

**CHAPTER 153**  
**(CORRECTED COPY)**

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

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

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

C.24:6I-1 Short title.

1. This act shall be known and may be cited as the "Jake Honig Compassionate Use Medical Cannabis Act."

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

C.24:6I-2 Findings, declarations relative to the medical use of cannabis.

2. The Legislature finds and declares that:

- a. Modern medical research has discovered a beneficial use for cannabis in treating or alleviating the pain or other symptoms associated with certain medical conditions, as found by the National Academy of Sciences' Institute of Medicine in March 1999.

- b. According to the U.S. Sentencing Commission and the Federal Bureau of Investigation, 99 out of every 100 cannabis arrests in the country are made under state law, rather than under federal law. Consequently, changing state law will have the practical effect of protecting from arrest the vast majority of seriously ill people who have a medical need to use cannabis.

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

- d. States are not required to enforce federal law or prosecute people for engaging in activities prohibited by federal law; therefore, compliance with this act does not put the State of New Jersey in violation of federal law.

- e. Compassion dictates that a distinction be made between medical and non-medical uses of cannabis. Hence, the purpose of this act is to protect from arrest, prosecution, property forfeiture, and criminal and other penalties, those patients who use cannabis to alleviate suffering from qualifying medical conditions, as well as their health care practitioners, designated caregivers, institutional caregivers, and those who are authorized to produce cannabis for medical purposes.

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

C.24:6I-3 Definitions relative to the medical use of cannabis.

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

"Academic medical center" means an entity located in New Jersey that, on the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), has an addiction medicine faculty practice or is in the same health care system as another facility located in New Jersey that offers outpatient medical detoxification services or inpatient treatment services for substance use disorder; has a pain management faculty practice or a facility-based pain management service located in New Jersey; has graduate medical training programs accredited, or pending accreditation, by the Accreditation Council for Graduate Medical Education or the American Osteopathic Association in primary care and medical specialties; is the principal

teaching affiliate of a medical school based in the State; and has the ability to conduct research related to medical cannabis. If the entity is part of a system of health care facilities, the entity shall not qualify as an academic medical center unless the health care system is principally located within the State.

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

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

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

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

"Commissioner" means the Commissioner of Health.

“Common ownership or control” means:

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

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

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

"Department" means the Department of Health.

"Designated caregiver" means a resident of the State who:

(1) is at least 18 years old;

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

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

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

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

“Dispense” means the furnishing of medical cannabis to a registered qualifying patient, designated caregiver, or institutional caregiver by a medical cannabis dispensary or clinical registrant pursuant to written instructions issued by a health care practitioner pursuant to the requirements of P.L.2009, c.307 (C.24:6I-1 et al.). The term shall include the act of furnishing medical cannabis to a medical cannabis handler for delivery to a registered qualifying patient, designated caregiver, or institutional caregiver, consistent with the requirements of subsection i. of section 27 of P.L.2019, c.153 (C.24:6I-20).

“Health care facility” means 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, or rehabilitation center.

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

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

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

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

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

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

(1) is at least 18 years old;

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

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

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

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

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

"Integrated curriculum" means an academic, clinical, or research program at an institution of higher education that is coordinated with a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary to apply theoretical principles, practical experience, or both involving the cultivation, manufacturing, dispensing, delivery, or medical use of cannabis to a specific area of study, including, but not limited to, agriculture, biology, business, chemistry, culinary studies, ecology, environmental studies, health care, horticulture, technology, or any other appropriate area of study or combined areas of study. Integrated curricula shall be subject to approval by the commission and the Office of the Secretary of Higher Education.

"Integrated curriculum permit" or "IC permit" means a permit issued to a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary that includes an integrated curriculum approved by the commission and the Office of the Secretary of Higher Education.

"Medical cannabis alternative treatment center" or "alternative treatment center" means an organization issued a permit, including a conditional permit, by the commission to operate as a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant. This term shall include the organization's officers, directors, board members, and employees.

"Medical cannabis cultivator" means an organization holding a permit issued by the commission that authorizes the organization to: possess and cultivate cannabis and deliver,

transfer, transport, distribute, supply, and sell medical cannabis and related supplies to other medical cannabis cultivators and to medical cannabis manufacturers, clinical registrants, and medical cannabis dispensaries, as well as to plant, cultivate, grow, and harvest medical cannabis for research purposes. A medical cannabis cultivator permit shall not authorize the permit holder to manufacture, produce, or otherwise create medical cannabis products, or to deliver, transfer, transport, distribute, supply, sell, or dispense medical cannabis, medical cannabis products, paraphernalia, or related supplies to qualifying patients, designated caregivers, or institutional caregivers.

“Medical cannabis dispensary” means an organization issued a permit by the commission that authorizes the organization to: purchase or obtain medical cannabis and related supplies from medical cannabis cultivators; purchase or obtain medical cannabis products and related supplies from medical cannabis manufacturers; purchase or obtain medical cannabis, medical cannabis products, and related supplies and paraphernalia from other medical cannabis dispensaries and from clinical registrants; deliver, transfer, transport, distribute, supply, and sell medical cannabis and medical cannabis products to other medical cannabis dispensaries; furnish medical cannabis, including medical cannabis products, to a medical cannabis handler for delivery to a registered qualifying patient, designated caregiver, or institutional caregiver consistent with the requirements of subsection i. of section 27 of P.L.2019, c.153 (C.24:6I-20); and possess, display, deliver, transfer, transport, distribute, supply, sell, and dispense medical cannabis, medical cannabis products, paraphernalia, and related supplies to qualifying patients, designated caregivers, and institutional caregivers. A medical cannabis dispensary permit shall not authorize the permit holder to cultivate medical cannabis, to produce, manufacture, or otherwise create medical cannabis products.

“Medical cannabis manufacturer” means an organization issued a permit by the commission that authorizes the organization to: purchase or obtain medical cannabis and related supplies from a medical cannabis cultivator or a clinical registrant; purchase or obtain medical cannabis products from another medical cannabis manufacturer or a clinical registrant; produce, manufacture, or otherwise create medical cannabis products; and possess, deliver, transfer, transport, distribute, supply, and sell medical cannabis products and related supplies to other medical cannabis manufacturers and to medical cannabis dispensaries and clinical registrants. A medical cannabis manufacturer permit shall not authorize the permit holder to cultivate medical cannabis or to deliver, transfer, transport, distribute, supply, sell, or dispense medical cannabis, medical cannabis products, paraphernalia, or related supplies to registered qualifying patients, designated caregivers, or institutional caregivers.

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

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

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

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

“Primary care” means the practice of family medicine, general internal medicine, general pediatrics, general obstetrics, or gynecology.

“Qualifying medical condition” means 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 medical condition or its treatment that is approved by the commission.

"Qualifying patient" or "patient" means a resident of the State who has been authorized for the medical use of cannabis by a health care practitioner.

"Registration with the commission" means a person has met the qualification requirements for, and has been registered by the commission as, a registered qualifying patient, designated caregiver, or institutional caregiver. The commission shall establish appropriate means for health care practitioners, health care facilities, medical cannabis dispensaries, law enforcement, schools, facilities providing behavioral health services or services for persons with developmental disabilities, and other appropriate entities to verify an individual's status as a registrant with the commission.

"Significantly involved person" means a person or entity who holds at least a five percent investment interest in an entity issued, or applying for a permit to operate as, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant, or who is a decision making member of a group that holds at least a 20 percent investment interest in an entity issued, or applying for a permit to operate as, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant, in which no member of that group holds more than a five percent interest in the total group investment interest, and the person or entity makes controlling decisions regarding the operations of the entity issued, or applying for a permit to operate as, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant.

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

"Usable cannabis" means the dried leaves and flowers of cannabis, and any mixture or preparation thereof, and does not include the seeds, stems, stalks, or roots of the plant.

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

C.24:6I-4 Registry of qualifying patients, designated, institutional caregivers.

4. a. The commission shall establish a registry of qualifying patients and their designated caregivers and shall establish a means of identifying and verifying the registration status of patients and designated caregivers who are registered with the commission. Registration with the commission shall be valid for two years. A patient or designated caregiver shall be registered with the commission upon submitting the following, in accordance with regulations adopted by the commission:

(1) documentation of a health care practitioner's authorization for the patient for the medical use of cannabis;

(2) an application or renewal fee, which may be based on a sliding scale as determined by the commission;

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

(4) the name, address, and telephone number of the patient's health care practitioner; and

(5) up to one alternate address for the patient, which may be used for delivery of medical cannabis to the patient pursuant to section 27 of P.L.2019, c.153 (C.24:6I-20).

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

The commission shall establish a registry of institutional caregivers and shall establish a means of identifying and verifying the registration status of institutional caregivers who are registered with the commission. Registration with the commission shall be valid for one year. An institutional caregiver shall be registered with the commission upon submitting the name, address, and telephone number of the institutional caregiver and of the health care facility at which the individual will be serving as institutional caregiver and a certification that meets the requirements of subsection h. of this section. The application

or renewal fee for the institutional caregiver shall be paid by the health care facility at which the institutional caregiver will be serving as institutional caregiver. An institutional caregiver shall not be limited in the number of qualifying patients for whom the institutional caregiver may serve as institutional caregiver at one time, provided that each qualifying patient served by the institutional caregiver is a current patient or resident at the health care facility at which the institutional caregiver is authorized to serve as institutional caregiver, and the number of qualifying patients served by the institutional caregiver is commensurate with the institutional caregiver's ability to fully meet the treatment and related needs of each qualifying patient and attend to the institutional caregiver's other professional duties at the health care facility without jeopardizing the health or safety of any patient or resident at the facility.

b. Before registering an individual, the commission shall verify the information contained in the application or renewal form submitted pursuant to this section. In the case of a designated or institutional caregiver, the commission shall provisionally approve an application pending the results of a criminal history record background check, if the caregiver otherwise meets the requirements of P.L.2009, c.307 (C.24:6I-1 et al.). The commission shall approve or deny an application or renewal and complete the registration process for successful applicants within 30 days of receipt of the completed application or renewal. The commission may deny an application or renewal only if the applicant fails to provide the information required pursuant to this section, or if the commission determines that the information was incorrect or falsified or does not meet the requirements of P.L.2009, c.307 (C.24:6I-1 et al.). Denial of an application shall be a final agency decision, subject to review by the Superior Court, Appellate Division.

c. (1) The commission shall require each applicant seeking to serve as a designated or institutional caregiver to undergo a criminal history record background check; except that no criminal history record background check shall be required for an applicant seeking to serve as a designated caregiver if the applicant is an immediate family member of the patient, and no criminal history record background check shall be required for an applicant seeking to serve as an institutional caregiver if the applicant completed a criminal history record background check as a condition of professional licensure or certification. The commission is authorized to exchange fingerprint data with and receive criminal history record background information from the Division of State Police and the Federal Bureau of Investigation consistent with the provisions of applicable federal and State laws, rules, and regulations. The Division of State Police shall forward criminal history record background information to the commission in a timely manner when requested pursuant to the provisions of this section.

An applicant seeking to serve as a designated or institutional caregiver who is required to complete a criminal history record background check pursuant to this section shall submit to being fingerprinted in accordance with applicable State and federal laws, rules, and regulations. No check of criminal history record background information shall be performed pursuant to this section unless the applicant has furnished the applicant's written consent to that check. An applicant who is required to complete a criminal history record background check pursuant to this section who refuses to consent to, or cooperate in, the securing of a check of criminal history record background information shall not be considered for inclusion in the registry as a designated or institutional caregiver. An applicant shall bear the cost for the criminal history record background check, including all costs of administering and processing the check.

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

(3) Upon receipt of the criminal history record background information from the Division of State Police and the Federal Bureau of Investigation, the commission shall provide written notification to the applicant of the applicant's qualification or disqualification for serving as a designated or institutional caregiver.

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

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

(5) Notwithstanding the provisions of paragraph (2) of this subsection to the contrary, no applicant shall be disqualified from serving as a designated or institutional caregiver on the basis of any conviction disclosed by a criminal history record background check conducted pursuant to this section if the individual has affirmatively demonstrated to the commission clear and convincing evidence of rehabilitation. In determining whether clear and convincing evidence of rehabilitation has been demonstrated, the following factors shall be considered:

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

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

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

(d) the date of the crime or offense;

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

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

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

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

d. A verification of registration issued by the commission shall contain the following information:

(1) (a) in the case of a patient or designated caregiver registration, the name, address, and date of birth of the patient and each designated caregiver, if applicable; and

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

(2) the expiration date of the registration;

(3) photo identification of the registrant; and

(4) such other information that the commission may specify by regulation.

e. (1) A patient who has been registered by the commission shall notify the commission of any change in the patient's name, address, or health care practitioner or change in status of the patient's qualifying medical condition, within 10 days of such change, or the patient's registration shall be deemed null and void.

(2) A designated caregiver who has been registered by the commission shall notify the commission of any change in the caregiver's name or address within 10 days of such change, or the caregiver's registration shall be deemed null and void.

(3) An institutional caregiver who has been registered by the commission shall notify the commission of any change in the caregiver's name, address, employment by a health care facility at which the caregiver is registered to serve as institutional caregiver, or authorization from the health care facility to assist qualifying patients with the medical use of cannabis, within 10 days of such change, or the caregiver's registration shall be deemed

null and void and the individual shall be deemed ineligible to serve as an institutional caregiver for a period of not less than one year.

f. The commission shall maintain a confidential list of the persons registered with the commission. Individual names and other identifying information on the list, and information contained in any application form, or accompanying or supporting document shall be confidential, and shall not be considered a public record under P.L.1963, c.73 (C.47:1A-1 et seq.), P.L.2001, c.404 (C.47:1A-5 et al.), or the common law concerning access to government records, and shall not be disclosed except to:

(1) authorized employees of the commission and the Division of Consumer Affairs in the Department of Law and Public Safety as necessary to perform official duties of the commission and the division, as applicable; and

(2) authorized employees of State or local law enforcement agencies, only as necessary to verify that a person who is engaged in the suspected or alleged medical use of cannabis is lawfully registered with the commission.

g. Applying for registration or being registered by the commission does not constitute a waiver of the qualifying patient's practitioner-patient privilege.

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

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

(2) the facility has established protocols and procedures and implemented security measures to ensure that any medical cannabis obtained by an institutional caregiver that is transported by the caregiver to the facility is transported in a safe and secure manner that prevents theft, diversion, adulteration, and access by unauthorized individuals, and that any medical cannabis present at the facility is stored in a safe and secure manner that prevents theft, diversion, adulteration, and access by unauthorized individuals;

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

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

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

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

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

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

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

C.24:6I-5.1 Authorization process for dispensation.

5. a. A health care practitioner shall not be required to be listed publicly in any medical cannabis practitioner registry as a condition of authorizing patients for the medical use of cannabis.

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

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

C.24:6I-5.2 Health care practitioner, regulations affecting.

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

b. Nothing in subsection a. of this section shall be construed to prevent a health care practitioner from serving on the governing board of a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant, or on the medical advisory board of a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant established pursuant to section 15 of P.L.2019, c.153 (C.24:6I-7.5), or from receiving a reasonable stipend for such service, provided that:

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

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

c. A health care practitioner, or an immediate family member of a health care practitioner, who applies to be an owner, director, officer, or employee of a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant, or who otherwise seeks to be an interest holder in, or receive any form of direct or indirect compensation from, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant, shall certify that the health care practitioner has not authorized a patient for the medical use of cannabis pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) within the 90 days immediately preceding the date of the application.

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

C.24:6I-5.3 Qualifying patient from another state, jurisdiction.

7. a. An individual who is registered as a qualifying patient in another state or jurisdiction within the United States that authorizes the medical use of cannabis shall be considered a registered qualifying patient for the purposes of P.L.2009, c.307 (C.24:6I-1 et al.) for a period of up to six months, provided that the individual possesses both proof of

registration in, and a valid photo identification card issued by, the other state or jurisdiction. During the six-month period, the individual shall be authorized to possess and use medical cannabis and engage in such other conduct related to medical cannabis in New Jersey as is consistent with the requirements of P.L.2009, c.307 (C.24:6I-1 et al.) and the laws of the state or jurisdiction in which the patient is registered, except that medical cannabis shall not be dispensed to the individual unless a health care practitioner licensed in New Jersey issues written instructions for the individual that meet the requirements of section 10 of P.L.2009, c.307 (C.24:6I-10). No individual shall be authorized to acquire, possess, use, or engage in other conduct in connection with medical cannabis in New Jersey pursuant to a medical cannabis registration from another State or jurisdiction for more than six months unless the individual registers with the commission as a qualifying patient pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4). Nothing in this subsection shall be construed to authorize delivery of medical cannabis to any person who is not registered with the commission pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4).

b. An individual who is registered as a designated caregiver in another state or jurisdiction within the United States that authorizes the medical use of cannabis shall be considered a designated caregiver for the purposes of P.L.2009, c.307 (C.24:6I-1 et al.) for a period of up to six months, provided that the individual is in possession of both proof of registration in, and a valid photo identification card issued by, the other state or jurisdiction. During the six-month period, the individual shall be authorized to assist a registered qualifying patient with the medical use of cannabis and engage in such other conduct in connection with medical cannabis in New Jersey as is consistent with the requirements of P.L.2009, c.307 (C.24:6I-1 et al.) and the laws of the state or jurisdiction in which the caregiver is registered, except that medical cannabis shall not be dispensed to the individual on behalf of a registered qualifying patient unless a health care practitioner licensed in New Jersey issues written instructions for the registered qualifying patient that meet the requirements of section 10 of P.L.2009, c.307 (C.24:6I-10). No individual shall be authorized to assist a registered qualifying patient with the medical use of cannabis or engage in other conduct in connection with medical cannabis in New Jersey pursuant to a medical cannabis registration from another State or jurisdiction for more than six months unless the individual registers with the commission as a designated caregiver pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4). Nothing in this subsection shall be construed to authorize delivery of medical cannabis to any person who is not registered with the commission pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4).

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

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

C.24:6I-6 Applicability of N.J.S.2C:35-18.

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

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

c. Registration with the commission, or application for registration by the commission, shall not alone constitute probable cause to search the person or the property of the registrant or applicant, or otherwise subject the person or the person's property to inspection by any governmental agency.

d. The provisions of section 2 of P.L.1939, c.248 (C.26:2-82), relating to destruction of cannabis determined to exist by the commission, shall not apply if a qualifying patient, designated caregiver, or institutional caregiver is registered with the commission and is in possession of no more than the maximum amount of usable cannabis that may be obtained in accordance with section 10 of P.L.2009, c.307 (C.24:6I-10).

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

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

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

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

i. No person shall refuse to rent, lease, or sublease any real property or part or portion thereof, or discriminate in the terms, conditions, or privileges of the rental or lease of any real property or part or portion thereof or in the furnishing of facilities or services in connection therewith, based solely on the status of the prospective tenant as a registrant with the commission, unless failing to do so would result in the person losing a monetary or licensing-related benefit granted pursuant to federal law. No such person shall be penalized or denied any benefit under State law solely on the basis of renting or leasing real property to a person who is registered with the commission.

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

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

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

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

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

n. (1) No health care facility shall 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 policies concerning medication handling, administration, usage, or storage.

(2) No health care facility shall 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.

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

#### C.24:6I-6.1 Adverse employment action unlawful.

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

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

(2) Within three working days after receiving notice pursuant to paragraph (1) of this subsection, the employee or job applicant may submit information to the employer to explain the positive test result, or may request a confirmatory retest of the original sample at the employee's or job applicant's own expense. As part of an employee's or job applicant's explanation for the positive test result, the employee or job applicant may present an authorization for medical cannabis issued by a health care practitioner, proof of registration with the commission, or both.

c. Nothing in this section shall be deemed to:

(1) 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 the premises of the workplace outside of work hours; or

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

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

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

C.24:6I-7 Applications for permits.

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

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

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

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

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

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

(d) No entity may be issued or concurrently hold more than one medical cannabis cultivator permit, one medical cannabis manufacturer permit, or one medical cannabis dispensary permit at one time, and no medical cannabis dispensary shall be authorized to

establish a satellite location on or after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), except that an alternative treatment center that was issued a permit prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) or that was issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an application submitted prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) shall be authorized to maintain up to two satellite dispensaries, including any satellite dispensary that was approved pursuant to an application submitted prior to or within 18 months after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.). The three alternative treatment centers issued permits pursuant to section 11 of P.L.2019, c.153 (C.24:6I-7.1) that are expressly exempt from the provisions of subparagraph (i) of subparagraph (a) of this paragraph shall be authorized to establish and maintain up to one satellite dispensary location, provided that the satellite dispensary was approved pursuant to an application submitted within 18 months after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.).

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

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

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

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

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

(5) (a) A medical cannabis cultivator shall be authorized to: acquire a reasonable initial and ongoing inventory, as determined by the commission, of cannabis seeds or seedlings

and paraphernalia; possess, cultivate, plant, grow, harvest, and package medical cannabis, including prerolled forms, for any authorized purpose, including, but not limited to, research purposes; and deliver, transfer, transport, distribute, supply, or sell medical cannabis and related supplies to any medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant in the State. In no case shall a medical cannabis cultivator operate or be located on land that is valued, assessed or taxed as an agricultural or horticultural use pursuant to the "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

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

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

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

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

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

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

law relating to possession or sale of cannabis for conduct that is authorized under P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

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

Any individual seeking to become a director, officer, or employee of a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant, after issuance of an initial permit shall notify the commission and shall complete a criminal history record background check and provide all information as may be required by the commission as a condition of assuming a position as director, officer, or employee of the permitted entity. An individual who incurs an investment interest or gains the authority to make controlling decisions in a permitted entity that makes the individual a significantly involved person shall notify the commission, complete a criminal history record background check, and provide all information as may be required by the commission no later than 30 days after the date the individual becomes a significantly involved person, or any permit issued to the individual or group of which the significantly involved person is a member shall be revoked and the individual or group shall be deemed ineligible to hold any ownership or investment interest in a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant for a period of at least two years, commencing from the date of revocation, and for such additional period of time as the commission deems appropriate, based on the duration of the nondisclosure, the size of the individual's or group's investment interest in the permitted entity, the amount of profits, revenue, or income realized by the individual or group from the permitted entity during the period of nondisclosure, and whether the individual had a disqualifying conviction or would otherwise have been deemed ineligible to be a significantly involved person in a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant.

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

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

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

(3) Upon receipt of the criminal history record background information from the Division of State Police and the Federal Bureau of Investigation, the commission shall

provide written notification to the applicant of the applicant's qualification for or disqualification for a permit to operate or be a director, officer, or employee of, or a significantly involved person in, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant.

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

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

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

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

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

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

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

(d) the date of the crime or offense;

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

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

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

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

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

f. A person who has been issued a permit pursuant to this section or a clinical registrant permit pursuant to section 13 of P.L.2019, c.153 (C.24:6I-7.3) shall display the

permit at the front entrance to the premises of the permitted facility at all times when the facility is engaged in conduct authorized pursuant to P.L.2009, c.307 (C.24:61-1 et al.) involving medical cannabis, including, but not limited to, the cultivating, manufacturing, or dispensing of medical cannabis.

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

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

i. The commission shall adopt regulations to:

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

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

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

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

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

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

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

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

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

m. In the event that a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant fails to comply with any requirements set forth in P.L.2009, c.307 (C.24:6I-1 et al.) or any related law or regulation, the commission may invoke penalties or take administrative action against the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant and its employees, officers, investors, directors, or governing board, including, but not limited to, assessing fines, referring matters to another State agency, and suspending or terminating any permit held by the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant. Any penalties

imposed or administrative actions taken by the commission pursuant to this subsection may be imposed in a summary proceeding.

#### C.24:6I-7.1 Acceptance, processing of applications.

11. a. The commission shall, no later than 90 days after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) or upon adoption of rules and regulations as provided in subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-16), whichever occurs later, begin accepting and processing applications for new medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits. Notwithstanding the provisions of subparagraph (i) of subparagraph (a) of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7), the first three alternative treatment center permits issued by the commission pursuant to an application submitted on or after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) and up to four alternative treatment centers permits issued by the commission after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an application submitted pursuant to a request for applications published in the New Jersey Register prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) shall be deemed to concurrently hold a medical cannabis cultivator permit, a medical cannabis manufacturer permit, and a medical cannabis dispensary permit; of these permits, one permit shall be issued to an applicant located in the northern region of the State, one permit shall be issued to an applicant located in the central region of the State, and one permit shall be issued to an applicant located in the southern region of the State. Any permits issued by the commission thereafter shall be subject to the provisions of subparagraph (i) of subparagraph (a) of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7), and the requirements of subsection d. of this section concerning conditional permits.

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

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

(2) The commission shall issue a permit, other than a conditional permit, to an approved applicant at such time as the commission completes the application review process and any mandatory inspections, and determines that the applicant is in compliance with and is implementing the plans, procedures, protocols, actions, or other measures set forth in the applicant's permit application submitted pursuant to section 12 of P.L.2019, c.153 (C.24:6I-7.2), did maintain compliance with the terms, conditions, or restrictions of a conditional permit issued to the applicant, if applicable, and is otherwise in compliance with the requirements of P.L.2009, c.307 (C.24:6I-1 et al.).

d. (1) The commission shall ensure that at least one third of the total permits issued for each type of medical cannabis permit are conditional permits, which one-third figure shall include any conditional permit issued to an applicant which is subsequently converted by the commission into a full permit pursuant to paragraph (4) of this subsection and any conditional permit, including a converted permit, issued to a microbusiness pursuant to subsection e. of this section. The requirements of this subsection shall not apply to permits issued to clinical registrants or to permits issued to the three alternative treatment centers issued a permit pursuant to subsection a. of this section that are expressly exempt from the provisions of subparagraph (i) of subparagraph (a) of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7).

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

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

(b) a list of all owners, officers, directors, and employees of, and significantly involved persons in, the proposed medical cannabis entity, including their names,

addresses, dates of birth, resumes, and a photocopy of their driver's licenses or other government-issued form of identification;

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

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

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

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

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

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

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

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

(3) The commission shall make a determination on an application for a conditional permit within 30 days after the date the application is received. A determination made pursuant to this paragraph may include a determination that the commission requires more time to adequately review the application. The commission shall approve a permit application that meets the requirements of this subsection unless the commission finds by clear and convincing evidence that the applicant would be manifestly unsuitable to perform the activities authorized for the permit sought by the applicant. The commission shall deny a conditional permit to any applicant who fails to provide information, documentation, and assurances as required by this subsection; who fails to reveal any fact material to qualification; or who supplies information that is untrue or misleading as to a material fact pertaining to the qualification criteria for issuance of a conditional permit. If the application is denied, the commission shall notify the applicant in writing of the specific reason for its denial and provide the applicant with the opportunity for a hearing in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

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

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

e. (1) The commission shall ensure that at least 10 percent of the total permits issued for each medical cannabis permit type, other than a clinical registrant permit, are

designated for and only issued to microbusinesses, and that at least 25 percent of the total permits issued be issued to microbusinesses. A microbusiness may be issued a full annual permit pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) or a conditional permit pursuant to subsection d. of this section. The maximum fee assessed by the commission for issuance or renewal of a permit issued to a microbusiness shall be no more than half the fee applicable to a permit of the same type issued to a person or entity that is not a microbusiness. A permit issued to a microbusiness shall be valid for one year and may be renewed annually.

(2) A microbusiness shall meet the following requirements:

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

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

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

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

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

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

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

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

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

(3) The requirements of this subsection shall not apply to permits issued pursuant to an application submitted pursuant to a request for applications published in the New Jersey Register prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.).

#### C.24:6I-7.2 Submission of applications to commission.

12. a. Each application for a medical cannabis cultivator permit, medical cannabis manufacturer permit, and medical cannabis dispensary permit, and each application for annual renewal of such permit, including permit and renewal applications for microbusinesses that meet the requirements of subsection e. of section 11 of P.L.2019, c.153 (C.24:6I-7.1), shall be submitted to the commission. A full, separate application shall be required for each initial permit requested by the applicant and for each location at which an applicant seeks to operate, regardless of whether the applicant was previously issued a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit, and regardless of whether the applicant currently holds a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary permit. Renewal applications shall be submitted to the commission on a form and in a manner as shall be specified by the commission no later than 90 days before the date the current permit will expire.

b. An initial permit application shall be evaluated according to criteria to be developed by the commission. The commission shall determine the point values to be

assigned to each criterion, which shall include bonus points for applicants who are residents of New Jersey.

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

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

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

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

(a) State-authorized manufacture, production, and creation of cannabis products using appropriate extraction methods, including intended use and sourcing of extraction equipment and associated solvents or intended methods and equipment for non-solvent extraction;

(b) pharmaceutical manufacturing, good manufacturing practices, and good laboratory practices;

- (c) quality control and quality assurance;
- (d) recall plans;
- (e) packaging and labeling;
- (f) inventory control and tracking software or systems for the production of medical cannabis;

(g) analytical chemistry and testing of medical cannabis and medical cannabis products and formulations;

- (h) water management practices;
- (i) odor mitigation practices;
- (j) onsite and offsite recordkeeping;
- (k) a list of product formulations or products proposed to be manufactured with estimated cannabinoid profiles, if known, including varieties with high cannabidiol content;

(l) intended use and sourcing of all non-cannabis ingredients used in the manufacture, production, and creation of cannabis products, including methods to verify or ensure the safety and integrity of those ingredients and their potential to be or contain allergens;

- (m) waste disposal plans; and
- (n) compliance with applicable laws and regulations.

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

- (a) State-authorized dispensation of medical cannabis to qualifying patients;
- (b) healthcare, medicine, and treatment of patients with qualifying medical conditions;
- (c) medical cannabis product evaluation procedures;
- (d) recall plans;
- (e) packaging and labeling;
- (f) inventory control and point-of-sale software or systems for the sale of medical cannabis;
- (g) patient counseling procedures;
- (h) the routes of administration, strains, varieties, and cannabinoid profiles of medical cannabis and medical cannabis products;
- (i) odor mitigation practices;
- (j) onsite and offsite recordkeeping;
- (k) compliance with State and federal patient privacy rules;
- (l) waste disposal plans; and
- (m) compliance with applicable laws and regulations.

d. The criteria to be developed by the commission pursuant to subsection b. of this section shall include, in addition to the criteria set forth in subsections c. and e. of this section and any other criteria developed by the commission, an analysis of the following factors, if applicable:

- (1) The applicant's environmental impact plan.
- (2) A summary of the applicant's safety and security plans and procedures, which shall include descriptions of the following:
  - (a) plans for the use of security personnel, including contractors;
  - (b) the experience or qualifications of security personnel and proposed contractors;
  - (c) security and surveillance features, including descriptions of any alarm systems, video surveillance systems, and access and visitor management systems, along with drawings identifying the proposed locations for surveillance cameras and other security features;
  - (d) plans for the storage of medical cannabis and medical cannabis products, including any safes, vaults, and climate control systems that will be utilized for this purpose;
  - (e) a diversion prevention plan;
  - (f) an emergency management plan;
  - (g) procedures for screening, monitoring, and performing criminal history record background checks of employees;
  - (h) cybersecurity procedures, including, in the case of an applicant for a medical cannabis dispensary permit, procedures for collecting, processing, and storing patient data, and the applicant's familiarity with State and federal privacy laws;
  - (i) workplace safety plans and the applicant's familiarity with federal Occupational Safety and Health Administration regulations;
  - (j) the applicant's history of workers' compensation claims and safety assessments;
  - (k) procedures for reporting adverse events; and
  - (l) a sanitation practices plan.
- (3) A summary of the applicant's business experience, including the following, if applicable:
  - (a) the applicant's experience operating businesses in highly-regulated industries;
  - (b) the applicant's experience in operating alternative treatment centers and related medical cannabis production and dispensation entities under the laws of New Jersey or any other state or jurisdiction within the United States; and
  - (c) the applicant's plan to comply with and mitigate the effects of 26 U.S.C. s.280E on cannabis businesses, and for evidence that the applicant is not in arrears with respect to any tax obligation to the State.

In evaluating the experience described under subparagraphs (a), (b), and (c) of this paragraph, the commission shall afford the greatest weight to the experience of the applicant itself, controlling owners, and entities with common ownership or control with the applicant; followed by the experience of those with a 15 percent or greater ownership interest in the applicant's organization; followed by significantly involved persons in the

applicant's organization; followed by other officers, directors, and current and prospective employees of the applicant who have a bona fide relationship with the applicant's organization as of the submission date of the application.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(10) The proposed composition of the applicant's medical advisory board established pursuant to section 15 of P.L.2019, c.153 (C.24:6I-7.5), if any.

(11) Whether the applicant intends to or has entered into a partnership with a prisoner re-entry program for the purpose of identifying and promoting employment opportunities at the applicant's organization for former inmates and current inmates leaving the corrections system. If so, the applicant shall provide details concerning the name of the re-entry program, the employment opportunities at the applicant's organization that will be made available to the re-entry population, and any other initiatives the applicant's organization will undertake to provide support and assistance to the re-entry population.

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

e. In addition to the information to be submitted pursuant to subsections c. and d. of this section, the commission shall require all permit applicants, other than applicants issued a conditional permit, to submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement with such bona fide labor organization. Except in the case of an entity holding an unconverted conditional permit, the maintenance of a labor peace agreement with a bona fide labor organization shall be an ongoing material condition of maintaining a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary permit. The submission of an attestation and maintenance of a labor peace agreement with a bona fide labor organization by an applicant issued a conditional permit pursuant to subsection d. of

section 11 of P.L.2019, c.153 (C.24:6I-7.1) shall be a requirement for conversion of a conditional permit into a full permit. The failure to enter into a collective bargaining agreement within 200 days after the date that a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary first opens shall result in the suspension or revocation of such permit or conditional permit. In reviewing initial permit applications, the commission shall give priority to the following:

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

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

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

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

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

f. In reviewing an initial permit application, unless the information is otherwise solicited by the commission in a specific application question, the commission's evaluation of the application shall be limited to the experience and qualifications of the applicant's organization, including any entities with common ownership or control of the applicant's organization, controlling owners or interest holders in the applicant's organization, the officers, directors, and current or prospective employees of the applicant's organization who have a bona fide relationship with the applicant's organization as of the date of the application, and consultants and independent contractors who have a bona fide relationship with the applicant as of the date of the application. Responses pertaining to applicants who are exempt from the criminal history record background check requirements of section 7 of P.L.2009, c.307 (C.24:6I-7) shall not be considered. Each applicant shall certify as to the status of the individuals and entities included in the application.

g. The commission shall conduct a disparity study to determine whether race-based measures should be considered when issuing permits pursuant to this section, and shall incorporate the policies, practices, protocols, standards, and criteria developed by the Office of Minority, Disabled Veterans, and Women Medical Cannabis Business Development pursuant to section 32 of P.L.2019, c.153 (C.24:6I-25) to promote participation in the medical cannabis industry by persons from socially and economically disadvantaged communities, including promoting applications for, and the issuance of, medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits to certified minority, women's, and disabled veterans' businesses. To this end, the commission shall seek to issue at least 30 percent of the total number of new medical cannabis cultivator permits, medical cannabis manufacturer permits, and medical cannabis dispensary permits issued on or after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) as follows:

(1) at least 15 percent of the total number of new medical cannabis cultivator permits, medical cannabis manufacturer permits, and medical cannabis dispensary permits issued on or after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) are issued to a qualified applicant that has been certified as a minority business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.); and

(2) at least 15 percent of the total number of new medical cannabis cultivator permits, medical cannabis manufacturer permits, and medical cannabis dispensary permits issued on or after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) are issued to a qualified applicant that has been certified as a women's business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.) or that is a disabled-veterans' business, as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2).

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

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

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

j. If the commission notifies an applicant that it has performed sufficiently well on multiple applications to be awarded more than one medical cannabis cultivator permit, more than one medical cannabis manufacturer permit, or more than one medical cannabis dispensary permit by the commission, the applicant shall notify the commission, within seven business days after receiving such notice, as to which permit it will accept. For any permit award declined by an applicant pursuant to this subsection, the commission shall, upon receiving notice from the applicant of the declination, award the permit to the applicant for that permit type who, in the determination of the commission, best satisfies the commission's criteria while meeting the commission's determination of Statewide need. If an applicant fails to notify the commission as to which permit it will accept, the commission shall have the discretion to determine which permit it will award to the applicant, based on the commission's determination of Statewide need and other applications submitted for facilities to be located in the affected regions.

k. The provisions of this section shall not apply to any permit applications submitted pursuant to a request for applications published in the New Jersey Register prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.).

#### C.24:6I-7.3 Clinical registrant permits.

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

- (1) complete a criminal history record background check that meets the requirements of subsection d. of section 7 of P.L.2009, c.307 (C.24:6I-7);
- (2) submit to the commission any required application and permit fees;
- (3) submit to the commission written documentation of an existing contract with an academic medical center that meets the requirements of subsection c. of this section; and
- (4) submit to the commission documentation that the applicant has a minimum of \$15 million in capital.

b. The commission shall, no later than 90 days after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) or upon adoption of rules and regulations as provided in subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-16), whichever occurs first, begin accepting and processing applications for four clinical registrant permits. Thereafter, the commission shall accept applications for and issue such additional clinical registrant permits as it determines to be necessary and consistent with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.). The commission shall make a determination as to a clinical registrant permit application no later than 90 days after receiving the application, which may include a determination that the commission reasonably requires more time to adequately review the application. In reviewing and approving applications for clinical registrant permits, the commission shall seek to incorporate the policies, practices, protocols, standards, and criteria developed by the Office of Minority, Disabled Veterans, and Women Medical Cannabis Business Development pursuant to section 32 of P.L.2019, c.153 (C.24:6I-25) to promote participation in the medical cannabis industry by persons from socially and economically disadvantaged communities. In no case shall the commission accept, process, or approve an application submitted by an applicant that has contracted with an academic medical center that is part of a health care system that includes another academic medical center that has contracted with an applicant for, or a holder of, a clinical registrant permit.

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

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

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

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

(3) The commission may authorize a clinical registrant to dispense medical cannabis and medical cannabis products from more than one physical location if the commission determines that authorizing additional dispensing locations is necessary for the clinical registrant to best serve and treat qualifying patients and clinical trial participants.

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

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

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

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

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

C.24:6I-7.4 Feasibility study for establishing a cannabis research and development permit type.

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

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

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

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

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

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

C.24:6I-7.5 Medical advisory board.

15. a. A medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant may appoint a medical advisory board to provide advice to the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant on all aspects of its business.

b. A medical advisory board appointed pursuant to this section shall comprise five members: three health care practitioners licensed or certified to practice in New Jersey; one qualifying patient who resides in the same area in which the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant is located; and one individual who owns a business in the same area in which the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant is located. No owner, director, officer, or employee of a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant may serve on a medical advisory board. The membership of a medical advisory board shall be subject to commission approval.

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

#### C.24:6I-7.6 Ineligibility for certain economic incentives.

16. a. (1) An organization issued a permit to operate a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant or that employs certified medical cannabis handlers for transfer or delivery of medical cannabis pursuant to section 27 of P.L.2019, c.153 (C.24:6I-20) shall not be eligible for a State or local economic incentive.

(2) The issuance of a permit to operate a medical cannabis cultivator, medical cannabis manufacturer, cannabis dispensary, or clinical registrant or a certification to a handler employed by any entity to perform transfers or deliveries of medical cannabis pursuant to section 27 of P.L.2019, c.153 (C.24:6I-20) to an organization that has been awarded a State or local economic incentive shall invalidate the right of the organization to benefit from the economic incentive as of the date of issuance of the permit, except that an academic medical center that has entered into a contractual relationship with a clinical registrant shall not have any right to benefit from an economic incentive invalidated pursuant to this paragraph on the basis of that contractual relationship.

b. (1) A property owner, developer, or operator of a project to be used, in whole or in part, as a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant or an entity that employs medical cannabis handlers to perform transfers or deliveries of medical cannabis pursuant to section 27 of P.L.2019, c.153 (C.24:6I-20) shall not be eligible for a State or local economic incentive during the period of time that the economic incentive is in effect.

(2) The issuance of a permit to operate a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant or of a certification to a medical cannabis handler employed by any entity to perform transfers and deliveries of medical cannabis pursuant to section 27 of P.L.2019, c.153 (C.24:6I-20) at a location that is the subject of a State or local economic incentive shall invalidate the right of a property owner, developer, or operator to benefit from the economic incentive as of the date of issuance of the permit, except that an academic medical center that has entered into a contractual relationship with a clinical registrant shall not have any right to benefit from an economic incentive invalidated pursuant to this paragraph on the basis of that contractual relationship.

c. As used in this section:

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

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

"State or local economic incentive" means a financial incentive, awarded by a governmental entity to a business, or agreed to between a governmental entity and a

business, for the purpose of stimulating economic development or redevelopment in New Jersey, including, but not limited to, a bond, grant, loan, loan guarantee, matching fund, tax credit, or other tax expenditure.

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

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

C.24:6I-8 Inapplicability.

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

a. operate, navigate, or be in actual physical control of any vehicle, aircraft, railroad train, stationary heavy equipment or vessel while under the influence of cannabis; or

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

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

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

C.24:6I-10 Written instructions to registered qualifying patient, designated, institutional caregiver.

10. a. A health care practitioner shall provide written instructions for a registered qualifying patient or the patient's designated caregiver, or an institutional caregiver acting on behalf of the patient, to present to a medical cannabis dispensary or a clinical registrant concerning the total amount of usable cannabis that a patient may be dispensed, in weight, in a 30-day period, which amount shall not exceed the maximum amount that may be authorized for the patient pursuant to subsection f. of this section.

b. A health care practitioner may issue multiple written instructions at one time authorizing the patient to receive a total of up to a one-year supply, provided that the following conditions are met:

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

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

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

c. A registered qualifying patient or the patient's designated caregiver, or an institutional caregiver acting on behalf of a qualifying patient, shall present verification of the patient's or caregiver's registration with the commission, as applicable, and these written instructions to any medical cannabis dispensary or clinical registrant at the time the patient or caregiver requests the dispensing or delivery of medical cannabis, which medical cannabis dispensary or clinical registrant shall verify and log the documentation presented. An institutional caregiver shall additionally present an authorization executed by the patient certifying that the institutional caregiver is authorized to obtain medical cannabis on behalf of the patient. A health care practitioner may provide a copy of a written instruction by electronic or other means, as determined by the commission, directly to a medical cannabis dispensary or a clinical registrant on behalf of a registered qualifying patient. The dispensation of medical cannabis pursuant to any written instructions shall occur within one year of the date that the instructions were written or become eligible for dispensing, whichever is later, or the instructions are void.

d. (Deleted by amendment, P.L.2019, c.153)

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

f. (1) Except as provided in paragraph (2) of this subsection, for a period of 18 months after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), the maximum amount of usable cannabis that a patient may be dispensed, in weight, in a 30-day period, shall be three ounces. Commencing 18 months after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), the maximum amount of usable cannabis that a patient may be dispensed shall be prescribed by the commission by regulation.

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

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

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

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

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

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

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

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

i. A municipality in which a medical cannabis dispensary is located may adopt an ordinance imposing a transfer tax on any medical cannabis dispensed by the dispensary, including medical cannabis that is furnished by the dispensary to a medical cannabis

handler for delivery to a registered qualifying patient or the patient's caregiver. The rate of a transfer tax established pursuant to this subsection shall be at the discretion of the municipality, except that in no case shall the rate exceed two percent of the purchase price of the medical cannabis.

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

C.24:6I-11 Grants, contributions, use of fees.

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

b. All fees collected pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), including those from qualifying patients, designated and institutional caregivers, and initial, modification and renewal applications for alternative treatment centers, including medical cannabis cultivators, medical cannabis manufacturers, medical cannabis dispensaries, and clinical registrants, shall be used to offset the cost of the commission's administration of the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).

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

C.24:6I-12 Reports to Governor, Legislature.

14. a. The commissioner, or after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), the commission, shall report to the Governor, and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1):

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

(2) annually thereafter on the number of applications for registration with the commission, the number of qualifying patients registered, the number of designated and institutional caregivers registered, the nature of the qualifying medical conditions of the patients, the number of registrations revoked, the number of medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits issued and revoked, the number and type of integrated curricula approved, established, and maintained in connection with an IC permit, the number of testing laboratories licensed, the number of clinical registrant permits issued and the nature of the clinical research conducted by each clinical registrant, any incidents of diversion of medical cannabis, information concerning racial, ethnic, disabled veteran, and gender diversity in the individuals issued and currently holding permits issued by the commission, the number of permit applications received from businesses owned by minorities, disabled veterans, and women and the number of such applications that were approved, the business development initiatives undertaken by the Office of Minority, Disabled Veterans, and Women Medical Cannabis Business Development pursuant to section 32 of P.L.2019, c.153 (C.24:6I-25) and the outcomes or effects of those initiatives, statistics concerning arrests for drug offenses throughout the State and in areas where medical cannabis dispensaries are located, including information concerning racial disparities in arrest rates for drug offenses generally and cannabis offenses in particular, the number of motor vehicle stops by law enforcement involving violations of R.S.39:4-50, or section 5 of P.L.1990, c.103 (C.39:3-10.13) concerning operators of commercial motor vehicles, for driving under the influence of medical cannabis, or suspicion thereof, cataloged by the jurisdictions in which the stop occurred, and the race, ethnicity, gender, and age of the vehicle driver and any other vehicle occupants, the number of deliveries of medical cannabis performed and the percentage of total medical cannabis dispensations that were completed by delivery, and the number of health care practitioners authorizing patients for the medical use of cannabis, including the types of license or certification held by those practitioners.

b. The reports shall not contain any identifying information of patients, caregivers, or health care practitioners.

c. Within two years after the effective date of P.L.2009, c.307 (C.24:6I-1 et al.) and every two years thereafter, the commissioner or, after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), the commission, shall: evaluate whether there are sufficient numbers of medical cannabis cultivators, medical cannabis manufacturers, medical cannabis dispensaries, and clinical registrants to meet the needs of registered qualifying patients throughout the State; evaluate whether the maximum amount of medical cannabis allowed pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) is sufficient to meet the medical needs of qualifying patients; and determine whether any medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant has charged excessive prices in connection with medical cannabis.

The commissioner or, after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), the commission, shall report all such findings no later than two years after the effective date of P.L.2009, c.307 (C.24:6I-1 et al.), and every two years thereafter, to the Governor, and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1).

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

C.24:6I-13 Exchange of data, information.

15. a. The Cannabis Regulatory Commission is authorized to exchange fingerprint data with, and receive information from, the Division of State Police in the Department of Law and Public Safety and the Federal Bureau of Investigation for use in reviewing applications for individuals who are required to complete a criminal history record background check in connection with applications to serve as designated caregivers or institutional caregivers pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4), for licenses to operate as, or to be a director, officer, or employee of, medical cannabis testing laboratories pursuant to section 25 of P.L.2019, c.153 (C.24:6I-18), for permits to operate as, or to be a director, officer, or employee of, or a significantly involved person in, clinical registrants pursuant to section 13 of P.L.2019, c.153 (C.24:6I-7.3), and for permits to operate as, or to be a director, officer, or employee of, or a significantly involved person in, medical cannabis cultivators, medical cannabis manufacturers, and medical cannabis dispensaries pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7).

b. The Division of State Police shall promptly notify the Cannabis Regulatory Commission in the event an applicant seeking to serve as a designated or institutional caregiver, an applicant for a license to operate as, or to be a director, officer, or employee of, a medical cannabis testing laboratory, an applicant for a permit to operate as, or to be a director, officer, or employee of, or a significantly involved person in, a clinical registrant, or an applicant for a permit to operate as, or to be a director, officer, or employee of, or a significantly involved person in, a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary, who was the subject of a criminal history record background check conducted pursuant to subsection a. of this section, is convicted of a crime involving possession or sale of a controlled dangerous substance.

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

C.24:6I-14 Construction of act.

16. Nothing in P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.) shall be construed to require a government medical assistance program or private health insurer to reimburse a person for costs associated with the medical use of cannabis, or to restrict or otherwise affect the distribution, sale, prescribing, and dispensing of any product that has been approved for marketing as a prescription drug or device by the federal Food and Drug Administration.

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

C.24:6I-16 Rules, regulations.

18. a. Pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), the commissioner or, after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), the commission, shall promulgate rules and regulations to effectuate the purposes of P.L.2009, c.307 (C.24:6I-1 et al.), in consultation with the Department of Law and Public Safety.

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

c. No later than 180 days after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), the commission shall promulgate rules and regulations to effectuate the purposes of P.L.2019, c.153 (C.24:6I-5.1 et al.). Rules and regulations adopted pursuant to this subsection shall, at a minimum:

(1) Specify the number of new medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits the commission will issue in the first year next following the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.); and

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

d. The commission may convene a task force comprised of individuals with expertise in matters pertaining to the medical cannabis industry to make recommendations to the commission concerning the content of rules and regulations adopted by the commission to implement the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2019, c.153 (C.24:6I-5.1 et al.).

#### C.24:6I-17 Testing of medical cannabis.

24. a. Each batch of medical cannabis cultivated by a medical cannabis cultivator or a clinical registrant and each batch of a medical cannabis product produced by a medical cannabis manufacturer or a clinical registrant shall be tested in accordance with the requirements of section 26 of P.L.2019, c.153 (C.24:6I-19) by a laboratory licensed pursuant to section 25 of P.L.2019, c.153 (C.24:6I-18). The laboratory performing the testing shall produce a written report detailing the results of the testing, a summary of which shall be included in any packaging materials for medical cannabis and medical cannabis products dispensed to qualifying patients and their designated and institutional caregivers. The laboratory may charge a reasonable fee for any test performed pursuant to this section.

b. The requirements of subsection a. of this section shall take effect at such time as the commission certifies that a sufficient number of laboratories have been licensed pursuant to section 25 of P.L.2019, c.153 (C.24:6I-18) to ensure that all medical cannabis and medical cannabis products can be promptly tested consistent with the requirements of this section without disrupting patient access to medical cannabis.

#### C.24:6I-18 Licensing of testing laboratories.

25. a. A laboratory that performs testing services pursuant to section 24 of P.L.2019, c.153 (C.24:6I-17) shall be licensed by the commission and may be subject to inspection by the commission to determine the condition and calibration of any equipment used for testing purposes and to ensure that testing is being performed in accordance with the requirements of section 26 of P.L.2019, c.153 (C.24:6I-19). Each applicant for licensure pursuant to this section shall submit an attestation signed by a bona fide labor organization stating that the

applicant has entered into a labor peace agreement with such bona fide labor organization. The maintenance of a labor peace agreement with a bona fide labor organization shall be an ongoing material condition of maintaining a license to test medical cannabis.

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

c. A person who has been convicted of a crime involving any controlled dangerous substance or controlled substance analog as set forth in chapter 35 of Title 2C of the New Jersey Statutes except paragraph (4) of subsection a. of N.J.S.2C:35-10, or any similar law of the United States or any other state shall not be issued a license to operate as or be a director, officer, or employee of a medical cannabis testing laboratory, unless such conviction occurred after the effective date of P.L.2009, c.307 (C.24:6I-1 et al.) and was for a violation of federal law relating to possession or sale of cannabis for conduct that is authorized under P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

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

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

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

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

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

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

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

(5) Notwithstanding the provisions of subsection c. of this section to the contrary, the commission may offer provisional authority for an applicant to be an owner, director, officer, or employee of a medical cannabis testing laboratory for a period not to exceed three months if

the applicant submits to the commission a sworn statement attesting that the person has not been convicted of any disqualifying conviction pursuant to this section.

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

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

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

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

(d) the date of the crime or offense;

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

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

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

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

#### C.24:6I-19 Standardized requirements, procedures for testing.

26. a. The commission shall establish, by regulation, standardized requirements and procedures for testing medical cannabis and medical cannabis products.

b. Any test performed on medical cannabis or on a medical cannabis product shall include liquid chromatography analysis to determine chemical composition and potency, and, at a minimum, screening for each of the following:

(1) microbial contamination;

(2) foreign material;

(3) residual pesticides;

(4) other agricultural residue and residual solvents; and

(5) heavy metals.

c. Laboratories shall use the dosage equivalence guidelines developed by the commission pursuant to paragraph (2) of subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-16) when testing and determining the potency of medical cannabis products.

d. As a condition of licensure, each laboratory shall certify its intention to seek third party accreditation in accordance with ISO 17025 standards in order to ensure equipment is routinely inspected, calibrated, and maintained until such time as the commission issues its own standards or confirms the use of ISO 17025.

e. Until such time as the commission establishes the standards required by this section, a licensed laboratory shall utilize the testing standards established by another state with a medical cannabis program, which state shall be designated by the commission.

#### C.24:6I-20 Medical cannabis handler certification.

27. a. An individual who performs work for or on behalf of a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary, issued a permit pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), a clinical registrant issued a permit pursuant to section 13 of P.L.2019, c.153 (C.24:6I-7.3), or a testing laboratory licensed pursuant to section 25 of P.L.2019, c.153 (C.24:6I-18) shall hold a valid medical cannabis handler certification issued by the commission pursuant to this section if the individual participates in any activity involving obtaining, possessing, cultivating, processing, manufacturing, creating, testing, transporting, transferring, relocating, dispensing, or delivering medical cannabis.

b. An entity issued a permit pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) or section 13 of P.L.2019, c.153 (C.24:6I-7.3) or a license pursuant to section 25 of P.L.2019, c.153 (C.24:6I-18) shall verify that, before allowing any individual to perform any work described in subsection a. of this section at the premises for which the permit has been issued, the individual holds a valid medical cannabis handler certification issued pursuant to this section.

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

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

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

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

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

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

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

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

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

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

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

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

(5) Each certified medical cannabis handler shall carry a copy of the individual's medical cannabis handler certification card and transfer certification card when performing a transfer. The medical cannabis handler shall present the certification cards upon request to State and local law enforcement and to State and local regulatory authorities and agencies.

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

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

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

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

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

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

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

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

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

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

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

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

- (a) The date and time that the transfer began and ended;
- (b) The handler's name, medical cannabis handler certification number, and medical cannabis transfer certification number;
- (c) The tracking number of the medical cannabis; and
- (d) The signature and employee identification number of the employee accepting the transfer.

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

i. The commission shall enact rules and regulations governing the delivery of medical cannabis, including medical cannabis products, to a registered qualifying patient, designated caregiver, or institutional caregiver by a medical cannabis dispensary, which regulations shall require, at a minimum:

(1) Delivery of medical cannabis shall only be made to a registered qualifying patient at the patient's home or secondary address, to the patient's designated caregiver at the caregiver's home address, or directly to the patient's institutional caregiver at the health care facility where the patient is a current patient or resident; except that the commission shall establish a process for registered qualifying patients to request delivery directly to the patient at an alternate address in cases of need.

(2) Deliveries shall be performed by a medical cannabis handler who is certified by the department to perform deliveries and is at least 18 years of age. Deliveries may be performed by an employee of a medical cannabis dispensary or clinical registrant or by an independent third party who has entered into a contract with a medical cannabis dispensary or clinical registrant to perform deliveries of medical cannabis, which contract may provide for a one-time delivery or for ongoing deliveries of medical cannabis. A medical cannabis handler holding a delivery certification issued by the commission may simultaneously hold a transfer certification issued by the commission.

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

(4) All deliveries of medical cannabis shall be made in person. Delivery of medical cannabis shall not be made through the use of an unmanned vehicle.

(5) Each certified medical cannabis handler shall carry a copy of the individual's medical cannabis handler certification card and delivery certification card when performing a delivery of medical cannabis. The medical cannabis handler shall present the certification cards upon request to State and local law enforcement and to State and local regulatory authorities and agencies.

(6) Each certified medical cannabis handler engaged in a delivery of medical cannabis shall have access to a secure form of communication with the medical cannabis dispensary or clinical registrant that furnished the medical cannabis to the handler for delivery, such as a cellular telephone, at all times that the handler is in possession of medical cannabis for delivery.

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

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

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

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

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

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

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

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

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

(16) The process of delivery shall begin when the certified medical cannabis handler leaves the premises of the medical cannabis dispensary or clinical registrant with medical cannabis for delivery. The process of delivering medical cannabis ends when the medical

cannabis handler returns to the premises of the medical cannabis handler's employer after completing the delivery.

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

- (a) The date and time that the delivery began and ended;
- (b) The handler's name, medical cannabis handler certification number, and medical cannabis delivery certification number;
- (c) The tracking number of the medical cannabis; and
- (d) The signature and registry number of the patient or caregiver who accepted delivery.

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

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

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

k. The commission may authorize the use of an Internet-based web service developed and maintained by an independent third party entity that does not hold any permit, license, or certificate issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), and is not a significantly involved person or other investor in any permit holder, which web service may be used by registered qualifying patients, designated caregivers, and institutional caregivers to request or schedule deliveries of medical cannabis pursuant to subsection i. of this section.

#### C.24:6I-21 Municipalities may authorize consumption areas.

28. a. A municipality may authorize, through the enactment of an ordinance, the operation of locally endorsed medical cannabis consumption areas by medical cannabis dispensaries and clinical registrants within its jurisdiction, at which areas the on-premises consumption of medical cannabis may occur.

b. Applications for an endorsement pursuant to this section shall be made to the commission in a form and manner as shall be prescribed by the commission and shall set forth such information as the commission may require. Each application shall be verified by the oath or affirmation of such persons as the commission may prescribe. The endorsement shall be conditioned upon approval by a municipality. An applicant is prohibited from operating a cannabis consumption area without State and local approval. If the applicant does not receive approval from the municipality within one year after the date of State approval, the State endorsement shall expire and may not be renewed. If an application is denied by the municipality or the approval of the municipality is revoked, the commission shall revoke the State endorsement. Any person aggrieved by the local denial of an endorsement application may request a hearing in the Superior Court of the

county in which the application was filed. The request for a hearing shall be filed within 30 days after the date the application was denied. The person shall serve a copy of the person's request for a hearing upon the appropriate officer for the municipality that denied the application. The hearing shall be held and a record made thereof within 30 days after the receipt of the application for a hearing. No formal pleading and no filing fee shall be required for the hearing.

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

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

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

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

(c) the premises have been operated in a manner that adversely affects the public health or the safety of the immediate neighborhood in which the medical cannabis consumption area is located.

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

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

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

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

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

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

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

g. (1) A medical cannabis dispensary or clinical registrant holding a medical cannabis consumption area endorsement, and the employees of the dispensary or clinical registrant, subject to any regulations for medical cannabis consumption areas promulgated by the

commission, may permit a person to bring medical cannabis into a medical cannabis consumption area.

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

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

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

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

j. A medical cannabis consumption area and its employees:

- (1) shall operate the establishment in a decent, orderly, and respectable manner;
- (2) may remove an individual from the establishment for any reason;
- (3) shall not knowingly permit any activity or acts of disorderly conduct; and
- (4) shall not permit rowdiness, undue noise, or other disturbances or activity offensive to the average citizen or to the residents of the neighborhood in which the consumption area is located.

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

C.24:6I-22 System for tracking cultivating, manufacturing, transfer, dispensing, delivery.

29. a. (1) The commission shall develop and maintain a system for tracking the cultivation of medical cannabis, the manufacturing of medical cannabis products, the transfer of medical cannabis and medical cannabis products between medical cannabis cultivators, medical cannabis manufacturers, medical cannabis dispensaries, clinical registrants, and testing laboratories as authorized pursuant to paragraph (5) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) and subsection h. of section 27 of P.L.2019, c.153 (C.24:6I-20), and the dispensing or delivery of medical cannabis to registered qualifying patients, designated caregivers, and institutional caregivers.

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

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

(b) The commission, and the Director of the Division of Taxation if authorized by the commission, shall make stamps available for purchase by medical cannabis cultivators, medical cannabis manufacturers, and clinical registrants, which shall be the only entities authorized to affix a stamp to a container or package for medical cannabis in accordance with applicable regulations promulgated by the commission in consultation with the Director of the Division of Taxation. The price charged by the commission to medical cannabis cultivators, medical cannabis manufacturers, and clinical registrants for a stamp

required pursuant to this paragraph shall be reasonable and commensurate with the cost of producing the stamp.

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

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

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

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

(3) ensuring an accurate accounting of the cultivation, manufacturing, transferring, dispensing, and delivery of medical cannabis;

(4) ensuring that the testing results from licensed testing laboratories are accurately reported; and

(5) ensuring compliance with the rules and regulations adopted by the commission and any other law of this State that charges the commission with a duty, function, or power related to medical cannabis.

c. The system developed and maintained under this section shall be capable of tracking, at a minimum:

(1) the propagation of immature medical cannabis plants and the production of medical cannabis by a medical cannabis cultivator;

(2) the utilization of medical cannabis in the manufacture, production, and creation of medical cannabis products by a medical cannabis manufacturer;

(3) the transfer of medical cannabis and medical cannabis products to and from licensed testing laboratories for testing purposes;

(4) the dispensing of medical cannabis by a medical cannabis dispensary or clinical registrant;

(5) the furnishing of medical cannabis by a medical cannabis dispensary or clinical registrant to a medical cannabis handler for delivery;

(6) the delivery of medical cannabis by a medical cannabis handler;

(7) the purchase, sale, or other transfer of medical cannabis and medical cannabis products between medical cannabis cultivators, medical cannabis manufacturers, medical cannabis dispensaries, and clinical registrants as authorized pursuant to paragraph (5) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) and subsection h. of section 27 of P.L.2019, c.153 (C.24:6I-20); and

(8) any other information that the commission determines is reasonably necessary to accomplish the duties, functions, and powers of the commission.

#### C.24:6I-23 Requirements waived by commission.

30. The commission may waive any requirement of P.L.2009, c.307 (C.24:6I-1 et al.) if the commission determines that granting the waiver is necessary to achieve the purposes of P.L.2009, c.307 (C.24:6I-1 et al.) and provide access to patients who would not otherwise qualify for the medical use of cannabis to alleviate suffering from a diagnosed medical condition, and does not create a danger to the public health, safety, or welfare.

#### C.24:6I-24 Cannabis Regulatory Commission.

31. a. The Cannabis Regulatory Commission is hereby created in, but not of, the Department of the Treasury, to assume all powers, duties, and responsibilities with regard to the regulation and oversight of activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health for the further development, expansion, regulation, and enforcement of activities associated with the medical use of cannabis pursuant to P.L.2009, c.307 (C.24:6I-1 et al.). All powers, duties, and responsibilities with regard to the regulation and oversight of activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) shall be transferred from the Department of Health to the Cannabis Regulatory Commission at such time as the members of the commission are appointed as

provided in subsection b. of this section and the commission first organizes. Thereafter, any reference to the Department of Health or the Commissioner of Health in any statute or regulation pertaining to the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) shall be deemed to refer to the Cannabis Regulatory Commission. The provisions of this subsection shall be carried out in accordance with the "State Agency Transfer Act," P.L.1971, c.375 (C.52:14D-1 et seq.).

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

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

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

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

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

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

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

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

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

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

(8) A majority of the total authorized membership of the commission shall be required to establish a quorum, and a majority of the total authorized membership of the

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

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

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

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

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

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

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

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

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

d. With respect to the activities of the commission, neither the President of the Senate or the Speaker of the General Assembly shall be permitted to appear or practice or act in any capacity whatsoever before the commission regarding any matter whatsoever, nor shall any member of the immediate family of the Governor, President of the Senate, or Speaker of the General Assembly be permitted to so practice or appear in any capacity whatsoever before the commission regarding any matter whatsoever. As used in this subsection, “immediate family” means the spouse, domestic partner, or civil union partner, and any dependent child or stepchild, recognized by blood or by law, of the Governor, President of the Senate, or Speaker of the General Assembly, or of the spouse, domestic partner, or civil union partner residing in the same household as the Governor, President of the Senate, or Speaker of the General Assembly.

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

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

- (1) the commission’s organization;
- (2) the commission’s regulation and enforcement activities;
- (3) the overall effectiveness of the commission as a full time entity; and

(4) whether the regulation and oversight of medical cannabis could be more effectively and efficiently managed through a reorganization of the commission, consolidation of the commission within the Department of Health or another Executive Branch department, conversion to a part-time commission, or the transfer of some or all of the commission’s operations elsewhere within the Executive Branch.

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

#### C.24:6I-25 Office of Minority, Disabled Veterans, and Women Medical Cannabis Business Development.

32. a. There is hereby established in the commission an Office of Minority, Disabled Veterans, and Women Medical Cannabis Business Development. The office shall be under the immediate supervision of a director. The director of the office shall be appointed by the Governor, and shall serve at the pleasure of the appointing Governor during the Governor’s term of office and until a successor has been duly appointed and qualified. Any vacancy in the directorship occurring for any reason other than the expiration of the director’s term of office shall be filled for the unexpired term only in the same manner as the original appointment. The director shall receive an annual salary as provided by law which shall be at an amount not to exceed the annual salary of the executive director of the commission.

b. (1) The office shall establish and administer, under the direction of the commission, 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 ownership of minority businesses and women’s businesses, as these terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled veterans’ businesses as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), to be issued medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, and clinical registrant permits. These unified practices and procedures shall include the certification and subsequent recertification at regular intervals of a business as a minority or women’s business, or a disabled veterans’ business, in accordance with eligibility criteria and a certification application process established by the commission through regulation in consultation with the office.

(2) The office shall conduct advertising and promotional campaigns, and shall disseminate information to the public, to increase awareness for participation in the

medical cannabis industry by persons from socially and economically disadvantaged communities. To this end, the office shall sponsor seminars and informational programs, and shall provide information on its Internet website, providing practical information concerning the medical cannabis industry, including information on business management, marketing, and other related matters.

c. (1) The office shall develop, recommend, and implement policies, practices, protocols, standards, and criteria designed to promote the formulation of medical cannabis business entities and participation in the medical cannabis industry by persons from socially and economically disadvantaged communities, including by promoting applications for, and the issuance of, medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, and clinical registrant permits to certified minority, women's, and disabled veterans' businesses. The office shall evaluate the effectiveness of these measures by considering whether the measures have resulted in new medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits being issued in accordance with the provisions of subsection g. of section 12 of P.L.2019, c.153 (C.24:6I-7.2).

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

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

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

#### C.24:6I-26 Criteria for eligibility as employee.

33. a. No person shall be appointed to or employed by the commission 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, any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or otherwise employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis; provided, however, that notwithstanding any other provision of law to the contrary, any such person may be appointed to or employed by the commission if the person's prior interest in any such permit holder or applicant would not, in the opinion of the commission, interfere with the objective discharge of the person's obligations of appointment or employment, but in no instance shall any person be appointed to or employed by the commission if the person's prior interest in such permit holder or applicant constituted a controlling interest in that permit holder or applicant; and provided further, however, that notwithstanding any other provision of law to the contrary, any such person may be employed by the commission in a secretarial or clerical position if, in the

opinion of the commission, the person's previous employment by, or interest in, any permit holder would not interfere with the objective discharge of the person's employment obligations.

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

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

(2) Each employee of the commission, except for secretarial and clerical personnel, shall file with the State Ethics Commission a financial disclosure statement listing all assets and liabilities, property and business interests, and sources of income of the employee and the employee's spouse, domestic partner, or partner in a civil union couple, as the case may be. Such statement shall be under oath and shall be filed at the time of employment and annually thereafter. Notwithstanding the provisions of subsection (n) of section 10 of P.L.1971, c.182 (C.52:13D-21), only financial disclosure statements filed by a commission employee who is in a policy-making management position shall be posted on the Internet website of the State Ethics Commission.

C.24:6I-27 Applicability of C.52:13D-12 et seq.; Code of Ethics.

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

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

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

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

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

(2) No commission member or employee shall solicit or accept employment from any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis

for a period of two years after termination of service with the commission, except as otherwise provided in section 35 of P.L.2019, c.153 (C.24:6I-28).

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

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

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

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

d. No commission member or employee shall have any interest, direct or indirect, in any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or in any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis during the member's term of office or employee's term of employment.

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

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

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

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

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

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

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

#### C.24:6I-28 Restrictions for commission members, employees.

35. a. No member of the commission shall hold any direct or indirect interest in, or be employed by, any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or in any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis for a period of two years commencing on the date that membership on the commission terminates.

b. (1) No employee of the commission may acquire any direct or indirect interest in, or accept employment with, any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or in any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, for a period of two years commencing at the termination of employment with the commission, except that a secretarial or clerical employee of the commission may accept such employment at any time after the termination of employment with the commission. At the end of two years and for a period of two years thereafter, a former employee who held a policy-making management position at any time during the five years prior to termination of employment may acquire an interest in, or accept employment with, any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or in any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, upon application to, and the approval of, the commission, upon a finding that the interest to be acquired or the employment will not create the appearance of a conflict of interest and does not evidence a conflict of interest in fact.

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

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

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

C.24:6I-29 Restrictions on permit holders; violations, penalties.

36. a. (1) No holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis shall employ or offer to employ, or provide, transfer, or sell, or offer to provide, transfer, or sell any interest, direct or indirect, in any medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit holder to any person restricted from such transactions by the provisions of sections 33 through 35 of P.L.2019, c.153 (C.24:6I-26 through C.24:6I-28).

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

b. (1) A member or employee of the commission who makes or causes to be made a political contribution prohibited under subsection f. of section 34 of P.L.2019, c.153 (C.24:6I-27) is guilty of a crime of the fourth degree, but notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine not to exceed \$200,000 may be imposed.

(2) A member or employee of the commission who willfully violates any other provisions in sections 33 through 35 of P.L.2019, c.153 (C.24:6I-26 through C.24:6I-28) is guilty of a disorderly persons offense.

c. The State Ethics Commission, established pursuant to the "New Jersey Conflicts of Interest Law," P.L.1971, c.182 (C.52:13D-12 et seq.), shall enforce the provisions of sections 33 through 36 of P.L.2019, c.153 (C.24:6I-26 through C.24:6I-29), and upon a finding of a violation, impose a civil penalty of not less than \$500 nor more than \$10,000, which penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). If a violation also represents a crime or disorderly persons offense as set forth in subsection b. of this section, the State Ethics Commission shall also refer the matter to the Attorney General or appropriate county prosecutor for further investigation and prosecution.

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

C.52:13D-13 Definitions.

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

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

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

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

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

e. "Special State officer or employee" means: (1) any person holding an office or employment in a State agency, excluding an interstate agency, for which office or employment no compensation is authorized or provided by law, or no compensation other than a sum in reimbursement of expenses, whether payable per diem or per annum, is

authorized or provided by law; (2) any person, not a member of the Legislature, holding a part-time elective or appointive office or employment in a State agency, excluding an interstate agency; or (3) any person appointed as a New Jersey member to an interstate agency the duties of which membership are not full-time.

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

g. "Interest" means: (1) the ownership or control of more than 10 percent of the profits or assets of a firm, association, or partnership, or more than 10 percent of the stock in a corporation for profit other than a professional service corporation organized under the "Professional Service Corporation Act," P.L.1969, c.232 (C.14A:17-1 et seq.); or (2) the ownership or control of more than one percent of the profits of a firm, association, or partnership, or more than one percent of the stock in any corporation, (a) which is the holder of, or an applicant for, a casino license or in any holding or intermediary company with respect thereto, as defined by the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.), or (b) which is the holder of, or an applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), or any holding or intermediary company with respect thereto. The provisions of this act governing the conduct of individuals are applicable to shareholders, associates or professional employees of a professional service corporation regardless of the extent or amount of their shareholder interest in such a corporation.

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

i. "Member of the immediate family" of any person means the person's spouse, domestic partner, civil union partner, child, parent, or sibling residing in the same household.

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

C.52:13D-17.2 Definitions; violations, penalties.

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

(1) (a) with respect to casino activity and activity related to medical cannabis authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), the Governor; the President of the Senate; the Speaker of the General Assembly; any full-time member of the Judiciary; any full-time professional employee of the Office of the Governor; the head of a principal department; the assistant or deputy heads of a principal department, including all assistant and deputy commissioners; the head of any division of a principal department;

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

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

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

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

b. (1) No State officer or employee, nor any person, nor any member of the immediate family of any State officer or employee, or person, nor any partnership, firm, or corporation with which any such State officer or employee or person is associated or in which he has an interest, nor any partner, officer, director, or employee while he is associated with such partnership, firm, or corporation, shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, in connection with any cause, application, or matter, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State officer or employee other than a State officer or employee included in the definition of person, and (b) a member of the immediate family of a State officer or employee, or of a person, may hold employment with the holder of, or applicant for, a casino license if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the State officer or employee, or person, and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the State officer or employee, or person. No special State officer or employee without responsibility for matters affecting casino activity, excluding those serving in the Departments of Education, Health, and Human Services and the Office of the Secretary of Higher Education, shall hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, in connection with any cause, application, or matter. However, a special State officer or employee without responsibility for matters affecting casino activity may hold employment directly with any holder of or applicant for a casino license or any holding or intermediary company thereof and if so employed may hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, that employer, except as otherwise prohibited by law.

(2) No State officer or employee, nor any person, nor any member of the immediate family of any State officer or employee, or person, nor any partnership, firm, or corporation with which any such State officer or employee or person is associated or in which he has an interest, nor any partner, officer, director, or employee while he is associated with such partnership, firm, or corporation, shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, or derive any remuneration, payment, benefit, or any other thing of value for any services, including but not limited to consulting or similar services, from any holder of, or applicant for, a license, permit, or other approval to conduct Internet gaming, or any holding or intermediary company with respect thereto, or any Internet gaming affiliate of any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, or any business, association, enterprise, or other entity that is organized, in whole or in part, for the purpose of promoting, advocating for, or advancing the interests of the Internet gaming industry generally or any Internet gaming-related business or businesses in connection with any cause, application, or matter, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State officer or employee other than a State officer or employee included in the definition of person, and (b) a member of the immediate family of a State officer or employee, or of a person, may hold employment with the holder of, or applicant for, a license, permit, or other approval to conduct Internet gaming, or any holding or intermediary company with respect thereto, or any Internet gaming affiliate of any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court,

as appropriate, such employment will not interfere with the responsibilities of the State officer or employee, or person, and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the State officer or employee, or person.

(3) No State officer or employee, nor any person, nor any member of the immediate family of any State officer or employee, or person, nor any partnership, firm, or corporation with which any such State officer or employee or person is associated or in which he has an interest, nor any partner, officer, director, or employee while he is associated with such partnership, firm, or corporation, shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or in any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or any holding or intermediary company with respect thereto, in connection with any cause, application, or matter, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State officer or employee other than a State officer or employee included in the definition of person, and (b) a member of the immediate family of a State officer or employee, or of a person, may hold employment with the holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the State officer or employee, or person, and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the State officer or employee, or person. No special State officer or employee without responsibility for matters affecting medical cannabis activity, excluding those serving in the Departments of Education, Health, and Human Services and the Office of the Secretary of Higher Education, shall hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or any holding or intermediary company with respect thereto, in connection with any cause, application, or matter. However, a special State officer or employee without responsibility for matters affecting medical cannabis activity may hold employment directly with any holder of or applicant for a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit, or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or any holding or intermediary company thereof, and if so employed may hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, that employer, except as otherwise prohibited by law.

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

(a) a member of the immediate family of a person may hold employment with the holder of, or applicant for, a casino license if, in the judgment of the State Ethics

Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the person and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the person;

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

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

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

(2) No person or any member of the person's immediate family, nor any partnership, firm, or corporation with which such person is associated or in which the person has an interest, nor any partner, officer, director, or employee while the person is associated with such partnership, firm, or corporation, shall, within two years next subsequent to the termination of the office or employment of such person, hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or in any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, or any holding or intermediary company with respect thereto, in connection with any cause, application, or matter, or any holding or intermediary company with respect to such holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis in connection with any phase of development, permitting, licensure, or any other matter whatsoever related to medical cannabis activity, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that:

(a) a member of the immediate family of a person may hold employment with the holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer,

medical cannabis dispensary, or clinical registrant permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the person and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the person;

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

(c) any partnership, firm, or corporation engaged in the practice of law or in providing any other professional services with which any person included in subparagraphs (a) and (c) of paragraph (1) of subsection a. of this section, or a member of the immediate family of that person, is associated, and any partner, officer, director, or employee thereof, other than that person, or immediate family member, may represent, appear for, or negotiate on behalf of any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis in connection with any cause, application, or matter or any holding company or intermediary company with respect to such holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit or entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, in connection with any phase of development, permitting, or any other matter whatsoever related to medical cannabis activity, and that person or immediate family member shall not be barred from association with such partnership, firm, or corporation, if for a period of two years next subsequent to the termination of the person's office or employment, the person or immediate family member (i) is screened from personal participation in any such representation, appearance or negotiation; and (ii) is associated with the partnership, firm, or corporation in a position which does not entail any equity interest in the partnership, firm, or corporation. The exception provided in this paragraph shall not apply to a former Governor, Lieutenant Governor, Attorney General, the President of the Senate, the Speaker of the General Assembly, to a person included in subparagraph (b) of paragraph (2) of subsection a. of this section, or to the members of their immediate families.

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

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

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

(2) No person shall solicit or accept, directly or indirectly, any complimentary service or discount from any holder of, or applicant for, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that employs any certified medical cannabis handler to perform transfers or deliveries of medical cannabis, which the person knows or has reason to know is other than a service or discount that is offered to members of the general public in like circumstance.

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

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

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

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

#### C.24:6I-30 Severability.

39. If any provision of P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.) or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.) which can be given effect without the invalid provision or application, and to this end the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.) are severable.

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

Exemption; burden of proof.

2C:35-18. Exemption; Burden of Proof. a. If conduct is authorized by the provisions of P.L.1970, c.226 (C.24:21-1 et seq.), P.L.2009, c.307 (C.24:6I-1 et al.), or P.L.2015, c.158 (C.18A:40-12.22 et al.), that authorization shall, subject to the provisions of this section, constitute an exemption from criminal liability under this chapter or chapter 36, and the absence of such authorization shall not be construed to be an element of any offense in this

chapter or chapter 36. It is an affirmative defense to any criminal action arising under this chapter or chapter 36 that the defendant is the authorized holder of an appropriate registration, permit, or order form or is otherwise exempted or excepted from criminal liability by virtue of any provision of P.L.1970, c.226 (C.24:21-1 et seq.), P.L.2009, c.307 (C.24:6I-1 et al.), or P.L.2015, c.158 (C.18A:40-12.22 et al.). The affirmative defense established herein shall be proved by the defendant by a preponderance of the evidence. It shall not be necessary for the State to negate any exemption set forth in this act or in any provision of Title 24 of the Revised Statutes in any complaint, information, indictment, or other pleading or in any trial, hearing, or other proceeding under this act.

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

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

C.18A:40-12.22 Policy for administration of medical cannabis to student.

1. a. A board of education or chief school administrator of a nonpublic school shall develop a policy authorizing parents, guardians, and designated caregivers to administer medical cannabis to a student while the student is on school grounds, aboard a school bus, or attending a school-sponsored event.

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

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

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

(3) expressly authorize parents, guardians, and designated caregivers of students who have been authorized for the medical use of cannabis to administer medical cannabis to the student while the student is on school grounds, aboard a school bus, or attending a school-sponsored event;

(4) identify locations on school grounds where medical cannabis may be administered; and

(5) prohibit the administration of medical cannabis to a student by smoking or other form of inhalation while the student is on school grounds, aboard a school bus, or attending a school-sponsored event.

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

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

C.30:6D-5b Use of medical cannabis for certain patients with developmental disabilities.

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

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

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

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

(3) expressly authorize parents, guardians, and designated caregivers to administer medical cannabis to the person receiving services for persons with developmental disabilities while the person is at the facility; and

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

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

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

C.26:2H-12.86 Facility offering behavioral health care services, policy for use of medical cannabis by qualifying patient.

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

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

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

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

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

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

c. Medical cannabis may be administered to a person receiving behavioral health care services at a facility that offers such services while the person is at the facility, provided that such administration is consistent with the requirements of the policy adopted pursuant to this section and the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).

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

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

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

C.45:1-45.1 Information required for monitoring; rules, regulations.

11. a. A health care practitioner who authorizes a patient for the medical use of cannabis or who provides a written instruction for the medical use of cannabis to a qualifying patient pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) and each medical cannabis dispensary and clinical registrant shall furnish to the Director of the Division of Consumer Affairs in the Department of Law and Public Safety such information, on a daily basis and in such a format as the director shall prescribe by regulation, for inclusion in a system

established to monitor the dispensation of cannabis in this State for medical use as authorized by the provisions of P.L.2009, c.307 (C.24:6I-1 et al.), which system shall serve the same purpose as, and be cross-referenced with, the electronic system for monitoring controlled dangerous substances established pursuant to section 25 of P.L.2007, c.244 (C.45:1-45).

b. The Director of the Division of Consumer Affairs, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), and in consultation with the Cannabis Regulatory Commission, shall adopt rules and regulations to effectuate the purposes of subsection a. of this section.

c. Notwithstanding any provision of P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the Director of the Division of Consumer Affairs shall adopt, immediately upon filing with the Office of Administrative Law and no later than the 90th day after the effective date of P.L.2009, c.307 (C.24:6I-1 et al.), such regulations as the director deems necessary to implement the provisions of subsection a. of this section. Regulations adopted pursuant to this subsection shall be effective until the adoption of rules and regulations pursuant to subsection b. of this section and may be amended, adopted, or readopted by the director in accordance with the requirements of P.L.1968, c.410 (C.52:14B-1 et seq.).

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

C.45:9-27.16 Allowable procedures.

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) Prescribing the use of patient restraints; and

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

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

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

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

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

C.45:9-27.19 Dispensing of medication.

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

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

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

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

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

(c) initiate an order or prescription for a controlled dangerous substance for a patient, provided there is prior consultation with the supervising physician if the order or prescription is not pursuant to subparagraph (d) of this paragraph; or

(d) initiate an order or prescription for a controlled dangerous substance as part of a treatment plan for a patient with a terminal illness, which for the purposes of this subparagraph means a medical condition that results in a patient's life expectancy being 12 months or less as determined by the supervising physician;

(2) the physician assistant has registered with, and obtained authorization to order or prescribe controlled dangerous substances from, the federal Drug Enforcement Administration and any other appropriate State and federal agencies; and

(3) the physician assistant complies with all requirements which the board shall establish by regulation for the ordering, prescription, or administration of controlled dangerous substances, all applicable educational program requirements, and continuing professional education programs approved pursuant to section 16 of P.L.1991, c.378 (C.45:9-27.25).

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

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

d. In the case of an order or prescription for a controlled dangerous substance or written instructions for medical cannabis, the physician assistant shall print on the order or prescription or the written instructions the physician assistant's Drug Enforcement Administration registration number.

e. The dispensing of medication or a medical device by a physician assistant shall comply with relevant federal and State regulations, and shall occur only if: (1) pharmacy services are not reasonably available; (2) it is in the best interest of the patient; or (3) the physician assistant is rendering emergency medical assistance.

f. A physician assistant may request, receive, and sign for prescription drug samples and may distribute those samples to patients.

g. A physician assistant may issue written instructions to a registered qualifying patient for medical cannabis pursuant to section 10 of P.L.2009, c.307 (C.24:6I-10) only if:

- (1) a supervising physician has authorized the physician assistant to issue written instructions to registered qualifying patients;
- (2) the physician assistant verifies the patient's status as a registered qualifying patient; and
- (3) the physician assistant complies with the requirements for issuing written instructions for medical cannabis established pursuant to P.L.2009, c.307 (C.24:6I-1 et al.).

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

C.45:11-49 Permitted duties of advanced practice nurse.

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

- (1) initiating laboratory and other diagnostic tests;
- (2) prescribing or ordering medications and devices, as authorized by subsections b. and c. of this section; and
- (3) prescribing or ordering treatments, including referrals to other licensed health care professionals, and performing specific procedures in accordance with the provisions of this subsection.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Repealer.

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

49. This act shall take effect immediately.

Approved July 2, 2019.