the consumption of medical cannabis may not seep into any indoor public place or workplace.

The bill provides that medical cannabis cultivators, manufacturers, dispensaries, and clinical registrants will be permitted to establish a medical advisory board to advise the permitted entity on all aspects of its business. A medical advisory board is to comprise five members: three healthcare practitioners; one qualifying patient who resides in the same area as the permitted entity; and one business owner from the same area as the permitted entity. No owner, director, officer, or employee of a permitted entity may serve on a medical advisory board. Medical advisory boards are to meet at least two times per year.

Medical cannabis dispensaries and clinical registrants are to consider whether to make interpreter services available to the population served, including for individuals with a vision or hearing impairment. The CRC is to assist facilities in locating appropriate interpreter resources. Dispensaries and clinical registrants will be responsible for the cost of providing interpreter services.

Medical cannabis cultivators, manufacturers, dispensaries, clinical registrants, and entities employing medical cannabis handlers to perform deliveries and transfers of medical cannabis operating on a for-profit basis may not operate at any premises that were the subject of a business development incentive. Medical cannabis cultivators and clinical registrants may not be located on land valued, assessed, or taxed as an agricultural or horticultural use pursuant to the “Farmland Assessment Act of 1964,” P.L.1964, c.48 (C.54:4-23.1 et seq.).

Other Cannabis-Related Licensure

The bill requires each batch of medical cannabis and each batch of a medical cannabis product to be tested by a laboratory to determine its chemical composition and potency and to screen for contamination by microbial contaminants, foreign material, residual pesticides, other agricultural residue and residual solvents, and heavy metals. The laboratory is to produce a written report detailing the results of the testing, a summary of which is to be included in any packaging

materials for the medical cannabis or cannabis product. Laboratories may charge a reasonable fee for performing the test. The testing requirement will take effect once the CRC certifies that there are a sufficient number of testing laboratories licensed to ensure that the testing and labeling requirements can be satisfied without disrupting timely patient access to medical cannabis.

Laboratories providing testing services will be required to register with the CRC and will be subject to inspection to ensure that the equipment used is in good condition and properly calibrated. The owners, directors, officers, and employees of a testing laboratory will be required to undergo a criminal history record background check as a condition of licensure; no applicant with a disqualifying conviction will be authorized to own, operate, or be employed by a medical cannabis testing laboratory. “Disqualifying conviction” means any drug offense other than minor cannabis possession; applicants with a disqualifying conviction may still be approved if the applicant demonstrates clear and convincing evidence of rehabilitation. As a condition of licensure, each laboratory will be required to certify its intention to seek third party accreditation in accordance with ISO 17025 to ensure equipment is routinely inspected, calibrated, or maintained, until such time as the CRC issues its own standards or confirms the use of ISO 17025.

The CRC will be required to establish testing standards; however, until such time as the standards are adopted, testing laboratories will be authorized to utilize testing standards from another state with a medical cannabis program, which state is to be designated by the CRC.

The CRC is required to conduct a feasibility study concerning the establishment of a new research and development permit that would be dedicated to advancing the medical uses of cannabis. The study is to examine potential funding sources and include a public hearing, and the CRC is to conduct the study every three years until such time as a research and development permit is established in the State. The CRC will be authorized to establish additional permit types as may be appropriate, including permits authorizing pharmacies to be issued medical cannabis dispensary permits.

Legal Protections for Patients and Caregivers

The bill provides that qualifying patients and designated caregivers may not be discriminated against when enrolling in schools and institutions of higher education, when renting or leasing real property, or in the issuance of professional licensing, certifications, or permits issued by the State, solely on the basis of the individual’s status as a registry cardholder or engaging in authorized conduct in relation to medical cannabis. However, schools, institutions of higher education, landlords, and licensing authorities will not be required to take any action that would jeopardize a monetary grant or privilege of licensure

based on federal law. Schools, institutions, and landlords may not be penalized or denied benefits under State law solely on the basis of enrolling or renting or leasing real property to a registered patient. A person's status as a patient or caregiver, or as an owner, officer, director, or employee of a medical cannabis cultivator, manufacturer, dispensary, or clinical registrant will not constitute the sole grounds for entering an order restricting or denying custody of, or visitation with, a minor child of the person.

The bill provides that medical cannabis is to be treated the same as any other medication for the purposes of furnishing medical care, including determining the individual's eligibility for an organ transplant.

The bill prohibits employers from taking any adverse employment action against an employee based on the employee's status as a registry identification cardholder. If an employer has a drug testing policy and an employee or job applicant tests positive for cannabis, the employee or job applicant is to be offered an opportunity to present a legitimate medical explanation for the positive test result or request a retest. Nothing in the bill will restrict an employer's ability to prohibit or take adverse employment action for the possession or use of intoxicating substances during work hours or on workplace premises outside of work hours, or require an employer to commit any act that would violate federal law or result in the loss of a federal contract or federal funding. Employers will not be penalized or denied any benefit under State law for employing a person who is a registry cardholder.

The bill provides that health care facilities are prohibited from taking adverse employment action or ending a professional affiliation with a health care practitioner solely based on the practitioner authorizing patients for the medical use of medical cannabis or otherwise engaging in authorized conduct in relation to medical cannabis. Health care facilities may not be penalized or denied benefits under State law for employing or maintaining a professional affiliation with a practitioner who engages in authorized conduct in relation to medical cannabis.

Health care facilities may not be penalized or denied any benefit under State law solely for permitting or prohibiting the handling, administration, usage, or storage of medical cannabis, provided that the facility's policies related to medical cannabis are consistent with all other facility policy on medication handling, administration, usage, or storage. Health care facilities will also not be penalized or denied any benefit under State law solely for prohibiting the smoking of medical cannabis on facility property in accordance with the facility's smoke free policy.

Insurance carriers will be prohibited from denying health care practitioners medical malpractice coverage or charging increased

premiums, deductibles, or other fees based on the practitioner engaging in authorized conduct in relation to medical cannabis.

The bill prohibits any action or proceeding by the Division of Child Protection and Permanency in the Department of Children and Families be initiated against a pregnant woman or against the parent or guardian of a minor child on the sole grounds that the individual is a registered qualifying patient, a designated or institutional caregiver, or a director, officer, or employee of an ATC.

The bill provides that the chief administrator of a facility that provides behavioral health services is to develop a policy allowing designated caregivers, parents, and guardians access to registered qualifying patients who are receiving services at the facility, for the purpose of assisting the patient with the administration of medical cannabis. Nothing in the bill will authorize medical cannabis to be smoked in any area of the facility where smoking is otherwise prohibited by law.

The bill updates the annual reporting requirements for the CRC to reflect new data that will be generated pursuant to the bill, including information concerning diversity in the permits awarded in by the CRC and information on disparities in drug arrests.

Nothing in the bill is to be construed to restrict or otherwise affect the sale, prescribing, and dispensing of prescription drugs and devices approved by the federal Food and Drug Administration.

The bill adds a severability clause and provides that the CRC may waive any requirements of the State medical cannabis laws if a waiver is necessary to achieve the purposes of the law and provide access to patients who would not otherwise qualify for medical cannabis to alleviate suffering from a debilitating medical condition, and if granting the waiver does not create a danger to the public health, safety, or welfare.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the bill will increase annual State expenditures associated with regulation and oversight of the State's medical cannabis program by indeterminate amounts. The magnitude of this increase will ultimately be affected by the rules and regulations promulgated by the Cannabis Regulatory Commission (CRC) and the degree of expansion of participation in the medical cannabis program. For reference, the Governor's FY 2020 Budget proposes supporting the administrative expenditures of the medicinal cannabis program with an \$857,000 State appropriation, which is unchanged from the FY 2019 Appropriations Act, and an estimated \$1.5 million in dedicated program fee collections.

The OLS also concludes that the amount of registration and permit fees collected by the State under the bill will increase annually by an indeterminate amount due to: 1) the provisions of the bill that are anticipated to increase the number of patients and caregivers

participating in the program; and 2) the establishment of new permit types, as well as an increased number of permits issued. The application and fee schedules decided upon by the CRC and any increase in the number of participants in the medical cannabis program will determine the impact on State registration and permit fee revenues which, due to the variables involved, the OLS cannot estimate at this time.

In addition, the bill will result in a decrease in State sales tax revenue, as the bill phases out imposition of the sales tax on the sale of medical cannabis over a multi-year period. The OLS is unable to determine the year to year impact of this provision due to the countervailing effects of the bill. As of July 1, 2022, however, the bill provides that no sales tax may be assessed against medical cannabis, ultimately providing for a net State revenue loss. For reference, the Executive estimates collecting \$20 million in sales tax revenue from the sale of medical cannabis in FY 2020.

Finally, the bill will result in an indeterminate annual increase in local revenue for certain municipalities, as the bill allows municipalities in which a medical cannabis dispensary or clinical registrant is located to establish a local transfer tax of up to 2 percent on the sale price of all medical cannabis dispensed by that dispensary or clinical registrant.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 20
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: JUNE 27, 2019

SUMMARY

- Synopsis:** Revises requirements to authorize and access medical cannabis; establishes Cannabis Regulatory Commission; revises permit requirements for alternative treatment centers; and establishes additional legal protections for patients and caregivers.
- Type of Impact:** Annual increase in State expenditures; annual increase in State revenue through June 30, 2022; annual net State revenue loss as of July 1, 2022; annual increase in local revenue for select municipalities.
- Agencies Affected:** Department of Health; Department of Treasury; Office of the Secretary of Higher Education; and certain municipalities.

Fiscal Impact	<u>Annual through FY 2022</u>	<u>Annual as of FY 2023</u>
State Expenditure Increase	Indeterminate	Indeterminate
State Revenue Increase – Fee and Penalty Collection	Indeterminate	Indeterminate
State Revenue Impact – Sales Tax Collection	Indeterminate	Indeterminate decrease to \$0
Local Revenue Increase	Indeterminate	Indeterminate

- The Office of Legislative Services (OLS) estimates that the bill will increase annual State expenditures associated with regulation and oversight of the State’s medical cannabis program by indeterminate amounts. The magnitude of this increase will ultimately be affected by the rules and regulations promulgated by the Cannabis Regulatory Commission (CRC) and the degree of expansion of participation in the medical cannabis program. For reference, the Governor’s FY 2020 Budget proposes supporting the administrative expenditures of the medicinal cannabis program with an \$857,000 State appropriation, which is unchanged from the FY 2019 Appropriations Act, and an estimated \$1.5 million in dedicated program fee collections.
- The OLS also concludes that the amount of registration and permit fees collected by the State under the bill will increase annually by an indeterminate amount due to: 1) the provisions of the bill that are anticipated to increase the number of patients and caregivers participating in

the program; and 2) the establishment of new permit types, as well as an increased number of permits issued. The application and fee schedules decided upon by the CRC and any increase in the number of participants in the medical cannabis program will determine the impact on State registration and permit fee revenues which, due to the variables involved, the OLS cannot estimate at this time.

- In addition, the bill will ultimately result in a decrease in State sales tax revenue, as the bill phases out imposition of the sales tax on the sale of medical cannabis over a multi-year period. The OLS is unable to determine the year-to-year impact of this provision due to the countervailing effects of the bill. As of FY 2023, however, the bill provides that no sales tax may be assessed against medical cannabis, providing for a net State revenue loss. For reference, the Executive estimates collecting \$20 million in sales tax revenue from the sale of medical cannabis in FY 2020.
- Finally, the bill will result in an indeterminate annual increase in local revenue for certain municipalities, as the bill allows municipalities in which a medical cannabis dispensary or clinical registrant is located to establish a local transfer tax of up to 2 percent on the sale price of all medical cannabis dispensed by that dispensary or clinical registrant.

BILL DESCRIPTION

The bill revises the title of the “Compassionate Use Medical Marijuana Act,” P.L.2009, c.307 (C.24:6I-1 et al.) to the “Jake Honig Compassionate Use Medical Cannabis Act,” and provides for various changes in provisions of the State’s medicinal cannabis program involving patient and caregiver requirements; dispensing requirements for medicinal cannabis; alternative treatment center (ATC) application and permitting requirements, including establishing discrete cultivator, manufacturer, and dispensary permits; ATC operational requirements; a new clinical registrant permit; the authorization of delivery of medical cannabis; other cannabis-related licensures; and legal protections for patients and caregivers. Additionally, the bill establishes a new Cannabis Regulatory Commission to oversee the medical cannabis program. All authority over the medical cannabis program will transfer from the Department of Health (DOH) to the CRC at such time as the members of the CRC are appointed and the commission first organizes.

The bill also provides that the sales tax imposed on medical cannabis will phase out over three years, with the tax going to four percent effective July 1, 2020, to two percent effective July 1, 2021, and medicinal cannabis becoming exempt from sales tax effective July 1, 2022. Finally, the bill allows municipalities in which a medical cannabis dispensary or clinical registrant is located to establish a local transfer tax of up to two percent on the sale price of all medical cannabis dispensed by that dispensary or clinical registrant.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill will have several impacts on State expenditures and revenues. The OLS estimates that the State will incur indeterminate additional administrative expenses due to the expansion of the medical cannabis program. The amount of registration and permit fees collected by the State under the bill will increase by an indeterminate amount due to: 1) an anticipated increase in the number of patients and caregivers participating in the program; and 2) the establishment of new permit types, as well as an increase in the number of permits issued.

In addition, the bill will result in a decrease in State sales tax revenue, as the bill phases out imposition of the sales tax on the sale of medical cannabis over a multi-year period. The OLS is unable to determine the year to year impact of this provision due to the countervailing effects of the bill. As of FY 2023, however, the bill provides that no sales tax may be assessed against medical cannabis, ultimately providing for a net State revenue loss. For reference, the Executive estimates collecting \$20 million in sales tax revenue from the sale of medical cannabis in FY 2020.

Finally, the bill allows municipalities in which a medical cannabis dispensary or clinical registrant is located to establish a local transfer tax of up to two percent on the sales price of all medical cannabis dispensed by that dispensary or clinical registrant.

Program Administration: The bill will transfer regulatory responsibility for the State's medical cannabis program from the DOH to the CRC – an entity that will be established in, but not of, the Department of the Treasury pursuant to the bill. The bill's provisions also provide for the transfer of State employees within the existing DOH medicinal cannabis program to the CRC. The OLS notes that there may be one-time costs incurred by the State to implement this transition.

The bill expands the responsibilities of the CRC beyond the scope of the DOH's current program; for example, under the bill, the CRC must: employ five, full-time commission members, with the chair receiving a maximum salary of \$141,000 and the other members each receiving a maximum salary of \$125,000, for an annual cost of \$641,000; employ an Executive Director receiving a maximum salary of \$141,000; include an Office of Minority Disabled, Veterans, and Women Cannabis Business Development within the commission's organization plan that is charged with promoting and informing women-owned and disabled veterans' businesses about participation in the medicinal cannabis program; establish a tracking system for medicinal cannabis throughout the cultivation, manufacturing, and dispensing process; and contract with a public research university, three years after organization, to conduct an independent study to review the commission's work.

In addition, the bill directs the CRC to: review and issue new permit types; develop certain curricula for practitioners and employees of certain permit holders; conduct a disparity study; establish standardized procedures for testing medicinal cannabis; license and inspect medical cannabis testing laboratories; and establish a registry for institutional caregivers. The OLS notes that several of these tasks are similar to existing DOH program duties, such as the review and issuance of ATC permits and the registration of qualifying caregivers. Therefore, there may be certain procedures in place that may minimize the cost of these provisions.

It is unclear the extent to which fee revenues generated under the program will offset these expenses as the fee schedule is at the discretion of the CRC. Historically, the program has been supported by a State appropriation as well as these program revenues. For example, in FY 2018, the DOH spent approximately \$2.5 million, of which \$857,000 was appropriated from the General Fund and the remainder was generated from program revenues, to administer the program. Generally, the revenue collected has been in excess of anticipated receipts, which has

provided a carry forward balance in recent fiscal years: \$113,014 in FY 2016; \$91,386 in FY 2017; \$653,324 in FY 2018; and over \$1.0 million in FY 2019.

In addition, the OLS notes that in shifting medicinal cannabis testing from the CRC to external laboratories, as provided under the bill, the CRC may experience an indeterminate decrease in State revenue and a decline in State expenditures. However, in response to FY 2020 OLS Budget Discussion Point questions, the DOH indicated it did not anticipate any cost savings from this policy change, as current staff that perform these duties would be reassigned to oversee the external labs. N.J.A.C.8:64-13.4 currently requires that the DOH conduct testing of medicinal cannabis samples. According to the department, ATCs pay the cost of lab testing, up to \$2,000 per test, to the department. The OLS does not have information on the number of such tests that the DOH performs.

Under the bill, any revenue and expenditures associated with testing will be transferred to external laboratories, at such a time when the CRC certifies that a sufficient number of laboratories have been licensed. As such, it is likely that the DOH will be responsible for medicinal cannabis testing for an indeterminate time period following the bill's enactment.

Patient and Caregiver Registration Fees: The OLS finds that it is likely that the provisions of the bill which expand access to medical cannabis for qualifying patients will increase the number of patients and caregivers participating in the medicinal cannabis program and, therefore, the amount of registration fees collected by the CRC. These provisions include: providing that medical cannabis may be used as a treatment of first resort; expanding the list of professionals who can authorize patients for the medical use of cannabis; eliminating the existing regulatory requirement that a minor must have written confirmation from a psychiatrist to receive authorization as a qualifying patient; permitting each caregiver to serve up to two patients and each patient to have up to two designated caregivers; removing the criminal history record background check for an immediate family member serving as designated caregiver; establishing the position of "institutional caregiver," as described in the bill; and providing for reciprocity with other states regarding the authorization of qualifying patients and designated caregivers. The DOH's report submitted pursuant to Executive Order 6 indicated that such provisions, if adopted, would generally remove barriers to program access.

The OLS notes that the bill codifies certain conditions as qualifying medical conditions that were added to the program by the Medicinal Marijuana Review Panel in March of 2018, a change that has largely been cited as the source for the program's growth in calendar year (CY) 2018. These conditions include: anxiety, migraines, Tourette's syndrome, chronic pain related to musculoskeletal disorders, and chronic pain of visceral origin. According to a press release published by the DOH in October 2018, a majority of the 17,000 patients who signed up for the medicinal cannabis program between January 2018 and October 2018 have one of the five medical conditions noted above. The bill also codifies opioid use disorder as a qualifying medical condition, which was added to the program via a Final Agency Decision issued by the Commissioner of Health on January 23, 2019. The addition of these conditions under the bill does not change the existing program and, therefore, are not a factor in this fiscal analysis. However, the OLS notes that under the bill chronic pain is not specified and is applied broadly, which may impact the number of new patients who qualify for the program.

Other reforms implemented in CY 2018, but not codified in this bill, include: reducing the general registration fee for patients and designated caregivers from \$200 to \$100; authorizing senior citizens and military veterans to pay the \$20 registration fee previously authorized for recipients of certain government assistance programs; and establishing mobile phone access to the program's patient portal. Reforms implemented in CY 2018, and codified in the bill, include

eliminating the requirement that participating physicians must have their names published on the DOH's website in order to authorize qualifying patients.

The OLS cannot predict the number of new patients and caregivers who may register for the medicinal cannabis program due to the bill's provisions that expand the program beyond current standards and, therefore, cannot quantify the revenue generated by the collection of registration fees under the bill. Generally, patient participation trends indicate growth on a calendar year basis, which further complicates this analysis. During the FY 2019 budget process, the DOH indicated that the number of new patients per calendar year has historically almost doubled year over year. As such the OLS cannot determine how much of patient growth will be due to program trends, recent reforms initiated by the department, or the provisions of this bill.

For context, according to the department's responses to FY 2020 OLS budget discussion point questions, with no changes to the existing program, the DOH anticipates program enrollment increasing between 35,000 and 50,000 patients with total enrollment reaching 85,000 to 105,000 patients by the end of FY 2020. Currently, there are 46,875 patients in the program. According to the DOH's Executive Order 6 Report, approximately 18 percent of registered patients and caregivers receive the reduced application fee of \$20, which at the time was only provided to recipients of certain government assistance programs.

Based upon this data, and assuming the current registration fees continue under the bill and that 36 percent of patients qualify for the reduced \$20 fee with the expansion of the reduced fee to include veterans and senior citizens, the FY 2020 revenue for new patient registration will be between \$2.5 and \$3.6 million. If new patient registrations increase by 10 percent due to the provisions of the bill in the first year following enactment, and the assumptions above are maintained, revenue generated from patient registration due to the provisions of the bill would be between \$249,200 and \$356,000. Increasing patient registrations by 20 percent provides for additional revenues between \$498,400 and \$712,000 under the bill.

Medicinal Cannabis Permit Fees: The OLS notes that the establishment of new permit types under the bill may lead to an increase in permit fee collections. The amount of revenue generated will be dependent upon the permit fee schedule and the number of permits issued, as determined by the CRC. Under the bill, three new basic permit types – cultivator, manufacturer, and dispensary – are established and phased in over an 18 month implementation period for most new applications. Existing ATCs, current ATC applicants that are issued permits after the enactment of the bill, and the first seven ATC permits issued by the commission following enactment will be deemed to hold all three permit types.

These permit types reflect the three individual functions currently authorized by a single ATC permit under existing law. Put another way, for every one ATC permit issued under existing law, the bill would require three separate permits to authorize the equivalent functions. The bill also establishes a medical cannabis handler certification that certain individuals involved in the medicinal cannabis process must hold, which will provide for additional sources of revenue due to fee collections.

Currently, there are six ATCs operating in the State, and the DOH has issued permits for an additional six ATCs, for a total of 12 ATC permits. Pursuant to regulation, the current application fee for an ATC permit or permit renewal is \$20,000 for each application. If an application is unsuccessful, the State retains a \$2,000 fee and returns the remaining \$18,000 to the applicant. As provided in the bill, the CRC is to establish fees for the permit applications and successful candidates, which may or may not reflect current fees. For example, the CRC may decrease the current fee to reflect the division of functions among the new permits.

Furthermore, the bill authorizes the CRC to establish incentives, such as a revised permit fee, to encourage applicants to seek an integrated curriculum (IC) permit, which is a permit

established under the bill involving the development medicinal cannabis curriculum at an institution of higher education that is approved by the CRC and the Office of the Secretary of Higher Education. It is unknown how many new IC permits may be issued under the bill, or the nature of the incentives that the CRC may offer these applicants.

The bill also provides that at least 10 percent of the total permits issued for each medical cannabis permit type are issued to microbusinesses, and that at least 25 percent of the total permits are issued to microbusinesses. The maximum fee assessed by the CRC for issuance or renewal of a permit issued to a microbusiness, however, can be no more than half the standard application fee.

The bill directs the CRC to begin processing applications for seven ATC permits and four clinical registrant permits, a permit type established under the bill that provides for clinical research of medicinal cannabis, within 90 days of the effective date of the bill. Thereafter, the CRC is authorized to determine the need to request additional permits. Under the bill, an entity may not concurrently hold a basic permit type and a clinical registrant permit.

Assuming that the CRC issues 10 permits in the first year following implementation and that 2 permits are to microbusinesses and the current application fee is maintained, State revenue would increase by a minimum of \$180,000. Additional revenue of \$2,000 per unsuccessful applicant would be also collected. For reference, the recent request for ATC permit applications produced a total of 146 applicants for six permits. The OLS cannot determine how and by what standard subsequent permit applications will be requested and issued by the CRC. It is likely, however, that demand for medical cannabis will fluctuate from year to year and ultimately plateau, and that this fee revenue will not be maintained annually.

Fines and Penalties: The bill establishes several penalties and fines for non-compliance with certain provisions of the bill. For example, it is a crime of the fourth degree – which is punishable by imprisonment for up to 18 months, up to a \$10,000 fine, or both – for a health care practitioner, or a practitioner’s immediate family member, who has authorized the medical use of cannabis within the past 90 days to hold interest in, or receive any form of compensation from an entity holding a permit issued pursuant to the bill. However, there is a presumption of non-incarceration for the first conviction for a crime of the fourth degree and so significant expenditures related to imprisonment are unlikely. Additional penalties include a criminal penalty of up to \$10,000 for violating the prohibition of CRC members or employees who hold a supervisory or management position from making political contributions and a civil penalty of not less than \$500 or more than \$10,000 for a violation of certain ethical and conflicts-of-interest restrictions by CRC members and employees. The collection of fines and penalties pursuant to these provisions would result in an increase in State revenues. The nature and number of infractions that may be committed, however, is unpredictable. As such, the OLS cannot quantify the amount of revenue generated from penalties and fines under the bill.

Sales Tax: Under this bill, the sales tax currently imposed on medicinal cannabis will be phased out over a multiple-year period. The OLS is unable to determine the year-to-year impact of this provision due to the countervailing effects of a decreasing sales tax rate; anticipated growth in sale amounts due to an increase in program participation and an increase in the maximum amount of medical cannabis that can be dispensed in a 30-day period, as provided under the bill; and the potential that competition created by the issuance of additional permits may decrease the sales price of medical cannabis. Depending on the growth of medicinal cannabis sales, the sales tax revenue generated under the bill may increase even as the current sales tax rate decreases. However, as of FY 2023, the bill provides that no sales tax may be assessed against medical cannabis, ultimately providing for a net State revenue loss.

For reference, according to information provided during the FY 2019 budget process, the Executive anticipates collecting between \$2.5 and \$5.0 million in sales tax revenue from medicinal cannabis sales in FY 2019. Based on the current sales tax rate of 6.625 percent, this data indicates between \$37.7 million and \$75.5 million in medicinal cannabis sales in FY 2019.

Local Transfer Tax: The bill will result in an annual increase in local revenue, as the bill allows municipalities in which a medical cannabis dispensary or clinical registrant is located to establish a local transfer tax of up to two percent on the sale price of all medical cannabis dispensed by that dispensary or clinical registrant. The six ATCs currently operating are located in: Egg Harbor Township, Montclair, Woodbridge, Cranbury, Secaucus, and Bellmawr. The six ATCs approved by the DOH in December of 2018 are located in: Philipsburg, Patterson, Elizabeth, Ewing, Atlantic City, and Vineland. Based on an estimate of \$301.9 million in medicinal cannabis sales in FY 2020, a local transfer tax, as established under the bill, could generate as much as \$6 million in local revenue in FY 2020 for the above municipalities. The OLS cannot predict with any certainty which of the eligible municipalities may implement the local transfer tax.

Section: Human Services

*Analyst: Sarah Schmidt
Senior Research Analyst*

*Approved: Frank W. Haines III
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.).

SENATE, No. 20

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JUNE 17, 2019

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator NICHOLAS P. SCUTARI

District 22 (Middlesex, Somerset and Union)

Senator DECLAN J. O'SCANLON, JR.

District 13 (Monmouth)

SYNOPSIS

Revises requirements to authorize and access medical cannabis; establishes Cannabis Regulatory Commission; revises permit requirements for alternative treatment centers; and establishes additional legal protections for patients and caregivers.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning medical cannabis, revising various parts of the
2 statutory law, and supplementing P.L.2009, c.307.

3

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

6

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

9 1. This act shall be known and may be cited as the **["New**
10 **Jersey]** "Jake Honig Compassionate Use Medical [Marijuana]
11 Cannabis Act."

12 (cf: P.L.2009, c.307, s.1)

13

14 2. Section 2 of P.L.2009, c.307 (C.24:6I-2) is amended to read
15 as follows:

16 2. The Legislature finds and declares that:

17 a. Modern medical research has discovered a beneficial use for
18 **[marijuana]** cannabis in treating or alleviating the pain or other
19 symptoms associated with certain **[debilitating]** medical conditions,
20 as found by the National Academy of Sciences' Institute of
21 Medicine in March 1999 **[:]** .

22 b. According to the U.S. Sentencing Commission and the
23 Federal Bureau of Investigation, 99 out of every 100 **[marijuana]**
24 cannabis arrests in the country are made under state law, rather than
25 under federal law. Consequently, changing state law will have the
26 practical effect of protecting from arrest the vast majority of
27 seriously ill people who have a medical need to use **[marijuana]**
28 cannabis **[:]** .

29 c. Although federal law currently prohibits the use of
30 **[marijuana]** cannabis, the laws of Alaska, Arkansas, California,
31 Colorado, Connecticut, Delaware, Florida, Hawaii, Illinois, Maine,
32 Maryland, Massachusetts, Michigan, Minnesota, Montana, Nevada,
33 New Hampshire, New Mexico, New York, North Dakota, Ohio,
34 Oregon, Pennsylvania, Rhode Island, Vermont, **[and]** Washington,
35 West Virginia, and the District of Columbia permit the use of
36 **[marijuana]** cannabis for medical purposes, and in Arizona doctors
37 are permitted to prescribe **[marijuana]** cannabis. New Jersey joins
38 this effort for the health and welfare of its citizens **[:]** .

39 d. States are not required to enforce federal law or prosecute
40 people for engaging in activities prohibited by federal law;
41 therefore, compliance with this act does not put the State of New
42 Jersey in violation of federal law **[: and]** .

43 e. Compassion dictates that a distinction be made between
44 medical and non-medical uses of **[marijuana]** cannabis. Hence, the

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 purpose of this act is to protect from arrest, prosecution, property
2 forfeiture, and criminal and other penalties, those patients who use
3 **【marijuana】** cannabis to alleviate suffering from **【debilitating】**
4 qualifying medical conditions, as well as their **【physicians】** health
5 care practitioners, **【primary】** designated caregivers, institutional
6 caregivers, and those who are authorized to produce **【marijuana】**
7 cannabis for medical purposes.

8 (cf: P.L.2009, c.307, s.2)

9

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

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

14 “Academic medical center” means an entity located in New
15 Jersey that, on the effective date of P.L. , c. (C.) (pending
16 before the Legislature as this bill), has an addiction medicine
17 faculty practice or is in the same health care system as another
18 facility located in New Jersey that offers outpatient medical
19 detoxification services or inpatient treatment services for substance
20 use disorder; has a pain management faculty practice or a facility-
21 based pain management service located in New Jersey; has graduate
22 medical training programs accredited, or pending accreditation, by
23 the Accreditation Council for Graduate Medical Education or the
24 American Osteopathic Association in primary care and medical
25 specialties; is the principal teaching affiliate of a medical school
26 based in the State; and has the ability to conduct research related to
27 medical cannabis. If the entity is part of a system of health care
28 facilities, the entity shall not qualify as an academic medical center
29 unless the health care system is principally located within the State.

30 “Adverse employment action” means refusing to hire or employ
31 an individual, barring or discharging an individual from
32 employment, requiring an individual to retire from employment, or
33 discriminating against an individual in compensation or in any
34 terms, conditions, or privileges of employment.

35 **【“Bona fide physician-patient relationship” means a relationship**
36 **in which the physician has ongoing responsibility for the**
37 **assessment, care, and treatment of a patient's debilitating medical**
38 **condition.】**

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

42 **【“Certification” means a statement signed by a physician with**
43 **whom a qualifying patient has a bona fide physician-patient**
44 **relationship, which attests to the physician's authorization for the**
45 **patient to apply for registration for the medical use of marijuana.】**

46 “Clinical registrant” means an entity that has a written
47 contractual relationship with an academic medical center in the

1 region in which it has its principal place of business, which includes
2 provisions whereby the parties will engage in clinical research
3 related to the use of medical cannabis and the academic medical
4 center or its affiliate will provide advice to the entity regarding
5 patient health and safety, medical applications, and dispensing and
6 managing controlled dangerous substances, among other areas.

7 “Commission” means the Cannabis Regulatory Commission
8 established pursuant to section 31 of P.L. , c. (C.) (pending
9 before the Legislature as this bill).

10 "Commissioner" means the Commissioner of Health.

11 **["Debilitating medical condition" means:**

12 (1) one of the following conditions, if resistant to conventional
13 medical therapy: seizure disorder, including epilepsy; intractable
14 skeletal muscular spasticity; post-traumatic stress disorder; or
15 glaucoma;

16 (2) one of the following conditions, if severe or chronic pain,
17 severe nausea or vomiting, cachexia, or wasting syndrome results
18 from the condition or treatment thereof: positive status for human
19 immunodeficiency virus; acquired immune deficiency syndrome; or
20 cancer;

21 (3) amyotrophic lateral sclerosis, multiple sclerosis, terminal
22 cancer, muscular dystrophy, or inflammatory bowel disease,
23 including Crohn's disease;

24 (4) terminal illness, if the physician has determined a prognosis
25 of less than 12 months of life; or

26 (5) any other medical condition or its treatment that is approved
27 by the department by regulation. **】**

28 “Common ownership or control” means:

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

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

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

38 "Department" means the Department of Health.

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

40 (1) is at least 18 years old;

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

45 (3) subject to the provisions of paragraph (2) of subsection c. of
46 section 4 of P.L.2009, c.307 (C.24:6I-4), has never been convicted
47 of possession or sale of a controlled dangerous substance, unless

1 such conviction occurred after the effective date of P.L.2009, c.307
2 (C.24:6I-1 et al.) and was for a violation of federal law related to
3 possession or sale of cannabis that is authorized under P.L.2009,
4 c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.);

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

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

13 “Dispense” means the furnishing of medical cannabis to a
14 registered qualifying patient, designated caregiver, or institutional
15 caregiver by a medical cannabis dispensary or clinical registrant
16 pursuant to written instructions issued by a health care practitioner
17 pursuant to the requirements of P.L.2009, c.307 (C.24:6I-1 et al.).
18 The term shall include the act of furnishing medical cannabis to a
19 medical cannabis handler for delivery to a registered qualifying
20 patient, designated caregiver, or institutional caregiver, consistent
21 with the requirements of subsection i. of section 27 of P.L. _____,
22 c. (C. _____) (pending before the Legislature as this bill).

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

27 “Health care practitioner” means a physician, advanced practice
28 nurse, or physician assistant licensed or certified pursuant to Title
29 45 of the Revised Statutes who:

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

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

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

41 “Immediate family” means the spouse, domestic partner, civil
42 union partner, child, sibling, or parent of an individual, and shall
43 include the siblings, parents, and children of the individual's
44 spouse, domestic partner, or civil union partner, and the parents,
45 spouses, domestic partners, or civil union partners of the
46 individual's parents, siblings, and children.

47 “Institutional caregiver” means a resident of the State who:

48 (1) is at least 18 years old;

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

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

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

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

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

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

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

39 **["Marijuana" has the meaning given in section 2 of the "New**
40 **Jersey Controlled Dangerous Substances Act," P.L.1970, c.226**
41 **(C.24:21-2).]**

42 **"Medical [marijuana] cannabis alternative treatment center" or**
43 **"alternative treatment center" means an organization [approved]**
44 **issued a permit, including a conditional permit, by the [department]**
45 **commission to [perform activities necessary to provide registered**
46 **qualifying patients with usable marijuana and related paraphernalia**
47 **in accordance with the provisions of this act] operate as a medical**

1 cannabis cultivator, medical cannabis manufacturer, medical
2 cannabis dispensary, or clinical registrant. This term shall include
3 the organization's officers, directors, board members, and
4 employees.

5 “Medical cannabis cultivator” means an organization holding a
6 permit issued by the commission that authorizes the organization to:
7 possess and cultivate cannabis and deliver, transfer, transport,
8 distribute, supply, and sell medical cannabis and related supplies to
9 other medical cannabis cultivators and to medical cannabis
10 manufacturers, clinical registrants, and medical cannabis
11 dispensaries, as well as to plant, cultivate, grow, and harvest
12 medical cannabis for research purposes. A medical cannabis
13 cultivator permit shall not authorize the permit holder to
14 manufacture, produce, or otherwise create medical cannabis
15 products, or to deliver, transfer, transport, distribute, supply, sell, or
16 dispense medical cannabis, medical cannabis products,
17 paraphernalia, or related supplies to qualifying patients, designated
18 caregivers, or institutional caregivers.

19 “Medical cannabis dispensary” means an organization issued a
20 permit by the commission that authorizes the organization to:
21 purchase or obtain medical cannabis and related supplies from
22 medical cannabis cultivators; purchase or obtain medical cannabis
23 products and related supplies from medical cannabis manufacturers;
24 purchase or obtain medical cannabis, medical cannabis products,
25 and related supplies and paraphernalia from other medical cannabis
26 dispensaries and from clinical registrants; deliver, transfer,
27 transport, distribute, supply, and sell medical cannabis and medical
28 cannabis products to other medical cannabis dispensaries; furnish
29 medical cannabis, including medical cannabis products, to a
30 medical cannabis handler for delivery to a registered qualifying
31 patient, designated caregiver, or institutional caregiver consistent
32 with the requirements of subsection i. of section 27 of P.L. _____,
33 c. (C. _____) (pending before the Legislature as this bill); and
34 possess, display, deliver, transfer, transport, distribute, supply, sell,
35 and dispense medical cannabis, medical cannabis products,
36 paraphernalia, and related supplies to qualifying patients,
37 designated caregivers, and institutional caregivers. A medical
38 cannabis dispensary permit shall not authorize the permit holder to
39 cultivate medical cannabis, to produce, manufacture, or otherwise
40 create medical cannabis products.

41 “Medical cannabis manufacturer” means an organization issued a
42 permit by the commission that authorizes the organization to:
43 purchase or obtain medical cannabis and related supplies from a
44 medical cannabis cultivator or a clinical registrant; purchase or
45 obtain medical cannabis products from another medical cannabis
46 manufacturer or a clinical registrant; produce, manufacture, or
47 otherwise create medical cannabis products; and possess, deliver,
48 transfer, transport, distribute, supply, and sell medical cannabis

1 products and related supplies to other medical cannabis
2 manufacturers and to medical cannabis dispensaries and clinical
3 registrants. A medical cannabis manufacturer permit shall not
4 authorize the permit holder to cultivate medical cannabis or to
5 deliver, transfer, transport, distribute, supply, sell, or dispense
6 medical cannabis, medical cannabis products, paraphernalia, or
7 related supplies to registered qualifying patients, designated
8 caregivers, or institutional caregivers.

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

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

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

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

22 **【**"Physician" means a person licensed to practice medicine and
23 surgery pursuant to Title 45 of the Revised Statutes with whom the
24 patient has a bona fide physician-patient relationship and who is the
25 primary care physician, hospice physician, or physician responsible
26 for the ongoing treatment of a patient's debilitating medical
27 condition, provided, however, that the ongoing treatment shall not
28 be limited to the provision of authorization for a patient to use
29 medical marijuana or consultation solely for that purpose.

30 "Primary caregiver" or "caregiver" means a resident of the State
31 who:

32 a. is at least 18 years old;

33 b. has agreed to assist with a registered qualifying patient's
34 medical use of marijuana, is not currently serving as primary
35 caregiver for another qualifying patient, and is not the qualifying
36 patient's physician;

37 c. has never been convicted of possession or sale of a
38 controlled dangerous substance, unless such conviction occurred
39 after the effective date of this act and was for a violation of federal
40 law related to possession or sale of marijuana that is authorized
41 under this act;

42 d. has registered with the department pursuant to section 5 of
43 this act, and has satisfied the criminal history record background
44 check requirement of section 5 of this act; and

45 e. has been designated as primary caregiver on the qualifying
46 patient's application or renewal for a registry identification card or
47 in other written notification to the department. **】**

1 “Primary care” means the practice of family medicine, general
2 internal medicine, general pediatrics, general obstetrics, or
3 gynecology.

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

15 “Qualifying patient” or “patient” means a resident of the State
16 who has been **【provided with a certification】** authorized for the
17 medical use of cannabis by a **【physician】** health care practitioner
18 **【pursuant to a bona fide physician-patient relationship】**.

19 **【“Registry identification card”】** “Registration with the
20 commission” means 【a document issued by the department that
21 identifies】 a person has met the qualification requirements for, and
22 has been registered by the commission as, a registered qualifying
23 patient 【or primary】, designated caregiver, or institutional
24 caregiver. The commission shall establish appropriate means for
25 health care practitioners, health care facilities, medical cannabis
26 dispensaries, law enforcement, schools, facilities providing
27 behavioral health services or services for persons with
28 developmental disabilities, and other appropriate entities to verify
29 an individual’s status as a registrant with the commission.

30 “Significantly involved person” means a person or entity who
31 holds at least a five percent investment interest in an entity issued,
32 or applying for a permit to operate as, a medical cannabis cultivator,
33 medical cannabis manufacturer, medical cannabis dispensary, or
34 clinical registrant, or who is a decision making member of a group
35 that holds at least a 20 percent investment interest in an entity
36 issued, or applying for a permit to operate as, a medical cannabis
37 cultivator, medical cannabis manufacturer, medical cannabis
38 dispensary, or clinical registrant, in which no member of that group
39 holds more than a five percent interest in the total group investment
40 interest, and the person or entity makes controlling decisions
41 regarding the operations of the entity issued, or applying for a
42 permit to operate as, a medical cannabis cultivator, medical
43 cannabis manufacturer, medical cannabis dispensary, or clinical
44 registrant.

45 “Terminally ill” means having an illness or condition with a
46 prognosis of less than 12 months of life.

1 "Usable **【marijuana】** cannabis" means the dried leaves and
2 flowers of **【marijuana】** cannabis, and any mixture or preparation
3 thereof, and does not include the seeds, stems, stalks, or roots of the
4 plant.

5 (cf: P.L.2016, c.53, s.1)

6

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

9 4. a. The **【department】** commission shall establish a registry
10 of qualifying patients and their **【primary】** each designated
11 caregivers **【**, and shall issue a registry identification card, which
12 shall be valid for two years, to a qualifying patient and caregiver, if
13 applicable, who submits **】** and shall establish a means of identifying
14 and verifying the registration status of patients and designated
15 caregivers who are registered with the commission. Registration
16 with the commission shall be valid for two years. A patient or
17 designated caregiver shall be registered with the commission upon
18 submitting the following, in accordance with regulations adopted by
19 the **【department】** commission:

20 (1) **【a certification that meets the requirements of section 5 of**
21 **this act】** documentation of a health care practitioner's authorization
22 for the patient for the medical use of cannabis;

23 (2) an application or renewal fee, which may be based on a
24 sliding scale as determined by the **【commissioner】** commission;

25 (3) the name, home address, and date of birth of the patient and
26 each designated caregiver, as applicable; **【and】**

27 (4) the name, address, and telephone number of the patient's
28 **【physician】** health care practitioner; and

29 (5) up to one alternate address for the patient, which may be
30 used for delivery of medical cannabis to the patient pursuant to
31 section 27 of P.L. , c. (C.) (pending before the Legislature
32 as this bill).

33 Each qualifying patient may concurrently have up to two
34 designated caregivers. A qualifying patient may petition the
35 commission for approval to concurrently have more than two
36 designated caregivers, which petition shall be approved if the
37 commission finds that allowing the patient additional designated
38 caregivers is necessary to meet the patient's treatment needs and is
39 consistent with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).

40 The commission shall establish a registry of institutional
41 caregivers and shall establish a means of identifying and verifying
42 the registration status of institutional caregivers who are registered
43 with the commission. Registration with the commission shall be
44 valid for one year. An institutional caregiver shall be registered
45 with the commission upon submitting the name, address, and
46 telephone number of the institutional caregiver and of the health

1 care facility at which the individual will be serving as institutional
2 caregiver and a certification that meets the requirements of
3 subsection h. of this section. The application or renewal fee for the
4 institutional caregiver shall be paid by the health care facility at
5 which the institutional caregiver will be serving as institutional
6 caregiver. An institutional caregiver shall not be limited in the
7 number of qualifying patients for whom the institutional caregiver
8 may serve as institutional caregiver at one time, provided that each
9 qualifying patient served by the institutional caregiver is a current
10 patient or resident at the health care facility at which the
11 institutional caregiver is authorized to serve as institutional
12 caregiver, and the number of qualifying patients served by the
13 institutional caregiver is commensurate with the institutional
14 caregiver's ability to fully meet the treatment and related needs of
15 each qualifying patient and attend to the institutional caregiver's
16 other professional duties at the health care facility without
17 jeopardizing the health or safety of any patient or resident at the
18 facility.

19 b. Before **【issuing a registry identification card】** registering an
20 individual, the **【department】** commission shall verify the
21 information contained in the application or renewal form submitted
22 pursuant to this section. In the case of a **【primary】** designated or
23 institutional caregiver, the **【department】** commission shall
24 provisionally approve an application pending the results of a
25 criminal history record background check, if the caregiver
26 otherwise meets the requirements of **【this act】** P.L.2009, c.307
27 (C.24:6I-1 et al.). The **【department】** commission shall approve or
28 deny an application or renewal and complete the registration
29 process for successful applicants within 30 days of receipt of the
30 completed application or renewal **【**, and shall issue a registry
31 identification card within five days of approving the application or
32 renewal**】**. The **【department】** commission may deny an application
33 or renewal only if the applicant fails to provide the information
34 required pursuant to this section, or if the **【department】** commission
35 determines that the information was incorrect or falsified or does
36 not meet the requirements of **【this act】** P.L.2009, c.307 (C.24:6I-1
37 et al.). Denial of an application shall be a final agency decision,
38 subject to review by the Superior Court, Appellate Division.

39 c. (1) The **【commissioner】** commission shall require each
40 applicant seeking to serve as a **【primary】** designated or institutional
41 caregiver to undergo a criminal history record background check;
42 except that no criminal history record background check shall be
43 required for an applicant seeking to serve as a designated caregiver
44 if the applicant is an immediate family member of the patient, and
45 no criminal history record background check shall be required for
46 an applicant seeking to serve as an institutional caregiver if the

1 applicant completed a criminal history record background check as
2 a condition of professional licensure or certification. The
3 **【commissioner】** commission is authorized to exchange fingerprint
4 data with and receive criminal history record background
5 information from the Division of State Police and the Federal
6 Bureau of Investigation consistent with the provisions of applicable
7 federal and State laws, rules, and regulations. The Division of State
8 Police shall forward criminal history record background
9 information to the **【commissioner】** commission in a timely manner
10 when requested pursuant to the provisions of this section.

11 An applicant seeking to serve as a **【primary】** designated or
12 institutional caregiver who is required to complete a criminal
13 history record background check pursuant to this section shall
14 submit to being fingerprinted in accordance with applicable State
15 and federal laws, rules, and regulations. No check of criminal
16 history record background information shall be performed pursuant
17 to this section unless the applicant has furnished **【his】** the
18 applicant's written consent to that check. An applicant who is
19 required to complete a criminal history record background check
20 pursuant to this section who refuses to consent to, or cooperate in,
21 the securing of a check of criminal history record background
22 information shall not be considered for inclusion in the registry as a
23 **【primary】** designated or institutional caregiver **【or issuance of an**
24 **identification card】**. An applicant shall bear the cost for the
25 criminal history record background check, including all costs of
26 administering and processing the check.

27 (2) The **【commissioner】** commission shall not approve an
28 applicant seeking to serve as a **【primary】** designated or institutional
29 caregiver who is required to complete a criminal history record
30 background check pursuant to this section if the criminal history
31 record background information of the applicant reveals a
32 disqualifying conviction. For the purposes of this section, a
33 disqualifying conviction shall mean a conviction of a crime
34 involving any controlled dangerous substance or controlled
35 substance analog as set forth in chapter 35 of Title 2C of the New
36 Jersey Statutes except paragraph (4) of subsection a. of
37 N.J.S.2C:35-10, or any similar law of the United States or of any
38 other state.

39 (3) Upon receipt of the criminal history record background
40 information from the Division of State Police and the Federal
41 Bureau of Investigation, the **【commissioner】** commission shall
42 provide written notification to the applicant of **【his】** the applicant's
43 qualification or disqualification for serving as a **【primary】**
44 designated or institutional caregiver.

45 If the applicant is disqualified because of a disqualifying
46 conviction pursuant to the provisions of this section, the conviction

1 that constitutes the basis for the disqualification shall be identified
2 in the written notice.

3 (4) The Division of State Police shall promptly notify the
4 **【commissioner】** commission in the event that an individual who
5 was the subject of a criminal history record background check
6 conducted pursuant to this section is convicted of a crime or offense
7 in this State after the date the background check was performed.
8 Upon receipt of that notification, the **【commissioner】** commission
9 shall make a determination regarding the continued eligibility of the
10 applicant to serve as a **【primary】** designated or institutional
11 caregiver.

12 (5) Notwithstanding the provisions of paragraph (2) of this
13 subsection **【b. of this section】** to the contrary, no applicant shall be
14 disqualified from serving as a **【registered primary】** designated or
15 institutional caregiver on the basis of any conviction disclosed by a
16 criminal history record background check conducted pursuant to
17 this section if the individual has affirmatively demonstrated to the
18 **【commissioner】** commission clear and convincing evidence of
19 rehabilitation. In determining whether clear and convincing
20 evidence of rehabilitation has been demonstrated, the following
21 factors shall be considered:

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

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

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

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

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

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

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

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

40 d. **【A registry identification card】** A verification of registration
41 issued by the commission shall contain the following information:

42 (1) (a) in the case of a patient or designated caregiver
43 registration, the name, address, and date of birth of the patient and
44 **【primary】** each designated caregiver, if applicable; and

45 (b) in the case of an institutional caregiver, the caregiver's name
46 and date of birth and the name and address of the health care
47 facility at which the caregiver is serving as institutional caregiver;

1 (2) the expiration date of the **【registry identification card】**
2 registration;

3 (3) photo identification of the **【cardholder】** registrant; and

4 (4) such other information that the **【department】** commission
5 may specify by regulation.

6 e. (1) A patient who has been **【issued a registry identification**
7 **card】** registered by the commission shall notify the **【department】**
8 commission of any change in the patient's name, address, or
9 **【physician】** health care practitioner or change in status of the
10 patient's **【debilitating】** qualifying medical condition, within 10 days
11 of such change, or the **【registry identification card】** patient's
12 registration shall be deemed null and void.

13 (2) A **【primary】** designated caregiver who has been **【issued a**
14 **registry identification card】** registered by the commission shall
15 notify the **【department】** commission of any change in the
16 caregiver's name or address within 10 days of such change, or the
17 **【registry identification card】** caregiver's registration shall be
18 deemed null and void.

19 (3) An institutional caregiver who has been registered by the
20 commission shall notify the commission of any change in the
21 caregiver's name, address, employment by a health care facility at
22 which the caregiver is registered to serve as institutional caregiver,
23 or authorization from the health care facility to assist qualifying
24 patients with the medical use of cannabis, within 10 days of such
25 change, or the caregiver's registration shall be deemed null and
26 void and the individual shall be deemed ineligible to serve as an
27 institutional caregiver for a period of not less than one year.

28 f. The **【department】** commission shall maintain a confidential
29 list of the persons **【to whom it has issued registry identification**
30 **cards】** registered with the commission. Individual names and other
31 identifying information on the list, and information contained in any
32 application form, or accompanying or supporting document shall be
33 confidential, and shall not be considered a public record under
34 P.L.1963, c.73 (C.47:1A-1 et seq.) **【or】** , P.L.2001, c.404 (C.47:1A-
35 5 et al.), or the common law concerning access to government
36 records, and shall not be disclosed except to:

37 (1) authorized employees of the **【department】** commission and
38 the Division of Consumer Affairs in the Department of Law and
39 Public Safety as necessary to perform official duties of the
40 **【department】** commission and the division, as applicable; and

41 (2) authorized employees of State or local law enforcement
42 agencies, only as necessary to verify that a person who is engaged
43 in the suspected or alleged medical use of **【marijuana】** cannabis is
44 lawfully **【in possession of a registry identification card】** registered
45 with the commission.

1 g. Applying for **【or receiving a registry card】** registration or
2 being registered by the commission does not constitute a waiver of
3 the qualifying patient's **【patient-physician】** practitioner-patient
4 privilege.

5 h. An applicant seeking to serve as an institutional caregiver
6 shall submit with the application a certification executed by the
7 director or administrator of the health care facility employing the
8 applicant attesting that:

9 (1) the facility has authorized the applicant to assist registered
10 qualifying patients at the facility with the medical use of cannabis,
11 including obtaining medical cannabis from a medical cannabis
12 dispensary, accepting deliveries of medical cannabis on behalf of
13 registered qualifying patients, and assisting registered qualifying
14 patients with the administration of medical cannabis;

15 (2) the facility has established protocols and procedures and
16 implemented security measures to ensure that any medical cannabis
17 obtained by an institutional caregiver that is transported by the
18 caregiver to the facility is transported in a safe and secure manner
19 that prevents theft, diversion, adulteration, and access by
20 unauthorized individuals, and that any medical cannabis present at
21 the facility is stored in a safe and secure manner that prevents theft,
22 diversion, adulteration, and access by unauthorized individuals;

23 (3) the facility has established protocols and procedures to
24 review the medications and treatment plans of registered qualifying
25 patients at the facility to ensure that the patient's medical use of
26 cannabis will not result in adverse drug interactions, side effects, or
27 other complications that could significantly jeopardize the health or
28 safety of the patient;

29 (4) the facility will not charge a registered qualifying patient for
30 medical cannabis obtained on the registered qualifying patient's
31 behalf in an amount that exceeds the actual cost of the medical
32 cannabis, plus any reasonable costs incurred in acquiring the
33 medical cannabis;

34 (5) the facility has established protocols and procedures
35 concerning whether, and to what extent, designated caregivers are
36 permitted to assist registered qualifying patients with the medical
37 use of cannabis while at the facility; and

38 (6) the facility will promptly notify the commission in the event
39 that:

40 (a) an institutional caregiver registered with the commission
41 pursuant to this section ceases to be employed by the facility or
42 ceases to be authorized by the facility to assist registered qualifying
43 patients with the medical use of cannabis, in which case, upon
44 receipt of the notification, the commission shall immediately revoke
45 the institutional caregiver's registration; or

46 (b) an institutional caregiver registered with the commission
47 pursuant to this section, who completed a criminal history record

1 background check as a condition of professional licensure or
2 certification, is convicted of a crime or offense in this State after the
3 date the criminal history background check was performed, in
4 which case, upon receipt of that notification, the commission shall
5 make a determination regarding the continued eligibility of the
6 applicant to serve as an institutional caregiver.

7 Nothing in this section shall be deemed to require any facility to
8 authorize any employee of the facility to serve as an institutional
9 caregiver or to issue a certification that meets the requirements of
10 this subsection.

11 (cf: P.L.2009, c.307, s.4)

12

13 5. (New section) a. A health care practitioner shall not be
14 required to be listed publicly in any medical cannabis practitioner
15 registry as a condition of authorizing patients for the medical use of
16 cannabis.

17 b. No authorization for the medical use of cannabis may be
18 issued by a health care practitioner to the practitioner's own self or
19 to a member of the practitioner's immediate family.

20 c. The commission shall establish a process to allow medical
21 cannabis to be dispensed to a patient who has been authorized for
22 the medical use of cannabis and who has initiated the process of
23 registering with the commission pursuant to section 4 of P.L.2009,
24 c.307 (C.24:6I-4), but whose registration has not been completed or
25 subject to other final action by the commission. A patient may be
26 dispensed medical cannabis in quantities of up to a two-week
27 supply during the pendency of the patient's registration, after which
28 time the patient may be dispensed medical cannabis in an amount
29 consistent with the requirements of section 10 of P.L.2009, c.307
30 (C.24:6I-10). The commission shall impose such restrictions on
31 access to medical cannabis pursuant to this subsection as shall be
32 necessary to protect against fraud, abuse, and diversion.

33

34 6. (New section) a. Except as provided in subsection b. of this
35 section, no health care practitioner who has authorized a patient for
36 the medical use of cannabis pursuant to P.L.2009, c.307 (C.24:6I-1
37 et al.) within the past 90 days, and no member of such health care
38 practitioner's immediate family, shall be an interest holder in, or
39 receive any form of direct or indirect compensation from, any
40 medical cannabis cultivator, medical cannabis manufacturer,
41 medical cannabis dispensary, or clinical registrant.

42 b. Nothing in subsection a. of this section shall be construed to
43 prevent a health care practitioner from serving on the governing
44 board of a medical cannabis cultivator, medical cannabis
45 manufacturer, medical cannabis dispensary, or clinical registrant, or
46 on the medical advisory board of a medical cannabis cultivator,
47 medical cannabis manufacturer, medical cannabis dispensary, or
48 clinical registrant established pursuant to section 15 of

1 P.L. , c. (C.) (pending before the Legislature as this bill),
2 or from receiving a reasonable stipend for such service, provided
3 that:

4 (1) the stipend does not exceed the stipend paid to any other
5 member of the governing board or medical advisory board for
6 serving on the board; and

7 (2) the amount of the stipend is not based on patient volumes at
8 any medical cannabis dispensary or clinical registrant or on the
9 number of authorizations for the medical use of cannabis issued by
10 the health care practitioner pursuant to P.L.2009, c.307 (C.24:6I-1
11 et al.).

12 c. A health care practitioner, or an immediate family member
13 of a health care practitioner, who applies to be an owner, director,
14 officer, or employee of a medical cannabis cultivator, medical
15 cannabis manufacturer, medical cannabis dispensary, or clinical
16 registrant, or who otherwise seeks to be an interest holder in, or
17 receive any form of direct or indirect compensation from, a medical
18 cannabis cultivator, medical cannabis manufacturer, medical
19 cannabis dispensary, or clinical registrant, shall certify that the
20 health care practitioner has not authorized a patient for the medical
21 use of cannabis pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) within
22 the 90 days immediately preceding the date of the application.

23 d. A person who violates subsection a. of this section shall be
24 guilty of a crime of the fourth degree.

25

26 7. (New section) a. An individual who is registered as a
27 qualifying patient in another state or jurisdiction within the United
28 States that authorizes the medical use of cannabis shall be
29 considered a registered qualifying patient for the purposes of
30 P.L.2009, c.307 (C.24:6I-1 et al.) for a period of up to six months,
31 provided that the individual possesses both proof of registration in,
32 and a valid photo identification card issued by, the other state or
33 jurisdiction. During the six month period, the individual shall be
34 authorized to possess and use medical cannabis and engage in such
35 other conduct related to medical cannabis in New Jersey as is
36 consistent with the requirements of P.L.2009, c.307 (C.24:6I-1 et
37 al.) and the laws of the state or jurisdiction in which the patient is
38 registered, except that medical cannabis shall not be dispensed to
39 the individual unless a health care practitioner licensed in New
40 Jersey issues written instructions for the individual that meet the
41 requirements of section 10 of P.L.2009, c.307 (C.24:6I-10). No
42 individual shall be authorized to acquire, possess, use, or engage in
43 other conduct in connection with medical cannabis in New Jersey
44 pursuant to a medical cannabis registration from another State or
45 jurisdiction for more than six months unless the individual registers
46 with the commission as a qualifying patient pursuant to section 4 of
47 P.L.2009, c.307 (C.24:6I-4). Nothing in this subsection shall be
48 construed to authorize delivery of medical cannabis to any person

1 who is not registered with the commission pursuant to section 4 of
2 P.L.2009, c.307 (C.24:6I-4).

3 b. An individual who is registered as a designated caregiver in
4 another state or jurisdiction within the United States that authorizes
5 the medical use of cannabis shall be considered a designated
6 caregiver for the purposes of P.L.2009, c.307 (C.24:6I-1 et al.) for a
7 period of up to six months, provided that the individual is in
8 possession of both proof of registration in, and a valid photo
9 identification card issued by, the other state or jurisdiction. During
10 the six month period, the individual shall be authorized to assist a
11 registered qualifying patient with the medical use of cannabis and
12 engage in such other conduct in connection with medical cannabis
13 in New Jersey as is consistent with the requirements of P.L.2009,
14 c.307 (C.24:6I-1 et al.) and the laws of the state or jurisdiction in
15 which the caregiver is registered, except that medical cannabis shall
16 not be dispensed to the individual on behalf of a registered
17 qualifying patient unless a health care practitioner licensed in New
18 Jersey issues written instructions for the registered qualifying
19 patient that meet the requirements of section 10 of P.L.2009, c.307
20 (C.24:6I-10). No individual shall be authorized to assist a registered
21 qualifying patient with the medical use of cannabis or engage in
22 other conduct in connection with medical cannabis in New Jersey
23 pursuant to a medical cannabis registration from another State or
24 jurisdiction for more than six months unless the individual registers
25 with the commission as a designated caregiver pursuant to section 4
26 of P.L.2009, c.307 (C.24:6I-4). Nothing in this subsection shall be
27 construed to authorize delivery of medical cannabis to any person
28 who is not registered with the commission pursuant to section 4 of
29 P.L.2009, c.307 (C.24:6I-4).

30 c. The commission shall seek to enter into reciprocity
31 agreements with other states and jurisdictions within the United
32 States that authorize the medical use of cannabis.

33

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

36 6. a. The provisions of N.J.S.2C:35-18 shall apply to any
37 qualifying patient, **【primary】** designated caregiver, **【alternative**
38 **treatment center, physician】** institutional caregiver, health care
39 facility, medical cannabis cultivator, medical cannabis
40 manufacturer, medical cannabis dispensary, medical cannabis
41 handler, health care practitioner, academic medical center, clinical
42 registrant, testing laboratory, or any other person acting in
43 accordance with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.)
44 or P.L.2015, c.158 (C.18A:40-12.22 et al.).

45 b. A qualifying patient, **【primary】** designated caregiver,
46 **【alternative treatment center, physician】** institutional caregiver,
47 health care facility, medical cannabis cultivator, medical cannabis

1 manufacturer, medical cannabis dispensary, medical cannabis
2 handler, health care practitioner, academic medical center, clinical
3 registrant, testing laboratory, or any other person acting in
4 accordance with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.)
5 or P.L.2015, c.158 (C.18A:40-12.22 et al.) shall not be subject to
6 any civil or administrative penalty, or denied any right or privilege,
7 including, but not limited to, civil penalty or disciplinary action by
8 a professional licensing board, related to the medical use of
9 **【marijuana】** cannabis as authorized under P.L.2009, c.307 (C.24:6I-
10 1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

11 c. Registration with the commission, or application for
12 registration by the commission, **【a registry identification card】** shall
13 not alone constitute probable cause to search the person or the
14 property of the **【person possessing or applying for the registry**
15 **identification card】** registrant or applicant, or otherwise subject the
16 person or **【his】** the person's property to inspection by any
17 governmental agency.

18 d. The provisions of section 2 of P.L.1939, c.248 (C.26:2-82),
19 relating to destruction of **【marijuana】** cannabis determined to exist
20 by the **【department】** commission, shall not apply if a qualifying
21 patient **【or primary】**, designated caregiver, or institutional caregiver
22 **【has in his possession a registry identification card】** is registered
23 with the commission and is in possession of no more than the
24 maximum amount of usable **【marijuana】** cannabis that may be
25 obtained in accordance with section 10 of P.L.2009, c.307 (C.24:6I-
26 10).

27 e. No person shall be subject to arrest or prosecution for
28 constructive possession, conspiracy, or any other offense for simply
29 being in the presence or vicinity of the medical use of **【marijuana】**
30 cannabis as authorized under P.L.2009, c.307 (C.24:6I-1 et al.)
31 or P.L.2015, c.158 (C.18A:40-12.22 et al.).

32 f. No custodial parent, guardian, or person who has legal
33 custody of a qualifying patient who is a minor shall be subject to
34 arrest or prosecution for constructive possession, conspiracy, or any
35 other offense for assisting the minor in the medical use of
36 **【marijuana】** cannabis as authorized under P.L.2009, c.307 (C.24:6I-
37 1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

38 g. For the purposes of medical care, including organ
39 transplants, a qualifying patient's authorized use of medical
40 cannabis in accordance with the provisions of P.L.2009, c.307
41 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.), shall
42 be considered equivalent to the authorized use of any other
43 medication used at the direction of a health care practitioner, and
44 shall not constitute the use of an illicit substance or otherwise
45 disqualify a qualifying patient from needed medical care.

1 h. No public or private school or institution of higher education
2 may refuse to enroll a person based solely on the person's status as
3 a registrant with the commission, unless failing to do so would
4 result in the school or institution losing a monetary or licensing-
5 related benefit granted pursuant to federal law. No public or private
6 school or institution of higher education shall be penalized or
7 denied any benefit under State law solely on the basis of enrolling a
8 person who is registered with the commission.

9 i. No person shall refuse to rent, lease, or sublease any real
10 property or part or portion thereof, or discriminate in the terms,
11 conditions, or privileges of the rental or lease of any real property
12 or part or portion thereof or in the furnishing of facilities or services
13 in connection therewith, based solely on the status of the
14 prospective tenant as a registrant with the commission, unless
15 failing to do so would result in the person losing a monetary or
16 licensing-related benefit granted pursuant to federal law. No such
17 person shall be penalized or denied any benefit under State law
18 solely on the basis of renting or leasing real property to a person
19 who is registered with the commission.

20 j. No person shall be denied, or subject to adverse action in
21 connection with, any license, certification, or permit issued
22 pursuant to State law solely based on the person's status as a
23 registrant with the commission, unless issuance or continuance of
24 the license, certification, or permit would result in the licensing or
25 permitting agency losing federal certification, federal funding, or
26 other benefits granted pursuant to federal law.

27 k. (1) Unless failing to do so would result in the health care
28 facility losing a monetary or licensing-related benefit granted
29 pursuant to federal law, a health care facility that employs or
30 maintains a professional affiliation with a health care practitioner
31 shall not take adverse employment action against the health care
32 practitioner or otherwise limit, restrict, or terminate a professional
33 affiliation with the health care practitioner solely based on the
34 health care practitioner engaging in conduct authorized under
35 P.L.2009, c.307 (C.24:6I-1 et al.), including, but not limited to,
36 authorizing patients for the medical use of cannabis, issuing written
37 instructions pursuant to section 10 of P.L.2009, c.307 (C.24:6I-10),
38 and consulting with patients regarding the use of medical cannabis
39 to treat the patient's qualifying medical condition.

40 (2) No health care facility shall be penalized or denied any
41 benefit under State law solely on the basis of employing or
42 maintaining a professional affiliation with a health care practitioner
43 who engages in conduct authorized under P.L.2009, c.307 (C.24:6I-
44 1 et al.).

45 l. Unless failing to do so would result in the insurer or
46 insurance association losing a monetary or licensing-related benefit
47 granted pursuant to federal law, an insurer or insurance association
48 authorized to issue medical malpractice liability insurance in New

1 Jersey shall not deny coverage to a health care practitioner, increase
2 the amount of premiums or deductibles under the policy, or charge
3 any additional fees in connection with the policy, solely based on
4 the health care practitioner engaging in conduct authorized under
5 P.L.2009, c.307 (C.24:6I-1 et al.), including, but not limited to,
6 authorizing qualifying patients for the medical use of cannabis,
7 issuing written instructions pursuant to section 10 of P.L.2009,
8 c.307 (C.24:6I-10), and consulting with patients regarding the use
9 of medical cannabis to treat a qualifying medical condition. No
10 insurer or insurance association shall be penalized or denied any
11 benefit under State law solely on the basis of providing medical
12 malpractice liability insurance to a health care practitioner who
13 engages in conduct authorized under P.L.2009, c.307 (C.24:6I-
14 1 et al.).

15 m. A person's status as a registered qualifying patient, a
16 designated or institutional caregiver, or an owner, director, officer,
17 or employee of a medical cannabis cultivator, medical cannabis
18 manufacturer, medical cannabis dispensary, clinical registrant, or
19 licensed testing laboratory, or as a certified medical cannabis
20 handler, shall not constitute the sole grounds for entering an order
21 that restricts or denies custody of, or visitation with, a minor child
22 of the person.

23 n. (1) No health care facility shall be penalized or denied any
24 benefit under State law solely for permitting or prohibiting the
25 handling, administration, usage, or storage of medical cannabis,
26 provided that the facility's policies related to medical cannabis are
27 consistent with all other facility policies concerning medication
28 handling, administration, usage, or storage.

29 (2) No health care facility shall be penalized or denied any
30 benefit under State law solely for prohibiting the smoking of
31 medical cannabis on facility property in accordance with the
32 facility's smoke free policy.

33 o. No action or proceeding by the Division of Child Protection
34 and Permanency in the Department of Children and Families shall
35 be initiated against a pregnant woman or against the parent or legal
36 guardian of minor child on the sole grounds that the pregnant
37 woman or the parent or legal guardian is a registered qualifying
38 patient, a designated or institutional caregiver, an owner, director,
39 officer, or employee of a medical cannabis cultivator, medical
40 cannabis manufacturer, medical cannabis dispensary, clinical
41 registrant, or licensed testing laboratory, or a certified medical
42 cannabis handler; provided, however, that nothing in this subsection
43 shall preclude any action or proceeding by the division based on
44 harm or risk of harm to a child.

45 (cf: P.L.2015, c.158, s.4)

46
47 9. (New section) a. It shall be unlawful to take any adverse
48 employment action against an employee who is a registered

1 qualifying patient based solely on the employee's status as a
2 registrant with the commission.

3 b. (1) If an employer has a drug testing policy and an
4 employee or job applicant tests positive for cannabis, the employer
5 shall offer the employee or job applicant an opportunity to present a
6 legitimate medical explanation for the positive test result, and shall
7 provide written notice of the right to explain to the employee or job
8 applicant.

9 (2) Within three working days after receiving notice pursuant to
10 paragraph (1) of this subsection, the employee or job applicant may
11 submit information to the employer to explain the positive test
12 result, or may request a confirmatory retest of the original sample at
13 the employee's or job applicant's own expense. As part of an
14 employee's or job applicant's explanation for the positive test
15 result, the employee or job applicant may present an authorization
16 for medical cannabis issued by a health care practitioner, proof of
17 registration with the commission, or both.

18 c. Nothing in this section shall be deemed to:

19 (1) restrict an employer's ability to prohibit, or take adverse
20 employment action for, the possession or use of intoxicating
21 substances during work hours or on the premises of the workplace
22 outside of work hours; or

23 (2) require an employer to commit any act that would cause the
24 employer to be in violation of federal law, that would result in a
25 loss of a licensing-related benefit pursuant to federal law, or that
26 would result in the loss of a federal contract or federal funding.

27 d. No employer shall be penalized or denied any benefit under
28 State law solely on the basis of employing a person who is
29 registered with the commission.

30

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

33 7. a. (1) The **【department】** commission shall accept
34 applications from entities for permits to operate as **【alternative**
35 **treatment centers and may charge a reasonable fee for the issuance**
36 **of a permit under this section】** medical cannabis cultivators,
37 medical cannabis manufacturers, and medical cannabis dispensaries.
38 For the purposes of this section, the term "permit" shall be deemed
39 to include a conditional permit issued pursuant to subsection d. of
40 section 11 of P.L. , c. (C.) (pending before the Legislature
41 as this bill) and any permit issued to a microbusiness pursuant to
42 subsection e. of section 11 of P.L. , c. (C.) (pending before
43 the Legislature as this bill).

44 (2) (a) For a period of 18 months after the effective date of
45 P.L. , c. (C.) (pending before the Legislature as this bill):

- 1 (i) no applicant may concurrently hold more than one permit
2 issued by the commission pursuant to this section, regardless of
3 type; and
- 4 (ii) there shall be no more than 28 active medical cannabis
5 cultivator permits, including medical cannabis cultivator permits
6 deemed to be held by alternative treatment centers issued a permit
7 prior to the effective date of P.L. , c. (C.) (pending before
8 the Legislature as this bill) and medical cannabis cultivator permits
9 deemed to be held by alternative treatment centers issued a permit
10 subsequent to the effective date of P.L. , c. (C.) (pending
11 before the Legislature as this bill) pursuant to an application
12 submitted prior to the effective date of P.L. , c. (C.)
13 (pending before the Legislature as this bill); provided that medical
14 cannabis cultivator permits issued to microbusinesses pursuant to
15 subsection e. of section 11 of P.L. , c. (C.) (pending before
16 the Legislature as this bill) shall not count toward this limit.
- 17 (b) Commencing 18 months after the effective date of P.L. ,
18 c. (C.) (pending before the Legislature as this bill), a permit
19 holder shall be authorized to concurrently hold a medical cannabis
20 cultivator permit, a medical cannabis manufacturer permit, and a
21 medical cannabis dispensary permit, provided that no permit holder
22 shall be authorized to concurrently hold more than one permit of
23 each type. The permit holder may submit an application for a
24 permit of any type that the permit holder does not currently hold
25 prior to the expiration of the 18 month period described in
26 subparagraph (a) of this paragraph, provided that no additional
27 permit shall be awarded to the permit holder during the 18 month
28 period.
- 29 (c) The provisions of subparagraph (a) of this paragraph shall
30 not apply to any alternative treatment center that was issued a
31 permit prior to the effective date of P.L. , c. (C.) (pending
32 before the Legislature as this bill), to any alternative treatment
33 center that was issued a permit after the effective date of P.L. ,
34 c. (C.) (pending before the Legislature as this bill) pursuant
35 to an application submitted prior to the effective date of P.L. ,
36 c. (C.) (pending before the Legislature as this bill), to one of
37 the four alternative treatment centers issued a permit pursuant to an
38 application submitted after the effective date of P.L. ,
39 c. (C.) (pending before the Legislature as this bill) pursuant
40 to a request for applications published in the New Jersey Register
41 prior to the effective date of P.L. , c. (C.) (pending before
42 the Legislature as this bill) that are expressly exempt from the
43 provisions of subsubparagraph (i) of subparagraph (a) of this
44 paragraph, or to one of the three alternative treatment centers issued
45 a permit pursuant to section 11 of P.L. , c. (C.) (pending
46 before the Legislature as this bill) that are expressly exempt from
47 the provisions of subsubparagraph (i) of subparagraph (a) of this
48 paragraph, which alternative treatment centers shall be deemed to

1 concurrently hold a medical cannabis cultivator permit, a medical
2 cannabis manufacturer permit, and a medical cannabis dispensary
3 permit, and shall be authorized to engage in any conduct authorized
4 pursuant to those permits in relation to the cultivation,
5 manufacturing, and dispensing of medical cannabis.

6 (d) No entity may be issued or concurrently hold more than one
7 medical cannabis cultivator permit, one medical cannabis
8 manufacturer permit, or one medical cannabis dispensary permit at
9 one time, and no medical cannabis dispensary shall be authorized to
10 establish a satellite location on or after the effective date of P.L. ,
11 c. (C.) (pending before the Legislature as this bill), except
12 that an alternative treatment center that was issued a permit prior to
13 the effective date of P.L. , c. (C.) (pending before the
14 Legislature as this bill) or that was issued a permit after the
15 effective date of P.L. , c. (C.) (pending before the
16 Legislature as this bill) pursuant to an application submitted prior to
17 the effective date of P.L. , c. (C.) (pending before the
18 Legislature as this bill) shall be authorized to maintain up to two
19 satellite dispensaries, including any satellite dispensary that was
20 approved pursuant to an application submitted prior to or within 18
21 months after the effective date of P.L. , c. (C.) (pending
22 before the Legislature as this bill). The three alternative treatment
23 centers issued permits pursuant to section 11 of P.L. ,
24 c. (C.) (pending before the Legislature as this bill) that are
25 expressly exempt from the provisions of subparagraph (i) of
26 subparagraph (a) of this paragraph shall be authorized to establish
27 and maintain up to one satellite dispensary location, provided that
28 the satellite dispensary was approved pursuant to an application
29 submitted within 18 months after the effective date of P.L. ,
30 c. (C.) (pending before the Legislature as this bill).

31 (e) No entity issued a medical cannabis cultivator, medical
32 cannabis manufacturer, or medical cannabis dispensary permit may
33 concurrently hold a clinical registrant permit issued pursuant to
34 section 13 of P.L. , c. (C.) (pending before the legislature
35 as this bill), and no entity issued a clinical registrant permit
36 pursuant to section 13 of P.L. , c. (C.) (pending before the
37 Legislature as this bill) may concurrently hold a medical cannabis
38 cultivator permit, a medical cannabis manufacturer permit, or a
39 medical cannabis dispensary permit.

40 (f) Any medical cannabis dispensary permit holder may be
41 approved by the commission to operate a medical cannabis
42 consumption area, provided that the permit holder otherwise meets
43 the requirements of section 28 of P.L. , c. (C.) (pending
44 before the Legislature as this bill.

45 (g) An alternative treatment center that was issued a permit prior
46 to the effective date of P.L. , c. (C.) (pending before the
47 Legislature as this bill), that was issued a permit after the effective
48 date of P.L. , c. (C.) (pending before the Legislature as this

1 bill) pursuant to an application submitted pursuant to a request for
2 applications published in the New Jersey Register prior to the
3 effective date of P.L. , c. (C.) (pending before the
4 Legislature as this bill), or that was issued a permit after the
5 effective date of P.L. , c. (C.) (pending before the
6 Legislature as this bill) pursuant to an application submitted prior to
7 the effective date of P.L. , c. (C.) (pending before the
8 Legislature as this bill), shall be required to submit an attestation
9 signed by a bona fide labor organization stating that the alternative
10 treatment center has entered into a labor peace agreement with such
11 bona fide labor organization no later than 100 days after the
12 effective date of P.L. , c. (C.) (pending before the
13 Legislature as this bill) or no later than 100 days after the date the
14 alternative treatment center first opens, whichever date is later. The
15 maintenance of a labor peace agreement with a bona fide labor
16 organization shall be an ongoing material condition of maintaining
17 the alternative treatment center's permit. The failure to submit an
18 attestation as required pursuant to this subparagraph within 100
19 days after the effective date of P.L. , c. (C.) (pending
20 before the Legislature as this bill) or within 100 days after the
21 alternative treatment center first opens, as applicable, shall result in
22 the suspension or revocation of the alternative treatment center's
23 permit, provided that the commission may grant an extension to this
24 deadline to the alternative treatment center based upon extenuating
25 circumstances or for good cause shown.

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

36 **【An alternative treatment center】**

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

46 (5) (a) A medical cannabis cultivator shall be authorized to:
47 acquire a reasonable initial and ongoing inventory, as determined

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

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

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

40 (6) A medical cannabis cultivator shall not be limited in the
41 number of strains of medical **【marijuana】** cannabis cultivated, and a
42 medical cannabis manufacturer shall not be limited in the number or
43 type of medical cannabis products manufactured, produced, or
44 created. A medical cannabis manufacturer may package, and a
45 medical cannabis dispensary may directly dispense **【marijuana】**
46 medical cannabis and medical cannabis products to qualifying

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

13 Applicants for authorization as nonprofit alternative treatment
14 centers shall be subject to all applicable State laws governing
15 nonprofit entities, but**】**

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

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

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

42 d. (1) The **【commissioner】** commission shall require each
43 applicant seeking a permit to operate as **【an alternative treatment**
44 center**】** , to be a director, officer, or employee of, or to be a
45 significantly involved person in, a medical cannabis cultivator,
46 medical cannabis manufacturer, medical cannabis dispensary, or

1 clinical registrant to undergo a criminal history record background
2 check.

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

33 For purposes of this section, the term "applicant" shall include
34 any owner, director, officer, or employee of **【an alternative**
35 **treatment center】** , and any significantly involved person in, a
36 medical cannabis cultivator, medical cannabis manufacturer,
37 medical cannabis dispensary, or clinical registrant. The
38 **【commissioner】** commission is authorized to exchange fingerprint
39 data with and receive criminal history record background
40 information from the Division of State Police and the Federal
41 Bureau of Investigation consistent with the provisions of applicable
42 federal and State laws, rules, and regulations. The Division of State
43 Police shall forward criminal history record background
44 information to the **【commissioner】** commission in a timely manner
45 when requested pursuant to the provisions of this section.

46 An applicant who is required to undergo a criminal history
47 record background check pursuant to this section shall submit to

1 being fingerprinted in accordance with applicable State and federal
2 laws, rules, and regulations. No check of criminal history record
3 background information shall be performed pursuant to this section
4 unless the applicant has furnished **【his】** the applicant's written
5 consent to that check. An applicant who is required to undergo a
6 criminal history record background check pursuant to this section
7 who refuses to consent to, or cooperate in, the securing of a check
8 of criminal history record background information shall not be
9 considered for a permit to operate, or authorization to be employed
10 at or to be a significantly involved person in, 【an alternative
11 treatment center】 a medical cannabis cultivator, medical cannabis
12 manufacturer, medical cannabis dispensary, or clinical registrant.
13 An applicant shall bear the cost for the criminal history record
14 background check, including all costs of administering and
15 processing the check.

16 (2) The **【commissioner】** commission shall not approve an
17 applicant for a permit to operate, or authorization to be employed at
18 or to be a significantly involved person in, 【an alternative treatment
19 center】 a medical cannabis cultivator, medical cannabis
20 manufacturer, medical cannabis dispensary, or clinical registrant if
21 the criminal history record background information of the applicant
22 reveals a disqualifying conviction as set forth in subsection c. of
23 this section.

24 (3) Upon receipt of the criminal history record background
25 information from the Division of State Police and the Federal
26 Bureau of Investigation, the **【commissioner】** commission shall
27 provide written notification to the applicant of **【his】** the applicant's
28 qualification for or disqualification for a permit to operate or be a
29 director, officer, or employee of **【an alternative treatment center】** ,
30 or a significantly involved person in, a medical cannabis cultivator,
31 medical cannabis manufacturer, medical cannabis dispensary, or
32 clinical registrant.

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

37 (4) The Division of State Police shall promptly notify the
38 **【commissioner】** commission in the event that an individual who
39 was the subject of a criminal history record background check
40 conducted pursuant to this section is convicted of a crime or offense
41 in this State after the date the background check was performed.
42 Upon receipt of that notification, the **【commissioner】** commission
43 shall make a determination regarding the continued eligibility to
44 operate or be a director, officer, or employee of **【an alternative**
45 **treatment center】** , or a significantly involved person in, a medical

1 cannabis cultivator, medical cannabis manufacturer, medical
2 cannabis dispensary, or clinical registrant.

3 (5) Notwithstanding the provisions of subsection **[b.] c.** of this
4 section to the contrary, the **[commissioner]** commission may offer
5 provisional authority for an applicant to be an owner, director,
6 officer, or employee of [an alternative treatment center] , or a
7 significantly involved person in, a medical cannabis cultivator,
8 medical cannabis manufacturer, medical cannabis dispensary, or
9 clinical registrant for a period not to exceed three months if the
10 applicant submits to the **[commissioner]** commission a sworn
11 statement attesting that the person has not been convicted of any
12 disqualifying conviction pursuant to this section.

13 (6) Notwithstanding the provisions of subsection **[b.] c.** of this
14 section to the contrary, no applicant to be an owner, director,
15 officer, or employee of [an alternative treatment center] , or a
16 significantly involved person in, a medical cannabis cultivator,
17 medical cannabis manufacturer, medical cannabis dispensary, or
18 clinical registrant shall be disqualified on the basis of any
19 conviction disclosed by a criminal history record background check
20 conducted pursuant to this section if the individual has affirmatively
21 demonstrated to the **[commissioner]** commission clear and
22 convincing evidence of rehabilitation. In determining whether clear
23 and convincing evidence of rehabilitation has been demonstrated,
24 the following factors shall be considered:

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

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

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

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

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

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

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

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

43 e. The **[department]** commission shall issue a permit to **[a**
44 **person to]** operate **[as an alternative treatment center]** or be an
45 owner, director, officer, or employee of, or a significantly involved
46 person in, a medical cannabis cultivator, medical cannabis
47 manufacturer, or medical cannabis dispensary if the **[department]**

1 commission finds that issuing such a permit would be consistent
2 with the purposes of **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.)
3 and the requirements of this section and section 11 of P.L. _____,
4 c. (C. _____) (pending before the Legislature as this bill) are met
5 **【and the department has verified the information contained in the**
6 **application. The department shall approve or deny an application**
7 **within 60 days after receipt of a completed application】.** The denial
8 of an application shall be considered a final agency decision,
9 subject to review by the Appellate Division of the Superior Court.
10 **【The department may suspend or revoke a permit to operate as an**
11 **alternative treatment center for cause, which shall be subject to**
12 **review by the Appellate Division of the Superior Court】** A permit
13 to operate a medical cannabis cultivator, medical cannabis
14 manufacturer, or medical cannabis dispensary issued on or after the
15 effective date of P.L. _____, c. (C. _____) (pending before the
16 Legislature as this bill) shall be valid for one year and shall be
17 renewable annually.

18 f. A person who has been issued a permit pursuant to this
19 section or a clinical registrant permit pursuant to section 13 of
20 P.L. _____, c. (C. _____) (pending before the Legislature as this bill)
21 shall display the permit at the front entrance to the premises of the
22 **【alternative treatment center】** permitted facility at all times when
23 **【marijuana is being produced, or dispensed to a registered**
24 **qualifying patient or the patient's primary caregiver】** the facility is
25 engaged in conduct authorized pursuant to P.L.2009, c.307
26 (C.24:6I-1 et al.) involving medical cannabis, including, but not
27 limited to, the cultivating, manufacturing, or dispensing of medical
28 cannabis.

29 g. **【An alternative treatment center】** A medical cannabis
30 cultivator, medical cannabis manufacturer, medical cannabis
31 dispensary, or clinical registrant shall report any change in
32 information to the **【department】** commission not later than 10 days
33 after such change, or the permit shall be deemed null and void.

34 h. **【An alternative treatment center may charge a registered**
35 **qualifying patient or primary caregiver for the reasonable costs**
36 **associated with the production and distribution of marijuana for the**
37 **cardholder】** Each medical cannabis dispensary and clinical
38 registrant shall maintain and make available on its Internet website,
39 if any, a standard price list that shall apply to all medical cannabis,
40 medical cannabis products, and related supplies and paraphernalia
41 sold or dispensed by the medical cannabis dispensary or clinical
42 registrant, which prices shall be reasonable and consistent with the
43 actual costs incurred by the medical cannabis dispensary or clinical
44 registrant in connection with acquiring and selling, transferring, or
45 dispensing the medical cannabis or medical cannabis product and
46 related supplies and paraphernalia. The prices charged by medical

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

19 i. The **【commissioner】** commission shall adopt regulations to:
20 (1) require such written documentation of each delivery or
21 dispensation of 【marijuana】 cannabis to, and pickup of 【marijuana】
22 cannabis for, a registered qualifying patient, including the date and
23 amount dispensed, and, in the case of delivery, the date and times
24 the delivery commenced and was completed, the address where the
25 medical cannabis was delivered, the name of the patient or
26 caregiver to whom the medical cannabis was delivered, and the
27 name, handler certification number, and delivery certification
28 number of the medical cannabis handler who performed the
29 delivery, to be maintained in the records of the 【alternative
30 treatment center】 medical cannabis dispensary or clinical registrant,
31 as the 【commissioner】 commission determines necessary to ensure
32 effective documentation of the operations of each 【alternative
33 treatment center】 medical cannabis dispensary or clinical registrant;
34 (2) monitor, oversee, and investigate all activities performed by
35 **【an alternative treatment center】** medical cannabis cultivators,
36 medical cannabis manufacturers, medical cannabis dispensaries, and
37 clinical registrants; 【and】
38 (3) ensure adequate security of all facilities 24 hours per day **【,**
39 including production and retail locations,】 and security of all
40 delivery methods to registered qualifying patients; and
41 (4) establish thresholds for administrative action to be taken
42 against a medical cannabis cultivator, medical cannabis
43 manufacturer, medical cannabis dispensary, or clinical registrant
44 and its employees, officers, investors, directors, or governing board
45 pursuant to subsection m. of this section, including, but not limited

1 to, specific penalties or disciplinary actions that may be imposed in
2 a summary proceeding.

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

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

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

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

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

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

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

40 (cf: P.L.2013, c.160, s.2)

41

42 11. (New section) a. The commission shall, no later than 90
43 days after the effective date of P.L. , c. (C.) (pending
44 before the Legislature as this bill) or upon adoption of rules and
45 regulations as provided in subsection c. of section 18 of P.L.2009,
46 c.307 (C.24:6I-16), whichever occurs later, begin accepting and
47 processing applications for new medical cannabis cultivator,
48 medical cannabis manufacturer, and medical cannabis dispensary

1 permits. Notwithstanding the provisions of subsubparagraph (i) of
2 subparagraph (a) of paragraph (2) of subsection a. of section 7 of
3 P.L.2009, c.307 (C.24:6I-7), the first three alternative treatment
4 center permits issued by the commission pursuant to an application
5 submitted on or after the effective date of P.L. , c. (C.)
6 (pending before the Legislature as this bill) and up to four
7 alternative treatment centers permits issued by the commission after
8 the effective date of P.L. , c. (C.) (pending before the
9 Legislature as this bill) pursuant to an application submitted
10 pursuant to a request for applications published in the New Jersey
11 Register prior to the effective date of P.L. , c. (C.) (pending
12 before the Legislature as this bill) shall be deemed to concurrently
13 hold a medical cannabis cultivator permit, a medical cannabis
14 manufacturer permit, and a medical cannabis dispensary permit; of
15 these permits, one permit shall be issued to an applicant located in
16 the northern region of the State, one permit shall be issued to an
17 applicant located in the central region of the State, and one permit
18 shall be issued to an applicant located in the southern region of the
19 State. Any permits issued by the commission thereafter shall be
20 subject to the provisions of subsubparagraph (i) of subparagraph (a)
21 of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307
22 (C.24:6I-7), and the requirements of subsection d. of this section
23 concerning conditional permits.

24 b. The commission may establish nonrefundable application
25 fees for permit applications and conditional permit applications, and
26 permit and conditional permit fees for successful applicants.

27 c. (1) The commission shall make a determination as to any
28 permit application, other than an application for a conditional
29 permit submitted pursuant to subsection d. of this section, no later
30 than 90 days after receiving the application, which may include a
31 determination that the commission reasonably requires more time to
32 adequately review the application.

33 (2) The commission shall issue a permit, other than a
34 conditional permit, to an approved applicant at such time as the
35 commission completes the application review process and any
36 mandatory inspections, and determines that the applicant is in
37 compliance with and is implementing the plans, procedures,
38 protocols, actions, or other measures set forth in the applicant's
39 permit application submitted pursuant to section 12 of P.L. ,
40 c. (C.) (pending before the Legislature as this bill), did
41 maintain compliance with the terms, conditions, or restrictions of a
42 conditional permit issued to the applicant, if applicable, and is
43 otherwise in compliance with the requirements of P.L.2009, c.307
44 (C.24:6I-1 et al.).

45 d. (1) The commission shall ensure that at least one third of
46 the total permits issued for each type of medical cannabis permit are
47 conditional permits, which one-third figure shall include any
48 conditional permit issued to an applicant which is subsequently

1 converted by the commission into a full permit pursuant to
2 paragraph (4) of this subsection and any conditional permit,
3 including a converted permit, issued to a microbusiness pursuant to
4 subsection e. of this section. The requirements of this subsection
5 shall not apply to permits issued to clinical registrants or to permits
6 issued to the three alternative treatment centers issued a permit
7 pursuant to subsection a. of this section that are expressly exempt
8 from the provisions of subparagraph (i) of subparagraph (a) of
9 paragraph (2) of subsection a. of section 7 of P.L.2009, c.307
10 (C.24:6I-7).

11 (2) An application for a conditional permit shall include:

12 (a) documentation that the applicant entity includes at least one
13 significantly involved person who has resided in this State for at
14 least two years as of the date of the application;

15 (b) a list of all owners, officers, directors, and employees of,
16 and significantly involved persons in, the proposed medical
17 cannabis entity, including their names, addresses, dates of birth,
18 resumes, and a photocopy of their driver's licenses or other
19 government-issued form of identification;

20 (c) a criminal history record background check completed
21 pursuant to subsection d. of section 7 of P.L.2009, c.307 (C.24:6I-7)
22 for each owner, officer, director, and employee of, and each
23 significantly involved person in, the proposed medical cannabis
24 entity, provided that a conditional permit may be issued pending the
25 results of a criminal history record background check;

26 (d) documentation that each significantly involved person in the
27 proposed medical cannabis entity has, for the immediately
28 preceding taxable year, an adjusted gross income of no more than
29 \$200,000 or no more than \$400,000 if filing jointly with another;

30 (e) a certification that each significantly involved person in the
31 proposed medical cannabis entity does not have any financial
32 interest in an entity applying for any other medical cannabis permit,
33 or in an entity that currently holds a permit issued pursuant to
34 section 7 of P.L.2009, c.307 (C.24:6I-7);

35 (f) the federal and State tax identification numbers for the
36 proposed medical cannabis entity, and proof of business registration
37 with the Division of Revenue in the Department of the Treasury;

38 (g) information about the proposed medical cannabis entity,
39 including its legal name, any registered alternate name under which
40 it may conduct business, and a copy of its articles of organization
41 and bylaws;

42 (h) the business plan and management operation profile for the
43 proposed medical cannabis entity;

44 (i) the plan by which the applicant intends to obtain appropriate
45 liability insurance coverage for the proposed medical cannabis
46 entity; and

47 (j) any other requirements established by the commission
48 pursuant to regulation.

1 (3) The commission shall make a determination on an
2 application for a conditional permit within 30 days after the date the
3 application is received. A determination made pursuant to this
4 paragraph may include a determination that the commission
5 requires more time to adequately review the application. The
6 commission shall approve a permit application that meets the
7 requirements of this subsection unless the commission finds by
8 clear and convincing evidence that the applicant would be
9 manifestly unsuitable to perform the activities authorized for the
10 permit sought by the applicant. The commission shall deny a
11 conditional permit to any applicant who fails to provide
12 information, documentation, and assurances as required by this
13 subsection; who fails to reveal any fact material to qualification; or
14 who supplies information that is untrue or misleading as to a
15 material fact pertaining to the qualification criteria for issuance of a
16 conditional permit. If the application is denied, the commission
17 shall notify the applicant in writing of the specific reason for its
18 denial and provide the applicant with the opportunity for a hearing
19 in accordance with the “Administrative Procedure Act,” P.L.1968,
20 c.410 (C.52:14B-1 et seq.).

21 (4) The commission shall furnish to each entity issued a
22 conditional permit a list of the requirements that the entity will be
23 required to comply with within 120 days after issuance of the
24 conditional permit. If the commission subsequently determines
25 that, during the 120-day period, the conditional permit holder is in
26 compliance with all applicable conditions and is implementing the
27 plans, procedures, protocols, actions, or other measures set forth in
28 its application, the commission shall convert the conditional permit
29 into a full permit, which will expire one year from its date of
30 issuance and be subject to annual renewal; if the commission
31 determines that the conditional permit holder is not in compliance
32 with all applicable conditions or not implementing the plans,
33 procedures, protocols, actions, or other measures set forth in its
34 application, the conditional permit shall automatically expire at the
35 end of the 120-day period, or, at the discretion of the commission,
36 may be revoked prior to the end of the 120-day period.

37 (5) A conditional permit issued pursuant this subsection may not
38 be sold or transferred.

39 e. (1) The commission shall ensure that at least 10 percent of
40 the total permits issued for each medical cannabis permit type, other
41 than a clinical registrant permit, are designated for and only issued
42 to microbusinesses, and that at least 25 percent of the total permits
43 issued be issued to microbusinesses. A microbusiness may be
44 issued a full annual permit pursuant to section 7 of P.L.2009, c.307
45 (C.24:6I-7) or a conditional permit pursuant to subsection d. of this
46 section. The maximum fee assessed by the commission for issuance
47 or renewal of a permit issued to a microbusiness shall be no more
48 than half the fee applicable to a permit of the same type issued to a

1 person or entity that is not a microbusiness. A permit issued to a
2 microbusiness shall be valid for one year and may be renewed
3 annually.

4 (2) A microbusiness shall meet the following requirements:

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

8 (b) at least 51 percent of the owners, directors, officers, and
9 employees of the microbusiness shall be residents of the
10 municipality in which the microbusiness is or will be located, or a
11 municipality bordering the municipality in which the microbusiness
12 is or will be located;

13 (c) the microbusiness shall employ no more than 10 employees
14 at one time, inclusive of any owners, officers, and directors of the
15 microbusiness;

16 (d) the microbusiness shall not exceed the following size and
17 capacity restrictions:

18 (i) the entire microbusiness facility shall occupy an area of no
19 more than 2,500 square feet;

20 (ii) in the case of a microbusiness that is a medical cannabis
21 cultivator, the total medical cannabis grow area shall not exceed
22 2,500 square feet, measured on a horizontal plane, shall grow no
23 higher than 24 feet above that plane, and shall possess a total of no
24 more than 1,000 plants, including mature and immature medical
25 cannabis plants, but not including seedlings;

26 (iii) in the case of a microbusiness that is a medical cannabis
27 manufacturer, the manufacturer shall acquire and process no more
28 than 1,000 pounds of medical cannabis in dried form each month;
29 and

30 (iv) in the case of a microbusiness that is a medical cannabis
31 dispensary, the dispensary shall acquire no more than 1,000 pounds
32 of medical cannabis in dried form, or the equivalent amount in any
33 other form, or any combination thereof, for dispensing to or on
34 behalf of registered qualifying patients each month; and

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

37 (3) The requirements of this subsection shall not apply to
38 permits issued pursuant to an application submitted pursuant to a
39 request for applications published in the New Jersey Register prior
40 to the effective date of P.L. , c. (C.) (pending before the
41 Legislature as this bill).

42

43 12. (New section) a. Each application for a medical cannabis
44 cultivator permit, medical cannabis manufacturer permit, and
45 medical cannabis dispensary permit, and each application for annual
46 renewal of such permit, including permit and renewal applications
47 for microbusinesses that meet the requirements of subsection e. of
48 section 11 of P.L. , c. (C.) (pending before the Legislature

1 as this bill), shall be submitted to the commission. A full, separate
2 application shall be required for each initial permit requested by the
3 applicant and for each location at which an applicant seeks to
4 operate, regardless of whether the applicant was previously issued a
5 medical cannabis cultivator, medical cannabis manufacturer,
6 medical cannabis dispensary, or clinical registrant permit, and
7 regardless of whether the applicant currently holds a medical
8 cannabis cultivator, medical cannabis manufacturer, or medical
9 cannabis dispensary permit. Renewal applications shall be
10 submitted to the commission on a form and in a manner as shall be
11 specified by the commission no later than 90 days before the date
12 the current permit will expire.

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

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

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

28 (a) State-authorized cultivation of medical cannabis;

29 (b) conventional horticulture or agriculture, familiarity with
30 good agricultural practices, and any relevant certifications or
31 degrees;

32 (c) quality control and quality assurance;

33 (d) recall plans;

34 (e) packaging and labeling;

35 (f) inventory control and tracking software or systems for the
36 production of medical cannabis;

37 (g) analytical chemistry and testing of medical cannabis;

38 (h) water management practices;

39 (i) odor mitigation practices;

40 (j) onsite and offsite recordkeeping;

41 (k) strain variety and plant genetics;

42 (l) pest control and disease management practices, including
43 plans for the use of pesticides, nutrients, and additives;

44 (m) waste disposal plans; and

45 (n) compliance with applicable laws and regulations.

46 (2) In the case of an applicant for a medical cannabis
47 manufacturer permit, the operating plan summary shall include a

- 1 written description concerning the applicant's qualifications for,
2 experience in, and knowledge of each of the following topics:
- 3 (a) State-authorized manufacture, production, and creation of
4 cannabis products using appropriate extraction methods, including
5 intended use and sourcing of extraction equipment and associated
6 solvents or intended methods and equipment for non-solvent
7 extraction;
 - 8 (b) pharmaceutical manufacturing, good manufacturing
9 practices, and good laboratory practices;
 - 10 (c) quality control and quality assurance;
 - 11 (d) recall plans;
 - 12 (e) packaging and labeling;
 - 13 (f) inventory control and tracking software or systems for the
14 production of medical cannabis;
 - 15 (g) analytical chemistry and testing of medical cannabis and
16 medical cannabis products and formulations;
 - 17 (h) water management practices;
 - 18 (i) odor mitigation practices;
 - 19 (j) onsite and offsite recordkeeping;
 - 20 (k) a list of product formulations or products proposed to be
21 manufactured with estimated cannabinoid profiles, if known,
22 including varieties with high cannabidiol content;
 - 23 (l) intended use and sourcing of all non-cannabis ingredients
24 used in the manufacture, production, and creation of cannabis
25 products, including methods to verify or ensure the safety and
26 integrity of those ingredients and their potential to be or contain
27 allergens;
 - 28 (m) waste disposal plans; and
 - 29 (n) compliance with applicable laws and regulations.
- 30 (3) In the case of an applicant for a medical cannabis dispensary
31 permit, the operating plan summary shall include a written
32 description concerning the applicant's qualifications for, experience
33 in, and knowledge of each of the following topics:
- 34 (a) State-authorized dispensation of medical cannabis to
35 qualifying patients;
 - 36 (b) healthcare, medicine, and treatment of patients with
37 qualifying medical conditions;
 - 38 (c) medical cannabis product evaluation procedures;
 - 39 (d) recall plans;
 - 40 (e) packaging and labeling;
 - 41 (f) inventory control and point-of-sale software or systems for
42 the sale of medical cannabis;
 - 43 (g) patient counseling procedures;
 - 44 (h) the routes of administration, strains, varieties, and
45 cannabinoid profiles of medical cannabis and medical cannabis
46 products;
 - 47 (i) odor mitigation practices;
 - 48 (j) onsite and offsite recordkeeping;

- 1 (k) compliance with State and federal patient privacy rules;
- 2 (l) waste disposal plans; and
- 3 (m) compliance with applicable laws and regulations.
- 4 d. The criteria to be developed by the commission pursuant to
- 5 subsection b. of this section shall include, in addition to the criteria
- 6 set forth in subsections c. and e. of this section and any other
- 7 criteria developed by the commission, an analysis of the following
- 8 factors, if applicable:
 - 9 (1) The applicant's environmental impact plan.
 - 10 (2) A summary of the applicant's safety and security plans and
 - 11 procedures, which shall include descriptions of the following:
 - 12 (a) plans for the use of security personnel, including
 - 13 contractors;
 - 14 (b) the experience or qualifications of security personnel and
 - 15 proposed contractors;
 - 16 (c) security and surveillance features, including descriptions of
 - 17 any alarm systems, video surveillance systems, and access and
 - 18 visitor management systems, along with drawings identifying the
 - 19 proposed locations for surveillance cameras and other security
 - 20 features;
 - 21 (d) plans for the storage of medical cannabis and medical
 - 22 cannabis products, including any safes, vaults, and climate control
 - 23 systems that will be utilized for this purpose;
 - 24 (e) a diversion prevention plan;
 - 25 (f) an emergency management plan;
 - 26 (g) procedures for screening, monitoring, and performing
 - 27 criminal history record background checks of employees;
 - 28 (h) cybersecurity procedures, including, in the case of an
 - 29 applicant for a medical cannabis dispensary permit, procedures for
 - 30 collecting, processing, and storing patient data, and the applicant's
 - 31 familiarity with State and federal privacy laws;
 - 32 (i) workplace safety plans and the applicant's familiarity with
 - 33 federal Occupational Safety and Health Administration regulations;
 - 34 (j) the applicant's history of workers' compensation claims and
 - 35 safety assessments;
 - 36 (k) procedures for reporting adverse events; and
 - 37 (l) a sanitation practices plan.
 - 38 (3) A summary of the applicant's business experience, including
 - 39 the following, if applicable:
 - 40 (a) the applicant's experience operating businesses in highly-
 - 41 regulated industries;
 - 42 (b) the applicant's experience in operating alternative treatment
 - 43 centers and related medical cannabis production and dispensation
 - 44 entities under the laws of New Jersey or any other state or
 - 45 jurisdiction within the United States; and
 - 46 (c) the applicant's plan to comply with and mitigate the effects
 - 47 of 26 U.S.C. s.280E on cannabis businesses, and for evidence that

1 the applicant is not in arrears with respect to any tax obligation to
2 the State.

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

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

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

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

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

34 Notwithstanding any other provision of this subsection, an
35 application shall be disqualified from consideration unless it
36 includes documentation demonstrating that the applicant will have
37 final control of the premises upon approval of the application,
38 including, but not limited to, a lease agreement, contract for sale,
39 title, deed, or similar documentation. In addition, if the applicant
40 will lease the premises, the application will be disqualified from
41 consideration unless it includes certification from the landlord that
42 the landlord is aware that the tenant's use of the premises will
43 involve activities related to the cultivation, manufacturing, or
44 dispensing of medical cannabis and medical cannabis products. An
45 application shall not be disqualified from consideration if the
46 application does not include the materials described in
47 subparagraphs (b) or (c) of this paragraph.

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

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

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

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

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

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

32 (6) A workforce development and job creation plan, which may
33 include, but shall not be limited to a description of the applicant's
34 workforce development and job creation plan, which may include
35 information on the applicant's history of job creation and planned
36 job creation at the proposed facility; education, training, and
37 resources to be made available for employees; any relevant
38 certifications; and a diversity plan.

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

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

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

47 (c) a description of the applicant's experience complying with
48 guidance pertaining to cannabis issued by the Financial Crimes

1 Enforcement Network under 31 U.S.C. s.5311 et seq., the federal
2 “Bank Secrecy Act”, which may be demonstrated by submitting
3 letters regarding the applicant’s banking history from banks or
4 credit unions that certify they are aware of the business activities of
5 the applicant, or entities with common ownership or control of the
6 applicant’s organization, in any state where the applicant has
7 operated a business related to medical cannabis. For the purposes
8 of this subparagraph, the commission shall consider only bank
9 references involving accounts in the name of the applicant or of an
10 entity with common ownership or control of the applicant’s
11 organization. An applicant who does not submit the information
12 described in this subparagraph shall not be disqualified from
13 consideration.

14 (8) Whether any of the applicant’s majority or controlling
15 owners were previously approved by the commission to serve as an
16 officer, director, principal, or key employee of an alternative
17 treatment center, provided any such individual served in that
18 capacity at the alternative treatment center for six or more months.

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

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

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

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

39 (10) The proposed composition of the applicant’s medical
40 advisory board established pursuant to section 15 of P.L. ,
41 c. (C.) (pending before the Legislature as this bill), if any.

42 (11) Whether the applicant intends to or has entered into a
43 partnership with a prisoner re-entry program for the purpose of
44 identifying and promoting employment opportunities at the
45 applicant’s organization for former inmates and current inmates
46 leaving the corrections system. If so, the applicant shall provide
47 details concerning the name of the re-entry program, the
48 employment opportunities at the applicant’s organization that will

1 be made available to the re-entry population, and any other
2 initiatives the applicant's organization will undertake to provide
3 support and assistance to the re-entry population.

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

6 e. In addition to the information to be submitted pursuant to
7 subsections c. and d. of this section, the commission shall require
8 all permit applicants, other than applicants issued a conditional
9 permit, to submit an attestation signed by a bona fide labor
10 organization stating that the applicant has entered into a labor peace
11 agreement with such bona fide labor organization. Except in the
12 case of an entity holding an unconverted conditional permit, the
13 maintenance of a labor peace agreement with a bona fide labor
14 organization shall be an ongoing material condition of maintaining
15 a medical cannabis cultivator, medical cannabis manufacturer, or
16 medical cannabis dispensary permit. The submission of an
17 attestation and maintenance of a labor peace agreement with a bona
18 fide labor organization by an applicant issued a conditional permit
19 pursuant to subsection d. of section 11 of P.L. , c. (C.)
20 (pending before the Legislature as this bill) shall be a requirement
21 for conversion of a conditional permit into a full permit. The
22 failure to enter into a collective bargaining agreement within 200
23 days after the date that a medical cannabis cultivator, medical
24 cannabis manufacturer, or medical cannabis dispensary first opens
25 shall result in the suspension or revocation of such permit or
26 conditional permit. In reviewing initial permit applications, the
27 commission shall give priority to the following:

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

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

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

37 (4) Applicants that submit an attestation affirming that they will
38 use best efforts to utilize union labor in the construction or retrofit
39 of the facilities associated with the permitted entity.

40 The requirements of this subsection shall not apply to a
41 microbusiness applying for a conditional or annual permit of any
42 type.

43 f. In reviewing an initial permit application, unless the
44 information is otherwise solicited by the commission in a specific
45 application question, the commission's evaluation of the application
46 shall be limited to the experience and qualifications of the
47 applicant's organization, including any entities with common
48 ownership or control of the applicant's organization, controlling

1 owners or interest holders in the applicant's organization, the
2 officers, directors, and current or prospective employees of the
3 applicant's organization who have a bona fide relationship with the
4 applicant's organization as of the date of the application, and
5 consultants and independent contractors who have a bona fide
6 relationship with the applicant as of the date of the application.
7 Responses pertaining to applicants who are exempt from the
8 criminal history record background check requirements of section 7
9 of P.L.2009, c.307 (C.24:6I-7) shall not be considered. Each
10 applicant shall certify as to the status of the individuals and entities
11 included in the application.

12 g. The commission shall conduct a disparity study to determine
13 whether race-based measures should be considered when issuing
14 permits pursuant to this section, and shall incorporate the policies,
15 practices, protocols, standards, and criteria developed by the Office
16 of Minority, Disabled Veterans, and Women Medical Cannabis
17 Business Development pursuant to section 32 of P.L. ,
18 c. (C.) (pending before the Legislature as this bill) to
19 promote participation in the medical cannabis industry by persons
20 from socially and economically disadvantaged communities,
21 including promoting applications for, and the issuance of, medical
22 cannabis cultivator, medical cannabis manufacturer, and medical
23 cannabis dispensary permits to certified minority, women's, and
24 disabled veterans' businesses. To this end, the commission shall
25 seek to issue at least 30 percent of the total number of new medical
26 cannabis cultivator permits, medical cannabis manufacturer permits,
27 and medical cannabis dispensary permits issued on or after the
28 effective date of P.L. , c. (C.) (pending before the
29 Legislature as this bill) as follows:

30 (1) at least 15 percent of the total number of new medical
31 cannabis cultivator permits, medical cannabis manufacturer
32 permits, and medical cannabis dispensary permits issued on or after
33 the effective date of P.L. , c. (C.) (pending before the
34 Legislature as this bill) are issued to a qualified applicant that has
35 been certified as a minority business pursuant to P.L.1986, c.195
36 (C.52:27H-21.18 et seq.); and

37 (2) at least 15 percent of the total number of new medical
38 cannabis cultivator permits, medical cannabis manufacturer
39 permits, and medical cannabis dispensary permits issued on or after
40 the effective date of P.L. , c. (C.) (pending before the
41 Legislature as this bill) are issued to a qualified applicant that has
42 been certified as a women's business pursuant to P.L.1986, c.195
43 (C.52:27H-21.18 et seq.) or that is a disabled-veterans' business, as
44 defined in section 2 of P.L.2015, c.116 (C.52:32-31.2).

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

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

29 i. Application materials submitted to the commission pursuant
30 to this section shall not be considered a public record pursuant to
31 P.L.1963, c.73 (C.47:1A-1 et seq.) or P.L.2001, c.404 (C.47:1A-
32 5 et al.).

33 j. If the commission notifies an applicant that it has performed
34 sufficiently well on multiple applications to be awarded more than
35 one medical cannabis cultivator permit, more than one medical
36 cannabis manufacturer permit, or more than one medical cannabis
37 dispensary permit by the commission, the applicant shall notify the
38 commission, within seven business days after receiving such notice,
39 as to which permit it will accept. For any permit award declined by
40 an applicant pursuant to this subsection, the commission shall, upon
41 receiving notice from the applicant of the declination, award the
42 permit to the applicant for that permit type who, in the
43 determination of the commission, best satisfies the commission's
44 criteria while meeting the commission's determination of Statewide
45 need. If an applicant fails to notify the commission as to which
46 permit it will accept, the commission shall have the discretion to
47 determine which permit it will award to the applicant, based on the
48 commission's determination of Statewide need and other

1 applications submitted for facilities to be located in the affected
2 regions.

3 k. The provisions of this section shall not apply to any permit
4 applications submitted pursuant to a request for applications
5 published in the New Jersey Register prior to the effective date of
6 P.L. , c. (C.) (pending before the Legislature as this bill).

7
8 13. (New section) a. The commission shall issue clinical
9 registrant permits to qualified applicants that meet the requirements
10 of this section. In addition to any other requirements as the
11 commission establishes by regulation regarding application for and
12 issuance of a clinical registrant permit, each clinical registrant
13 applicant shall:

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

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

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

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

24 b. The commission shall, no later than 90 days after the
25 effective date of P.L. , c. (C.) (pending before the
26 Legislature as this bill) or upon adoption of rules and regulations as
27 provided in subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-
28 16), whichever occurs first, begin accepting and processing
29 applications for four clinical registrant permits. Thereafter, the
30 commission shall accept applications for and issue such additional
31 clinical registrant permits as it determines to be necessary and
32 consistent with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).
33 The commission shall make a determination as to a clinical
34 registrant permit application no later than 90 days after receiving
35 the application, which may include a determination that the
36 commission reasonably requires more time to adequately review the
37 application. In reviewing and approving applications for clinical
38 registrant permits, the commission shall seek to incorporate the
39 policies, practices, protocols, standards, and criteria developed by
40 the Office of Minority, Disabled Veterans, and Women Medical
41 Cannabis Business Development pursuant to section 32 of P.L. ,
42 c. (C.) (pending before the Legislature as this bill) to
43 promote participation in the medical cannabis industry by persons
44 from socially and economically disadvantaged communities. In no
45 case shall the commission accept, process, or approve an
46 application submitted by an applicant that has contracted with an
47 academic medical center that is part of a health care system that

1 includes another academic medical center that has contracted with
2 an applicant for, or a holder of, a clinical registrant permit.

3 c. A contract between a clinical registrant and an academic
4 medical center shall include a commitment by the academic medical
5 center, or its affiliate, to engage in clinical research related to the
6 use of medical cannabis in order to advise the clinical registrant
7 concerning patient health and safety, medical applications, and
8 dispensing and management of controlled substances, among other
9 areas. A clinical registrant issued a permit pursuant to this section
10 shall have a written contractual relationship with no more than one
11 academic medical center.

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

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

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

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

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

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

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

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

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

21

22 14. (New section) a. (1) The commission shall, within 18
23 months following the commission's organization, and every three
24 years thereafter, conduct a feasibility study concerning the potential
25 for establishing a cannabis research and development permit type.
26 In order to advance scientific and medical understanding concerning
27 the potential uses of medical cannabis, and to ensure ongoing
28 quality control in the collection of data and the aggregation of
29 clinical, translational, and other research, the feasibility study shall
30 assess the medical cannabis market and industry, current
31 perspectives in the scientific and medical communities on medical
32 cannabis, as well as those of other relevant disciplines, to determine
33 the potential benefits of establishing a research and development
34 permit type. Any cannabis research and development permit
35 established by the commission shall be limited to advancing the use
36 of cannabis as medicine, improving the lives of current registered
37 qualifying patients as well as future patients who could derive
38 therapeutic benefit from the use of cannabis, and furthering the
39 knowledge of cannabis in the scientific and medical communities.

40 (2) The commission shall additionally assess the feasibility of
41 securing State funding to support the award of a monetary grant in
42 conjunction with the issuance of a cannabis research and
43 development permit to a successful applicant, following a
44 competitive application process, as well as assess potential future
45 regulations to apply to any cannabis research and development
46 permits that are supported by private investment.

1 (3) Each feasibility study conducted pursuant to this subsection
2 shall include at least one public hearing, at which the commission
3 shall receive testimony from interested members of the public.

4 (4) The commission shall submit a report of its findings and
5 conclusions to the Governor and, pursuant to section 2 of P.L.1991,
6 c.164 (C.52:14-19.1), to the Legislature, within 90 days following
7 the conclusion of each feasibility study.

8 b. The requirement to complete a feasibility study pursuant to
9 subsection a. of this section shall expire at such time as the
10 commission establishes a cannabis research and development permit
11 type and promulgates rules and regulations with regard to the
12 permit pursuant to the "Administrative Procedure Act," P.L.1968,
13 c.410 (C.52:14B-1 et seq.).

14 c. The commission may establish, by regulation, such
15 additional permit types in connection with medical cannabis as the
16 commission deems necessary and appropriate to maximize the
17 effectiveness and efficiency of the State medical cannabis program
18 and meet the needs of qualifying patients, health care practitioners,
19 medical cannabis cultivators, medical cannabis manufacturers,
20 medical cannabis dispensaries, and related entities. Such permits
21 may include, but shall not be limited to, permits authorizing
22 pharmacy practice sites licensed pursuant to
23 P.L.2003, c.280 (C.45:14-40 et seq.) to be authorized to dispense
24 medical cannabis to qualifying patients and their designated and
25 institutional caregivers.

26
27 15. (New section) a. A medical cannabis cultivator, medical
28 cannabis manufacturer, medical cannabis dispensary, or clinical
29 registrant may appoint a medical advisory board to provide advice
30 to the medical cannabis cultivator, medical cannabis manufacturer,
31 medical cannabis dispensary, or clinical registrant on all aspects of
32 its business.

33 b. A medical advisory board appointed pursuant to this section
34 shall comprise five members: three health care practitioners
35 licensed or certified to practice in New Jersey; one qualifying
36 patient who resides in the same area in which the medical cannabis
37 cultivator, medical cannabis manufacturer, medical cannabis
38 dispensary, or clinical registrant is located; and one individual who
39 owns a business in the same area in which the medical cannabis
40 cultivator, medical cannabis manufacturer, medical cannabis
41 dispensary, or clinical registrant is located. No owner, director,
42 officer, or employee of a medical cannabis cultivator, medical
43 cannabis manufacturer, medical cannabis dispensary, or clinical
44 registrant may serve on a medical advisory board. The membership
45 of a medical advisory board shall be subject to commission
46 approval.

47 c. A medical advisory board appointed pursuant to this section
48 shall meet at least two times per calendar year.

1 16. (New section) a. (1) An organization issued a permit to
2 operate a medical cannabis cultivator, medical cannabis
3 manufacturer, medical cannabis dispensary, or clinical registrant or
4 that employs certified medical cannabis handlers for transfer or
5 delivery of medical cannabis pursuant to section 27 of P.L. ,
6 c. (C.) (pending before the Legislature as this bill shall not
7 be eligible for a State or local economic incentive.

8 (2) The issuance of a permit to operate a medical cannabis
9 cultivator, medical cannabis manufacturer, cannabis dispensary, or
10 clinical registrant or a certification to a handler employed by any
11 entity to perform transfers or deliveries of medical cannabis
12 pursuant to section 27 of P.L. , c. (C.) (pending before the
13 Legislature as this bill) to an organization that has been awarded a
14 State or local economic incentive shall invalidate the right of the
15 organization to benefit from the economic incentive as of the date
16 of issuance of the permit, except that an academic medical center
17 that has entered into a contractual relationship with a clinical
18 registrant shall not have any right to benefit from an economic
19 incentive invalidated pursuant to this paragraph on the basis of that
20 contractual relationship.

21 b. (1) A property owner, developer, or operator of a project to
22 be used, in whole or in part, as a medical cannabis cultivator,
23 medical cannabis manufacturer, medical cannabis dispensary, or
24 clinical registrant or an entity that employs medical cannabis
25 handlers to perform transfers or deliveries of medical cannabis
26 pursuant to section 27 of P.L. , c. (C.) (pending before the
27 Legislature as this bill) shall not be eligible for a State or local
28 economic incentive during the period of time that the economic
29 incentive is in effect.

30 (2) The issuance of a permit to operate a medical cannabis
31 cultivator, medical cannabis manufacturer, medical cannabis
32 dispensary, or clinical registrant or of a certification to a medical
33 cannabis handler employed by any entity to perform transfers and
34 deliveries of medical cannabis pursuant to section 27 of P.L. ,
35 c. (C.) (pending before the Legislature as this bill) at a
36 location that is the subject of a State or local economic incentive
37 shall invalidate the right of a property owner, developer, or operator
38 to benefit from the economic incentive as of the date of issuance of
39 the permit, except that an academic medical center that has entered
40 into a contractual relationship with a clinical registrant shall not
41 have any right to benefit from an economic incentive invalidated
42 pursuant to this paragraph on the basis of that contractual
43 relationship.

44 c. As used in this section:

45 "Business" means any non-governmental person, association,
46 for-profit or non-profit corporation, joint venture, limited liability
47 company, partnership, sole proprietorship, or other form of business
48 organization or entity.

1 "Governmental entity" means the State, a local unit of
2 government, or a State or local government agency or authority.

3 "State or local economic incentive" means a financial incentive,
4 awarded by a governmental entity to a business, or agreed to
5 between a governmental entity and a business, for the purpose of
6 stimulating economic development or redevelopment in New
7 Jersey, including, but not limited to, a bond, grant, loan, loan
8 guarantee, matching fund, tax credit, or other tax expenditure.

9 "Tax expenditure" means the amount of foregone tax collections
10 due to any abatement, reduction, exemption, credit, or transfer
11 certificate against any State or local tax.

12

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

15 8. The provisions of **【this act】** P.L.2009, c.307 (C.24:6I-
16 1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.) shall not be
17 construed to permit a person to:

18 a. operate, navigate, or be in actual physical control of any
19 vehicle, aircraft, railroad train, stationary heavy equipment or vessel
20 while under the influence of **【marijuana】** cannabis; or

21 b. smoke **【marijuana】** cannabis in a school bus or other form of
22 public transportation, in a private vehicle unless the vehicle is not in
23 operation, on any school grounds, in any correctional facility, at any
24 public park or beach, at any recreation center, or in any place where
25 smoking is prohibited pursuant to N.J.S.2C:33-13.

26 A person who commits an act as provided in this section shall be
27 subject to such penalties as are provided by law.

28 (cf: P.L.2009, c.307, c.8)

29

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

32 10. a. A **【physician】** health care practitioner shall provide
33 written instructions for a registered qualifying patient or **【his】** the
34 patient's designated caregiver, or an institutional caregiver acting
35 on behalf of the patient, to present to **【an alternative treatment**
36 **center】** a medical cannabis dispensary or a clinical registrant
37 concerning the total amount of usable **【marijuana】** cannabis that a
38 patient may be dispensed, in weight, in a 30-day period, which
39 amount shall not exceed **【two ounces**. If no amount is noted, the
40 maximum amount that may be dispensed at one time is two ounces**】**
41 the maximum amount that may be authorized for the patient
42 pursuant to subsection f. of this section.

43 b. A **【physician】** health care practitioner may issue multiple
44 written instructions at one time authorizing the patient to receive a
45 total of up to a **【90-day】** one year supply, provided that the
46 following conditions are met:

1 (1) Each separate set of instructions shall be issued for a
2 legitimate medical purpose by the **【physician】** health care
3 practitioner, as provided in **【this act】** P.L.2009, c.307 (C.24:6I-
4 1 et al.);

5 (2) Each separate set of instructions shall indicate the earliest
6 date on which a **【center】** dispensary or clinical registrant may
7 dispense the **【marijuana】** cannabis, except for the first dispensation
8 if it is to be filled immediately; and

9 (3) The **【physician】** health care practitioner has determined that
10 providing the patient with multiple instructions in this manner does
11 not create an undue risk of diversion or abuse.

12 c. A registered qualifying patient or **【his primary】** the patient's
13 designated caregiver, or an institutional caregiver acting on behalf
14 of a qualifying patient, shall present verification of the patient's or
15 caregiver's 【registry identification card】 registration with the
16 commission, as applicable, and these written instructions to 【the
17 alternative treatment center】 any medical cannabis dispensary or
18 clinical registrant at the time the patient or caregiver requests the
19 dispensing or delivery of medical cannabis, which medical cannabis
20 dispensary or clinical registrant shall verify and log the
21 documentation presented. An institutional caregiver shall
22 additionally present an authorization executed by the patient
23 certifying that the institutional caregiver is authorized to obtain
24 medical cannabis on behalf of the patient. A 【physician】 health
25 care practitioner may provide a copy of a written instruction by
26 electronic or other means, as determined by the 【commissioner】
27 commission, directly to 【an alternative treatment center】 a medical
28 cannabis dispensary or a clinical registrant on behalf of a registered
29 qualifying patient. The dispensation of 【marijuana】 medical
30 cannabis pursuant to any written instructions shall occur within one
31 **【month】** year of the date that the instructions were written or
32 become eligible for dispensing, whichever is later, or the
33 instructions are void.

34 d. **【A patient may be registered at only one alternative**
35 **treatment center at any time.】** (deleted by amendment, P.L. , c.)
36 (pending before the Legislature as this bill)

37 e. Prior to dispensing medical cannabis to a qualifying patient,
38 the patient's designated caregiver, or an institutional caregiver, the
39 medical cannabis dispensary or clinical registrant shall access the
40 system established pursuant to section 11 of P.L.2009, c.307
41 (C.45:1-45.1) to ascertain whether medical cannabis was dispensed
42 to or on behalf of the patient by any medical cannabis dispensary or
43 clinical registrant within the preceding 30 days. Upon dispensing
44 medical cannabis to a qualifying patient, the patient's designated
45 caregiver, or an institutional caregiver, the medical cannabis
46 dispensary or clinical registrant shall transmit to the patient's health

1 care practitioner information concerning the amount, strain, and
2 form of medical cannabis that was dispensed.

3 f. (1) Except as provided in paragraph (2) of this subsection,
4 for a period of 18 months after the effective date of P.L. _____,
5 c. (C. _____) (pending before the Legislature as this bill), the
6 maximum amount of usable cannabis that a patient may be
7 dispensed, in weight, in a 30-day period, shall be three ounces.
8 Commencing 18 months after the effective date of P.L. _____,
9 c. (C. _____) (pending before the Legislature as this bill), the
10 maximum amount of usable cannabis that a patient may be
11 dispensed shall prescribed by the commission by regulation.

12 (2) The monthly limits set forth in paragraph (1) of this
13 subsection shall not apply to patients who are terminally ill or who
14 are currently receiving hospice care through a licensed hospice,
15 which patients may be dispensed an unlimited amount of medical
16 cannabis. Qualifying patients who are not receiving hospice care or
17 who are not terminally ill may petition the commission, on a form
18 and in a manner as the commission shall require by regulation, for
19 an exemption from the monthly limits set forth in paragraph (1) of
20 this paragraph, which petition the commission shall approve if the
21 commission finds that granting the exemption is necessary to meet
22 the patient's treatment needs and is consistent with the provisions of
23 P.L.2009, c.307 (C.24:6I-1 et al.).

24 g. The commission shall establish, by regulation, curricula for
25 health care practitioners and for staff at medical cannabis
26 dispensaries and clinical registrants:

27 (1) The curriculum for health care practitioners shall be
28 designed to assist practitioners in counseling patients with regard to
29 the quantity, dosing, and administration of medical cannabis as
30 shall be appropriate to treat the patient's qualifying medical
31 condition. Health care practitioners shall complete the curriculum
32 as a condition of authorizing patients for the medical use of
33 cannabis; and

34 (2) The curriculum for employees of medical cannabis
35 dispensaries and clinical registrants shall be designed to assist the
36 employees in counseling patients with regard to determining the
37 strain and form of medical cannabis that is appropriate to treat the
38 patient's qualifying medical condition. Employees of medical
39 cannabis dispensaries and clinical registrants shall be required to
40 complete the curriculum as a condition of registration with the
41 commission. Completion of the curriculum may constitute part of
42 the annual training required pursuant to paragraph (1) of subsection
43 j. of section 7 of P.L.2009, c.307 (C.24:6I-7).

44 h. Commencing July 1, 2020, the amount of the sales tax that
45 may be imposed under the "Sales and Use Tax Act," P.L.1966, c.30
46 (C.54:32B-1 et seq.) on medical cannabis dispensed by a medical
47 cannabis dispensary or clinical registrant shall not exceed four
48 percent.

1 Commencing July 1, 2021, the amount of the sales tax that may
2 be imposed under the "Sales and Use Tax Act," P.L.1966, c.30
3 (C.54:32B-1 et seq.) on medical cannabis dispensed by a medical
4 cannabis dispensary or clinical registrant shall not exceed two
5 percent.

6 Commencing July 1, 2022, medical cannabis dispensed by a
7 medical cannabis dispensary or clinical registrant shall not be
8 subject to any tax imposed under the "Sales and Use Tax Act,"
9 P.L.1966, c.30 (C.54:32B-1 et seq.).

10 Any revenue collected pursuant to a tax imposed on the sale of
11 medical cannabis under the "Sales and Use Tax Act," P.L.1966,
12 c.30 (C.54:32B-1 et seq.), shall be exclusively appropriated to
13 programs for the treatment of mental health and substance use
14 disorders.

15 i. A municipality in which a medical cannabis dispensary is
16 located may adopt an ordinance imposing a transfer tax on any
17 medical cannabis dispensed by the dispensary, including medical
18 cannabis that is furnished by the dispensary to a medical cannabis
19 handler for delivery to a registered qualifying patient or the
20 patient's caregiver. The rate of a transfer tax established pursuant
21 to this subsection shall be at the discretion of the municipality,
22 except that in no case shall the rate exceed two percent of the
23 purchase price of the medical cannabis.

24 (cf: P.L.2009, c.307, s.10)

25

26 19. Section 13 of P.L.2009, c.307 (C.24:6I-11) is amended to
27 read as follows:

28 13. a. The **【commissioner】** commission may accept from any
29 governmental department or agency, public or private body or any
30 other source grants or contributions to be used in carrying out the
31 purposes of **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.).

32 b. All fees collected pursuant to **【this act】** P.L.2009, c.307
33 (C.24:6I-1 et al.), including those from qualifying patients,
34 designated and institutional caregivers, and **【alternative treatment**
35 centers'】 initial, modification and renewal applications for
36 alternative treatment centers, including medical cannabis
37 cultivators, medical cannabis manufacturers, medical cannabis
38 dispensaries, and clinical registrants, shall be used to offset the cost
39 of the **【department's】** commission's administration of the
40 provisions of **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.).

41 (cf: P.L.2009, c.307, s.13)

42

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

45 14. a. The commissioner, or after the effective date of
46 P.L. , c. (C.) (pending before the Legislature as this bill), the

1 commission, shall report to the Governor, and to the Legislature
2 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1):

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

7 (2) annually thereafter on the number of applications for
8 **【registry identification cards】** registration with the commission, the
9 number of qualifying patients registered, the number of **【primary】**
10 designated and institutional caregivers registered, the nature of the
11 **【debilitating】** qualifying medical conditions of the patients, the
12 number of **【registry identification cards】** registrations revoked, the
13 number of **【alternative treatment center】** medical cannabis
14 cultivator, medical cannabis manufacturer, and medical cannabis
15 dispensary permits issued and revoked, the number and type of
16 integrated curricula approved, established, and maintained in
17 connection with an IC permit, the number of testing laboratories
18 licensed, the number of clinical registrant permits issued and the
19 nature of the clinical research conducted by each clinical registrant,
20 any incidents of diversion of medical cannabis, information
21 concerning racial, ethnic, disabled veteran, and gender diversity in
22 the individuals issued and currently holding permits issued by the
23 commission, the number of permit applications received from
24 businesses owned by minorities, disabled veterans, and women and
25 the number of such applications that were approved, the business
26 development initiatives undertaken by the Office of Minority,
27 Disabled Veterans, and Women Medical Cannabis Business
28 Development pursuant to section 32 of P.L. , c. (C.)
29 (pending before the Legislature as this bill) and the outcomes or
30 effects of those initiatives, statistics concerning arrests for drug
31 offenses throughout the State and in areas where medical cannabis
32 dispensaries are located, including information concerning racial
33 disparities in arrest rates for drug offenses generally and cannabis
34 offenses in particular, the number of motor vehicle stops by law
35 enforcement involving violations of R.S.39:4-50, or section 5 of
36 P.L.1990, c.103 (C.39:3-10.13) concerning operators of commercial
37 motor vehicles, for driving under the influence of medical cannabis,
38 or suspicion thereof, cataloged by the jurisdictions in which the stop
39 occurred, and the race, ethnicity, gender, and age of the vehicle
40 driver and any other vehicle occupants, the number of deliveries of
41 medical cannabis performed and the percentage of total medical
42 cannabis dispensations that were completed by delivery, and the
43 number of **【physicians providing certifications for】** health care
44 practitioners authorizing patients for the medical use of cannabis,
45 including the types of license or certification held by those
46 practitioners.

1 b. The reports shall not contain any identifying information of
2 patients, caregivers, or **【physicians】** health care practitioners.

3 c. Within two years after the effective date of **【this act】**
4 P.L.2009, c.307 (C.24:6I-1 et al.) and every two years thereafter,
5 the commissioner or, after the effective date of
6 P.L. , c. (C.) (pending before the Legislature as this bill),
7 the commission, shall: evaluate whether there are sufficient
8 numbers of **【alternative treatment centers】** medical cannabis
9 cultivators, medical cannabis manufacturers, medical cannabis
10 dispensaries, and clinical registrants to meet the needs of registered
11 qualifying patients throughout the State; evaluate whether the
12 maximum amount of medical **【marijuana】** cannabis allowed
13 pursuant to **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.) is sufficient
14 to meet the medical needs of qualifying patients; and determine
15 whether any **【alternative treatment center】** medical cannabis
16 cultivator, medical cannabis manufacturer, medical cannabis
17 dispensary, or clinical registrant has charged excessive prices **【for**
18 **marijuana】** in connection with medical cannabis **【that the center**
19 **dispensed】**.

20 The commissioner or, after the effective date of
21 P.L. , c. (C.) (pending before the Legislature as this bill),
22 the commission, shall report **【his】** all such findings no later than
23 two years after the effective date of **【this act】** P.L.2009, c.307
24 (C.24:6I-1 et al.), and every two years thereafter, to the Governor,
25 and to the Legislature pursuant to section 2 of P.L.1991, c.164
26 (C.52:14-19.1).

27 (cf: P.L.2009, c.307, s.14)

28

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

31 15. a. The **【Department of Health】** Cannabis Regulatory
32 Commission is authorized to exchange fingerprint data with, and
33 receive information from, the Division of State Police in the
34 Department of Law and Public Safety and the Federal Bureau of
35 Investigation for use in reviewing applications for individuals
36 **【seeking】** who are required to complete a criminal history record
37 background check in connection with applications to serve as
38 **【primary】** designated caregivers or institutional caregivers pursuant
39 to section 4 of P.L.2009, c.307 (C.24:6I-4), for licenses to operate
40 as, or to be a director, officer, or employee of, medical cannabis
41 testing laboratories pursuant to section 25 of P.L. , c. (C.)
42 (pending before the Legislature as this bill), for permits to operate
43 as, or to be a director, officer, or employee of, or a significantly
44 involved person in, clinical registrants pursuant to section 13 of
45 P.L. , c. (C.) (pending before the Legislature as this bill),
46 and for permits to operate as, or to be a director, officer, or

1 employee of, **[alternative treatment centers]**, or a significantly
2 involved person in, medical cannabis cultivators, medical cannabis
3 manufacturers, and medical cannabis dispensaries pursuant to
4 section 7 of P.L.2009, c.307 (C.24:6I-7).

5 b. The Division of State Police shall promptly notify the
6 **[Department of Health]** Cannabis Regulatory Commission in the
7 event an applicant seeking to serve as a **[primary]** designated or
8 institutional caregiver, an applicant for a license to operate as, or to
9 be a director, officer, or employee of, a medical cannabis testing
10 laboratory, an applicant for a permit to operate as, or to be a
11 director, officer, or employee of, or a significantly involved person
12 in, a clinical registrant, or an applicant for a permit to operate as, or
13 to be a director, officer, or employee of, [an alternative treatment
14 center] or a significantly involved person in, a medical cannabis
15 cultivator, medical cannabis manufacturer, or medical cannabis
16 dispensary, who was the subject of a criminal history record
17 background check conducted pursuant to subsection a. of this
18 section, is convicted of a crime involving possession or sale of a
19 controlled dangerous substance.

20 (cf: P.L.2012, c.17, s.91)

21

22 22. Section 16 of P.L.2009, c.307 (C.24:6I-14) is amended to
23 read as follows:

24 16. Nothing in **[this act]** P.L.2009, c.307 (C.24:6I-1 et al.) or
25 P.L.2015, c.158 (C.18A:40-12.22 et al.) shall be construed to
26 require a government medical assistance program or private health
27 insurer to reimburse a person for costs associated with the medical
28 use of **[marijuana, or an employer to accommodate the medical use**
29 **of marijuana in any workplace]** cannabis, or to restrict or otherwise
30 affect the distribution, sale, prescribing, and dispensing of any
31 product that has been approved for marketing as a prescription drug
32 or device by the federal Food and Drug Administration.

33 (cf: P.L.2009, c.307, s.16)

34

35 23. Section 18 of P.L.2009, c.307 (C.24:6I-16) is amended to
36 read as follows:

37 18. a. Pursuant to the "Administrative Procedure Act,"
38 P.L.1968, c.410 (C.52:14B-1 et seq.), the commissioner or, after the
39 effective date of P.L. , c. (C.) (pending before the
40 Legislature as this bill), the commission, shall promulgate rules and
41 regulations to effectuate the purposes of [this act] P.L.2009, c.307
42 (C.24:6I-1 et al.), in consultation with the Department of Law and
43 Public Safety.

44 b. Notwithstanding any provision of P.L.1968, c.410
45 (C.52:14B-1 et seq.) to the contrary, the commissioner shall adopt,
46 immediately upon filing with the Office of Administrative Law and
47 no later than the 90th day after the effective date of **[this act]**

1 P.L.2009, c.307 (C.24:6I-1 et al.), such regulations as the
2 commissioner deems necessary to implement the provisions of **【this**
3 **act】** P.L.2009, c.307 (C.24:6I-1 et al.). Regulations adopted
4 pursuant to this subsection shall be effective until the adoption of
5 rules and regulations pursuant to subsection a. of this section and
6 may be amended, adopted, or readopted by the commissioner in
7 accordance with the requirements of P.L.1968, c.410 (C.52:14B-
8 1 et seq.).

9 c. No later than 180 days after the effective date of
10 P.L. , c. (C.) (pending before the Legislature as this bill),
11 the commission shall promulgate rules and regulations to effectuate
12 the purposes of P.L. , c. (C.) (pending before the
13 Legislature as this bill). Rules and regulations adopted pursuant to
14 this subsection shall, at a minimum:

15 (1) Specify the number of new medical cannabis cultivator,
16 medical cannabis manufacturer, and medical cannabis dispensary
17 permits the commission will issue in the first year next following
18 the effective date of P.L. , c. (C.) (pending before the
19 Legislature as this bill); and

20 (2) Establish recommended dosage guidelines for medical
21 cannabis in each form available to qualifying patients that are
22 equivalent to one ounce of medical cannabis in dried form. The
23 commission shall periodically review and update the dosage
24 guidelines as appropriate, including to establish dosage guidelines
25 for new forms of medical cannabis that become available.

26 d. The commission may convene a task force comprised of
27 individuals with expertise in matters pertaining to the medical
28 cannabis industry to make recommendations to the commission
29 concerning the content of rules and regulations adopted by the
30 commission to implement the provisions of P.L.2009, c.307
31 (C.24:6I-1 et al.) and P.L. , c. (C.) (pending before the
32 Legislature as this bill).

33 (cf: P.L.2009, c.307, s.18)

34
35 24. (New section) a. Each batch of medical cannabis cultivated
36 by a medical cannabis cultivator or a clinical registrant and each
37 batch of a medical cannabis product produced by a medical
38 cannabis manufacturer or a clinical registrant shall be tested in
39 accordance with the requirements of section 26 of
40 P.L. , c. (C.) (pending before the Legislature as this bill) by
41 a laboratory licensed pursuant to section 25 of P.L. , c. (C.)
42 (pending before the Legislature as this bill). The laboratory
43 performing the testing shall produce a written report detailing the
44 results of the testing, a summary of which shall be included in any
45 packaging materials for medical cannabis and medical cannabis
46 products dispensed to qualifying patients and their designated and

1 institutional caregivers. The laboratory may charge a reasonable
2 fee for any test performed pursuant to this section.

3 b. The requirements of subsection a. of this section shall take
4 effect at such time as the commission certifies that a sufficient
5 number of laboratories have been licensed pursuant to section 25 of
6 P.L. , c. (C.) (pending before the Legislature as this bill) to
7 ensure that all medical cannabis and medical cannabis products can
8 be promptly tested consistent with the requirements of this section
9 without disrupting patient access to medical cannabis.

10

11 25. (New section) a. A laboratory that performs testing services
12 pursuant to section 24 of P.L. , c. (C.) (pending before the
13 Legislature as this bill) shall be licensed by the commission and
14 may be subject to inspection by the commission to determine the
15 condition and calibration of any equipment used for testing
16 purposes and to ensure that testing is being performed in
17 accordance with the requirements of section 26 of
18 P.L. , c. (C.) (pending before the Legislature as this bill).
19 Each applicant for licensure pursuant to this section shall submit an
20 attestation signed by a bona fide labor organization stating that the
21 applicant has entered into a labor peace agreement with such bona
22 fide labor organization. The maintenance of a labor peace
23 agreement with a bona fide labor organization shall be an ongoing
24 material condition of maintaining a license to test medical cannabis.

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

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

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

44 For purposes of this section, the term "applicant" shall include
45 any owner, director, officer, or employee of a medical cannabis
46 testing laboratory. The commission is authorized to exchange
47 fingerprint data with and receive criminal history record
48 background information from the Division of State Police and the
49 Federal Bureau of Investigation consistent with the provisions of

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

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

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

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

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

34 (4) The Division of State Police shall promptly notify the
35 commission in the event that an individual who was the subject of a
36 criminal history record background check conducted pursuant to
37 this section is convicted of a crime or offense in this State after the
38 date the background check was performed. Upon receipt of that
39 notification, the commission shall make a determination regarding
40 the continued eligibility to operate or be a director, officer, or
41 employee of a medical cannabis testing laboratory.

42 (5) Notwithstanding the provisions of subsection c. of this
43 section to the contrary, the commission may offer provisional
44 authority for an applicant to be an owner, director, officer, or
45 employee of a medical cannabis testing laboratory for a period not
46 to exceed three months if the applicant submits to the commission a
47 sworn statement attesting that the person has not been convicted of
48 any disqualifying conviction pursuant to this section.

49 (6) Notwithstanding the provisions of subsection c. of this
50 section to the contrary, no applicant to be an owner, director,

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

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

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

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

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

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

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

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

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

26

27 26. (New section) a. The commission shall establish, by
28 regulation, standardized requirements and procedures for testing
29 medical cannabis and medical cannabis products.

30 b. Any test performed on medical cannabis or on a medical
31 cannabis product shall include liquid chromatography analysis to
32 determine chemical composition and potency, and, at a minimum,
33 screening for each of the following:

34 (1) microbial contamination;

35 (2) foreign material;

36 (3) residual pesticides;

37 (4) other agricultural residue and residual solvents; and

38 (5) heavy metals.

39 c. Laboratories shall use the dosage equivalence guidelines
40 developed by the commission pursuant to paragraph (2) of
41 subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-16) when
42 testing and determining the potency of medical cannabis products.

43 d. As a condition of licensure, each laboratory shall certify its
44 intention to seek third party accreditation in accordance with ISO
45 17025 standards in order to ensure equipment is routinely inspected,
46 calibrated, and maintained until such time as the commission issues
47 its own standards or confirms the use of ISO 17025.

48 e. Until such time as the commission establishes the standards
49 required by this section, a licensed laboratory shall utilize the

1 testing standards established by another state with a medical
2 cannabis program, which state shall be designated by the
3 commission.

4
5 27. (New section) a. An individual who performs work for or
6 on behalf of a medical cannabis cultivator, medical cannabis
7 manufacturer, or medical cannabis dispensary, issued a permit
8 pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), a clinical
9 registrant issued a permit pursuant to section 13 of P.L. ,
10 c. (C.) (pending before the Legislature as this bill), or a
11 testing laboratory licensed pursuant to section 25 of P.L. , c.
12 (C.) (pending before the Legislature as this bill) shall hold a
13 valid medical cannabis handler certification issued by the
14 commission pursuant to this section if the individual participates in
15 any activity involving obtaining, possessing, cultivating,
16 processing, manufacturing, creating, testing, transporting,
17 transferring, relocating, dispensing, or delivering medical cannabis.

18 b. An entity issued a permit pursuant to section 7 of P.L.2009,
19 c.307 (C.24:6I-7) or section 13 of P.L. , c. (C.) (pending
20 before the Legislature as this bill) or a license pursuant to section
21 25 of P.L. , c. (C.) (pending before the Legislature as this
22 bill) shall verify that, before allowing any individual to perform any
23 work described in subsection a. of this section at the premises for
24 which the permit has been issued, the individual holds a valid
25 medical cannabis handler certification issued pursuant to this
26 section.

27 c. The commission shall issue medical cannabis handler
28 certifications to qualified applicants to perform work described in
29 subsection a. of this section. The commission shall adopt rules and
30 regulations establishing: the qualifications for performing work
31 described in subsection a. of this section; the terms of a medical
32 cannabis handler certification issued pursuant to this section;
33 procedures for applying for and renewing a medical cannabis
34 handler certification issued pursuant to this section; and reasonable
35 application, issuance, and renewal fees for a medical cannabis
36 handler certification issued pursuant to this section.

37 d. The commission may require an individual applying for a
38 medical cannabis handler certification under this section to
39 successfully complete a course, to be made available by or through
40 the commission, in which the individual receives training on:
41 verifying the registration status of patients, designated caregivers,
42 and institutional caregivers; handling medical cannabis; statutory
43 and regulatory provisions relating to medical cannabis; and any
44 matter deemed necessary by the commission to protect the public
45 health and safety. The commission or other provider may charge a
46 reasonable fee for the course.

47 The commission shall not require an individual to successfully
48 complete the course required pursuant to this subsection more than

1 once, except that the commission may adopt regulations directing
2 continuing education training on a prescribed schedule. The course
3 may comprise part of the eight hours of training required for
4 employees of medical cannabis cultivators, medical cannabis
5 manufacturers, medical cannabis dispensaries, and clinical
6 registrants pursuant to paragraph (1) of subsection j. of section 7 of
7 P.L.2009, c.307 (C.24:6I-7).

8 As part of a final order suspending a medical cannabis handler
9 certification issued pursuant to this section, the commission may
10 require the holder of a medical cannabis handler certification to
11 successfully complete the course described in this subsection as a
12 condition of lifting the suspension; and as part of a final order
13 revoking a medical cannabis handler certification issued pursuant to
14 this section, the commission shall require an individual to
15 successfully complete the course described in this subsection prior
16 to applying for a new medical cannabis handler certification.

17 e. The commission shall deny an application to any applicant
18 who fails to provide information, documentation, and assurances as
19 required by P.L.2009, c.307 (C.24:6I-1 et al.) or as requested by the
20 commission, or who fails to reveal any fact material to
21 qualification, or who supplies information which is untrue or
22 misleading as to a material fact pertaining to the qualification
23 criteria for medical cannabis handler certification.

24 f. The commission may suspend, revoke, or refuse to renew a
25 medical cannabis handler certification if the individual who is
26 applying for or who holds the certification: violates any provision
27 of P.L.2009, c.307 (C.24:6I-1 et al.) or any rule or regulation
28 adopted by the commission; makes a false statement to the
29 commission; or refuses to cooperate in any investigation by the
30 commission.

31 g. A medical cannabis handler certification issued pursuant to
32 this section is a personal privilege and permits work described in
33 subsection a. of this section only for the individual who holds the
34 certification.

35 h. The commission shall enact rules and regulations governing
36 the transfer of medical cannabis and medical cannabis products
37 between medical cannabis cultivators, medical cannabis
38 manufacturers, medical cannabis dispensaries, clinical registrants,
39 and testing laboratories, which regulations shall require, at a
40 minimum:

41 (1) Transfer of medical cannabis and medical cannabis products
42 shall be made directly to the medical cannabis cultivator, medical
43 cannabis manufacturer, medical cannabis dispensary, clinical
44 registrant, or testing laboratory receiving the medical cannabis or
45 medical cannabis product.

46 (2) Transfers shall be performed by a medical cannabis handler
47 who is certified by the department to perform transfers and is at
48 least 18 years of age. Transfers of medical cannabis may be

1 performed by a medical cannabis handler who is an employee of the
2 medical cannabis cultivator, medical cannabis manufacturer,
3 medical cannabis dispensary, or clinical registrant providing or
4 receiving the transfer or by an independent third party who has
5 entered into a contract with a medical cannabis cultivator, medical
6 cannabis manufacturer, medical cannabis dispensary, or clinical
7 registrant to perform transfers of medical cannabis, which contract
8 may provide for a one-time transfer of medical cannabis or for
9 ongoing transfers of medical cannabis. A medical cannabis handler
10 holding a transfer certification issued by the commission may
11 simultaneously hold a delivery certification issued by the
12 commission, subject to the requirements of paragraph (2) of
13 subsection i. of this section.

14 (3) Medical cannabis shall not be transferred to an address
15 located on land owned by the federal government or any address on
16 land or in a building leased by the federal government.

17 (4) All transfers of medical cannabis shall be made in person. A
18 transfer of medical cannabis shall not be made through the use of an
19 unmanned vehicle.

20 (5) Each certified medical cannabis handler shall carry a copy of
21 the individual's medical cannabis handler certification card and
22 transfer certification card when performing a transfer. The medical
23 cannabis handler shall present the certification cards upon request
24 to State and local law enforcement and to State and local regulatory
25 authorities and agencies.

26 (6) Each certified medical cannabis handler engaged in a
27 transfer of medical cannabis shall have access to a secure form of
28 communication with the medical cannabis cultivator, medical
29 cannabis manufacturer, medical cannabis dispensary, or clinical
30 registrant that furnished the medical cannabis to the handler for
31 transfer, such as a cellular telephone, at all times that the handler is
32 in possession of medical cannabis for transfer.

33 (7) During transfer, the certified medical cannabis handler shall
34 maintain a physical or electronic copy of the transfer order, and
35 shall make it available upon request to State and local law
36 enforcement and to State and local regulatory authorities and
37 agencies.

38 (8) Vehicles used for the transfer of medical cannabis shall be
39 equipped with a secure lockbox in a secured cargo area, which shall
40 be used for the sanitary and secure transport of medical cannabis.

41 (9) A certified medical cannabis handler shall not leave medical
42 cannabis in an unattended vehicle unless the vehicle is locked and
43 equipped with an active vehicle alarm system.

44 (10) A transfer vehicle shall contain a Global Positioning
45 System (GPS) device for identifying the geographic location of the
46 vehicle. The device shall be either permanently or temporarily
47 affixed to the vehicle while the vehicle is in operation, and the
48 device shall remain active and in the possession of the certified

1 medical cannabis handler at all times while the vehicle is being
2 used for the transfer of medical cannabis. At all times, the medical
3 cannabis cultivator, medical cannabis manufacturer, medical
4 cannabis dispensary, or clinical registrant that furnished the medical
5 cannabis to the handler for transfer shall be able to identify the
6 geographic location of all vehicles that are making transfers for that
7 entity and shall provide that information to the commission upon
8 request.

9 (11) Each entity that employs a medical cannabis handler
10 certified to perform transfers of medical cannabis shall provide the
11 commission with current information concerning all vehicles
12 utilized for medical cannabis transfers, including each vehicle's
13 make, model, color, Vehicle Identification Number, license plate
14 number, and vehicle registration.

15 (12) Each medical cannabis cultivator, medical cannabis
16 manufacturer, medical cannabis dispensary, and clinical registrant
17 that engages in, or contracts with an independent third party to
18 perform, transfers of medical cannabis shall maintain current hired
19 and non-owned automobile liability insurance sufficient to insure
20 all transfer vehicles in the amount of not less than \$1,000,000 per
21 occurrence or accident.

22 (13) Transfer vehicles shall bear no markings that would either
23 identify or indicate that the vehicle is used to transport medical
24 cannabis.

25 (14) All transfers of medical cannabis shall be completed in a
26 timely and efficient manner.

27 (15) While performing transfers of medical cannabis, a certified
28 medical cannabis handler shall only travel from the premises of the
29 medical cannabis cultivator, medical cannabis manufacturer,
30 medical cannabis dispensary, or clinical registrant furnishing the
31 medical cannabis to the transfer address; from one transfer address
32 to another transfer address; from a testing laboratory back to the
33 medical cannabis cultivator, medical cannabis manufacturer, or
34 clinical registrant that furnished the medical cannabis for testing
35 purposes, or from a transfer address back to the premises of the
36 medical cannabis handler's employer. A medical cannabis handler
37 shall not deviate from the route described in this paragraph, except
38 in the event of emergency or as necessary for rest, fuel, or vehicle
39 repair stops, or because road conditions make continued use of the
40 route or operation of the vehicle unsafe, impossible, or
41 impracticable.

42 (16) The process of transfer shall begin when the certified
43 medical cannabis handler leaves the premises of the medical
44 cannabis cultivator, medical cannabis manufacturer, medical
45 cannabis dispensary, clinical registrant, or testing laboratory with
46 medical cannabis for transfer. The process of transferring medical
47 cannabis ends when the medical cannabis handler returns to the

1 premises of the medical cannabis handler's employer after
2 completing the transfer.

3 (17) Each medical cannabis handler performing transfers of
4 medical cannabis shall maintain a record of each transfer in a log,
5 which may be written or electronic. For each transfer, the log shall
6 record:

7 (a) The date and time that the transfer began and ended;

8 (b) The handler's name, medical cannabis handler certification
9 number, and medical cannabis transfer certification number;

10 (c) The tracking number of the medical cannabis; and

11 (d) The signature and employee identification number of the
12 employee accepting the transfer.

13 (18) A medical cannabis handler shall report any vehicle
14 accidents, diversions, losses, or other reportable events that occur
15 during transfer of medical cannabis to the appropriate State and
16 local authorities, including the commission. A medical cannabis
17 cultivator, medical cannabis manufacturer, medical cannabis
18 dispensary, or clinical registrant furnishing medical cannabis for
19 transfer or accepting the transfer of medical cannabis shall have no
20 criminal liability for any vehicle accidents, diversions, losses, or
21 other reportable events that occur during the transfer.

22 i. The commission shall enact rules and regulations governing
23 the delivery of medical cannabis, including medical cannabis
24 products, to a registered qualifying patient, designated caregiver, or
25 institutional caregiver by a medical cannabis dispensary, which
26 regulations shall require, at a minimum:

27 (1) Delivery of medical cannabis shall only be made to a
28 registered qualifying patient at the patient's home or secondary
29 address, to the patient's designated caregiver at the caregiver's
30 home address, or directly to the patient's institutional caregiver at
31 the health care facility where the patient is a current patient or
32 resident; except that the commission shall establish a process for
33 registered qualifying patients to request delivery directly to the
34 patient at an alternate address in cases of need.

35 (2) Deliveries shall be performed by a medical cannabis handler
36 who is certified by the department to perform deliveries and is at
37 least 18 years of age. Deliveries may be performed by an employee
38 of a medical cannabis dispensary or clinical registrant or by an
39 independent third party who has entered into a contract with a
40 medical cannabis dispensary or clinical registrant to perform
41 deliveries of medical cannabis, which contract may provide for a
42 one-time delivery or for ongoing deliveries of medical cannabis. A
43 medical cannabis handler holding a delivery certification issued by
44 the commission may simultaneously hold a transfer certification
45 issued by the commission.

46 (3) Medical cannabis shall not be delivered to an address located
47 on land owned by the federal government or any address on land or
48 in a building leased by the federal government.

- 1 (4) All deliveries of medical cannabis shall be made in person.
2 Delivery of medical cannabis shall not be made through the use of
3 an unmanned vehicle.
- 4 (5) Each certified medical cannabis handler shall carry a copy of
5 the individual's medical cannabis handler certification card and
6 delivery certification card when performing a delivery of medical
7 cannabis. The medical cannabis handler shall present the
8 certification cards upon request to State and local law enforcement
9 and to State and local regulatory authorities and agencies.
- 10 (6) Each certified medical cannabis handler engaged in a
11 delivery of medical cannabis shall have access to a secure form of
12 communication with the medical cannabis dispensary or clinical
13 registrant that furnished the medical cannabis to the handler for
14 delivery, such as a cellular telephone, at all times that the handler is
15 in possession of medical cannabis for delivery.
- 16 (7) During delivery, the certified medical cannabis handler shall
17 maintain a physical or electronic copy of the delivery request, and
18 shall make it available upon request to State and local law
19 enforcement and to State and local regulatory authorities and
20 agencies.
- 21 (8) Delivery vehicles shall be equipped with a secure lockbox in
22 a secured cargo area, which shall be used for the sanitary and secure
23 transport of medical cannabis.
- 24 (9) A certified medical cannabis handler shall not leave medical
25 cannabis in an unattended vehicle unless the vehicle is locked and
26 equipped with an active vehicle alarm system.
- 27 (10) A delivery vehicle shall contain a Global Positioning
28 System (GPS) device for identifying the geographic location of the
29 vehicle. The device shall be either permanently or temporarily
30 affixed to the vehicle while the vehicle is in operation, and the
31 device shall remain active and in the possession of the certified
32 medical cannabis handler at all times during which the vehicle is
33 engaged in the delivery of medical cannabis. At all times, the
34 medical cannabis dispensary or clinical registrant that furnished the
35 medical cannabis to the handler for delivery shall be able to identify
36 the geographic location of all vehicles that are making deliveries for
37 that entity and shall provide that information to the commission
38 upon request.
- 39 (11) Each entity that employs a medical cannabis handler
40 certified to deliver medical cannabis shall provide the commission
41 with current information concerning all vehicles utilized for
42 medical cannabis deliveries, including each vehicle's make, model,
43 color, Vehicle Identification Number, license plate number, and
44 vehicle registration.
- 45 (12) A medical cannabis dispensary or clinical registrant
46 furnishing medical cannabis to a medical cannabis handler for
47 delivery shall maintain current hired and non-owned automobile

1 liability insurance sufficient to insure all delivery vehicles in the
2 amount of not less than \$1,000,000 per occurrence or accident.

3 (13) Delivery vehicles shall bear no markings that would either
4 identify or indicate that the vehicle is used to transport medical
5 cannabis.

6 (14) All deliveries of medical cannabis shall be completed in a
7 timely and efficient manner.

8 (15) While performing deliveries of medical cannabis, a certified
9 medical cannabis handler shall only travel from the premises of the
10 medical cannabis dispensary or clinical registrant furnishing the
11 medical cannabis to the delivery address; from one delivery address
12 to another delivery address; or from a delivery address back to the
13 premises of the medical cannabis handler's employer. A medical
14 cannabis handler shall not deviate from the route described in this
15 paragraph, except in the event of emergency or as necessary for
16 rest, fuel, or vehicle repair stops, or because road conditions make
17 continued use of the route or operation of the vehicle unsafe,
18 impossible, or impracticable.

19 (16) The process of delivery shall begin when the certified
20 medical cannabis handler leaves the premises of the medical
21 cannabis dispensary or clinical registrant with medical cannabis for
22 delivery. The process of delivering medical cannabis ends when the
23 medical cannabis handler returns to the premises of the medical
24 cannabis handler's employer after completing the delivery.

25 (17) Each medical cannabis handler performing deliveries of
26 medical cannabis shall maintain a record of each delivery in a log,
27 which may be written or electronic. For each delivery, the log shall
28 record:

29 (a) The date and time that the delivery began and ended;

30 (b) The handler's name, medical cannabis handler certification
31 number, and medical cannabis delivery certification number;

32 (c) The tracking number of the medical cannabis; and

33 (d) The signature and registry number of the patient or caregiver
34 who accepted delivery.

35 (18) A medical cannabis handler shall report any vehicle
36 accidents, diversions, losses, or other reportable events that occur
37 during delivery of medical cannabis to the appropriate State and
38 local authorities, including the commission. A medical cannabis
39 dispensary or clinical registrant furnishing medical cannabis for
40 delivery shall have no criminal liability for any vehicle accidents,
41 diversions, losses, or other reportable events that occur during
42 delivery after such time as the dispensary or clinical registrant, as
43 applicable, furnishes medical cannabis for delivery.

44 (19) A medical cannabis dispensary or clinical registrant shall be
45 authorized to use any medical cannabis handler employed by the
46 dispensary or clinical registrant or any independent third party
47 medical cannabis handler that is not employed by a medical
48 cannabis dispensary or clinical registrant for the purposes of

1 delivering medical cannabis, and, subject to the requirements of
2 paragraph (2) of this subsection, an independent third party medical
3 cannabis handler possessing a delivery certification who is not
4 employed by any medical cannabis dispensary or clinical registrant
5 shall be authorized to provide medical cannabis transport services
6 to any medical cannabis dispensary or clinical registrant.

7 j. Medical cannabis may be transferred or delivered, consistent
8 with the requirements of subsections h. and i. of this section,
9 respectively, to any location in the State. In no case may a
10 municipality restrict transfers or deliveries of medical cannabis
11 within that municipality by adoption of municipal ordinance or any
12 other measure, and any restriction to the contrary shall be deemed
13 void and unenforceable.

14 k. The commission may authorize the use of an Internet-based
15 web service developed and maintained by an independent third
16 party entity that does not hold any permit, license, or certificate
17 issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), and is not a
18 significantly involved person or other investor in any permit holder,
19 which web service may be used by registered qualifying patients,
20 designated caregivers, and institutional caregivers to request or
21 schedule deliveries of medical cannabis pursuant to subsection i. of
22 this section.

23

24 28. (New section) a. A municipality may authorize, through
25 the enactment of an ordinance, the operation of locally endorsed
26 medical cannabis consumption areas by medical cannabis
27 dispensaries and clinical registrants within its jurisdiction, at which
28 areas the on-premises consumption of medical cannabis may occur.

29 b. Applications for an endorsement pursuant to this section
30 shall be made to the commission in a form and manner as shall be
31 prescribed the commission and shall set forth such information as
32 the commission may require. Each application shall be verified by
33 the oath or affirmation of such persons as the commission may
34 prescribe. The endorsement shall be conditioned upon approval by
35 a municipality. An applicant is prohibited from operating a
36 cannabis consumption area without State and local approval. If the
37 applicant does not receive approval from the municipality within
38 one year after the date of State approval, the State endorsement
39 shall expire and may not be renewed. If an application is denied by
40 the municipality or the approval of the municipality is revoked, the
41 commission shall revoke the State endorsement. Any person
42 aggrieved by the local denial of an endorsement application may
43 request a hearing in the Superior Court of the county in which the
44 application was filed. The request for a hearing shall be filed
45 within 30 days after the date the application was denied. The
46 person shall serve a copy of the person's request for a hearing upon
47 the appropriate officer for the municipality that denied the
48 application. The hearing shall be held and a record made thereof

1 within 30 days after the receipt of the application for a hearing. No
2 formal pleading and no filing fee shall be required for the hearing.

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

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

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

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

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

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

26 d. A medical cannabis consumption area endorsement shall be
27 valid for one year and may be renewed annually, subject to the
28 approval of the commission and the municipality as set forth in this
29 section. The commission shall establish by rule the amount of the
30 application fee and renewal fee for the endorsement, which shall not
31 exceed the administrative cost for processing and reviewing the
32 application.

33 e. The commission shall maintain a list of all medical cannabis
34 consumption areas in the State and shall make the list available on
35 its Internet website.

36 f. A medical cannabis consumption area shall be located on the
37 premises of a medical cannabis dispensary or clinical registrant,
38 may be indoors or outdoors, and shall be designated by conspicuous
39 signage.

40 (1) An indoor medical cannabis consumption area shall be a
41 structurally enclosed area within a medical cannabis dispensary or
42 clinical registrant facility that is separated by solid walls or
43 windows from the area in which medical cannabis is dispensed and
44 shall only be accessible through an interior door after first entering
45 the facility.

46 (2) An outdoor medical cannabis consumption area shall be an
47 exterior structure on the same premises as the medical cannabis
48 dispensary or clinical registrant facility, that is either separate from

1 or connected to the facility, and that is not required to be
2 completely enclosed, but shall have sufficient walls, fences, or other
3 barriers to prevent any view of patients consuming medical
4 cannabis from any sidewalk or other pedestrian or non-motorist
5 right-of-way, as the case may be, within the consumption area.

6 (3) Nothing in this subsection shall be construed to authorize the
7 consumption of medical cannabis by smoking in any indoor public
8 place or workplace, as those terms are defined in subsection 3 of
9 P.L.2005, c.383 (C.26:3D-57), and the medical cannabis dispensary
10 or clinical registrant operating the consumption area shall ensure
11 that any smoking of medical cannabis that occurs in an outdoor
12 medical cannabis consumption area does not result in migration,
13 seepage, or recirculation of smoke to any indoor public place or
14 workplace. The commission may require a consumption area to
15 include any ventilation features as the commission deems necessary
16 and appropriate.

17 g. (1) A medical cannabis dispensary or clinical registrant
18 holding a medical cannabis consumption area endorsement, and the
19 employees of the dispensary or clinical registrant, subject to any
20 regulations for medical cannabis consumption areas promulgated by
21 the commission, may permit a person to bring medical cannabis into
22 a medical cannabis consumption area.

23 (2) A medical cannabis dispensary or clinical registrant holding
24 a medical cannabis consumption area endorsement shall not sell
25 alcohol, including fermented malt beverages or malt, vinous, or
26 spirituous liquor, sell tobacco or nicotine products, or allow the
27 consumption of alcohol, tobacco, or nicotine products on premises,
28 or operate as a retail food establishment.

29 (3) A medical cannabis dispensary or clinical registrant holding
30 a medical cannabis consumption area endorsement shall not allow
31 on-duty employees of the establishment to consume any medical
32 cannabis in the consumption area.

33 h. Access to a medical cannabis consumption area shall be
34 restricted to employees of the medical cannabis dispensary or
35 clinical registrant and to registered qualified patients and their
36 designated caregivers.

37 i. When a patient leaves a medical cannabis consumption area,
38 the establishment shall ensure any remaining unconsumed medical
39 cannabis that is not taken by the patient or the patient's designated
40 caregiver is destroyed.

41 j. A medical cannabis consumption area and its employees:

42 (1) shall operate the establishment in a decent, orderly, and
43 respectable manner;

44 (2) may remove an individual from the establishment for any
45 reason;

46 (3) shall not knowingly permit any activity or acts of disorderly
47 conduct; and

1 (4) shall not permit rowdiness, undue noise, or other
2 disturbances or activity offensive to the average citizen or to the
3 residents of the neighborhood in which the consumption area is
4 located.

5 k. If an emergency requires law enforcement, firefighters,
6 emergency medical services providers, or other public safety
7 personnel to enter a medical cannabis consumption area, employees
8 of the establishment shall prohibit on-site consumption of medical
9 cannabis until such personnel have completed their investigation or
10 services and have left the premises.

11

12 29. (New section) a. (1) The commission shall develop and
13 maintain a system for tracking the cultivation of medical cannabis,
14 the manufacturing of medical cannabis products, the transfer of
15 medical cannabis and medical cannabis products between medical
16 cannabis cultivators, medical cannabis manufacturers, medical
17 cannabis dispensaries, clinical registrants, and testing laboratories
18 as authorized pursuant to paragraph (5) of subsection a. of section 7
19 of P.L.2009, c.307 (C.24:6I-7) and subsection h. of section 27 of
20 P.L. , c. (C.) (pending before the Legislature as this bill),
21 and the dispensing or delivery of medical cannabis to registered
22 qualifying patients, designated caregivers, and institutional
23 caregivers.

24 (2) The tracking system shall, among other features as
25 determined by the commission, utilize a stamp affixed to a
26 container or package for medical cannabis to assist in the collection
27 of the information required to be tracked pursuant to subsection c.
28 of this section.

29 (a) The commission, in consultation with the Director of the
30 Division of Taxation, shall secure stamps based on the designs,
31 specifications, and denominations prescribed by the commission in
32 regulation, and which incorporate encryption, security, and
33 counterfeit-resistant features to prevent the unauthorized
34 duplication or counterfeiting of any stamp. The stamp shall be
35 readable by a scanner or similar device that may be used by the
36 commission, the Director of the Division of Taxation, and medical
37 cannabis cultivators, medical cannabis manufacturers, medical
38 cannabis dispensaries, or clinical registrants.

39 (b) The commission, and the Director of the Division of
40 Taxation if authorized by the commission, shall make stamps
41 available for purchase by medical cannabis cultivators, medical
42 cannabis manufacturers, and clinical registrants, which shall be the
43 only entities authorized to affix a stamp to a container or package
44 for medical cannabis in accordance with applicable regulations
45 promulgated by the commission in consultation with the Director of
46 the Division of Taxation. The price charged by the commission to
47 medical cannabis cultivators, medical cannabis manufacturers, and
48 clinical registrants for a stamp required pursuant to this paragraph

1 shall be reasonable and commensurate with the cost of producing
2 the stamp.

3 (c) A medical cannabis cultivator, medical cannabis
4 manufacturer, medical cannabis dispensary, clinical registrant, or
5 certified medical cannabis handler shall not purchase, sell, offer for
6 sale, transfer, transport, or deliver any medical cannabis unless a
7 stamp is properly affixed to the container or package for the
8 medical cannabis.

9 b. The purposes of the system developed and maintained under
10 this section include, but are not limited to:

11 (1) preventing the diversion of medical cannabis to criminal
12 enterprises, gangs, cartels, persons not authorized to possess
13 medical cannabis, and other states;

14 (2) preventing persons from substituting or tampering with
15 medical cannabis;

16 (3) ensuring an accurate accounting of the cultivation,
17 manufacturing, transferring, dispensing, and delivery of medical
18 cannabis;

19 (4) ensuring that the testing results from licensed testing
20 laboratories are accurately reported; and

21 (5) ensuring compliance with the rules and regulations adopted
22 by the commission and any other law of this State that charges the
23 commission with a duty, function, or power related to medical
24 cannabis.

25 c. The system developed and maintained under this section
26 shall be capable of tracking, at a minimum:

27 (1) the propagation of immature medical cannabis plants and the
28 production of medical cannabis by a medical cannabis cultivator;

29 (2) the utilization of medical cannabis in the manufacture,
30 production, and creation of medical cannabis products by a medical
31 cannabis manufacturer;

32 (3) the transfer of medical cannabis and medical cannabis
33 products to and from licensed testing laboratories for testing
34 purposes;

35 (4) the dispensing of medical cannabis by a medical cannabis
36 dispensary or clinical registrant;

37 (5) the furnishing of medical cannabis by a medical cannabis
38 dispensary or clinical registrant to a medical cannabis handler for
39 delivery;

40 (6) the delivery of medical cannabis by a medical cannabis
41 handler;

42 (7) the purchase, sale, or other transfer of medical cannabis and
43 medical cannabis products between medical cannabis cultivators,
44 medical cannabis manufacturers, medical cannabis dispensaries, and
45 clinical registrants as authorized pursuant to paragraph (5) of
46 subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) and
47 subsection h. of section 27 of P.L. , c. (C.) (pending before
48 the Legislature as this bill); and

1 (8) any other information that the commission determines is
2 reasonably necessary to accomplish the duties, functions, and
3 powers of the commission.

4
5 30. (New section) The commission may waive any requirement
6 of P.L.2009, c.307 (C.24:6I-1 et al.) if the commission determines
7 that granting the waiver is necessary to achieve the purposes of
8 P.L.2009, c.307 (C.24:6I-1 et al.) and provide access to patients
9 who would not otherwise qualify for the medical use of cannabis to
10 alleviate suffering from a diagnosed medical condition, and does
11 not create a danger to the public health, safety, or welfare.

12
13 31. (New section) a. The Cannabis Regulatory Commission is
14 hereby created in, but not of, the Department of the Treasury, to
15 assume all powers, duties, and responsibilities with regard to the
16 regulation and oversight of activities authorized pursuant to
17 P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health
18 for the further development, expansion, regulation, and enforcement
19 of activities associated with the medical use of cannabis pursuant
20 P.L.2009, c.307 (C.24:6I-1 et al.). All powers, duties, and
21 responsibilities with regard to the regulation and oversight of
22 activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
23 shall be transferred from the Department of Health to the Cannabis
24 Regulatory Commission at such time as the members of the
25 commission are appointed as provided in subsection b. of this
26 section and the commission first organizes. Thereafter, any
27 reference to the Department of Health or the Commissioner of
28 Health in any statute or regulation pertaining to the provisions of
29 P.L.2009, c.307 (C.24:6I-1 et al.) shall be deemed to refer to the
30 Cannabis Regulatory Commission. The provisions of this
31 subsection shall be carried out in accordance with the "State
32 Agency Transfer Act," P.L.1971, c.375 (C.52:14D-1 et seq.).

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

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

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

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

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

45 (3) Initial appointments of commission members pursuant to
46 paragraph (2) of this subsection shall not require the advice and
47 consent of the Senate. Subsequent appointments made pursuant to
48 subparagraph (c) of paragraph (2) of this subsection, including

1 reappointments of members initially appointed, shall be made with
2 the advice and consent of the Senate. Subsequent appointments
3 made pursuant to subparagraphs (a) and (b) of paragraph (2) of this
4 subsection shall be made in the same manner as the original
5 appointment.

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

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

30 (6) The chair and other members of the commission shall devote
31 full time to their respective duties of office and shall not pursue or
32 engage in any other business, occupation, or gainful employment.
33 Each member shall receive an annual salary to be fixed and
34 established by the Governor, which for the chair shall not exceed
35 \$141,000, and for the other members shall not exceed \$125,000.

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

1 (8) A majority of the total authorized membership of the
2 commission shall be required to establish a quorum, and a majority
3 of the total authorized membership of the commission shall be
4 required to exercise its powers at any meeting thereof. However,
5 only if all five commissioners have been duly appointed in
6 accordance with the appointment process set forth in paragraph (2)
7 of this subsection, and five appointed commissioners are present at
8 a meeting, may a majority of the total authorized membership act to
9 assume the powers, duties, and responsibilities with regard to the
10 regulation and oversight of activities authorized pursuant to
11 P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health.

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

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

19 c. (1) The commission may establish, and from time to time
20 alter, a plan of organization, and employ personnel as it deems
21 necessary under the direct supervision of a full-time executive
22 director for the commission. The plan of organization shall include
23 the Office of Minority, Disabled Veterans, and Women Medical
24 Cannabis Business Development established by section 32 of
25 P.L. , c. (C.) (pending before the Legislature as this bill).

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

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

45 (ii) If, as a result of transferring powers, duties, and
46 responsibilities with regard to the regulation and oversight of
47 activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
48 from the Department of Health to the commission pursuant to

1 subsection a. of this section, the commission needs to employ an
2 individual to fill a position, employees of the department who
3 performed the duties of the position to be filled shall be given a
4 one-time right of first refusal offer of employment with the
5 commission, and such employees may be removed by the
6 commission for cause or if deemed unqualified to hold the position,
7 notwithstanding any other provision of law to the contrary. A
8 department employee who becomes employed by the commission
9 shall retain as an employee of the commission the seniority, and all
10 rights related to seniority, that the employee had with the
11 department as of the last day of employment with the department;
12 provided, however, that such seniority and seniority rights shall be
13 retained only by an employee who was transferred from
14 employment with the department to employment with the
15 commission, and shall not be retained by an employee who was
16 removed from employment with the department due to layoff
17 procedures or who resigned from a position with the department
18 prior to being hired by the commission.

19 (2) The commission may sue and be sued in any court, employ
20 legal counsel to represent the commission in any proceeding to
21 which it is a party and render legal advice to the commission upon
22 its request, as well as contract for the services of other professional,
23 technical, and operational personnel and consultants as may be
24 necessary to the performance of its responsibilities.

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

28 d. With respect to the activities of the commission, neither the
29 President of the Senate or the Speaker of the General Assembly
30 shall be permitted to appear or practice or act in any capacity
31 whatsoever before the commission regarding any matter
32 whatsoever, nor shall any member of the immediate family of the
33 Governor, President of the Senate, or Speaker of the General
34 Assembly be permitted to so practice or appear in any capacity
35 whatsoever before the commission regarding any matter
36 whatsoever. As used in this subsection, "immediate family" means
37 the spouse, domestic partner, or civil union partner, and any
38 dependent child or stepchild, recognized by blood or by law, of the
39 Governor, President of the Senate, or Speaker of the General
40 Assembly, or of the spouse, domestic partner, or civil union partner
41 residing in the same household as the Governor, President of the
42 Senate, or Speaker of the General Assembly.

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

46 f. The commission shall, no later than three years after the date
47 it first organizes, contract with a public research university, as

1 defined in section 3 of P.L.1994, c.48 (C.18A:3B-3), to conduct an
2 independent study to review:

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

14 The commission shall submit the findings of the independent
15 study, along with the commission's recommendations for
16 appropriate executive, administrative, or legislative action, to the
17 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
18 19.1), to the Legislature.

19

20 32. (New section) a. There is hereby established in the
21 commission an Office of Minority, Disabled Veterans, and Women
22 Medical Cannabis Business Development. The office shall be
23 under the immediate supervision of a director. The director of the
24 office shall be appointed by the Governor, and shall serve at the
25 pleasure of the appointing Governor during the Governor's term of
26 office and until a successor has been duly appointed and qualified.
27 Any vacancy in the directorship occurring for any reason other than
28 the expiration of the director's term of office shall be filled for the
29 unexpired term only in the same manner as the original
30 appointment. The director shall receive an annual salary as
31 provided by law which shall be at an amount not to exceed the
32 annual salary of the executive director of the commission.

33 b. (1) The office shall establish and administer, under the
34 direction of the commission, unified practices and procedures for
35 promoting participation in the medical cannabis industry by persons
36 from socially and economically disadvantaged communities,
37 including by prospective and existing ownership of minority
38 businesses and women's businesses, as these terms are defined in
39 section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled
40 veterans' businesses as defined in section 2 of P.L.2015, c.116
41 (C.52:32-31.2), to be issued medical cannabis cultivator, medical
42 cannabis manufacturer, medical cannabis dispensary, and clinical
43 registrant permits. These unified practices and procedures shall
44 include the certification and subsequent recertification at regular
45 intervals of a business as a minority or women's business, or a
46 disabled veterans' business, in accordance with eligibility criteria
47 and a certification application process established by the
48 commission through regulation in consultation with the office.

1 (2) The office shall conduct advertising and promotional
2 campaigns, and shall disseminate information to the public, to
3 increase awareness for participation in the medical cannabis
4 industry by persons from socially and economically disadvantaged
5 communities. To this end, the office shall sponsor seminars and
6 informational programs, and shall provide information on its
7 Internet website, providing practical information concerning the
8 medical cannabis industry, including information on business
9 management, marketing, and other related matters.

10 c. (1) The office shall develop, recommend, and implement
11 policies, practices, protocols, standards, and criteria designed to
12 promote the formulation of medical cannabis business entities and
13 participation in the medical cannabis industry by persons from
14 socially and economically disadvantaged communities, including by
15 promoting applications for, and the issuance of, medical cannabis
16 cultivator, medical cannabis manufacturer, medical cannabis
17 dispensary, and clinical registrant permits to certified minority,
18 women's, and disabled veterans' businesses. The office shall
19 evaluate the effectiveness of these measures by considering whether
20 the measures have resulted in new medical cannabis cultivator,
21 medical cannabis manufacturer, and medical cannabis dispensary
22 permits being issued in accordance with the provisions of
23 subsection g. of section 12 of P.L. , c. (C.) (pending
24 before the Legislature as this bill).

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

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

46 e. The office shall prepare information regarding its activities
47 pursuant to this section concerning participation in the medical
48 cannabis industry by persons from socially and economically

1 disadvantaged communities, including medical cannabis business
2 development initiatives for minority, women's, and disabled
3 veterans' businesses participating in the medical cannabis
4 marketplace, to be incorporated by the commission into its annual
5 report submitted to the Governor and to the Legislature pursuant to
6 section 14 of P.L.2009, c.307 (C.24:6I-12).

7
8 33. (New section) a. No person shall be appointed to or
9 employed by the commission if, during the period commencing
10 three years prior to appointment or employment, the person held
11 any direct or indirect interest in, or any employment by, any holder
12 of, or applicant for, a medical cannabis cultivator, medical cannabis
13 manufacturer, medical cannabis dispensary, or clinical registrant
14 permit pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or otherwise
15 employs any certified medical cannabis handler to perform transfers
16 or deliveries of medical cannabis; provided, however, that
17 notwithstanding any other provision of law to the contrary, any such
18 person may be appointed to or employed by the commission if the
19 person's prior interest in any such permit holder or applicant would
20 not, in the opinion of the commission, interfere with the objective
21 discharge of the person's obligations of appointment or
22 employment, but in no instance shall any person be appointed to or
23 employed by the commission if the person's prior interest in such
24 permit holder or applicant constituted a controlling interest in that
25 permit holder or applicant; and provided further, however, that
26 notwithstanding any other provision of law to the contrary, any such
27 person may be employed by the commission in a secretarial or
28 clerical position if, in the opinion of the commission, the person's
29 previous employment by, or interest in, any permit holder would
30 not interfere with the objective discharge of the person's
31 employment obligations.

32 b. Prior to appointment or employment, each member of the
33 commission and each employee of the commission shall swear or
34 affirm that the member or employee, as applicable, possesses no
35 interest in any business or organization issued a medical cannabis
36 cultivator, medical cannabis manufacturer, medical cannabis
37 dispensary, or clinical registrant permit by the commission.

38 c. (1) Each member of the commission shall file with the State
39 Ethics Commission a financial disclosure statement listing all assets
40 and liabilities, property and business interests, and sources of
41 income of the member and the member's spouse, domestic partner,
42 or partner in a civil union couple, as the case may be, and shall also
43 provide to the State Ethics Commission in the same financial
44 disclosure statement a list of all assets and liabilities, property and
45 business interests, and sources of income of each dependent child or
46 stepchild, recognized by blood or by law, of the member, or of the
47 spouse, domestic partner, or partner in a civil union couple residing
48 in the same household as the member. Each statement shall be

1 under oath and shall be filed at the time of appointment and
2 annually thereafter.

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

15

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

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

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

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

32 (1) No commission member or employee shall be permitted to
33 enter and engage in any activities, nor have any interest, directly or
34 indirectly, in any medical cannabis cultivator, medical cannabis
35 manufacturer, medical cannabis dispensary, or clinical registrant
36 issued a permit by the commission in accordance with the P.L.2009,
37 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
38 medical cannabis handler to perform transfers or deliveries of
39 medical cannabis, except in the course of the member’s or
40 employee’s duties; provided that nothing in this paragraph shall be
41 construed to prohibit a member or employee who is a registered
42 qualifying patient, or who is serving as a designated caregiver or
43 institutional caregiver for a registered qualifying patient, from being
44 dispensed medical cannabis consistent with the requirements of
45 P.L.2009, c.307 (C.24:6I-1 et al.).

46 (2) No commission member or employee shall solicit or accept
47 employment from any holder of, or applicant for, a medical
48 cannabis cultivator, medical cannabis manufacturer, medical

1 cannabis dispensary, or clinical registrant permit or any entity that
2 employs any certified medical cannabis handler to perform transfers
3 or deliveries of medical cannabis for a period of two years after
4 termination of service with the commission, except as otherwise
5 provided in section 35 of P.L. , c. (C.) (pending before the
6 Legislature as this bill).

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

14 (4) No commission member or employee shall act in the
15 member's or employee's official capacity in a matter concerning
16 any holder of, or applicant for, a medical cannabis cultivator,
17 medical cannabis manufacturer, medical cannabis dispensary, or
18 clinical registrant permit or any entity that employs any certified
19 medical cannabis handler to perform transfers or deliveries of
20 medical cannabis who is the employer of a spouse, domestic
21 partner, or partner in a civil union couple, or child, parent, or
22 sibling of the commission member or employee when the fact of the
23 employment of the spouse, domestic partner, or partner in a civil
24 union couple, or child, parent, or sibling might reasonably be
25 expected to impair the objectivity and independence of judgment of
26 the commission member or employee.

27 (5) No spouse, domestic partner, or partner in a civil union
28 couple, or child, parent, or sibling of a commission member shall be
29 employed in any capacity by any holder of, or applicant for, a
30 medical cannabis cultivator, medical cannabis manufacturer,
31 medical cannabis dispensary, or clinical registrant permit, or any
32 entity that employs any certified medical cannabis handler to
33 perform transfers or deliveries of medical cannabis nor by any
34 holding, intermediary, or subsidiary company thereof.

35 (6) No commission member shall meet with any person, except
36 for any other member of the commission or employee of the
37 commission, or discuss any issues involving any pending or
38 proposed application or any matter whatsoever which may
39 reasonably be expected to come before the commission, or any
40 member thereof, for determination unless the meeting or discussion
41 takes place on the business premises of the commission, provided,
42 however, that commission members may meet to consider matters
43 requiring the physical inspection of equipment or premises at the
44 location of the equipment or premises. All meetings or discussions
45 subject to this paragraph shall be noted in a log maintained for this
46 purpose and available for inspection pursuant to the provisions of
47 P.L.1963, c.73 (C.47:1A-1 et seq.).

1 d. No commission member or employee shall have any interest,
2 direct or indirect, in any holder of, or applicant for, a medical
3 cannabis cultivator, medical cannabis manufacturer, medical
4 cannabis dispensary, or clinical registrant permit or in any entity
5 that employs any certified medical cannabis handler to perform
6 transfers or deliveries of medical cannabis during the member's
7 term of office or employee's term of employment.

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

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

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

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

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

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

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

46

47 35. (New section) a. No member of the commission shall hold
48 any direct or indirect interest in, or be employed by, any holder of,

1 or applicant for, a medical cannabis cultivator, medical cannabis
2 manufacturer, medical cannabis dispensary, or clinical registrant
3 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or in
4 any entity that employs any certified medical cannabis handler to
5 perform transfers or deliveries of medical cannabis for a period of
6 two years commencing on the date that membership on the
7 commission terminates.

8 b. (1) No employee of the commission may acquire any direct
9 or indirect interest in, or accept employment with, any holder of, or
10 applicant for, a medical cannabis cultivator, medical cannabis
11 manufacturer, medical cannabis dispensary, or clinical registrant
12 permit or in any entity that employs any certified medical cannabis
13 handler to perform transfers or deliveries of medical cannabis, for a
14 period of two years commencing at the termination of employment
15 with the commission, except that a secretarial or clerical employee
16 of the commission may accept such employment at any time after
17 the termination of employment with the commission. At the end of
18 two years and for a period of two years thereafter, a former
19 employee who held a policy-making management position at any
20 time during the five years prior to termination of employment may
21 acquire an interest in, or accept employment with, any holder of, or
22 applicant for, a medical cannabis cultivator, medical cannabis
23 manufacturer, medical cannabis dispensary, or clinical registrant
24 permit or in any entity that employs any certified medical cannabis
25 handler to perform transfers or deliveries of medical cannabis, upon
26 application to, and the approval of, the commission, upon a finding
27 that the interest to be acquired or the employment will not create the
28 appearance of a conflict of interest and does not evidence a conflict
29 of interest in fact.

30 (2) Notwithstanding the provisions of this subsection, if the
31 employment of a commission employee, other than an employee
32 who held a policy-making management position at any time during
33 the five years prior to termination of employment, is terminated as a
34 result of a reduction in the workforce at the commission, the
35 employee may, at any time prior to the end of the two-year period,
36 accept employment with any holder of, or applicant for, a medical
37 cannabis cultivator, medical cannabis manufacturer, medical
38 cannabis dispensary, or clinical registrant permit or any entity that
39 employs any certified medical cannabis handler to perform transfers
40 or deliveries of medical cannabis, upon application to, and the
41 approval of, the commission, upon a finding that the employment
42 will not create the appearance of a conflict of interest and does not
43 evidence a conflict of interest in fact. The commission shall take
44 action on an application within 30 days of receipt and an
45 application may be submitted to the commission prior to or after the
46 commencement of the employment.

47 c. No commission member or employee shall represent any
48 person or party other than the State before or against the

1 commission for a period of two years from the termination of office
2 or employment with the commission.

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

8
9 36. (New section) a. (1) No holder of, or applicant for, a
10 medical cannabis cultivator, medical cannabis manufacturer,
11 medical cannabis dispensary, or clinical registrant permit issued
12 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that
13 employs any certified medical cannabis handler to perform transfers
14 or deliveries of medical cannabis shall employ or offer to employ,
15 or provide, transfer, or sell, or offer to provide, transfer, or sell any
16 interest, direct or indirect, in any medical cannabis cultivator,
17 medical cannabis manufacturer, medical cannabis dispensary, or
18 clinical registrant permit holder to any person restricted from such
19 transactions by the provisions of sections 33 through 35 of P.L. ,
20 c. (C.) (pending before the Legislature as this bill).

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

25 b. (1) A member or employee of the commission who makes
26 or causes to be made a political contribution prohibited under
27 subsection f. of section 34 of P.L. , c. (C.) (pending before
28 the Legislature as this bill) is guilty of a crime of the fourth degree,
29 but notwithstanding the provisions of subsection b. of N.J.S.2C:43-
30 3, a fine not to exceed \$200,000 may be imposed.

31 (2) A member or employee of the commission who willfully
32 violates any other provisions in sections 33 through 35 of P.L. ,
33 c. (C.) (pending before the Legislature as this bill) is guilty of
34 a disorderly persons offense.

35 c. The State Ethics Commission, established pursuant to the
36 "New Jersey Conflicts of Interest Law," P.L.1971, c.182
37 (C.52:13D-12 et seq.), shall enforce the provisions of sections 33
38 through 36 of P.L. , c. (C.) (pending before the Legislature
39 as this bill), and upon a finding of a violation, impose a civil
40 penalty of not less than \$500 nor more than \$10,000, which penalty
41 may be collected in a summary proceeding pursuant to the "Penalty
42 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
43 If a violation also represents a crime or disorderly persons offense
44 as set forth in subsection b. of this section, the State Ethics
45 Commission shall also refer the matter to the Attorney General or
46 appropriate county prosecutor for further investigation and
47 prosecution.

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

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

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

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

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

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

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

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

41 g. "Interest" means; (1) the ownership or control of more than
42 ~~10%~~ **10 percent** of the profits or assets of a firm, association, or
43 partnership, or more than ~~10%~~ **10 percent** of the stock in a
44 corporation for profit other than a professional service corporation
45 organized under the "Professional Service Corporation Act,"
46 P.L.1969, c.232 (C. 14A:17-1 et seq.); or (2) the ownership or
47 control of more than ~~1%~~ **one percent** of the profits of a firm,

1 association, or partnership, or more than **【1%】** one percent of the
2 stock in any corporation, (a) which is the holder of, or an applicant
3 for, a casino license or in any holding or intermediary company
4 with respect thereto, as defined by the "Casino Control Act,"
5 P.L.1977, c.110 (C.5:12-1 et seq.), or (b) which is the holder of, or
6 an applicant for, a medical cannabis cultivator, medical cannabis
7 manufacturer, medical cannabis dispensary, or clinical registrant
8 permit issued pursuant P.L.2009, c.307 (C.24:6I-1 et al.), or any
9 holding or intermediary company with respect thereto. The
10 provisions of this act governing the conduct of individuals are
11 applicable to shareholders, associates or professional employees of
12 a professional service corporation regardless of the extent or
13 amount of their shareholder interest in such a corporation.

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

19 i. "Member of the immediate family" of any person means the
20 person's spouse, domestic partner, civil union partner, child, parent,
21 or sibling residing in the same household.
22 (cf: P.L.1987, c.432, s.2)

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

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

27 (1) **【any State officer or employee subject to financial**
28 **disclosure by law or executive order and any other State officer or**
29 **employee with responsibility for matters affecting casino activity;**
30 **any special State officer or employee with responsibility for matters**
31 **affecting casino activity;】** (a) with respect to casino activity and
32 activity related to medical cannabis authorized pursuant to
33 P.L.2009, c.307 (C.24:6I-1 et al.), the Governor; 【any member of
34 the Legislature or】 the President of the Senate; the Speaker of the
35 General Assembly; any full-time member of the Judiciary; any full-
36 time professional employee of the Office of the Governor 【, or the
37 Legislature; members of the Casino Reinvestment Development
38 Authority】; the head of a principal department; the assistant or
39 deputy heads of a principal department, including all assistant and
40 deputy commissioners; the head of any division of a principal
41 department;

42 (b) with respect to casino activity, any State officer or employee
43 subject to financial disclosure by law or executive order and any
44 other State officer or employee with responsibility for matters
45 affecting casino activity; any special State officer or employee with
46 responsibility for matters affecting casino activity; any member of
47 the Legislature; any full-time professional employee of the

1 Legislature; members of the Casino Reinvestment Development
2 Authority; or

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

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

18 (b) any member of the governing body or the municipal judge of
19 a municipality, any member of the planning board or zoning board
20 of adjustment, or any professional planner, or consultant regularly
21 employed or retained by such planning board or zoning board of
22 adjustment, of a municipality wherein a medical cannabis
23 cultivator, medical cannabis manufacturer, medical cannabis
24 dispensary, or clinical registrant issued a permit pursuant to
25 P.L.2009, c.307 (C.24:6I-1 et al.) is located.

26 b. (1) No State officer or employee, nor any person, nor any
27 member of the immediate family of any State officer or employee,
28 or person, nor any partnership, firm, or corporation with which any
29 such State officer or employee or person is associated or in which
30 he has an interest, nor any partner, officer, director, or employee
31 while he is associated with such partnership, firm, or corporation,
32 shall hold, directly or indirectly, an interest in, or hold employment
33 with, or represent, appear for, or negotiate on behalf of, any holder
34 of, or applicant for, a casino license, or any holding or intermediary
35 company with respect thereto, in connection with any cause,
36 application, or matter, except as provided in section 3 of P.L.2009,
37 c.26 (C.52:13D-17.3), and except that **[(1)]** (a) a State officer or
38 employee other than a State officer or employee included in the
39 definition of person, and **[(2)]** (b) a member of the immediate
40 family of a State officer or employee, or of a person, may hold
41 employment with the holder of, or applicant for, a casino license if,
42 in the judgment of the State Ethics Commission, the Joint
43 Legislative Committee on Ethical Standards, or the Supreme Court,
44 as appropriate, such employment will not interfere with the
45 responsibilities of the State officer or employee, or person, and will
46 not create a conflict of interest, or reasonable risk of the public
47 perception of a conflict of interest, on the part of the State officer or

1 employee, or person. No special State officer or employee without
2 responsibility for matters affecting casino activity, excluding those
3 serving in the Departments of Education, Health **and Senior**
4 **Services**], and Human Services and the **Commission on** Office of
5 the Secretary of Higher Education, shall hold, directly or indirectly,
6 an interest in, or represent, appear for, or negotiate on behalf of, any
7 holder of, or applicant for, a casino license, or any holding or
8 intermediary company with respect thereto, in connection with any
9 cause, application, or matter. However, a special State officer or
10 employee without responsibility for matters affecting casino
11 activity may hold employment directly with any holder of or
12 applicant for a casino license or any holding or intermediary
13 company thereof and if so employed may hold, directly or
14 indirectly, an interest in, or represent, appear for, or negotiate on
15 behalf of, **his** that employer, except as otherwise prohibited by
16 law.

17 (2) No State officer or employee, nor any person, nor any
18 member of the immediate family of any State officer or employee,
19 or person, nor any partnership, firm, or corporation with which any
20 such State officer or employee or person is associated or in which
21 he has an interest, nor any partner, officer, director, or employee
22 while he is associated with such partnership, firm, or corporation,
23 shall hold, directly or indirectly, an interest in, or hold employment
24 with, or represent, appear for, or negotiate on behalf of, or derive
25 any remuneration, payment, benefit, or any other thing of value for
26 any services, including but not limited to consulting or similar
27 services, from any holder of, or applicant for, a license, permit, or
28 other approval to conduct Internet gaming, or any holding or
29 intermediary company with respect thereto, or any Internet gaming
30 affiliate of any holder of, or applicant for, a casino license, or any
31 holding or intermediary company with respect thereto, or any
32 business, association, enterprise, or other entity that is organized, in
33 whole or in part, for the purpose of promoting, advocating for, or
34 advancing the interests of the Internet gaming industry generally or
35 any Internet gaming-related business or businesses in connection
36 with any cause, application, or matter, except as provided in section
37 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that **(1)** (a)
38 State officer or employee other than a State officer or employee
39 included in the definition of person, and **(2)** (b) a member of the
40 immediate family of a State officer or employee, or of a person,
41 may hold employment with the holder of, or applicant for, a license,
42 permit, or other approval to conduct Internet gaming, or any
43 holding or intermediary company with respect thereto, or any
44 Internet gaming affiliate of any holder of, or applicant for, a casino
45 license, or any holding or intermediary company with respect
46 thereto if, in the judgment of the State Ethics Commission, the Joint
47 Legislative Committee on Ethical Standards, or the Supreme Court,

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

6 (3) No State officer or employee, nor any person, nor any
7 member of the immediate family of any State officer or employee,
8 or person, nor any partnership, firm, or corporation with which any
9 such State officer or employee or person is associated or in which
10 he has an interest, nor any partner, officer, director, or employee
11 while he is associated with such partnership, firm, or corporation,
12 shall hold, directly or indirectly, an interest in, or hold employment
13 with, or represent, appear for, or negotiate on behalf of, any holder
14 of, or applicant for, a medical cannabis cultivator, medical cannabis
15 manufacturer, medical cannabis dispensary, or clinical registrant
16 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or in
17 any entity that employs any certified medical cannabis handler to
18 perform transfers or deliveries of medical cannabis, or any holding
19 or intermediary company with respect thereto, in connection with
20 any cause, application, or matter, except as provided in section 3 of
21 P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State officer
22 or employee other than a State officer or employee included in the
23 definition of person, and (b) a member of the immediate family of a
24 State officer or employee, or of a person, may hold employment
25 with the holder of, or applicant for, a medical cannabis cultivator,
26 medical cannabis manufacturer, medical cannabis dispensary, or
27 clinical registrant permit or any entity that employs any certified
28 medical cannabis handler to perform transfers or deliveries of
29 medical cannabis if, in the judgment of the State Ethics
30 Commission, the Joint Legislative Committee on Ethical Standards,
31 or the Supreme Court, as appropriate, such employment will not
32 interfere with the responsibilities of the State officer or employee,
33 or person, and will not create a conflict of interest, or reasonable
34 risk of the public perception of a conflict of interest, on the part of
35 the State officer or employee, or person. No special State officer or
36 employee without responsibility for matters affecting medical
37 cannabis activity, excluding those serving in the Departments of
38 Education, Health, and Human Services and the Office of the
39 Secretary of Higher Education, shall hold, directly or indirectly, an
40 interest in, or represent, appear for, or negotiate on behalf of, any
41 holder of, or applicant for, a medical cannabis cultivator, medical
42 cannabis manufacturer, medical cannabis dispensary, or clinical
43 registrant permit or any entity that employs any certified medical
44 cannabis handler to perform transfers or deliveries of medical
45 cannabis, or any holding or intermediary company with respect
46 thereto, in connection with any cause, application, or matter.
47 However, a special State officer or employee without responsibility
48 for matters affecting medical cannabis activity may hold

1 employment directly with any holder of or applicant for a medical
2 cannabis cultivator, medical cannabis manufacturer, medical
3 cannabis dispensary, or clinical registrant permit, or any entity that
4 employs any certified medical cannabis handler to perform transfers
5 or deliveries of medical cannabis, or any holding or intermediary
6 company thereof, and if so employed may hold, directly or
7 indirectly, an interest in, or represent, appear for, or negotiate on
8 behalf of, that employer, except as otherwise prohibited by law.

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

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

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

45 Nothing herein contained shall alter or amend the post-
46 employment restrictions applicable to members and employees of
47 the Casino Control Commission and employees and agents of the

1 Division of Gaming Enforcement pursuant to paragraph (2) of
2 subsection e. [(2)] of section 59 and to section 60 of P.L.1977,
3 c.110 (C.5:12-59 and C.5:12-60); and

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

29 (2) No person or any member of the person's immediate family,
30 nor any partnership, firm, or corporation with which such person is
31 associated or in which the person has an interest, nor any partner,
32 officer, director, or employee while the person is associated with
33 such partnership, firm, or corporation, shall, within two years next
34 subsequent to the termination of the office or employment of such
35 person, hold, directly or indirectly, an interest in, or hold
36 employment with, or represent, appear for, or negotiate on behalf
37 of, any holder of, or applicant for, a medical cannabis cultivator,
38 medical cannabis manufacturer, medical cannabis dispensary, or
39 clinical registrant permit issued pursuant to P.L.2009, c.307
40 (C.24:6I-1 et al.) or in any entity that employs any certified medical
41 cannabis handler to perform transfers or deliveries of medical
42 cannabis, or any holding or intermediary company with respect
43 thereto, in connection with any cause, application, or matter, or any
44 holding or intermediary company with respect to such holder of, or
45 applicant for, a medical cannabis cultivator, medical cannabis
46 manufacturer, medical cannabis dispensary, or clinical registrant
47 permit or entity that employs any certified medical cannabis handler

1 to perform transfers or deliveries of medical cannabis in connection
2 with any phase of development, permitting, licensure, or any other
3 matter whatsoever related to medical cannabis activity, except as
4 provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except
5 that:

6 (a) a member of the immediate family of a person may hold
7 employment with the holder of, or applicant for, a medical cannabis
8 cultivator, medical cannabis manufacturer, medical cannabis
9 dispensary, or clinical registrant permit issued pursuant to P.L.2009,
10 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
11 medical cannabis handler to perform transfers or deliveries of
12 medical cannabis if, in the judgment of the State Ethics
13 Commission, the Joint Legislative Committee on Ethical Standards,
14 or the Supreme Court, as appropriate, such employment will not
15 interfere with the responsibilities of the person and will not create a
16 conflict of interest, or reasonable risk of the public perception of a
17 conflict of interest, on the part of the person;

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

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

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

23 d. This section shall not apply to the spouse of a State officer
24 or employee, which State officer or employee is without
25 responsibility for matters affecting casino or medical cannabis
26 activity, who becomes the spouse subsequent to the State officer's
27 or employee's appointment or employment as a State officer or
28 employee and who is not individually or directly employed by a
29 holder of, or applicant for, a casino license **[.]** or medical cannabis
30 permit, or any holding or intermediary company thereof.

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

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

41 (2) No person shall solicit or accept, directly or indirectly, any
42 complimentary service or discount from any holder of, or applicant
43 for, a medical cannabis cultivator, medical cannabis manufacturer,
44 medical cannabis dispensary, or clinical registrant permit issued
45 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that
46 employs any certified medical cannabis handler to perform transfers
47 or deliveries of medical cannabis, which the person knows or has

1 reason to know is other than a service or discount that is offered to
2 members of the general public in like circumstance.

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

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

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

31 In addition, for violations of subsection c. of this section
32 occurring after the effective date of P.L.2005, c.382, a civil penalty
33 of not less than \$500 nor more than \$10,000 shall be imposed upon
34 a former State officer or employee or former special State officer or
35 employee of a State agency in the Executive Branch upon a finding
36 of a violation by the State Ethics Commission, which penalty may
37 be collected in a summary proceeding pursuant to the "Penalty
38 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
39 (cf: P.L.2013, c.27, s.35)

40

41 39. (New section) If any provision of P.L.2009, c.307 (C.24:6I-
42 1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.) or its application
43 to any person or circumstance is held invalid, the invalidity does not
44 affect other provisions or applications of P.L.2009, c.307 (C.24:6I-1
45 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.) which can be
46 given effect without the invalid provision or application, and to this

1 end the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) and
2 P.L.2015, c.158 (C.18A:40-12.22 et al.) are severable.

3

4 40. N.J.S.2C:35-18 is amended to read as follows:

5 2C:35-18. Exemption; Burden of Proof. a. If conduct is
6 authorized by the provisions of P.L.1970, c.226 (C.24:21-1 et seq.),
7 P.L.2009, c.307 (C.24:6I-1 et al.), or P.L.2015, c.158 (C.18A:40-
8 12.22 et al.), that authorization shall, subject to the provisions of
9 this section, constitute an exemption from criminal liability under
10 this chapter or chapter 36, and the absence of such authorization
11 shall not be construed to be an element of any offense in this
12 chapter or chapter 36. It is an affirmative defense to any criminal
13 action arising under this chapter or chapter 36 that the defendant is
14 the authorized holder of an appropriate registration, permit, or order
15 form or is otherwise exempted or excepted from criminal liability
16 by virtue of any provision of P.L.1970, c.226 (C.24:21-1 et seq.),
17 P.L.2009, c.307 (C.24:6I-1 et al.), or P.L.2015, c.158 (C.18A:40-
18 12.22 et al.). The affirmative defense established herein shall be
19 proved by the defendant by a preponderance of the evidence. It
20 shall not be necessary for the State to negate any exemption set
21 forth in this act or in any provision of Title 24 of the Revised
22 Statutes in any complaint, information, indictment, or other
23 pleading or in any trial, hearing, or other proceeding under this act.

24 b. No liability shall be imposed by virtue of this chapter or
25 chapter 36 upon any duly authorized State officer, engaged in the
26 enforcement of any law or municipal ordinance relating to
27 controlled dangerous substances or controlled substance analogs.

28 (cf: P.L.2015, c.158, s.3)

29

30 41. Section 1 of P.L.2015, c.158 (C.18A:40-12.22) is amended
31 to read as follows:

32 1. a. A board of education or chief school administrator of a
33 nonpublic school shall develop a policy authorizing parents,
34 guardians, and **【primary】** designated caregivers to administer
35 medical **【marijuana】** cannabis to a student while the student is on
36 school grounds, aboard a school bus, or attending a school-
37 sponsored event.

38 b. A policy adopted pursuant to subsection a. of this section
39 shall, at a minimum:

40 (1) require that the student be authorized to engage in the
41 medical use of **【marijuana】** cannabis pursuant to P.L.2009, c.307
42 (C.24:6I-1 et al.) and that the parent, guardian, or **【primary】**
43 designated caregiver be authorized to assist the student with the
44 medical use of **【marijuana】** cannabis pursuant to P.L.2009, c.307
45 (C.24:6I-1 et al.);

46 (2) establish protocols for verifying the registration status and
47 ongoing authorization pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)

1 concerning the medical use of **【marijuana】 cannabis** for the student
2 and the parent, guardian, or **【primary】 designated** caregiver;

3 (3) expressly authorize parents, guardians, and **【primary】**
4 **designated** caregivers of students who have been authorized for the
5 medical use of **【marijuana】 cannabis** to administer medical
6 **【marijuana】 cannabis** to the student while the student is on school
7 grounds, aboard a school bus, or attending a school-sponsored
8 event;

9 (4) identify locations on school grounds where medical
10 **【marijuana】 cannabis** may be administered; and

11 (5) prohibit the administration of medical **【marijuana】 cannabis**
12 to a student by smoking or other form of inhalation while the
13 student is on school grounds, aboard a school bus, or attending a
14 school-sponsored event.

15 c. Medical **【marijuana】 cannabis** may be administered to a
16 student while the student is on school grounds, aboard a school bus,
17 or attending school-sponsored events, provided that such
18 administration is consistent with the requirements of the policy
19 adopted pursuant to this section.

20 (cf: P.L.2015, c.158, s.1)

21

22 42. Section 2 of P.L.2015, c.158 (C.30:6D-5b) is amended to
23 read as follows:

24 2. a. The chief administrator of a facility that offers services
25 for persons with developmental disabilities shall develop a policy
26 authorizing a parent, guardian, or **【primary】 designated** caregiver
27 authorized to assist a qualifying patient with the use of medical
28 **【marijuana】 cannabis** pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
29 to administer medical **【marijuana】 cannabis** to a person who is
30 receiving services for persons with developmental disabilities at the
31 facility.

32 b. A policy adopted pursuant to subsection a. of this section
33 shall, at a minimum:

34 (1) require the person receiving services for persons with
35 developmental disabilities be a qualifying patient authorized for the
36 use of medical **【marijuana】 cannabis** pursuant to P.L.2009, c.307
37 (C.24:6I-1 et al.), and that the parent, guardian, or **【primary】**
38 **designated** caregiver be authorized to assist the person with the
39 medical use of **【marijuana】 cannabis** pursuant to P.L.2009, c.307
40 (C.24:6I-1 et al.);

41 (2) establish protocols for verifying the registration status and
42 ongoing authorization pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
43 concerning the medical use of **【marijuana】 cannabis** for the person
44 and the parent, guardian, or **【primary】 designated** caregiver;

45 (3) expressly authorize parents, guardians, and **【primary】**
46 **designated** caregivers to administer medical **【marijuana】 cannabis**

1 to the person receiving services for persons with developmental
2 disabilities while the person is at the facility; and

3 (4) identify locations at the facility where medical **【marijuana】**
4 cannabis may be administered.

5 c. Medical **【marijuana】** cannabis may be administered to a
6 person receiving services for persons with developmental
7 disabilities at a facility that offers such services while the person is
8 at the facility, provided that such administration is consistent with
9 the requirements of the policy adopted pursuant to this section and
10 the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).

11 d. Nothing in this section shall be construed to authorize
12 medical **【marijuana】** cannabis to be smoked in any place where
13 smoking is prohibited pursuant to N.J.S.2C:33-13.

14 (cf: P.L.2015, c.158, s.2)

15

16 43. (New section) a. The chief administrator of a facility that
17 offers behavioral health care services shall develop a policy
18 authorizing a parent, guardian, or designated caregiver authorized to
19 assist a qualifying patient with the use of medical cannabis pursuant
20 to P.L.2009, c.307 (C.24:6I-1 et al.) to administer medical cannabis
21 to a person who is receiving behavioral health care services at the
22 facility.

23 b. A policy adopted pursuant to subsection a. of this section
24 shall, at a minimum:

25 (1) require the person receiving behavioral health care services
26 be a qualifying patient authorized for the use of medical cannabis
27 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), and that the parent,
28 guardian, or designated caregiver be authorized to assist the person
29 with the medical use of cannabis pursuant to P.L.2009, c.307
30 (C.24:6I-1 et al.);

31 (2) establish protocols for verifying the registration status and
32 ongoing authorization pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
33 concerning the medical use of cannabis for the person and the
34 parent, guardian, or designated caregiver;

35 (3) expressly authorize parents, guardians, and designated
36 caregivers to administer medical cannabis to the person receiving
37 behavioral health care services while the person is at the facility;
38 and

39 (4) identify locations at the facility where medical cannabis may
40 be administered.

41 c. Medical cannabis may be administered to a person receiving
42 behavioral health care services at a facility that offers such services
43 while the person is at the facility, provided that such administration
44 is consistent with the requirements of the policy adopted pursuant to
45 this section and the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).

1 d. Nothing in this section shall be construed to authorize
2 medical cannabis to be smoked in any place where smoking is
3 prohibited pursuant to N.J.S.2C:33-13.

4 e. As used in this section, "behavioral health care services"
5 means procedures or services provided by a health care practitioner
6 to a patient for the treatment of a mental illness or emotional
7 disorder that is of mild to moderate severity. "Behavioral health
8 care" and "behavioral health care services" shall not include
9 procedures or services that are provided for the treatment of severe
10 mental illness, severe emotional disorder, or any drug or alcohol use
11 disorder.

12

13 44. Section 11 of P.L.2009, c.307 (C.45:1-45.1) is amended to
14 read as follows:

15 11. a. A **【physician】** health care practitioner who **【provides a**
16 **certification】** authorizes a patient for the medical use of cannabis or
17 who provides a written instruction for the medical use of
18 **【marijuana】** cannabis to a qualifying patient pursuant to P.L.2009,
19 c.307 (C.24:6I-1 et al.) and **【any alternative treatment center】** each
20 medical cannabis dispensary and clinical registrant shall furnish to
21 the Director of the Division of Consumer Affairs in the Department
22 of Law and Public Safety such information, on a daily basis and in
23 such a format **【and at such intervals,】** as the director shall prescribe
24 by regulation, for inclusion in a system established to monitor the
25 dispensation of **【marijuana】** cannabis in this State for medical use
26 as authorized by the provisions of P.L.2009, c.307 (C.24:6I-
27 1 et al.), which system shall serve the same purpose as, and be
28 cross-referenced with, the electronic system for monitoring
29 controlled dangerous substances established pursuant to section 25
30 of P.L.2007, c.244 (C.45:1-45).

31 b. The Director of the Division of Consumer Affairs, pursuant
32 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
33 1 et seq.), and in consultation with the **【Commissioner of Health**
34 **and Senior Services】** Cannabis Regulatory Commission, shall adopt
35 rules and regulations to effectuate the purposes of subsection a. of
36 this section.

37 c. Notwithstanding any provision of P.L.1968, c.410
38 (C.52:14B-1 et seq.) to the contrary, the Director of the Division of
39 Consumer Affairs shall adopt, immediately upon filing with the
40 Office of Administrative Law and no later than the 90th day after
41 the effective date of P.L.2009, c.307 (C.24:6I-1 et al.), such
42 regulations as the director deems necessary to implement the
43 provisions of subsection a. of this section. Regulations adopted
44 pursuant to this subsection shall be effective until the adoption of
45 rules and regulations pursuant to subsection b. of this section and
46 may be amended, adopted, or readopted by the director in

1 accordance with the requirements of P.L.1968, c.410 (C.52:14B-
2 1 et seq.).

3 (cf: P.L.2009, c.307, s.11)

4

5 45. Section 7 of P.L.1991, c.378 (C.45:9-27.16) is amended to
6 read as follows:

7 7. a. A physician assistant may perform the following
8 procedures:

9 (1) Approaching a patient to elicit a detailed and accurate
10 history, perform an appropriate physical examination, identify
11 problems, record information, and interpret and present information
12 to the supervising physician;

13 (2) Suturing and caring for wounds including removing sutures
14 and clips and changing dressings, except for facial wounds,
15 traumatic wounds requiring suturing in layers, and infected wounds;

16 (3) Providing patient counseling services and patient education
17 consistent with directions of the supervising physician;

18 (4) Assisting a physician in an inpatient setting by conducting
19 patient rounds, recording patient progress notes, determining and
20 implementing therapeutic plans jointly with the supervising
21 physician, and compiling and recording pertinent narrative case
22 summaries;

23 (5) Assisting a physician in the delivery of services to patients
24 requiring continuing care in a private home, nursing home,
25 extended care facility, or other setting, including the review and
26 monitoring of treatment and therapy plans; and

27 (6) Referring patients to, and promoting their awareness of,
28 health care facilities and other appropriate agencies and resources in
29 the community.

30 (7) (Deleted by amendment, P.L.2015, c.224)

31 b. A physician assistant may perform the following procedures
32 only when directed, ordered, or prescribed by the supervising
33 physician, or when performance of the procedure is delegated to the
34 physician assistant by the supervising physician as authorized under
35 subsection d. of this section:

36 (1) Performing non-invasive laboratory procedures and related
37 studies or assisting duly licensed personnel in the performance of
38 invasive laboratory procedures and related studies;

39 (2) Giving injections, administering medications, and requesting
40 diagnostic studies;

41 (3) Suturing and caring for facial wounds, traumatic wounds
42 requiring suturing in layers, and infected wounds;

43 (4) Writing prescriptions or ordering medications in an inpatient
44 or outpatient setting in accordance with section 10 of P.L.1991,
45 c.378 (C.45:9-27.19); **[and]**

46 (5) Prescribing the use of patient restraints; and

47 (6) Authorizing qualifying patients for the medical use of
48 cannabis and issuing written instructions for medical cannabis to

1 registered qualifying patients pursuant to P.L.2009, c.307 (C.24:6I-
2 1 et al.).

3 c. A physician assistant may assist a supervising surgeon in the
4 operating room when a qualified assistant physician is not required
5 by the board and a second assistant is deemed necessary by the
6 supervising surgeon.

7 d. A physician assistant may perform medical services beyond
8 those explicitly authorized in this section, when such services are
9 delegated by a supervising physician with whom the physician
10 assistant has signed a delegation agreement pursuant to section 8 of
11 P.L.1991, c.378 (C.45:9-27.17). The procedures delegated to a
12 physician assistant shall be limited to those customary to the
13 supervising physician's specialty and within the supervising
14 physician's and the physician assistant's competence and training.

15 e. Notwithstanding subsection d. of this section, a physician
16 assistant shall not be authorized to measure the powers or range of
17 human vision, determine the accommodation and refractive states of
18 the human eye, or fit, prescribe, or adapt lenses, prisms, or frames
19 for the aid thereof. Nothing in this subsection shall be construed to
20 prohibit a physician assistant from performing a routine visual
21 screening.

22 (cf: P.L.2015, c.224, s.7)

23

24 46. Section 10 of P.L.1991, c.378 (C.45:9-27.19) is amended to
25 read as follows:

26 10. A physician assistant may order, prescribe, dispense, and
27 administer medications and medical devices and issue written
28 instructions to registered qualifying patients for medical cannabis to
29 the extent delegated by a supervising physician.

30 a. Controlled dangerous substances may only be ordered or
31 prescribed if:

32 (1) a supervising physician has authorized a physician assistant
33 to order or prescribe Schedule II, III, IV, or V controlled dangerous
34 substances in order to:

35 (a) continue or reissue an order or prescription for a controlled
36 dangerous substance issued by the supervising physician;

37 (b) otherwise adjust the dosage of an order or prescription for a
38 controlled dangerous substance originally ordered or prescribed by
39 the supervising physician, provided there is prior consultation with
40 the supervising physician;

41 (c) initiate an order or prescription for a controlled dangerous
42 substance for a patient, provided there is prior consultation with the
43 supervising physician if the order or prescription is not pursuant to
44 subparagraph (d) of this paragraph; or

45 (d) initiate an order or prescription for a controlled dangerous
46 substance as part of a treatment plan for a patient with a terminal
47 illness, which for the purposes of this subparagraph means a

1 medical condition that results in a patient's life expectancy being 12
2 months or less as determined by the supervising physician;

3 (2) the physician assistant has registered with, and obtained
4 authorization to order or prescribe controlled dangerous substances
5 from, the federal Drug Enforcement Administration and any other
6 appropriate State and federal agencies; and

7 (3) the physician assistant complies with all requirements which
8 the board shall establish by regulation for the ordering, prescription,
9 or administration of controlled dangerous substances, all applicable
10 educational program requirements, and continuing professional
11 education programs approved pursuant to section 16 of P.L.1991,
12 c.378 (C.45:9-27.25).

13 b. (Deleted by amendment, P.L.2015, c.224)

14 c. (Deleted by amendment, P.L.2015, c.224)

15 d. In the case of an order or prescription for a controlled
16 dangerous substance or written instructions for medical cannabis,
17 the physician assistant shall print on the order or prescription or the
18 written instructions the physician assistant's Drug Enforcement
19 Administration registration number.

20 e. The dispensing of medication or a medical device by a
21 physician assistant shall comply with relevant federal and State
22 regulations, and shall occur only if: (1) pharmacy services are not
23 reasonably available; (2) it is in the best interest of the patient; or
24 (3) the physician assistant is rendering emergency medical
25 assistance.

26 f. A physician assistant may request, receive, and sign for
27 prescription drug samples and may distribute those samples to
28 patients.

29 g. A physician assistant may issue written instructions to a
30 registered qualifying patient for medical cannabis pursuant to
31 section 10 of P.L.2009, c.307 (C.24:6I-10) only if:

32 (1) a supervising physician has authorized the physician
33 assistant to issue written instructions to registered qualifying
34 patients;

35 (2) the physician assistant verifies the patient's status as a
36 registered qualifying patient; and

37 (3) the physician assistant complies with the requirements for
38 issuing written instructions for medical cannabis established
39 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.).

40 (cf: P.L.2015, c.224, s.7)

41

42 47. Section 10 of P.L.1991, c.377 (C.45:11-49) is amended to
43 read as follows:

44 10. a. In addition to all other tasks which a registered
45 professional nurse may, by law, perform, an advanced practice
46 nurse may manage preventive care services and diagnose and
47 manage deviations from wellness and long-term illnesses, consistent

1 with the needs of the patient and within the scope of practice of the
2 advanced practice nurse, by:

- 3 (1) initiating laboratory and other diagnostic tests;
- 4 (2) prescribing or ordering medications and devices, as
5 authorized by subsections b. and c. of this section; and
- 6 (3) prescribing or ordering treatments, including referrals to
7 other licensed health care professionals, and performing specific
8 procedures in accordance with the provisions of this subsection.

9 b. An advanced practice nurse may order medications and
10 devices in the inpatient setting, subject to the following conditions:

11 (1) the collaborating physician and advanced practice nurse
12 shall address in the joint protocols whether prior consultation with
13 the collaborating physician is required to initiate an order for a
14 controlled dangerous substance;

15 (2) the order is written in accordance with standing orders or
16 joint protocols developed in agreement between a collaborating
17 physician and the advanced practice nurse, or pursuant to the
18 specific direction of a physician;

19 (3) the advanced practice nurse authorizes the order by signing
20 the nurse's own name, printing the name and certification number,
21 and printing the collaborating physician's name;

22 (4) the physician is present or readily available through
23 electronic communications;

24 (5) the charts and records of the patients treated by the advanced
25 practice nurse are reviewed by the collaborating physician and the
26 advanced practice nurse within the period of time specified by rule
27 adopted by the Commissioner of Health pursuant to section 13 of
28 P.L.1991, c.377 (C.45:11-52);

29 (6) the joint protocols developed by the collaborating physician
30 and the advanced practice nurse are reviewed, updated, and signed
31 at least annually by both parties; and

32 (7) the advanced practice nurse has completed six contact hours
33 of continuing professional education in pharmacology related to
34 controlled substances, including pharmacologic therapy, addiction
35 prevention and management, and issues concerning prescription
36 opioid drugs, including responsible prescribing practices,
37 alternatives to opioids for managing and treating pain, and the risks
38 and signs of opioid abuse, addiction, and diversion, in accordance
39 with regulations adopted by the New Jersey Board of Nursing. The
40 six contact hours shall be in addition to New Jersey Board of
41 Nursing pharmacology education requirements for advanced
42 practice nurses related to initial certification and recertification of
43 an advanced practice nurse as set forth in N.J.A.C.13:37-7.2.

44 c. An advanced practice nurse may prescribe medications and
45 devices in all other medically appropriate settings, subject to the
46 following conditions:

47 (1) the collaborating physician and advanced practice nurse
48 shall address in the joint protocols whether prior consultation with

- 1 the collaborating physician is required to initiate a prescription for a
2 controlled dangerous substance;
- 3 (2) the prescription is written in accordance with standing orders
4 or joint protocols developed in agreement between a collaborating
5 physician and the advanced practice nurse, or pursuant to the
6 specific direction of a physician;
- 7 (3) the advanced practice nurse writes the prescription on a New
8 Jersey Prescription Blank pursuant to P.L.2003, c.280 (C.45:14-
9 40 et seq.), signs the nurse's own name to the prescription and prints
10 the nurse's name and certification number;
- 11 (4) the prescription is dated and includes the name of the patient
12 and the name, address, and telephone number of the collaborating
13 physician;
- 14 (5) the physician is present or readily available through
15 electronic communications;
- 16 (6) the charts and records of the patients treated by the advanced
17 practice nurse are periodically reviewed by the collaborating
18 physician and the advanced practice nurse;
- 19 (7) the joint protocols developed by the collaborating physician
20 and the advanced practice nurse are reviewed, updated, and signed
21 at least annually by both parties; and
- 22 (8) the advanced practice nurse has completed six contact hours
23 of continuing professional education in pharmacology related to
24 controlled substances, including pharmacologic therapy, addiction
25 prevention and management, and issues concerning prescription
26 opioid drugs, including responsible prescribing practices,
27 alternatives to opioids for managing and treating pain, and the risks
28 and signs of opioid abuse, addiction, and diversion, in accordance
29 with regulations adopted by the New Jersey Board of Nursing. The
30 six contact hours shall be in addition to New Jersey Board of
31 Nursing pharmacology education requirements for advanced
32 practice nurses related to initial certification and recertification of
33 an advanced practice nurse as set forth in N.J.A.C.13:37-7.2.
- 34 d. The joint protocols employed pursuant to subsections b. and
35 c. of this section shall conform with standards adopted by the
36 Director of the Division of Consumer Affairs pursuant to section 12
37 of P.L.1991, c.377 (C.45:11-51) or section 10 of P.L.1999, c.85
38 (C.45:11-49.2), as applicable.
- 39 e. (Deleted by amendment, P.L.2004, c.122.)
- 40 f. An attending advanced practice nurse may determine and
41 certify the cause of death of the nurse's patient and execute the
42 death certification pursuant to R.S.26:6-8 if no collaborating
43 physician is available to do so and the nurse is the patient's primary
44 caregiver.
- 45 g. An advanced practice nurse may authorize qualifying
46 patients for the medical use of cannabis and issue written
47 instructions for medical cannabis to registered qualifying patients,
48 subject to the following conditions:

1 (1) the collaborating physician and advanced practice nurse
2 shall address in the joint protocols whether prior consultation with
3 the collaborating physician is required to authorize a qualifying
4 patient for the medical use of cannabis or issue written instructions
5 for medical cannabis;

6 (2) the authorization for the medical use of cannabis or issuance
7 of written instructions for cannabis is in accordance with standing
8 orders or joint protocols developed in agreement between a
9 collaborating physician and the advanced practice nurse, or
10 pursuant to the specific direction of a physician;

11 (3) the advanced practice nurse signs the nurse's own name to
12 the authorization or written instruction and prints the nurse's name
13 and certification number;

14 (4) the authorization or written instruction is dated and includes
15 the name of the qualifying patient and the name, address, and
16 telephone number of the collaborating physician;

17 (5) the physician is present or readily available through
18 electronic communications;

19 (6) the charts and records of qualifying patients treated by the
20 advanced practice nurse are periodically reviewed by the
21 collaborating physician and the advanced practice nurse;

22 (7) the joint protocols developed by the collaborating physician
23 and the advanced practice nurse are reviewed, updated, and signed
24 at least annually by both parties; and

25 (8) the advanced practice nurse complies with the requirements
26 for authorizing qualifying patients for the medical use of cannabis
27 and for issuing written instructions for medical cannabis established
28 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.).

29 (cf: P.L.2017, c.28, s.15)

30

31 48. Section 5 of P.L.2009, c.307 (C.24:6I-5) is repealed.

32

33 49. This act shall take effect immediately.

34

35

36

STATEMENT

37

38 This bill makes various revisions to the “Compassionate Use
39 Medical Marijuana Act,” P.L.2009, c.307 (C.24:6I-1 et al.),
40 including renaming the act the “Jake Honig Compassionate Use
41 Medical Cannabis Act,” establishing a new Cannabis Regulatory
42 Commission (CRC) to oversee the medical cannabis program;
43 revising the requirements to authorize a patient for medical
44 cannabis; revising the permit and operational requirements for
45 alternative treatment centers (ATCs), including establishing discrete
46 cultivator, manufacturer, and dispensary permits; creating a new
47 clinical registrant permit; authorizing delivery of medical cannabis,
48 and establishing additional protections for registry cardholders.

Cannabis Regulatory Commission

1
2
3 The CRC will consist of five, full-time members. At least one
4 member is to be a State representative of a national organization or
5 State branch of such an organization with a stated mission of
6 studying, advocating, or adjudicating against forms of social
7 injustice or inequality, and all members are to possess education,
8 training, or experience with: legal, policy, or criminal justice issues;
9 corporate or industry management, finance, securities, or
10 production or distribution; medicine or pharmacology; or public
11 health, mental health, or substance use disorders.

12 The initially designated chair and two other initial members will
13 be appointed by the Governor, another initial member will be
14 appointed by the Governor upon the recommendation of the Senate
15 President, and the final initial member will be appointed by the
16 Governor upon the recommendation of the Speaker of the General
17 Assembly. Thereafter, the Governor will appoint, with the advice
18 and consent of the Senate, the chair and the two other members not
19 requiring any legislative leadership recommendation. The
20 appointments based upon based upon the Senate President's and
21 Speaker's recommendation would continue to be direct
22 gubernatorial appointments that are not subject to the advice and
23 consent of the Senate. All five members will serve terms of five
24 years, although the initial terms would include one four-year term
25 and one three-year term in order to stagger reappointments. The
26 chair will be provided a salary not to exceed \$141,000, and the
27 other members will be provided a salary not to exceed \$125,000.

28 The CRC will assume responsibility for oversight,
29 administration, and enforcement of the medical cannabis program
30 from the Department of Health at such time as the members of the
31 commission are appointed and the commission first organizes. The
32 bill will permit, based on the transfer of responsibility, employees
33 of the department who performed the duties of any position to be
34 filled by the CRC a one-time right of first refusal offer of
35 employment. Any department employee who is employed by the
36 CRC in this manner will retain seniority, and all rights related to
37 seniority, that the employee had with the department as of the last
38 day of employment with the department.

39 The CRC will be charged with establishing a plan of
40 organization, and employing personnel as it deems necessary to
41 operate under the direct supervision of a full-time executive
42 director. The new executive director position will be initially filled
43 directly by the Governor, and thereafter will be appointed by the
44 Governor with the advice and consent of the Senate.

45 One mandatory aspect to the CRC's organization plan will be the
46 inclusion of an Office of Minority, Disabled Veterans, and Women
47 Cannabis Business Development, operating under the supervision of
48 a director appointed by the Governor. This office is to establish and
49 administer, under the direction of the CRC, unified practices and
50 procedures for promoting participation in the medical cannabis

1 industry by persons from socially and economically disadvantaged
2 communities, including by prospective and existing minority owned
3 and women's owned businesses and disabled veterans' businesses.
4 These unified practices and procedures are to include a business's
5 certification and subsequent recertification at regular intervals as a
6 minority owned or women's owned business, or a disabled
7 veterans' business, in accordance with eligibility criteria and a
8 certification application process established by the CRC in
9 consultation with the office.

10 The effectiveness of these methods will be measured by whether
11 the office's actions result in at least 30 percent of the total number
12 of ATC permits issued by the CRC being issued to businesses
13 certified by the office; the effectiveness will be further assessed by
14 considering whether the actions resulted in at least 15 percent of
15 new permits being issued to certified minority owned businesses,
16 and at least 15 percent of new permits being issued to certified
17 women-owned and disabled veterans' businesses. The office, in
18 support of these efforts, is to conduct advertising and promotional
19 campaigns, as well as sponsor seminars and informational
20 programs, directed toward those persons and prospective and
21 existing certified businesses, which would address medical cannabis
22 business management, marketing, and other practical business
23 matters.

24

25 Ethical and Conflicts-of-Interest Requirements for the CRC

26

27 The members of the CRC and all CRC employees will be subject
28 to ethical and conflicts-of-interest restrictions, addressing activities
29 engaged in prior to, during, and following service with the CRC.
30 For instance, a person generally may not be an appointed member
31 or employee of the CRC if, during the period commencing three
32 years prior to appointment or employment, the person held any
33 direct or indirect interest in, or any employment by, a holder of or
34 applicant for an ATC permit, unless the person's prior interest
35 would not, in the opinion of the CRC, interfere with the person's
36 obligations of appointment or employment. Additionally, for a
37 period of two years commencing from the date that a member's or
38 employee's service terminates, that former member or employee
39 will not be permitted to hold any direct or indirect interest in, or any
40 employment by, a holder of or applicant for an ATC permit;
41 provided that the two-year post-service restriction would not apply
42 to secretarial or clerical employees.

43

44 At the time each member and employee commences service, with
45 the exception of secretarial and clerical employees, the member or
46 employee will be required to file a financial disclosure statement
47 with the State Ethics Commission listing all assets and liabilities,
48 property and business interests, and sources of income for the
49 person and for the person's spouse or domestic or civil union
50 partner. Additionally, CRC members are to provide the same
information for each dependent child or stepchild of the member,

1 and of the member's spouse or domestic or civil union partner, who
2 resides in the same household as the member.

3 Members and employees will generally be subject to the "New
4 Jersey Conflicts of Interest Law," P.L.1971, c.182 (C.52:13D-12 et
5 seq.), as well as a Code of Ethics promulgated by the CRC that is
6 modeled upon the Code of Judicial Conduct of the American Bar
7 Association. All members and employees will be prohibited from
8 using any official authority to interfere with or affect the result of
9 an election or nomination for office, coerce or advise any person to
10 contribute anything of value to another person or organization for
11 political purposes, or take active part in any political campaign.
12 Additionally, the members of the CRC, the executive director, and
13 any other employee holding a supervisory or policy-making
14 management position will be prohibited from making any political
15 contributions to candidates or campaigns. A violation of this
16 prohibition constitutes a crime of the fourth degree, which is
17 punishable by imprisonment for up to 18 months, a fine of up to
18 \$10,000, or both.

19 The bill also revises the "New Jersey Conflicts of Interest Law"
20 to establish restrictions on various State officers or employees, the
21 Governor and full-time professionals employed in the Governor's
22 Office, full-time members of the Judiciary, and various officers of
23 the municipality in which an ATC is located. These restrictions
24 concern not only their own activities, but the activities of their
25 associated partnerships, firms, or corporations, and their family
26 members in connection with either employment or another interest
27 in, or representation of, current ATCs. These restrictions are
28 similar to the restrictions that apply to these people and businesses
29 under the current law concerning casino licensees and applicants,
30 and casino-related activities, and include a general prohibition on
31 employment, representation, appearance for, or negotiation on
32 behalf of, any permit holder or applicant in connection with any
33 cause, application, or matter, and these restrictions can carry over
34 into the post-employment or post-service period following the
35 departure of a person from State or local employment or office.

36 The ethical and conflicts-of-interest restrictions will be enforced
37 by the State Ethics Commission, and any person found to have
38 committed a violation will be subject to a civil penalty of not less
39 than \$500 or more than \$10,000. Additionally, any willful violation
40 of these restrictions will constitute a disorderly persons offense,
41 punishable by a term of imprisonment of up to six months, a fine of
42 up to \$1,000, or both.

43 If the CRC finds that a holder of or applicant for an ATC permit
44 committed a violation involving a CRC member or employee with
45 respect to pre-service activities, activities during service, or post-
46 service activities, the permit holder or applicant will be subject to a
47 civil penalty of not less than \$500 or more than \$10,000, and
48 possible permit revocation or suspension, or denial of an
49 application, as applicable.

1 The bill provides that nothing in the ethics and conflict-of-
2 interest restrictions would prohibit a member or employee from
3 being a registered qualifying patient or from serving as a designated
4 or institutional caregiver for a patient.

5
6 Patient and Caregiver Requirements
7

8 Current law sets forth an enumerated list of debilitating medical
9 conditions that can qualify a patient for the medical use of cannabis.
10 The bill changes the term “debilitating medical condition” to
11 “qualifying medical condition,” and updates and revises the list of
12 conditions in certain ways, including adding additional conditions
13 and providing that medical cannabis may be used as a treatment of
14 first resort for any condition included in the list, which are: seizure
15 disorder, including epilepsy; intractable skeletal muscular
16 spasticity; post-traumatic stress disorder; glaucoma; positive status
17 for human immunodeficiency virus; acquired immune deficiency
18 syndrome; cancer; amyotrophic lateral sclerosis; multiple sclerosis;
19 muscular dystrophy; inflammatory bowel disease, including Crohn's
20 disease; terminal illness, if the patient has a prognosis of less than
21 12 months of life; anxiety; migraine; Tourette's syndrome;
22 dysmenorrhea; chronic pain; opioid use disorder; or any other
23 condition that is approved by the CRC.

24 The bill expands the list of professionals who can authorize
25 patients for the medical use of cannabis. Current law only allows
26 physicians to provide this authorization; the bill provides that
27 physician assistants and advanced practice nurses may authorize
28 patients for medical cannabis as well, and eliminates the
29 requirement for the professional to have a bona fide provider-
30 patient relationship with the patient. The bill requires that only a
31 pediatric specialist may approve a patient who is a minor for
32 medical cannabis. The bill provides that health care practitioners
33 will not be required to register with the CRC, or be publicly listed
34 in any CRC registry, as a condition of authorizing patients for
35 medical cannabis. Practitioners will be prohibited from authorizing
36 themselves or members of their immediate family for medical
37 cannabis.

38 With regard to caregivers, current law provides that each patient
39 may have only one primary caregiver and that a person may serve
40 as primary caregiver to no more than one patient at a time. The bill
41 changes the term “primary caregiver” to “designated caregiver,”
42 and provides that each caregiver may serve up to two patients at one
43 time and that each patient may have up to two designated caregivers
44 at one time. Patients may petition the CRC for approval to have
45 more than two designated caregivers. An immediate family
46 member of a patient will not be required to undergo a criminal
47 history record background check as a condition of serving as
48 designated caregiver.

49 The bill also establishes the position of “institutional caregiver,”
50 which is an employee of a health care facility who is authorized to

1 assist qualifying patients who are patients or residents at the health
2 care facility with the medical use of cannabis, including obtaining
3 medical cannabis for the patient from a medical cannabis dispensary
4 or clinical registrant and accepting deliveries of medical cannabis
5 for the patient. An institutional caregiver registration will be valid
6 for one year. Each institutional caregiver will be required to be a
7 New Jersey resident, at least 18 years of age, and authorized, within
8 the individual's scope of professional practice, to possess and
9 administer controlled dangerous substances to patients and residents
10 at the facility. An institutional caregiver will be required to
11 undergo a criminal history record background check unless the
12 individual has already done so as a condition of professional
13 licensure or certification. Medical cannabis may be dispensed to an
14 institutional caregiver if authorized by the patient. There will be no
15 limit to the number of patients an institutional caregiver can serve at
16 one time, provided that the caregiver is able to meet the needs of all
17 such patients and attend to the caregiver's other duties at the facility
18 without jeopardizing the health or safety of any patient or resident
19 at the facility. Facilities that choose to authorize the use of
20 institutional caregivers will be required to certify, with each
21 caregiver application, that the facility has established appropriate
22 security measures to prevent unauthorized access to medical
23 cannabis to guard against theft, diversion, and adulteration while
24 the cannabis is stored at the facility or is being transported to the
25 facility by an institutional caregiver; the facility has established
26 protocols to prevent adverse drug interactions between medical
27 cannabis and other medications; the facility will not charge a patient
28 for medical cannabis in excess of the actual cost of the medical
29 cannabis plus reasonable acquisition costs; and the facility will
30 promptly notify the CRC in the event that an institutional caregiver
31 ceases to be employed by the facility or is convicted of a crime.
32 For the purposes of the bill, "health care facility" includes a general
33 acute care hospital, nursing home, long term care facility, hospice
34 care facility, group home, facility that provides services to persons
35 with developmental disabilities, behavioral health care facility, and
36 rehabilitation center.

37 The bill provides that qualifying patients and designated
38 caregivers who are registered with a medical cannabis program in
39 another state will be deemed to be qualifying patients and
40 designated caregivers for the purposes of New Jersey law for up to
41 six months, provided the individual possesses a valid registry card
42 and a photo identification card issued by the other state. Medical
43 cannabis may only be dispensed to an out-of-State patient or
44 caregiver pursuant to written instructions issued by a New Jersey
45 practitioner, and medical cannabis cannot be delivered to any
46 individual who is not registered with the CRC. After six months,
47 the out-of-State registrant will be prohibited from engaging in
48 conduct related to medical cannabis in New Jersey unless the
49 individual is registered as a qualifying patient or caregiver in New

1 Jersey. The CRC is to seek to establish medical cannabis
2 reciprocity agreements with other states.

3 The bill allows the CRC to establish an alternate means to
4 identify and verify the registration status of patients and caregivers
5 other than the registry identification card currently in use.

6

7 Dispensing Requirements for Medical Cannabis

8

9 Current law provides that up to two ounces of medical cannabis
10 may be dispensed to a patient in a 30-day period. The bill revises
11 these quantity restrictions to provide that, for a period of 18 months
12 after the effective date of the bill, patients may be dispensed up to
13 three ounces of medical cannabis in dried form or the equivalent
14 amount in any other form. Thereafter, the maximum amount that
15 may be dispensed to a patient will be established by the CRC by
16 regulation. Current law provides that a physician may authorize a
17 patient for up to a 90-day supply of medical cannabis at one time,
18 with specified dates on which each set of written instructions
19 becomes valid for dispensing. The bill revises this to allow a
20 practitioner to authorize up to a one-year supply at one time, subject
21 to the same staggered dispensing requirements. Upon dispensing
22 medical cannabis, the medical cannabis dispensary or clinical
23 registrant is to notify the practitioner of the amount, strain, and
24 form of medical cannabis dispensed. The bill removes a provision
25 that limits access to edible forms of medical cannabis, including
26 oils, to qualifying patients who are minors, and specifies that
27 medical cannabis may be distributed in transdermal, sublingual, and
28 tincture forms, as well as in the forms authorized under current law.

29 The bill authorizes delivery of medical cannabis to patients by a
30 certified medical cannabis handler who holds a medical cannabis
31 delivery certification. Medical cannabis may be delivered to the
32 patient at the patient's home address or at a second address on file
33 with the CRC, to the home address of the patient's designated
34 caregiver, or directly to an institutional caregiver at a health care
35 facility where the patient is a current resident. The CRC is to
36 additionally establish a process to authorize deliveries of medical
37 cannabis to the patient at an alternate address in cases of need.
38 Medical cannabis deliveries may be made by an employee of a
39 medical cannabis dispensary or clinical registrant or by an
40 independent third party contractor. A handler who holds a medical
41 cannabis delivery certification may simultaneously hold a medical
42 cannabis transfer certification, described below. Municipalities
43 may not restrict or prohibit deliveries of medical cannabis by
44 municipal ordinance or any other measure, and any such
45 prohibition, if enacted, would be deemed null and void. The CRC
46 may authorize the use of an Internet-based web service operated by
47 an independent third party entity for patients and their caregivers to
48 request and schedule deliveries. Permitted entities that use a third
49 party delivery service will be exempt from any criminal liability for

1 any reportable events occurring during delivery, such as motor
2 vehicle accidents, diversion, or losses.

3 The CRC is to establish recommended dosing guidelines for
4 medical cannabis products that are equivalent to one ounce of
5 medical cannabis in dried form.

6 The bill requires the CRC to establish a process for patients to be
7 dispensed up to a two-week supply of medical cannabis during the
8 pendency of the patient's registration with the CRC. The CRC is to
9 establish appropriate restrictions to protect against fraud, abuse, and
10 diversion.

11 The bill provides that medical cannabis may be dispensed to a
12 patient by any medical cannabis dispensary or clinical registrant in
13 the State; under current law, patients are to be registered with, and
14 may only be dispensed medical cannabis from, a single ATC where
15 the patient is registered. The bill requires that, prior to dispensing
16 medical cannabis to a patient, the dispensary or clinical registrant
17 will be required to access a system currently maintained by the
18 Division of Consumer Affairs in the Department of Law and Public
19 Safety that tracks written instructions for, and dispensations of,
20 medical cannabis, in order to ascertain whether any medical
21 cannabis was dispensed to or on behalf of the patient within the
22 preceding 30 days.

23 The bill provides that a practitioner or an immediate family
24 member of a practitioner who authorizes patients for medical
25 cannabis may not hold any profit or ownership interest in an ATC.
26 A practitioner or the immediate family member of a practitioner
27 who applies for an ATC identification card is to certify that the
28 practitioner has not authorized any patients for medical cannabis in
29 the preceding 90 days. A person who violates the prohibition will
30 be guilty of a crime of the fourth degree, which is punishable by
31 imprisonment for up to 18 months, up to a \$10,000 fine, or both.
32 The bill specifies that nothing in the prohibition will ban any
33 practitioner from serving on the governing board or medical
34 advisory board of an ATC, provided the practitioner receives no
35 special compensation or remuneration from the ATC, including
36 payments based on patient volumes or the number of authorizations
37 for medical cannabis the practitioner issues.

38 The bill additionally prohibits practitioners from authorizing
39 themselves or members of their immediate family for the medical
40 use of cannabis.

41 The bill requires the CRC to establish curricula for practitioners
42 and employees of medical cannabis dispensaries and clinical
43 registrants that are designed to assist with patient consultations
44 regarding the form, strain, quantity, and dosing of medical cannabis
45 appropriate to the patient's qualifying medical condition.
46 Practitioners will be required to complete the health care
47 practitioner curriculum as a condition of authorizing patients for the
48 medical use of cannabis, and employees of medical cannabis
49 dispensaries and clinical registrants will be required to complete the
50 curriculum as a condition of registering with the CRC.

1 Currently, medical cannabis is subject to the State sales tax. The
2 bill will phase out the sales tax over three years, with the tax
3 dropping to four percent on July 1, 2020, to two percent on July 1,
4 2021, and being completely exempt from all state sales tax as of
5 July 1, 2022. Until then, any sales tax assessed on medical
6 cannabis is to be exclusively appropriated to programs for the
7 treatment of mental health and substance use disorders.

8 The bill also authorizes municipalities in which a medical
9 cannabis dispensary or clinical registrant is located to assess a
10 transfer tax of up to two percent on the purchase price of all
11 medical cannabis dispensed by the dispensary or clinical registrant.

12 ATC Application and Permitting Requirements

13
14
15 The bill establishes three distinct permit types in connection with
16 the production and dispensing of medical cannabis: medical
17 cannabis cultivators, medical cannabis manufacturers, and medical
18 cannabis dispensaries. The bill identifies the specific activities and
19 functions authorized for each permit type. The CRC will be
20 required to issue a request for new permit applications within 90
21 days of the effective date of the bill, and to make a determination on
22 any permit application within 90 days after the date of submission.

23 For a period of 18 months after the effective date of the bill, an
24 entity will be permitted to hold only one permit of any type. After
25 18 months, an entity will be authorized to concurrently hold
26 medical cannabis cultivator, medical cannabis manufacturer, and
27 medical cannabis dispensary permits.

28 However, the bill provides that the CRC is to issue three new
29 ATC permits that are not subject to these restrictions; these three
30 ATCs will be deemed to concurrently hold medical cannabis
31 cultivator, medical cannabis manufacturer, and medical cannabis
32 dispensary permits immediately upon approval, regardless on the
33 general 18-month restriction on vertical integration. These three
34 ATCs will also be authorized to establish one satellite dispensary
35 location each, provided the entity applies for the satellite dispensary
36 within 18 months after the effective date of the bill. The three ATC
37 permits are to be distributed with one located in each of the
38 northern, central, and southern regions of the State.

39 The restriction on vertical integration will also not apply to
40 ATCs that were issued a permit prior to the effective date of the bill
41 or that were issued a permit after the effective date of the bill
42 pursuant to an application submitted prior to the effective date of
43 the bill, or to up to four ATCs issued permits after the effective date
44 of the bill pursuant to a request for applications published in the
45 New Jersey Register prior to the effective date of the bill, which
46 will be deemed to hold medical cannabis cultivator, medical
47 cannabis manufacturer, and medical cannabis dispensary permits.
48 Any ATC issued a permit prior to the effective date of the bill and
49 any ATCs issued a permit after the effective date of the bill
50 pursuant to an application submitted prior to the effective date of

1 the bill will be authorized to hold up to two satellite dispensary
2 permits, including any satellite dispensary permit approved prior to
3 the effective date of the bill or approved pursuant to an application
4 submitted prior to the effective date of the bill, and any satellite
5 dispensary approved pursuant to an application submitted within the
6 first 18 months after the effective date of the bill. Aside from these
7 grandfathered satellite dispensaries and the new satellite
8 dispensaries expressly authorized under the bill, plus any satellite
9 dispensary authorized for a clinical registrant, no new satellite
10 dispensaries will be approved.

11 The bill restricts the total number of entities authorized to
12 cultivate medical cannabis to 28 for the first 18 months after the
13 effective date of the bill, which will include any ATCs issued a
14 permit prior to the effective date of the bill and the new permits
15 required to be issued under the bill, but will not include
16 microbusinesses issued a cultivator permit.

17 The CRC will be required to specify by regulation the number of
18 new permits of each type that it will authorize in the first year
19 following the effective date of the bill, and thereafter periodically
20 evaluate whether the current number of permits is sufficient to meet
21 the needs of qualifying patients and issue requests for new
22 applications as needed. The CRC may additionally convene a task
23 force comprising individuals with expertise in the medical cannabis
24 industry to make recommendations to the CRC concerning the
25 content of rules and regulations governing the medical cannabis
26 program.

27 The bill sets forth the specific information to be considered when
28 reviewing new permit applications, which includes specific
29 information concerning the applicant's operational experience,
30 workforce development plan, community impact analysis, security
31 capabilities, storage systems, emergency management plan, prisoner
32 reentry program plan, and proposed location, along with any other
33 criteria the CRC deems appropriate. The CRC will determine the
34 weight to be afforded to each criterion.

35 Additionally, each applicant will be required to submit an
36 attestation by a bona fide labor organization stating that the
37 applicant has entered into a labor peace agreement with the
38 organization. Maintenance of a labor peace agreement will be an
39 ongoing condition for maintaining a permit. In reviewing
40 applications, the CRC is to additionally evaluate the applicant's
41 history and relationships with labor organizations, as well as any
42 current collective bargaining agreements the applicant is part of.
43 Microbusinesses, described below, are exempt from these
44 requirements.

45 The bill requires that at least one-third of new permits of all
46 types, other than clinical registrant permits, be issued as
47 "conditional permits," which are permits issued pursuant to a less-
48 restrictive application process for entities funded by smaller
49 investors with an adjusted gross income of no more than \$200,000,
50 or \$400,000 if filing jointly. The CRC is to provide the conditional

1 permit holder with a list of requirements with which the permit
2 holder will be required to comply within 120 days after issuance of
3 the conditional permit. If the CRC determines that, during this 120-
4 day period, the permit holder was in compliance with the CRC's
5 requirements, the CRC may convert the conditional permit into a
6 full permit, which will be renewable annually. If the permit holder
7 is not in compliance with the requirements, the permit will expire at
8 the end of the 120-day period, unless it is revoked by the CRC
9 sooner. A converted conditional permit will continue to count
10 towards the total percentage of conditional permits required for that
11 permit type. The requirement that one third of all new permits be
12 conditional permits will not apply to the first three ATC permits
13 issued after the effective date of the bill.

14 The bill additionally requires that at least 10 percent of the total
15 permits issued for each permit type, other than clinical registrant
16 permits, are to be issued to microbusinesses. The requirements for
17 a microbusiness are: 100 percent of the ownership of a
18 microbusiness is to be held by current New Jersey residents who
19 have resided in the State for at least the past two years; at least 51
20 percent of the owners, directors, officers, and employees of the
21 microbusiness are to be residents of the municipality where the
22 microbusiness is located or a bordering municipality; the
23 microbusiness may employ no more than 10 employees, inclusive
24 of owners, officers, and directors; and the microbusiness facility
25 may occupy an area of no more than 2,500 square feet. The bill sets
26 forth certain restrictions for each type of microbusiness permit:
27 microbusiness medical cannabis cultivators will be restricted to a
28 grow canopy of no more than 2,500 square feet and a height
29 restriction of 24 feet, and will be limited to possessing no more than
30 1,000 mature and immature plants at one time; microbusiness
31 medical cannabis manufacturers will be restricted to acquiring and
32 processing no more than 1,000 pounds of medical cannabis in dried
33 form, or the equivalent amount in any other form, in a month; and a
34 microbusiness medical cannabis dispensary will be permitted to
35 acquire and dispense no more than 1,000 pounds of medical
36 cannabis in dried form, or the equivalent in any other form, in a
37 month. Permit fees for microbusinesses are half the regular permit
38 fees. The application process for a microbusiness permit is the
39 same as for any other permit, and a permit issued to a
40 microbusiness, like any other permit, is renewable annually.

41 Applicants may submit multiple permit applications, with a
42 separate application for each proposed facility; the bill establishes
43 procedures for determining which permit to award to an applicant
44 who scores high enough to be awarded multiple permits of the same
45 type.

46 The CRC will be required to conduct a disparity study to
47 evaluate the adverse effects of the State's drug laws on New Jersey
48 communities to determine whether race-based measures should be
49 considered when issuing new medical cannabis cultivator,
50 manufacturer, and dispensary permits, and incorporate the policies,

1 practices, protocols, standards, and criteria developed by the Office
2 of Minority, Disabled Veterans, and Women Medical Cannabis
3 Business Development to promote participation in the medical
4 cannabis industry by persons from socially and economically
5 disadvantaged communities. At least 15 percent of the total number
6 of new permits are to be issued to minority-owned businesses, and
7 an additional 15 percent of the total number of new permits are to
8 be issued to women-owned or disabled veteran-owned businesses.

9 The CRC is to grant special consideration to an applicant for an
10 integrated curriculum permit or “IC permit,” pursuant to which the
11 applicant establishes an agreement with an institution of higher
12 education to create an integrated curriculum involving the
13 theoretical or practical application of medical cannabis cultivation,
14 manufacturing, or dispensing to an area of academic study.
15 Integrated curricula are subject to approval by the CRC and the
16 Office of the Secretary of Higher Education. If an IC permit
17 holder’s agreement with an institution of higher education ends, the
18 IC permit holder will have six months to establish a new integrated
19 curriculum or the IC permit will be revoked, unless the CRC
20 determines that the entity should be allowed to retain the permit.
21 The CRC may establish incentives to encourage applicants to seek
22 IC permits, such as revised permit fees.

23 The bill additionally establishes requirements for issuance of a
24 clinical registrant permit, which will authorize the permit holder to
25 engage in all conduct related to the cultivation, manufacturing, and
26 dispensing of medical cannabis and medical cannabis products as is
27 authorized for other ATC permit holders. The clinical registrant
28 will be required to enter into a contractual relationship with an
29 academic medical center, which is a facility located in New Jersey
30 that has a faculty practice in addiction medicine or is in the same
31 health care system as another facility in the State that offers
32 substance use disorder treatment services, has a faculty practice in
33 pain management or a facility-based pain management practice, has
34 a graduate medical training program that includes primary care and
35 specialized medicine, is the principal teaching affiliate of a New
36 Jersey medical school, and has the ability to conduct research
37 related to cannabis. If the facility is part of a health care system,
38 the health care system is required to be principally located in New
39 Jersey in order for the facility to qualify as an academic medical
40 center. The CRC will be required to request applications for at least
41 four clinical registrant permits within 90 days after the effective
42 date of the bill or upon the adoption of rules and regulations
43 required under the bill, whichever occurs first.

44 Academic medical centers will engage in clinical research related
45 to medical cannabis in order to advise the affiliated clinical
46 registrant concerning patient health and safety, medical
47 applications, and the dispensing and management of controlled
48 dangerous substances. Clinical registrant applicants will be
49 required to demonstrate at least \$15 million in capital.

1 A clinical registrant permit will be valid for the term of the
2 contractual relationship, and may be renewed based upon the
3 clinical registrant renewing its contractual relationship with the
4 academic medical center. A clinical registrant permit may not be
5 sold or transferred. Each clinical registrant may contract with no
6 more than one academic medical center.

7 Clinical registrants will be authorized to serve all qualifying
8 patients, as well as qualifying patients who agree to participate in
9 clinical research. Clinical registrants may operate from more than
10 one location and may be approved for a satellite dispensing
11 location, and may relocate to another location in the same region
12 unless the CRC determines relocation would be contrary to the
13 purposes of the medical cannabis laws. Clinical registrants are
14 required to report the results of the clinical research to the CRC
15 upon completion of the study or following publication of the study
16 in a peer-reviewed medical journal.

17 An entity issued a medical cannabis cultivator, manufacturer, or
18 dispensary permit may not concurrently hold a clinical registrant
19 permit, and an entity issued a clinical registrant permit may not
20 concurrently hold any medical cannabis cultivator, manufacturer, or
21 dispensary permit.

22 The bill revises the criminal history record background check
23 requirements for medical cannabis cultivator, manufacturer,
24 dispensary, and clinical registrant applicants to provide that a
25 conviction for a crime of the first, second, or third degree, as well
26 as any drug offense other than marijuana possession convictions or
27 convictions for dispensing less than five pounds of marijuana,
28 constitutes a disqualifying conviction that may bar the applicant
29 from holding an interest in or being employed by a medical
30 cannabis cultivator, manufacturer, dispensary, or clinical registrant.
31 Current law limits disqualifying convictions to drug offenses other
32 than minor cannabis possession. The CRC will retain the discretion
33 to issue a permit to an applicant if it finds evidence of
34 rehabilitation.

35 The bill further provides that no criminal history record
36 background check will be required for an applicant who holds less
37 than a five percent investment interest in the medical cannabis
38 cultivator, manufacturer, dispensary, or clinical registrant, or who is
39 a member of a group that holds less than a 20 percent investment
40 interest where no member of the group holds more than a five
41 percent interest in the total group investment, and the applicant does
42 not have the authority to make operational decisions for the
43 permitted entity. Individuals and groups that are exempt from the
44 criminal history record background check requirement will not be
45 required to complete any application information. If the applicant
46 or group gains an investment interest above these thresholds or the
47 applicant gains the authority to make operational decisions, the
48 individual or group will be required to notify the CRC, provide all
49 information as may be required by the CRC, and undergo a criminal
50 history record background check within 30 days, or the permit will

1 be revoked and the individual or group will be prohibited from
2 holding any investment interest in a medical cannabis cultivator,
3 manufacturer, dispensary, or clinical registrant for a period of at
4 least two years, and for such additional period as the CRC deems
5 appropriate in light of the duration of the nondisclosure, the size of
6 the undisclosed interest, the profits realized from the entity during
7 the period of nondisclosure, and whether the individual would have
8 been otherwise ineligible to hold the investment interest or
9 controlling authority based on a disqualifying conviction or other
10 factor.

11 The bill prohibits an employee of any department, division,
12 agency, board, or other governmental entity involved in the process
13 of reviewing, processing, or making determinations with regard to a
14 medical cannabis permit from having any financial interest in
15 medical cannabis or receiving anything of value from a permit
16 applicant in exchange for reviewing, processing, or making
17 recommendations with regard to a permit application.

18 Applications for medical cannabis cultivator, manufacturer, and
19 dispensary permits and for clinical registrant permits will be exempt
20 from the "Open Public Records Act," P.L.1963, c.73 (C.47:1A-1 et
21 seq.) and P.L.2001, c.404 (C.47:1A-5 et al.).

22

23 ATC Operational Requirements

24

25 The bill requires medical cannabis dispensaries and clinical
26 registrants to establish and maintain standardized price lists, which
27 will reflect the price of all medical cannabis, medical cannabis
28 products, and related supplies and paraphernalia dispensed or sold
29 by the dispensary or clinical registrant to or on behalf of registered
30 qualifying patients. Price lists are to be posted on the dispensary's
31 or clinical registrant's Internet website, if any, maintained on file
32 with the CRC, and may be updated once per month. A dispensary
33 or clinical registrant that sells medical cannabis or medical cannabis
34 products at a price that deviates from its price list will be liable to a
35 civil penalty of \$1,000 per sale, and dispensary or clinical registrant
36 that fails to maintain its current price list on file with the CRC will
37 be liable to a civil penalty of \$10,000 for each week during which
38 the CRC does not have the current price list. The prices charged by
39 a medical cannabis dispensary or clinical registrant are to be
40 reasonable and consistent with the costs of acquiring and
41 dispensing, selling, or transferring the medical cannabis or medical
42 cannabis product.

43 The bill provides that medical cannabis may be transferred
44 between medical cannabis cultivators, manufacturers, dispensaries,
45 clinical registrants, and testing laboratories by a medical cannabis
46 handler certified as a medical cannabis transporter. Transfers may
47 be effectuated using either medical cannabis handlers employed by
48 a permitted entity or by an independent third-party entity. The bill
49 sets forth certain operational protocols and recordkeeping
50 requirements for the transfer of medical cannabis, which are

1 generally comparable to the operational requirements and protocols
2 for deliveries of medical cannabis. A medical cannabis handler
3 may possess both delivery and transfer certifications.
4 Municipalities may not restrict or prohibit transfers of medical
5 cannabis by municipal ordinance or any other measure, and any
6 such prohibition, if enacted, would be deemed null and void.

7 The bill requires the CRC to develop and maintain a
8 comprehensive tracking system for medical cannabis that covers
9 cultivation through final dispensing. The tracking system is to be
10 designed to prevent diversion and tampering while promoting
11 accurate accounting and recording of all information relevant to the
12 medical cannabis or medical cannabis product. The system is to
13 utilize a stamp for tracking purposes, which is to be affixed to
14 medical cannabis packages and containers by medical cannabis
15 cultivators, medical cannabis manufacturers, and clinical
16 registrants. The purchase price of the stamp is to be reasonable and
17 commensurate with the cost of producing the stamp.

18 The owners, directors, officers, and employees at each medical
19 cannabis cultivator, manufacturer, dispensary, and clinical
20 registrant will be required to undergo eight hours of ongoing
21 training each calendar year. The training is to be tailored to the
22 roles and responsibilities of the individual's job function and
23 include training on confidentiality and any other topics required by
24 the CRC. For medical cannabis dispensary and clinical registrant
25 employees, the ongoing training may include completing the
26 curriculum developed by the CRC concerning patient consultations.
27 Additionally, all individuals who handle medical cannabis in any
28 capacity are required to be certified by the CRC as medical
29 cannabis handlers. The training required for handler certification
30 will only be required once, and will count toward the required eight
31 hours of annual training.

32 The bill requires the CRC to establish, by regulation, thresholds
33 for administrative action to be taken against permit holders,
34 including specific penalties and disciplinary actions that may be
35 imposed in a summary proceeding.

36 The bill provides that the first six ATC permits issued after
37 P.L.2009, c.307 (C.24:6I-1 et al.) took effect may sell or transfer
38 that permit to a for profit entity, provided that: the owners, officers,
39 directors, employees, and applicable investors complete a criminal
40 history record background check; the CRC approves the sale or
41 transfer; and the sale or transfer takes place within one year after
42 the effective date of the bill. The sale or transfer will not be subject
43 to the requirements of the "New Jersey Nonprofit Corporation Act,"
44 N.J.S.15A:1-1 et seq., provided that, prior to or at the time of the
45 sale or transfer, all debts and obligations of the nonprofit entity are
46 either paid in full or assumed by the for-profit entity purchasing or
47 acquiring the permit, or a reserve fund is established for the purpose
48 of paying in full the debts and obligations of the nonprofit entity,
49 and the for-profit entity pays the full value of all assets held by the
50 nonprofit entity, as reflected on the nonprofit entity's balance sheet,

1 in addition to the agreed-upon price for the sale or transfer of the
2 entity's alternative treatment center permit. Any other sale or
3 transfer of an interest in a permitted entity of five percent or more
4 will be subject to approval by the CRC and will be conditioned on
5 the entity purchasing or receiving the transfer of the interest
6 completing a criminal history record background check.

7 The bill authorizes medical cannabis dispensaries and clinical
8 registrants to establish medical cannabis consumption areas, subject
9 to approval by the CRC and the municipality in which the
10 dispensary or clinical registrant is located. A consumption area is
11 required to be on the premises of the dispensary or clinical
12 registrant, accessible only to patients and their designated
13 caregivers, and screened by sufficient walls or other barriers to
14 prevent any view of patients consuming medical cannabis.
15 Consumption areas may be indoor or outdoor, provided that no
16 consumption of medical cannabis by smoking occurs indoors and no
17 medical cannabis smoke seeps into any indoor public area or
18 workplace. The CRC may require any ventilation features for a
19 consumption area as it deems necessary and appropriate, and smoke
20 from the consumption of medical cannabis may not seep into any
21 indoor public place or workplace.

22 The bill provides that medical cannabis cultivators,
23 manufacturers, dispensaries, and clinical registrants will be
24 permitted to establish a medical advisory board to advise the
25 permitted entity on all aspects of its business. A medical advisory
26 board is to comprise five members: three healthcare practitioners;
27 one qualifying patient who resides in the same area as the permitted
28 entity; and one business owner from the same area as the permitted
29 entity. No owner, director, officer, or employee of a permitted
30 entity may serve on a medical advisory board. Medical advisory
31 boards are to meet at least two times per year.

32 Medical cannabis dispensaries and clinical registrants are to
33 consider whether to make interpreter services available to the
34 population served, including for individuals with a vision or hearing
35 impairment. The CRC is to assist facilities in locating appropriate
36 interpreter resources. Dispensaries and clinical registrants will be
37 responsible for the cost of providing interpreter services.

38 Medical cannabis cultivators, manufacturers, dispensaries,
39 clinical registrants, and entities employing medical cannabis
40 handlers to perform deliveries and transfers of medical cannabis
41 operating on a for-profit basis may not operate at any premises that
42 were the subject of a business development incentive. Medical
43 cannabis cultivators and clinical registrants may not be located on
44 land valued, assessed, or taxed as an agricultural or horticultural use
45 pursuant to the "Farmland Assessment Act of 1964," P.L.1964, c.48
46 (C.54:4-23.1 et seq.).

Other Cannabis-Related Licensure

1
2
3 The bill requires each batch of medical cannabis and each batch
4 of a medical cannabis product to be tested by a laboratory to
5 determine its chemical composition and potency and to screen for
6 contamination by microbial contaminants, foreign material, residual
7 pesticides, other agricultural residue and residual solvents, and
8 heavy metals. The laboratory is to produce a written report
9 detailing the results of the testing, a summary of which is to be
10 included in any packaging materials for the medical cannabis or
11 cannabis product. Laboratories may charge a reasonable fee for
12 performing the test. The testing requirement will take effect once
13 the CRC certifies that there are a sufficient number of testing
14 laboratories licensed to ensure that the testing and labeling
15 requirements can be satisfied without disrupting timely patient
16 access to medical cannabis.

17 Laboratories providing testing services will be required to
18 register with the CRC and will be subject to inspection to ensure
19 that the equipment used is in good condition and properly
20 calibrated. The owners, directors, officers, and employees of a
21 testing laboratory will be required to undergo a criminal history
22 record background check as a condition of licensure; no applicant
23 with a disqualifying conviction will be authorized to own, operate,
24 or be employed by a medical cannabis testing laboratory.
25 “Disqualifying conviction” means any drug offense other than
26 minor cannabis possession; applicants with a disqualifying
27 conviction may still be approved if the applicant demonstrates clear
28 and convincing evidence of rehabilitation. As a condition of
29 licensure, each laboratory will be required to certify its intention to
30 seek third party accreditation in accordance with ISO 17025 to
31 ensure equipment is routinely inspected, calibrated, or maintained,
32 until such time as the CRC issues its own standards or confirms the
33 use of ISO 17025.

34 The CRC will be required to establish testing standards;
35 however, until such time as the standards are adopted, testing
36 laboratories will be authorized to utilize testing standards from
37 another state with a medical cannabis program, which state is to be
38 designated by the CRC.

39 The CRC is required to conduct a feasibility study concerning
40 the establishment of a new research and development permit that
41 would be dedicated to advancing the medical uses of cannabis. The
42 study is to examine potential funding sources and include a public
43 hearing, and the CRC is to conduct the study every three years until
44 such time as a research and development permit is established in the
45 State. The CRC will be authorized to establish additional permit
46 types as may be appropriate, including permits authorizing
47 pharmacies to be issued medical cannabis dispensary permits.

Legal Protections for Patients and Caregivers

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3 The bill provides that qualifying patients and designated
4 caregivers may not be discriminated against when enrolling in
5 schools and institutions of higher education, when renting or leasing
6 real property, or in the issuance of professional licensing,
7 certifications, or permits issued by the State, solely on the basis of
8 the individual's status as a registry cardholder or engaging in
9 authorized conduct in relation to medical cannabis. However,
10 schools, institutions of higher education, landlords, and licensing
11 authorities will not be required to take any action that would
12 jeopardize a monetary grant or privilege of licensure based on
13 federal law. Schools, institutions, and landlords may not be
14 penalized or denied benefits under State law solely on the basis of
15 enrolling or renting or leasing real property to a registered patient.
16 A person's status as a patient or caregiver, or as an owner, officer,
17 director, or employee of a medical cannabis cultivator,
18 manufacturer, dispensary, or clinical registrant will not constitute
19 the sole grounds for entering an order restricting or denying custody
20 of, or visitation with, a minor child of the person.

21 The bill provides that medical cannabis is to be treated the same
22 as any other medication for the purposes of furnishing medical care,
23 including determining the individual's eligibility for an organ
24 transplant.

25 The bill prohibits employers from taking any adverse
26 employment action against an employee based on the employee's
27 status as a registry identification cardholder. If an employer has a
28 drug testing policy and an employee or job applicant tests positive
29 for cannabis, the employee or job applicant is to be offered an
30 opportunity to present a legitimate medical explanation for the
31 positive test result or request a retest. Nothing in the bill will
32 restrict an employer's ability to prohibit or take adverse
33 employment action for the possession or use of intoxicating
34 substances during work hours or on workplace premises outside of
35 work hours, or require an employer to commit any act that would
36 violate federal law or result in the loss of a federal contract or
37 federal funding. Employers will not be penalized or denied any
38 benefit under State law for employing a person who is a registry
39 cardholder.

40 The bill provides that health care facilities are prohibited from
41 taking adverse employment action or ending a professional
42 affiliation with a health care practitioner solely based on the
43 practitioner authorizing patients for the medical use of medical
44 cannabis or otherwise engaging in authorized conduct in relation to
45 medical cannabis. Health care facilities may not be penalized or
46 denied benefits under State law for employing or maintaining a
47 professional affiliation with a practitioner who engages in
48 authorized conduct in relation to medical cannabis.

49 Health care facilities may not be penalized or denied any benefit
50 under State law solely for permitting or prohibiting the handling,

1 administration, usage, or storage of medical cannabis, provided that
2 the facility's policies related to medical cannabis are consistent with
3 all other facility policy on medication handling, administration,
4 usage, or storage. Health care facilities will also not be penalized
5 or denied any benefit under State law solely for prohibiting the
6 smoking of medical cannabis on facility property in accordance
7 with the facility's smoke free policy.

8 Insurance carriers will be prohibited from denying health care
9 practitioners medical malpractice coverage or charging increased
10 premiums, deductibles, or other fees based on the practitioner
11 engaging in authorized conduct in relation to medical cannabis.

12 The bill prohibits any action or proceeding by the Division of
13 Child Protection and Permanency in the Department of Children
14 and Families be initiated against a pregnant woman or against the
15 parent or guardian of a minor child on the sole grounds that the
16 individual is a registered qualifying patient, a designated or
17 institutional caregiver, or a director, officer, or employee of an
18 ATC.

19 The bill provides that the chief administrator of a facility that
20 provides behavioral health services is to develop a policy allowing
21 designated caregivers, parents, and guardians access to registered
22 qualifying patients who are receiving services at the facility, for the
23 purpose of assisting the patient with the administration of medical
24 cannabis. Nothing in the bill will authorize medical cannabis to be
25 smoked in any area of the facility where smoking is otherwise
26 prohibited by law.

27 The bill updates the annual reporting requirements for the CRC
28 to reflect new data that will be generated pursuant to the bill,
29 including information concerning diversity in the permits awarded
30 in by the CRC and information on disparities in drug arrests.

31 Nothing in the bill is to be construed to restrict or otherwise
32 affect the sale, prescribing, and dispensing of prescription drugs and
33 devices approved by the federal Food and Drug Administration.

34 The bill adds a severability clause and provides that the CRC
35 may waive any requirements of the State medical cannabis laws if a
36 waiver is necessary to achieve the purposes of the law and provide
37 access to patients who would not otherwise qualify for medical
38 cannabis to alleviate suffering from a debilitating medical
39 condition, and if granting the waiver does not create a danger to the
40 public health, safety, or welfare.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 20
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: JUNE 27, 2019

SUMMARY

- Synopsis:** Revises requirements to authorize and access medical cannabis; establishes Cannabis Regulatory Commission; revises permit requirements for alternative treatment centers; and establishes additional legal protections for patients and caregivers.
- Type of Impact:** Annual increase in State expenditures; annual increase in State revenue through June 30, 2022; annual net State revenue loss as of July 1, 2022; annual increase in local revenue for select municipalities.
- Agencies Affected:** Department of Health; Department of Treasury; Office of the Secretary of Higher Education; and certain municipalities.

Fiscal Impact	<u>Annual through FY 2022</u>	<u>Annual as of FY 2023</u>
State Expenditure Increase	Indeterminate	Indeterminate
State Revenue Increase – Fee and Penalty Collection	Indeterminate	Indeterminate
State Revenue Impact – Sales Tax Collection	Indeterminate	Indeterminate decrease to \$0
Local Revenue Increase	Indeterminate	Indeterminate

- The Office of Legislative Services (OLS) estimates that the bill will increase annual State expenditures associated with regulation and oversight of the State’s medical cannabis program by indeterminate amounts. The magnitude of this increase will ultimately be affected by the rules and regulations promulgated by the Cannabis Regulatory Commission (CRC) and the degree of expansion of participation in the medical cannabis program. For reference, the Governor’s FY 2020 Budget proposes supporting the administrative expenditures of the medicinal cannabis program with an \$857,000 State appropriation, which is unchanged from the FY 2019 Appropriations Act, and an estimated \$1.5 million in dedicated program fee collections.
- The OLS also concludes that the amount of registration and permit fees collected by the State under the bill will increase annually by an indeterminate amount due to: 1) the provisions of

the bill that are anticipated to increase the number of patients and caregivers participating in the program; and 2) the establishment of new permit types, as well as an increased number of permits issued. The application and fee schedules decided upon by the CRC and any increase in the number of participants in the medical cannabis program will determine the impact on State registration and permit fee revenues which, due to the variables involved, the OLS cannot estimate at this time.

- In addition, the bill will ultimately result in a decrease in State sales tax revenue, as the bill phases out imposition of the sales tax on the sale of medical cannabis over a multi-year period. The OLS is unable to determine the year-to-year impact of this provision due to the countervailing effects of the bill. As of FY 2023, however, the bill provides that no sales tax may be assessed against medical cannabis, providing for a net State revenue loss. For reference, the Executive estimates collecting \$20 million in sales tax revenue from the sale of medical cannabis in FY 2020.
- Finally, the bill will result in an indeterminate annual increase in local revenue for certain municipalities, as the bill allows municipalities in which a medical cannabis dispensary or clinical registrant is located to establish a local transfer tax of up to 2 percent on the sale price of all medical cannabis dispensed by that dispensary or clinical registrant.

BILL DESCRIPTION

The bill revises the title of the “Compassionate Use Medical Marijuana Act,” P.L.2009, c.307 (C.24:6I-1 et al.) to the “Jake Honig Compassionate Use Medical Cannabis Act,” and provides for various changes in provisions of the State’s medicinal cannabis program involving patient and caregiver requirements; dispensing requirements for medicinal cannabis; alternative treatment center (ATC) application and permitting requirements, including establishing discrete cultivator, manufacturer, and dispensary permits; ATC operational requirements; a new clinical registrant permit; the authorization of delivery of medical cannabis; other cannabis-related licensures; and legal protections for patients and caregivers. Additionally, the bill establishes a new Cannabis Regulatory Commission to oversee the medical cannabis program. All authority over the medical cannabis program will transfer from the Department of Health (DOH) to the CRC at such time as the members of the CRC are appointed and the commission first organizes.

The bill also provides that the sales tax imposed on medical cannabis will phase out over three years, with the tax going to four percent effective July 1, 2020, to two percent effective July 1, 2021, and medicinal cannabis becoming exempt from sales tax effective July 1, 2022. Finally, the bill allows municipalities in which a medical cannabis dispensary or clinical registrant is located to establish a local transfer tax of up to two percent on the sale price of all medical cannabis dispensed by that dispensary or clinical registrant.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill will have several impacts on State expenditures and revenues. The OLS estimates that the State will incur indeterminate additional administrative expenses due to the expansion of the medical cannabis program. The amount of registration and permit fees collected by the State under the bill will increase by an indeterminate amount due to: 1) an anticipated increase in the number of patients and caregivers participating in the program; and 2) the establishment of new permit types, as well as an increase in the number of permits issued.

In addition, the bill will result in a decrease in State sales tax revenue, as the bill phases out imposition of the sales tax on the sale of medical cannabis over a multi-year period. The OLS is unable to determine the year to year impact of this provision due to the countervailing effects of the bill. As of FY 2023, however, the bill provides that no sales tax may be assessed against medical cannabis, ultimately providing for a net State revenue loss. For reference, the Executive estimates collecting \$20 million in sales tax revenue from the sale of medical cannabis in FY 2020.

Finally, the bill allows municipalities in which a medical cannabis dispensary or clinical registrant is located to establish a local transfer tax of up to two percent on the sales price of all medical cannabis dispensed by that dispensary or clinical registrant.

Program Administration: The bill will transfer regulatory responsibility for the State's medical cannabis program from the DOH to the CRC – an entity that will be established in, but not of, the Department of the Treasury pursuant to the bill. The bill's provisions also provide for the transfer of State employees within the existing DOH medicinal cannabis program to the CRC. The OLS notes that there may be one-time costs incurred by the State to implement this transition.

The bill expands the responsibilities of the CRC beyond the scope of the DOH's current program; for example, under the bill, the CRC must: employ five, full-time commission members, with the chair receiving a maximum salary of \$141,000 and the other members each receiving a maximum salary of \$125,000, for an annual cost of \$641,000; employ an Executive Director receiving a maximum salary of \$141,000; include an Office of Minority Disabled, Veterans, and Women Cannabis Business Development within the commission's organization plan that is charged with promoting and informing women-owned and disabled veterans' businesses about participation in the medicinal cannabis program; establish a tracking system for medicinal cannabis throughout the cultivation, manufacturing, and dispensing process; and contract with a public research university, three years after organization, to conduct an independent study to review the commission's work.

In addition, the bill directs the CRC to: review and issue new permit types; develop certain curricula for practitioners and employees of certain permit holders; conduct a disparity study; establish standardized procedures for testing medicinal cannabis; license and inspect medical cannabis testing laboratories; and establish a registry for institutional caregivers. The OLS notes that several of these tasks are similar to existing DOH program duties, such as the review and issuance of ATC permits and the registration of qualifying caregivers. Therefore, there may be certain procedures in place that may minimize the cost of these provisions.

It is unclear the extent to which fee revenues generated under the program will offset these expenses as the fee schedule is at the discretion of the CRC. Historically, the program has been supported by a State appropriation as well as these program revenues. For example, in FY 2018, the DOH spent approximately \$2.5 million, of which \$857,000 was appropriated from the General Fund and the remainder was generated from program revenues, to administer the

program. Generally, the revenue collected has been in excess of anticipated receipts, which has provided a carry forward balance in recent fiscal years: \$113,014 in FY 2016; \$91,386 in FY 2017; \$653,324 in FY 2018; and over \$1.0 million in FY 2019.

In addition, the OLS notes that in shifting medicinal cannabis testing from the CRC to external laboratories, as provided under the bill, the CRC may experience an indeterminate decrease in State revenue and a decline in State expenditures. However, in response to FY 2020 OLS Budget Discussion Point questions, the DOH indicated it did not anticipate any cost savings from this policy change, as current staff that perform these duties would be reassigned to oversee the external labs. N.J.A.C.8:64-13.4 currently requires that the DOH conduct testing of medicinal cannabis samples. According to the department, ATCs pay the cost of lab testing, up to \$2,000 per test, to the department. The OLS does not have information on the number of such tests that the DOH performs.

Under the bill, any revenue and expenditures associated with testing will be transferred to external laboratories, at such a time when the CRC certifies that a sufficient number of laboratories have been licensed. As such, it is likely that the DOH will be responsible for medicinal cannabis testing for an indeterminate time period following the bill's enactment.

Patient and Caregiver Registration Fees: The OLS finds that it is likely that the provisions of the bill which expand access to medical cannabis for qualifying patients will increase the number of patients and caregivers participating in the medicinal cannabis program and, therefore, the amount of registration fees collected by the CRC. These provisions include: providing that medical cannabis may be used as a treatment of first resort; expanding the list of professionals who can authorize patients for the medical use of cannabis; eliminating the existing regulatory requirement that a minor must have written confirmation from a psychiatrist to receive authorization as a qualifying patient; permitting each caregiver to serve up to two patients and each patient to have up to two designated caregivers; removing the criminal history record background check for an immediate family member serving as designated caregiver; establishing the position of "institutional caregiver," as described in the bill; and providing for reciprocity with other states regarding the authorization of qualifying patients and designated caregivers. The DOH's report submitted pursuant to Executive Order 6 indicated that such provisions, if adopted, would generally remove barriers to program access.

The OLS notes that the bill codifies certain conditions as qualifying medical conditions that were added to the program by the Medicinal Marijuana Review Panel in March of 2018, a change that has largely been cited as the source for the program's growth in calendar year (CY) 2018. These conditions include: anxiety, migraines, Tourette's syndrome, chronic pain related to musculoskeletal disorders, and chronic pain of visceral origin. According to a press release published by the DOH in October 2018, a majority of the 17,000 patients who signed up for the medicinal cannabis program between January 2018 and October 2018 have one of the five medical conditions noted above. The bill also codifies opioid use disorder as a qualifying medical condition, which was added to the program via a Final Agency Decision issued by the Commissioner of Health on January 23, 2019. The addition of these conditions under the bill does not change the existing program and, therefore, are not a factor in this fiscal analysis. However, the OLS notes that under the bill chronic pain is not specified and is applied broadly, which may impact the number of new patients who qualify for the program.

Other reforms implemented in CY 2018, but not codified in this bill, include: reducing the general registration fee for patients and designated caregivers from \$200 to \$100; authorizing senior citizens and military veterans to pay the \$20 registration fee previously authorized for recipients of certain government assistance programs; and establishing mobile phone access to the program's patient portal. Reforms implemented in CY 2018, and codified in the bill, include

eliminating the requirement that participating physicians must have their names published on the DOH's website in order to authorize qualifying patients.

The OLS cannot predict the number of new patients and caregivers who may register for the medicinal cannabis program due to the bill's provisions that expand the program beyond current standards and, therefore, cannot quantify the revenue generated by the collection of registration fees under the bill. Generally, patient participation trends indicate growth on a calendar year basis, which further complicates this analysis. During the FY 2019 budget process, the DOH indicated that the number of new patients per calendar year has historically almost doubled year over year. As such the OLS cannot determine how much of patient growth will be due to program trends, recent reforms initiated by the department, or the provisions of this bill.

For context, according to the department's responses to FY 2020 OLS budget discussion point questions, with no changes to the existing program, the DOH anticipates program enrollment increasing between 35,000 and 50,000 patients with total enrollment reaching 85,000 to 105,000 patients by the end of FY 2020. Currently, there are 46,875 patients in the program. According to the DOH's Executive Order 6 Report, approximately 18 percent of registered patients and caregivers receive the reduced application fee of \$20, which at the time was only provided to recipients of certain government assistance programs.

Based upon this data, and assuming the current registration fees continue under the bill and that 36 percent of patients qualify for the reduced \$20 fee with the expansion of the reduced fee to include veterans and senior citizens, the FY 2020 revenue for new patient registration will be between \$2.5 and \$3.6 million. If new patient registrations increase by 10 percent due to the provisions of the bill in the first year following enactment, and the assumptions above are maintained, revenue generated from patient registration due to the provisions of the bill would be between \$249,200 and \$356,000. Increasing patient registrations by 20 percent provides for additional revenues between \$498,400 and \$712,000 under the bill.

Medicinal Cannabis Permit Fees: The OLS notes that the establishment of new permit types under the bill may lead to an increase in permit fee collections. The amount of revenue generated will be dependent upon the permit fee schedule and the number of permits issued, as determined by the CRC. Under the bill, three new basic permit types – cultivator, manufacturer, and dispensary – are established and phased in over an 18 month implementation period for most new applications. Existing ATCs, current ATC applicants that are issued permits after the enactment of the bill, and the first seven ATC permits issued by the commission following enactment will be deemed to hold all three permit types.

These permit types reflect the three individual functions currently authorized by a single ATC permit under existing law. Put another way, for every one ATC permit issued under existing law, the bill would require three separate permits to authorize the equivalent functions. The bill also establishes a medical cannabis handler certification that certain individuals involved in the medicinal cannabis process must hold, which will provide for additional sources of revenue due to fee collections.

Currently, there are six ATCs operating in the State, and the DOH has issued permits for an additional six ATCs, for a total of 12 ATC permits. Pursuant to regulation, the current application fee for an ATC permit or permit renewal is \$20,000 for each application. If an application is unsuccessful, the State retains a \$2,000 fee and returns the remaining \$18,000 to the applicant. As provided in the bill, the CRC is to establish fees for the permit applications and successful candidates, which may or may not reflect current fees. For example, the CRC may decrease the current fee to reflect the division of functions among the new permits.

Furthermore, the bill authorizes the CRC to establish incentives, such as a revised permit fee, to encourage applicants to seek an integrated curriculum (IC) permit, which is a permit

established under the bill involving the development medicinal cannabis curriculum at an institution of higher education that is approved by the CRC and the Office of the Secretary of Higher Education. It is unknown how many new IC permits may be issued under the bill, or the nature of the incentives that the CRC may offer these applicants.

The bill also provides that at least 10 percent of the total permits issued for each medical cannabis permit type are issued to microbusinesses, and that at least 25 percent of the total permits are issued to microbusinesses. The maximum fee assessed by the CRC for issuance or renewal of a permit issued to a microbusiness, however, can be no more than half the standard application fee.

The bill directs the CRC to begin processing applications for seven ATC permits and four clinical registrant permits, a permit type established under the bill that provides for clinical research of medicinal cannabis, within 90 days of the effective date of the bill. Thereafter, the CRC is authorized to determine the need to request additional permits. Under the bill, an entity may not concurrently hold a basic permit type and a clinical registrant permit.

Assuming that the CRC issues 10 permits in the first year following implementation and that 2 permits are to microbusinesses and the current application fee is maintained, State revenue would increase by a minimum of \$180,000. Additional revenue of \$2,000 per unsuccessful applicant would be also collected. For reference, the recent request for ATC permit applications produced a total of 146 applicants for six permits. The OLS cannot determine how and by what standard subsequent permit applications will be requested and issued by the CRC. It is likely, however, that demand for medical cannabis will fluctuate from year to year and ultimately plateau, and that this fee revenue will not be maintained annually.

Fines and Penalties: The bill establishes several penalties and fines for non-compliance with certain provisions of the bill. For example, it is a crime of the fourth degree – which is punishable by imprisonment for up to 18 months, up to a \$10,000 fine, or both – for a health care practitioner, or a practitioner’s immediate family member, who has authorized the medical use of cannabis within the past 90 days to hold interest in, or receive any form of compensation from an entity holding a permit issued pursuant to the bill. However, there is a presumption of non-incarceration for the first conviction for a crime of the fourth degree and so significant expenditures related to imprisonment are unlikely. Additional penalties include a criminal penalty of up to \$10,000 for violating the prohibition of CRC members or employees who hold a supervisory or management position from making political contributions and a civil penalty of not less than \$500 or more than \$10,000 for a violation of certain ethical and conflicts-of-interest restrictions by CRC members and employees. The collection of fines and penalties pursuant to these provisions would result in an increase in State revenues. The nature and number of infractions that may be committed, however, is unpredictable. As such, the OLS cannot quantify the amount of revenue generated from penalties and fines under the bill.

Sales Tax: Under this bill, the sales tax currently imposed on medicinal cannabis will be phased out over a multiple-year period. The OLS is unable to determine the year-to-year impact of this provision due to the countervailing effects of a decreasing sales tax rate; anticipated growth in sale amounts due to an increase in program participation and an increase in the maximum amount of medical cannabis that can be dispensed in a 30-day period, as provided under the bill; and the potential that competition created by the issuance of additional permits may decrease the sales price of medical cannabis. Depending on the growth of medicinal cannabis sales, the sales tax revenue generated under the bill may increase even as the current sales tax rate decreases. However, as of FY 2023, the bill provides that no sales tax may be assessed against medical cannabis, ultimately providing for a net State revenue loss.

For reference, according to information provided during the FY 2019 budget process, the Executive anticipates collecting between \$2.5 and \$5.0 million in sales tax revenue from medicinal cannabis sales in FY 2019. Based on the current sales tax rate of 6.625 percent, this data indicates between \$37.7 million and \$75.5 million in medicinal cannabis sales in FY 2019.

Local Transfer Tax: The bill will result in an annual increase in local revenue, as the bill allows municipalities in which a medical cannabis dispensary or clinical registrant is located to establish a local transfer tax of up to two percent on the sale price of all medical cannabis dispensed by that dispensary or clinical registrant. The six ATCs currently operating are located in: Egg Harbor Township, Montclair, Woodbridge, Cranbury, Secaucus, and Bellmawr. The six ATCs approved by the DOH in December of 2018 are located in: Philipsburg, Patterson, Elizabeth, Ewing, Atlantic City, and Vineland. Based on an estimate of \$301.9 million in medicinal cannabis sales in FY 2020, a local transfer tax, as established under the bill, could generate as much as \$6 million in local revenue in FY 2020 for the above municipalities. The OLS cannot predict with any certainty which of the eligible municipalities may implement the local transfer tax.

Section: Human Services

*Analyst: Sarah Schmidt
Senior Research Analyst*

*Approved: Frank W. Haines III
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 Phil Murphy

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Newark, N.J.

Governor Murphy Signs Legislation to Dramatically Reform New Jersey's Medical Marijuana Program, Expand Patient Access

07/2/2019

FREEHOLD – Governor Phil Murphy today signed the Jake Honig Compassionate Use Medical Cannabis Act to dramatically reform New Jersey's Medicinal Marijuana Program (MMP) and expand patient access to medical marijuana.

"Today's legislation creates a medical marijuana program that is modernized, compassionate, progressive, and meets the needs of patients," said **Governor Murphy**. "I am proud to stand with my legislative partners as we break down barriers to ensure this life-changing medical treatment is affordable and accessible for those who need it most."

The bill, A20, makes several statutory changes to New Jersey's MMP. A number of these were called for in the New Jersey Department of Health's report that was released in March 2018, pursuant to Executive Order No. 6. The changes include:

- **Raising the monthly limit from two ounces to three ounces:** Currently, medical marijuana patients are limited to receiving two ounces in a 30-day period. The bill raises the limit to three ounces for 18 months, and after that time elapses, the maximum amount will be determined by regulation. Additionally, terminally ill and hospice care patients will not be subject to any monthly limit, effective immediately.
- **Extending the authorization period from 90 days to one year:** Currently, patients can only be authorized by a physician to receive up to a 90-day supply and must be re-certified every three months. The bill changes this requirement and authorizes health care practitioners to issue up to a one-year supply, which will help reduce the frequency of these visits and decrease costs for patients.
- **Edibles for adults in addition to minors:** Under the prior law, edibles were only authorized for patients who are minors. This bill allows edibles to be dispensed to adult patients as well.
- **Phase-out of sales tax:** Unlike most forms of medicine, medical marijuana is currently subject to the sales tax. The bill phases out the sales tax over three years. It goes down to 4 percent in July 2020, 2 percent in July 2021, and is eliminated entirely in July 2022.
- **Allowing physician assistants and advanced practice nurses to authorize medical marijuana:** Under the prior law, only physicians could authorize the use of medical marijuana for patients. This bill allows

[Back to top](#)

physician assistants and advanced practice nurses to also authorize medical marijuana treatments, making medical marijuana more accessible to patients.

- **Employment protections for patients:** The bill prohibits employers from taking adverse employment actions against employees solely based on their status as medical marijuana patients. The bill clarifies that nothing in the law requires employers to allow the consumption of medical marijuana during work hours or do anything that could result in the loss of federal funding.
- **Multiple caregivers per patient:** The bill authorizes patients to have two designated caregivers at once. Designated caregivers can obtain medical marijuana for a patient.
- **Reciprocity with other states' medical marijuana programs:** Individuals who are registered as qualifying patients in other states can be considered qualifying patients in New Jersey for a period of up to six months. During that time, they can possess and use medical marijuana, and can obtain medical marijuana if they get authorization from a health care practitioner in New Jersey based on a qualifying condition.
- **Price lists for dispensaries:** Dispensaries will be required to post on their websites a price list that applies to all medical marijuana products and cannot deviate from those prices. These price lists cannot be revised more than once a month. Transparency around pricing will promote competition and help lower prices for patients.
- **Home delivery:** The bill authorizes the adoption of regulations to enable dispensaries to deliver medical marijuana to patients, which will improve patient access.
- **Creation of a Cannabis Regulatory Commission:** The bill creates a Cannabis Regulatory Commission in but not of the Department of the Treasury to assume responsibility over the medical marijuana program. The Commission consists of five members appointed by the Governor, with one each upon the recommendation of the Senate President and the Speaker. The initial three appointments made solely by the Governor are direct appointments serving terms of three, four, and five years, and subsequently are subject to advice and consent.

"Advocates have waited for this, caregivers have waited for this, parents have waited for this, but most important: patients have waited for this," said **Michael Honig, Jake's father**. "Among many things, what is so special and nearest to our hearts is that it completely lifts the ban for terminally ill patients. Now they can receive unlimited medication it will take to keep them comfortable as they end their life."

"The Governor asked us to transform the Medicinal Marijuana Program to be more compassionate and responsive to patients. Over the last 18 months, we delivered, adding almost three times the number of patients, more conditions, faster enrollment, and a better patient experience," said **New Jersey Department of Health Commissioner Dr. Shereef Elnahal**. "With this bill signing, the Governor is doing even more. No more monthly limits for terminal patients, while raising the limit for everyone else. Workplace protections. Medical school partnerships for research. This bill does amazing things for patients."

"Today is a giant step forward, enabling us to provide much better patient service," said **Jeff Brown, Assistant Commissioner of the Division of Medicinal Marijuana at the New Jersey Department of Health**. "These changes will break down barriers for patients, like ending the requirement that they need to see a physician every 90 days, and will improve access by allowing more health professionals – Physician Assistants and Advanced Practice Nurses – to authorize patients for medical marijuana. Because of this new law, more patients will be able to access and benefit from this therapy."

Primary sponsors of the legislation include Senators Joseph Vitale, Nicholas Scutari, and Declan O'Scanlon, and Assemblymembers Joann Downey, Joe Danielsen, Eliana Pintor Marin, Andrew Zwicker, Eric Houghtaling, and Carol Murphy.

"This expansion of our medical marijuana program is patient-centric and patient-first," said **Senator Joseph Vitale**. "With these long overdue reforms, we will treat patients with the dignity they deserve, recognize the full benefits of cannabis and ensure that compassion is a mainstay in New Jersey's medical marijuana program. It is critically important that we provide relief to those with qualifying conditions right now, and this bill becoming law will do just that."

"Jake Honig's Law is a compassionate, comprehensive effort to help countless seriously-ill patients in New Jersey get the relief they need. I am proud to have sponsored this law, and I am grateful that we are naming it after Jake,"

said Senator Declan O'Scanlon. "We have heard so many examples of medical marijuana patients like Jake, who experience significant benefits, with minimal side effects. Overall, this is a responsible way to make medical marijuana more accessible for a larger number of people. It's a huge step in the right direction, and I'm grateful for the Honig family's courageous efforts in this fight."

"This is a momentous day for New Jersey and the individuals that have been forced to endure suffering due to their lack of access to medicinal cannabis," **said Senator Nicholas Scutari.** "The restrictiveness of New Jersey's medical marijuana program is why I sponsored and passed the original legislation for reforms in the Senate a decade ago. This is only the beginning of great things to come for New Jersey's cannabis industry."

"For over a year, the Assembly worked tirelessly with the Governor and the Senate in an effort to responsibly expand the medicinal cannabis market," **said Assembly Speaker Craig Coughlin.** "The resources and treatment we are making more readily available to patients will help to save lives. Expanding access to medicinal cannabis in a safe, accessible, and regulated market will help our fight against the opioid epidemic and provide patients who depend on cannabis as an integral part of their pain management with ongoing care and support."

"I am proud to see the Legislature move to provide patients with access to proven effective treatments based on medicinal marijuana," **said Assemblywoman Joann Downey.** "The signing of this legislation is in honor of residents who are suffering from a life-threatening medical condition and looking for viable medical answers to improve their quality."

"Any step that removes the many bureaucratic hurdles a patient and their families have to jump through to get access to the medicine they need is a step in the right direction," **said Assemblyman Joe Danielsen.** "Now the Medicinal Marijuana Program can begin to meet the current demand for this type of treatment where in the past they were rendered incapable and ineffective under previous unfair and strict regulations. This is the way to go for New Jersey to improve and support access."

"This legislation will impact New Jersey residents in two significant ways. We're helping patients gain access to new treatments that will help them to live better with an illness," **said Assemblywoman Eliana Pintor Marin.** "And, through the expansion of the Medicinal Marijuana Program, we're creating new opportunities for business and career growth in a burgeoning industry."

"Now that it is enacted, this legislation will provide patients with another treatment modality which can give them relief from debilitating symptoms as a result of their medical conditions," **said Assemblyman Andrew Zwicker.** "New Jersey is taking a significant step forward in how we improve patients' quality of life and treat the symptoms of severe and chronic illnesses."

"Too many restrictions have weakened this program and patients have suffered for it for way too long. Medical marijuana has proven to be an effective treatment for some medical conditions," **said Assemblyman Eric Houghtaling.** "The goal here was to really help people who are dealing with life-changing, long-term medical conditions. We have to make this treatment even more accessible and more versatile to help residents live their best lives for themselves and their families."

"We want to put patients and doctors back in charge of a patient's medical care plan," **said Assemblywoman Carol Murphy.** "These are the reasonable changes to the current system we need to make patient care and their individual needs a priority and we should support them wherever they are in their lives."

Governor Phil Murphy

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[Lt. Governor Sheila](#)

[Key Initiatives](#)

[Economy & Jobs](#)

[Education](#)

[Environment](#)

[Health](#)

[Social](#)

[Facebook](#)

[Twitter](#)

[Instagram](#)

[Snapchat](#)

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[FAQs](#)

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