

ASSEMBLY, No. 20

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JUNE 18, 2019

Sponsored by:

Assemblywoman JOANN DOWNEY

District 11 (Monmouth)

Assemblyman JOE DANIELSEN

District 17 (Middlesex and Somerset)

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex)

Assemblyman ANDREW ZWICKER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblyman ERIC HOUGHTALING

District 11 (Monmouth)

Assemblywoman CAROL A. MURPHY

District 7 (Burlington)

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator NICHOLAS P. SCUTARI

District 22 (Middlesex, Somerset and Union)

Senator DECLAN J. O'SCANLON, JR.

District 13 (Monmouth)

Co-Sponsored by:

**Assemblyman Calabrese, Assemblywomen McKnight, Jasey, Lampitt,
Quijano, Lopez, Assemblymen McKeon and Karabinchak**

SYNOPSIS

Revises requirements to authorize and access medical cannabis; establishes Cannabis Regulatory Commission; revises permit requirements for alternative treatment centers; and establishes additional legal protections for patients and caregivers.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 6/21/2019)

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

3

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

6

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

9 1. This act shall be known and may be cited as the **["New**
10 **Jersey]** "Jake Honig Compassionate Use Medical [Marijuana]
11 Cannabis Act."

12 (cf: P.L.2009, c.307, s.1)

13

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

16 2. The Legislature finds and declares that:

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

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

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

39 d. States are not required to enforce federal law or prosecute
40 people for engaging in activities prohibited by federal law;
41 therefore, compliance with this act does not put the State of New
42 Jersey in violation of federal law **[: and]** .

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

Matter underlined thus is new matter.

1 e. Compassion dictates that a distinction be made between
2 medical and non-medical uses of **【marijuana】** cannabis. Hence, the
3 purpose of this act is to protect from arrest, prosecution, property
4 forfeiture, and criminal and other penalties, those patients who use
5 **【marijuana】** cannabis to alleviate suffering from **【debilitating】**
6 qualifying medical conditions, as well as their **【physicians】** health
7 care practitioners, **【primary】** designated caregivers, institutional
8 caregivers, and those who are authorized to produce **【marijuana】**
9 cannabis for medical purposes.

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

11
12 3. Section 3 of P.L.2009, c.307 (C.24:6I-3) is amended to read
13 as follows:

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

16 “Academic medical center” means an entity located in New
17 Jersey that, on the effective date of P.L. , c. (C.) (pending
18 before the Legislature as this bill), has an addiction medicine
19 faculty practice or is in the same health care system as another
20 facility located in New Jersey that offers outpatient medical
21 detoxification services or inpatient treatment services for substance
22 use disorder; has a pain management faculty practice or a facility-
23 based pain management service located in New Jersey; has graduate
24 medical training programs accredited, or pending accreditation, by
25 the Accreditation Council for Graduate Medical Education or the
26 American Osteopathic Association in primary care and medical
27 specialties; is the principal teaching affiliate of a medical school
28 based in the State; and has the ability to conduct research related to
29 medical cannabis. If the entity is part of a system of health care
30 facilities, the entity shall not qualify as an academic medical center
31 unless the health care system is principally located within the State.

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

37 **【"Bona fide physician-patient relationship"** means a relationship
38 in which the physician has ongoing responsibility for the
39 assessment, care, and treatment of a patient's debilitating medical
40 condition.**】**

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

44 **【"Certification"** means a statement signed by a physician with
45 whom a qualifying patient has a bona fide physician-patient

1 relationship, which attests to the physician's authorization for the
2 patient to apply for registration for the medical use of marijuana. **】**

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

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

14 "Commissioner" means the Commissioner of Health.

15 **【**"Debilitating medical condition" means:

16 (1) one of the following conditions, if resistant to conventional
17 medical therapy: seizure disorder, including epilepsy; intractable
18 skeletal muscular spasticity; post-traumatic stress disorder; or
19 glaucoma;

20 (2) one of the following conditions, if severe or chronic pain,
21 severe nausea or vomiting, cachexia, or wasting syndrome results
22 from the condition or treatment thereof: positive status for human
23 immunodeficiency virus; acquired immune deficiency syndrome; or
24 cancer;

25 (3) amyotrophic lateral sclerosis, multiple sclerosis, terminal
26 cancer, muscular dystrophy, or inflammatory bowel disease,
27 including Crohn's disease;

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

30 (5) any other medical condition or its treatment that is approved
31 by the department by regulation. **】**

32 “Common ownership or control” means:

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

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

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

42 "Department" means the Department of Health.

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

44 (1) is at least 18 years old;

45 (2) has agreed to assist with a registered qualifying patient's
46 medical use of cannabis, is not currently serving as designated

1 caregiver for more than one other qualifying patient, and is not the
2 qualifying patient's health care practitioner;

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

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

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

18 "Dispense" means the furnishing of medical cannabis to a
19 registered qualifying patient, designated caregiver, or institutional
20 caregiver by a medical cannabis dispensary or clinical registrant
21 pursuant to written instructions issued by a health care practitioner
22 pursuant to the requirements of P.L.2009, c.307 (C.24:6I-1 et al.).
23 The term shall include the act of furnishing medical cannabis to a
24 medical cannabis handler for delivery to a registered qualifying
25 patient, designated caregiver, or institutional caregiver, consistent
26 with the requirements of subsection i. of section 27 of P.L. , c.
27 (C.) (pending before the Legislature as this bill).

28 "Health care facility" means a general acute care hospital,
29 nursing home, long term care facility, hospice care facility, group
30 home, facility that provides services to persons with developmental
31 disabilities, behavioral health care facility, or rehabilitation center.

32 "Health care practitioner" means a physician, advanced practice
33 nurse, or physician assistant licensed or certified pursuant to Title
34 45 of the Revised Statutes who:

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

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

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

1 “Immediate family” means the spouse, domestic partner, civil
2 union partner, child, sibling, or parent of an individual, and shall
3 include the siblings, parents, and children of the individual’s
4 spouse, domestic partner, or civil union partner, and the parents,
5 spouses, domestic partners, or civil union partners of the
6 individual’s parents, siblings, and children.

7 “Institutional caregiver” means a resident of the State who:

8 (1) is at least 18 years old;

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

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

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

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

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

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

42 “Integrated curriculum permit” or “IC permit” means a permit
43 issued to a medical cannabis cultivator, medical cannabis
44 manufacturer, or medical cannabis dispensary that includes an
45 integrated curriculum approved by the commission and the Office
46 of the Secretary of Higher Education.

1 ["Marijuana" has the meaning given in section 2 of the "New
2 Jersey Controlled Dangerous Substances Act," P.L.1970, c.226
3 (C.24:21-2).]

4 "Medical **[marijuana]** cannabis alternative treatment center" or
5 "alternative treatment center" means an organization **[approved]**
6 issued a permit, including a conditional permit, by the **[department]**
7 commission to **[perform activities necessary to provide registered**
8 **qualifying patients with usable marijuana and related paraphernalia**
9 **in accordance with the provisions of this act]** operate as a medical
10 cannabis cultivator, medical cannabis manufacturer, medical
11 cannabis dispensary, or clinical registrant. This term shall include
12 the organization's officers, directors, board members, and
13 employees.

14 "Medical cannabis cultivator" means an organization holding a
15 permit issued by the commission that authorizes the organization to:
16 possess and cultivate cannabis and deliver, transfer, transport,
17 distribute, supply, and sell medical cannabis and related supplies to
18 other medical cannabis cultivators and to medical cannabis
19 manufacturers, clinical registrants, and medical cannabis
20 dispensaries, as well as to plant, cultivate, grow, and harvest
21 medical cannabis for research purposes. A medical cannabis
22 cultivator permit shall not authorize the permit holder to
23 manufacture, produce, or otherwise create medical cannabis
24 products, or to deliver, transfer, transport, distribute, supply, sell, or
25 dispense medical cannabis, medical cannabis products,
26 paraphernalia, or related supplies to qualifying patients, designated
27 caregivers, or institutional caregivers.

28 "Medical cannabis dispensary" means an organization issued a
29 permit by the commission that authorizes the organization to:
30 purchase or obtain medical cannabis and related supplies from
31 medical cannabis cultivators; purchase or obtain medical cannabis
32 products and related supplies from medical cannabis manufacturers;
33 purchase or obtain medical cannabis, medical cannabis products,
34 and related supplies and paraphernalia from other medical cannabis
35 dispensaries and from clinical registrants; deliver, transfer,
36 transport, distribute, supply, and sell medical cannabis and medical
37 cannabis products to other medical cannabis dispensaries; furnish
38 medical cannabis, including medical cannabis products, to a
39 medical cannabis handler for delivery to a registered qualifying
40 patient, designated caregiver, or institutional caregiver consistent
41 with the requirements of subsection i. of section 27 of P.L. , c.
42 (C.) (pending before the Legislature as this bill); and possess,
43 display, deliver, transfer, transport, distribute, supply, sell, and
44 dispense medical cannabis, medical cannabis products,
45 paraphernalia, and related supplies to qualifying patients,

1 designated caregivers, and institutional caregivers. A medical
2 cannabis dispensary permit shall not authorize the permit holder to
3 cultivate medical cannabis, to produce, manufacture, or otherwise
4 create medical cannabis products.

5 “Medical cannabis manufacturer” means an organization issued a
6 permit by the commission that authorizes the organization to:
7 purchase or obtain medical cannabis and related supplies from a
8 medical cannabis cultivator or a clinical registrant; purchase or
9 obtain medical cannabis products from another medical cannabis
10 manufacturer or a clinical registrant; produce, manufacture, or
11 otherwise create medical cannabis products; and possess, deliver,
12 transfer, transport, distribute, supply, and sell medical cannabis
13 products and related supplies to other medical cannabis
14 manufacturers and to medical cannabis dispensaries and clinical
15 registrants. A medical cannabis manufacturer permit shall not
16 authorize the permit holder to cultivate medical cannabis or to
17 deliver, transfer, transport, distribute, supply, sell, or dispense
18 medical cannabis, medical cannabis products, paraphernalia, or
19 related supplies to registered qualifying patients, designated
20 caregivers, or institutional caregivers.

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

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

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

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

34 ["Physician" means a person licensed to practice medicine and
35 surgery pursuant to Title 45 of the Revised Statutes with whom the
36 patient has a bona fide physician-patient relationship and who is the
37 primary care physician, hospice physician, or physician responsible
38 for the ongoing treatment of a patient's debilitating medical
39 condition, provided, however, that the ongoing treatment shall not
40 be limited to the provision of authorization for a patient to use
41 medical marijuana or consultation solely for that purpose.

42 "Primary caregiver" or "caregiver" means a resident of the State
43 who:

- 44 a. is at least 18 years old;
45 b. has agreed to assist with a registered qualifying patient's
46 medical use of marijuana, is not currently serving as primary

1 caregiver for another qualifying patient, and is not the qualifying
2 patient's physician;

3 c. has never been convicted of possession or sale of a
4 controlled dangerous substance, unless such conviction occurred
5 after the effective date of this act and was for a violation of federal
6 law related to possession or sale of marijuana that is authorized
7 under this act;

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

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

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

17 “Qualifying medical condition” means seizure disorder,
18 including epilepsy; intractable skeletal muscular spasticity; post-
19 traumatic stress disorder; glaucoma; positive status for human
20 immunodeficiency virus; acquired immune deficiency syndrome;
21 cancer; amyotrophic lateral sclerosis; multiple sclerosis; muscular
22 dystrophy; inflammatory bowel disease, including Crohn's disease;
23 terminal illness, if the patient has a prognosis of less than 12
24 months of life; anxiety; migraine; Tourette’s syndrome;
25 dysmenorrhea; chronic pain; opioid use disorder; or any other
26 medical condition or its treatment that is approved by the
27 commission.

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

32 **【“Registry identification card”】** “Registration with the
33 commission” means 【a document issued by the department that
34 identifies】 a person has met the qualification requirements for, and
35 has been registered by the commission as, a registered qualifying
36 patient **【or primary】**, designated caregiver, or institutional
37 caregiver. The commission shall establish appropriate means for
38 health care practitioners, health care facilities, medical cannabis
39 dispensaries, law enforcement, schools, facilities providing
40 behavioral health services or services for persons with
41 developmental disabilities, and other appropriate entities to verify
42 an individual’s status as a registrant with the commission.

43 “Significantly involved person” means a person or entity who
44 holds at least a five percent investment interest in an entity issued,
45 or applying for a permit to operate as, a medical cannabis cultivator,

1 medical cannabis manufacturer, medical cannabis dispensary, or
2 clinical registrant, or who is a decision making member of a group
3 that holds at least a 20 percent investment interest in an entity
4 issued, or applying for a permit to operate as, a medical cannabis
5 cultivator, medical cannabis manufacturer, medical cannabis
6 dispensary, or clinical registrant, in which no member of that group
7 holds more than a five percent interest in the total group investment
8 interest, and the person or entity makes controlling decisions
9 regarding the operations of the entity issued, or applying for a
10 permit to operate as, a medical cannabis cultivator, medical
11 cannabis manufacturer, medical cannabis dispensary, or clinical
12 registrant.

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

15 "Usable **【marijuana】** cannabis" means the dried leaves and
16 flowers of **【marijuana】** cannabis, and any mixture or preparation
17 thereof, and does not include the seeds, stems, stalks, or roots of the
18 plant.

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

20

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

23 4. a. The **【department】** commission shall establish a registry
24 of qualifying patients and their **【primary】** each designated
25 caregivers **【,** and shall issue a registry identification card, which
26 shall be valid for two years, to a qualifying patient and caregiver, if
27 applicable, who submits **】** and shall establish a means of identifying
28 and verifying the registration status of patients and designated
29 caregivers who are registered with the commission. Registration
30 with the commission shall be valid for two years. A patient or
31 designated caregiver shall be registered with the commission upon
32 submitting the following, in accordance with regulations adopted by
33 the **【department】** commission:

34 (1) **【a certification that meets the requirements of section 5 of**
35 **this act】** documentation of a health care practitioner's authorization
36 for the patient for the medical use of cannabis;

37 (2) an application or renewal fee, which may be based on a
38 sliding scale as determined by the **【commissioner】** commission;

39 (3) the name, home address, and date of birth of the patient and
40 each designated caregiver, as applicable; **【and】**

41 (4) the name, address, and telephone number of the patient's
42 **【physician】** health care practitioner; and

43 (5) up to one alternate address for the patient, which may be
44 used for delivery of medical cannabis to the patient pursuant to

1 section 27 of P.L. , c. (C.) (pending before the Legislature
2 as this bill).

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

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

35 b. Before **【issuing a registry identification card】** registering an
36 individual, the **【department】** commission shall verify the

37 information contained in the application or renewal form submitted

38 pursuant to this section. In the case of a **【primary】** designated or

39 institutional caregiver, the **【department】** commission shall

40 provisionally approve an application pending the results of a

41 criminal history record background check, if the caregiver

42 otherwise meets the requirements of **【this act】** P.L.2009, c.307

43 (C.24:6I-1 et al.). The **【department】** commission shall approve or

44 deny an application or renewal and complete the registration

45 process for successful applicants within 30 days of receipt of the

1 completed application or renewal **【**, and shall issue a registry
2 identification card within five days of approving the application or
3 renewal**】**. The **【department】** commission may deny an application
4 or renewal only if the applicant fails to provide the information
5 required pursuant to this section, or if the **【department】** commission
6 determines that the information was incorrect or falsified or does
7 not meet the requirements of **【this act】** P.L.2009, c.307 (C.24:6I-1
8 et al.). Denial of an application shall be a final agency decision,
9 subject to review by the Superior Court, Appellate Division.

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

28 An applicant seeking to serve as a **【primary】** designated or
29 institutional caregiver who is required to complete a criminal
30 history record background check pursuant to this section shall
31 submit to being fingerprinted in accordance with applicable State
32 and federal laws, rules, and regulations. No check of criminal
33 history record background information shall be performed pursuant
34 to this section unless the applicant has furnished **【his】** the
35 applicant's written consent to that check. An applicant who is
36 required to complete a criminal history record background check
37 pursuant to this section who refuses to consent to, or cooperate in,
38 the securing of a check of criminal history record background
39 information shall not be considered for inclusion in the registry as a
40 **【primary】** designated or institutional caregiver **【or issuance of an**
41 **identification card】**. An applicant shall bear the cost for the
42 criminal history record background check, including all costs of
43 administering and processing the check.

44 (2) The **【commissioner】** commission shall not approve an
45 applicant seeking to serve as a **【primary】** designated or institutional

1 caregiver who is required to complete a criminal history record
2 background check pursuant to this section if the criminal history
3 record background information of the applicant reveals a
4 disqualifying conviction. For the purposes of this section, a
5 disqualifying conviction shall mean a conviction of a crime
6 involving any controlled dangerous substance or controlled
7 substance analog as set forth in chapter 35 of Title 2C of the New
8 Jersey Statutes except paragraph (4) of subsection a. of
9 N.J.S.2C:35-10, or any similar law of the United States or of any
10 other state.

11 (3) Upon receipt of the criminal history record background
12 information from the Division of State Police and the Federal
13 Bureau of Investigation, the **【commissioner】** commission shall
14 provide written notification to the applicant of **【his】** the applicant's
15 qualification or disqualification for serving as a **【primary】**
16 designated or institutional caregiver.

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

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

30 (5) Notwithstanding the provisions of paragraph (2) of this
31 subsection **【b. of this section】** to the contrary, no applicant shall be
32 disqualified from serving as a **【registered primary】** designated or
33 institutional caregiver on the basis of any conviction disclosed by a
34 criminal history record background check conducted pursuant to
35 this section if the individual has affirmatively demonstrated to the
36 **【commissioner】** commission clear and convincing evidence of
37 rehabilitation. In determining whether clear and convincing
38 evidence of rehabilitation has been demonstrated, the following
39 factors shall be considered:

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

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

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

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

- 1 (e) the age of the individual when the crime or offense was
2 committed;
- 3 (f) whether the crime or offense was an isolated or repeated
4 incident;
- 5 (g) any social conditions which may have contributed to the
6 commission of the crime or offense; and
- 7 (h) any evidence of rehabilitation, including good conduct in
8 prison or in the community, counseling or psychiatric treatment
9 received, acquisition of additional academic or vocational
10 schooling, successful participation in correctional work-release
11 programs, or the recommendation of those who have had the
12 individual under their supervision.
- 13 d. **【A registry identification card】** A verification of registration
14 issued by the commission shall contain the following information:
- 15 (1) (a) in the case of a patient or designated caregiver
16 registration, the name, address, and date of birth of the patient and
17 **【primary】** each designated caregiver, if applicable; and
- 18 (b) in the case of an institutional caregiver, the caregiver's name
19 and date of birth and the name and address of the health care
20 facility at which the caregiver is serving as institutional caregiver;
- 21 (2) the expiration date of the **【registry identification card】**
22 registration;
- 23 (3) photo identification of the **【cardholder】** registrant; and
- 24 (4) such other information that the **【department】** commission
25 may specify by regulation.
- 26 e. (1) A patient who has been **【issued a registry identification**
27 **card】** registered by the commission shall notify the **【department】**
28 commission of any change in the patient's name, address, or
29 **【physician】** health care practitioner or change in status of the
30 patient's **【debilitating】** qualifying medical condition, within 10 days
31 of such change, or the **【registry identification card】** patient's
32 registration shall be deemed null and void.
- 33 (2) A **【primary】** designated caregiver who has been **【issued a**
34 **registry identification card】** registered by the commission shall
35 notify the **【department】** commission of any change in the
36 caregiver's name or address within 10 days of such change, or the
37 **【registry identification card】** caregiver's registration shall be
38 deemed null and void.
- 39 (3) An institutional caregiver who has been registered by the
40 commission shall notify the commission of any change in the
41 caregiver's name, address, employment by a health care facility at
42 which the caregiver is registered to serve as institutional caregiver,
43 or authorization from the health care facility to assist qualifying
44 patients with the medical use of cannabis, within 10 days of such
45 change, or the caregiver's registration shall be deemed null and

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

3 f. The **【department】** commission shall maintain a confidential
4 list of the persons **【to whom it has issued registry identification**
5 **cards】** registered with the commission. Individual names and other
6 identifying information on the list, and information contained in any
7 application form, or accompanying or supporting document shall be
8 confidential, and shall not be considered a public record under
9 P.L.1963, c.73 (C.47:1A-1 et seq.) **【or】** , P.L.2001, c.404 (C.47:1A-
10 5 et al.), or the common law concerning access to government
11 records, and shall not be disclosed except to:

12 (1) authorized employees of the **【department】** commission and
13 the Division of Consumer Affairs in the Department of Law and
14 Public Safety as necessary to perform official duties of the
15 **【department】** commission and the division, as applicable; and

16 (2) authorized employees of State or local law enforcement
17 agencies, only as necessary to verify that a person who is engaged
18 in the suspected or alleged medical use of **【marijuana】** cannabis is
19 lawfully **【in possession of a registry identification card】** registered
20 with the commission.

21 g. Applying for **【or receiving a registry card】** registration or
22 being registered by the commission does not constitute a waiver of
23 the qualifying patient's **【patient-physician】** practitioner-patient
24 privilege.

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

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

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

43 (3) the facility has established protocols and procedures to
44 review the medications and treatment plans of registered qualifying
45 patients at the facility to ensure that the patient's medical use of

1 cannabis will not result in adverse drug interactions, side effects, or
2 other complications that could significantly jeopardize the health or
3 safety of the patient;

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

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

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

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

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

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

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

34

35 5. (New section) a. A health care practitioner shall not be
36 required to be listed publicly in any medical cannabis practitioner
37 registry as a condition of authorizing patients for the medical use of
38 cannabis.

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

42 c. The commission shall establish a process to allow medical
43 cannabis to be dispensed to a patient who has been authorized for
44 the medical use of cannabis and who has initiated the process of
45 registering with the commission pursuant to section 4 of P.L.2009,
46 c.307 (C.24:6I-4), but whose registration has not been completed or

1 subject to other final action by the commission. A patient may be
2 dispensed medical cannabis in quantities of up to a two-week
3 supply during the pendency of the patient's registration, after which
4 time the patient may be dispensed medical cannabis in an amount
5 consistent with the requirements of section 10 of P.L.2009, c.307
6 (C.24:6I-10). The commission shall impose such restrictions on
7 access to medical cannabis pursuant to this subsection as shall be
8 necessary to protect against fraud, abuse, and diversion.

9
10 6. (New section) a. Except as provided in subsection b. of this
11 section, no health care practitioner who has authorized a patient for
12 the medical use of cannabis pursuant to P.L.2009, c.307 (C.24:6I-1
13 et al.) within the past 90 days, and no member of such health care
14 practitioner's immediate family, shall be an interest holder in, or
15 receive any form of direct or indirect compensation from, any
16 medical cannabis cultivator, medical cannabis manufacturer,
17 medical cannabis dispensary, or clinical registrant.

18 b. Nothing in subsection a. of this section shall be construed to
19 prevent a health care practitioner from serving on the governing
20 board of a medical cannabis cultivator, medical cannabis
21 manufacturer, medical cannabis dispensary, or clinical registrant, or
22 on the medical advisory board of a medical cannabis cultivator,
23 medical cannabis manufacturer, medical cannabis dispensary, or
24 clinical registrant established pursuant to section 15 of
25 P.L. , c. (C.) (pending before the Legislature as this bill),
26 or from receiving a reasonable stipend for such service, provided
27 that:

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

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

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

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

3
4 7. (New section) a. An individual who is registered as a
5 qualifying patient in another state or jurisdiction within the United
6 States that authorizes the medical use of cannabis shall be
7 considered a registered qualifying patient for the purposes of
8 P.L.2009, c.307 (C.24:6I-1 et al.) for a period of up to six months,
9 provided that the individual possesses both proof of registration in,
10 and a valid photo identification card issued by, the other state or
11 jurisdiction. During the six month period, the individual shall be
12 authorized to possess and use medical cannabis and engage in such
13 other conduct related to medical cannabis in New Jersey as is
14 consistent with the requirements of P.L.2009, c.307 (C.24:6I-1 et
15 al.) and the laws of the state or jurisdiction in which the patient is
16 registered, except that medical cannabis shall not be dispensed to
17 the individual unless a health care practitioner licensed in New
18 Jersey issues written instructions for the individual that meet the
19 requirements of section 10 of P.L.2009, c.307 (C.24:6I-10). No
20 individual shall be authorized to acquire, possess, use, or engage in
21 other conduct in connection with medical cannabis in New Jersey
22 pursuant to a medical cannabis registration from another State or
23 jurisdiction for more than six months unless the individual registers
24 with the commission as a qualifying patient pursuant to section 4 of
25 P.L.2009, c.307 (C.24:6I-4). Nothing in this subsection shall be
26 construed to authorize delivery of medical cannabis to any person
27 who is not registered with the commission pursuant to section 4 of
28 P.L.2009, c.307 (C.24:6I-4).

29 b. An individual who is registered as a designated caregiver in
30 another state or jurisdiction within the United States that authorizes
31 the medical use of cannabis shall be considered a designated
32 caregiver for the purposes of P.L.2009, c.307 (C.24:6I-1 et al.) for a
33 period of up to six months, provided that the individual is in
34 possession of both proof of registration in, and a valid photo
35 identification card issued by, the other state or jurisdiction. During
36 the six month period, the individual shall be authorized to assist a
37 registered qualifying patient with the medical use of cannabis and
38 engage in such other conduct in connection with medical cannabis
39 in New Jersey as is consistent with the requirements of P.L.2009,
40 c.307 (C.24:6I-1 et al.) and the laws of the state or jurisdiction in
41 which the caregiver is registered, except that medical cannabis shall
42 not be dispensed to the individual on behalf of a registered
43 qualifying patient unless a health care practitioner licensed in New
44 Jersey issues written instructions for the registered qualifying
45 patient that meet the requirements of section 10 of P.L.2009, c.307
46 (C.24:6I-10). No individual shall be authorized to assist a registered

1 qualifying patient with the medical use of cannabis or engage in
2 other conduct in connection with medical cannabis in New Jersey
3 pursuant to a medical cannabis registration from another State or
4 jurisdiction for more than six months unless the individual registers
5 with the commission as a designated caregiver pursuant to section 4
6 of P.L.2009, c.307 (C.24:6I-4). Nothing in this subsection shall be
7 construed to authorize delivery of medical cannabis to any person
8 who is not registered with the commission pursuant to section 4 of
9 P.L.2009, c.307 (C.24:6I-4).

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

13

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

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

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

38 c. Registration with the commission, or application for
39 registration by the commission, **【a registry identification card】** shall
40 not alone constitute probable cause to search the person or the
41 property of the **【person possessing or applying for the registry**
42 **identification card】** registrant or applicant, or otherwise subject the
43 person or **【his】** the person's property to inspection by any
44 governmental agency.

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

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

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

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

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

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

1 solely on the basis of renting or leasing real property to a person
2 who is registered with the commission.

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

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

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

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

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

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

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

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

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

32
33 9. (New section) a. It shall be unlawful to take any adverse
34 employment action against an employee who is a registered
35 qualifying patient based solely on the employee's status as a
36 registrant with the commission.

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

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

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

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

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

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

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

18

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

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

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

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

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

1 cannabis cultivator permits issued to microbusinesses pursuant to
2 subsection e. of section 11 of P.L. , c. (C.) (pending before
3 the Legislature as this bill) shall not count toward this limit.

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

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

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

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

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

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

34 (g) An alternative treatment center that was issued a permit prior
35 to the effective date of P.L. , c. (C.) (pending before the
36 Legislature as this bill), that was issued a permit after the effective
37 date of P.L. , c. (C.) (pending before the Legislature as this
38 bill) pursuant to an application submitted pursuant to a request for
39 applications published in the New Jersey Register prior to the
40 effective date of P.L. , c. (C.) (pending before the
41 Legislature as this bill), or that was issued a permit after the
42 effective date of P.L. , c. (C.) (pending before the
43 Legislature as this bill) pursuant to an application submitted prior to
44 the effective date of P.L. , c. (C.) (pending before the
45 Legislature as this bill), shall be required to submit an attestation
46 signed by a bona fide labor organization stating that the alternative

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

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

27 **【An alternative treatment center】**

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

37 (5) (a) A medical cannabis cultivator shall be authorized to:
38 acquire a reasonable initial and ongoing inventory, as determined
39 by the **【department】** commission, of **【marijuana】** cannabis seeds or
40 seedlings and paraphernalia **【,】** ; possess, cultivate, plant, grow,
41 harvest, **【process, display, manufacture,】** and package medical
42 cannabis, including prerolled forms, for any authorized purpose,
43 including, but not limited to, research purposes; and deliver,
44 transfer, transport, distribute, supply, or sell **【, or dispense】** medical
45 **【marijuana】** cannabis **【, or】** and related supplies to any medical

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

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

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

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

1 other form as authorized by the **【commissioner】** commission,
2 except that the edible forms made available to minor patients shall
3 be limited to forms that are medically appropriate for children,
4 including pills, tablets, capsules, chewable forms, and drops, oils,
5 syrops, and other liquids. **【Edible forms shall be available only to**
6 **qualifying patients who are minors.**

7 Applicants for authorization as nonprofit alternative treatment
8 centers shall be subject to all applicable State laws governing
9 nonprofit entities, but**】**

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

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

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

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

43 Any individual seeking to become a director, officer, or
44 employee of a medical cannabis cultivator, medical cannabis

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

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

42 An applicant who is required to undergo a criminal history
43 record background check pursuant to this section shall submit to
44 being fingerprinted in accordance with applicable State and federal
45 laws, rules, and regulations. No check of criminal history record
46 background information shall be performed pursuant to this section

1 unless the applicant has furnished **【his】** the applicant's written
2 consent to that check. An applicant who is required to undergo a
3 criminal history record background check pursuant to this section
4 who refuses to consent to, or cooperate in, the securing of a check
5 of criminal history record background information shall not be
6 considered for a permit to operate, or authorization to be employed
7 at or to be a significantly involved person in, 【an alternative
8 treatment center】 a medical cannabis cultivator, medical cannabis
9 manufacturer, medical cannabis dispensary, or clinical registrant.
10 An applicant shall bear the cost for the criminal history record
11 background check, including all costs of administering and
12 processing the check.

13 (2) The **【commissioner】** commission shall not approve an
14 applicant for a permit to operate, or authorization to be employed at
15 or to be a significantly involved person in, 【an alternative treatment
16 center】 a medical cannabis cultivator, medical cannabis
17 manufacturer, medical cannabis dispensary, or clinical registrant if
18 the criminal history record background information of the applicant
19 reveals a disqualifying conviction as set forth in subsection c. of
20 this section.

21 (3) Upon receipt of the criminal history record background
22 information from the Division of State Police and the Federal
23 Bureau of Investigation, the **【commissioner】** commission shall
24 provide written notification to the applicant of **【his】** the applicant's
25 qualification for or disqualification for a permit to operate or be a
26 director, officer, or employee of **【an alternative treatment center】** ,
27 or a significantly involved person in, a medical cannabis cultivator,
28 medical cannabis manufacturer, medical cannabis dispensary, or
29 clinical registrant.

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

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

1 (5) Notwithstanding the provisions of subsection **[b.] c.** of this
2 section to the contrary, the **[commissioner]** commission may offer
3 provisional authority for an applicant to be an owner, director,
4 officer, or employee of [an alternative treatment center] , or a
5 significantly involved person in, a medical cannabis cultivator,
6 medical cannabis manufacturer, medical cannabis dispensary, or
7 clinical registrant for a period not to exceed three months if the
8 applicant submits to the **[commissioner]** commission a sworn
9 statement attesting that the person has not been convicted of any
10 disqualifying conviction pursuant to this section.

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

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

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

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

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

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

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

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

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

41 e. The **[department]** commission shall issue a permit to **[a**
42 **person to]** operate **[as an alternative treatment center]** or be an
43 owner, director, officer, or employee of, or a significantly involved
44 person in, a medical cannabis cultivator, medical cannabis
45 manufacturer, or medical cannabis dispensary if the **[department]**

1 commission finds that issuing such a permit would be consistent
2 with the purposes of **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.)
3 and the requirements of this section and section 11 of P.L. , c.
4 (C.) (pending before the Legislature as this bill) are met **【and**
5 the department has verified the information contained in the
6 application. The department shall approve or deny an application
7 within 60 days after receipt of a completed application**】**. The denial
8 of an application shall be considered a final agency decision,
9 subject to review by the Appellate Division of the Superior Court.
10 **【The department may suspend or revoke a permit to operate as an**
11 **alternative treatment center for cause, which shall be subject to**
12 **review by the Appellate Division of the Superior Court】** A permit
13 to operate a medical cannabis cultivator, medical cannabis
14 manufacturer, or medical cannabis dispensary issued on or after the
15 effective date of P.L. , c. (C.) (pending before the
16 Legislature as this bill) shall be valid for one year and shall be
17 renewable annually.

18 f. A person who has been issued a permit pursuant to this
19 section or a clinical registrant permit pursuant to section 13 of
20 P.L. , c. (C.) (pending before the Legislature as this bill)
21 shall display the permit at the front entrance to the premises of the
22 **【alternative treatment center】** permitted facility at all times when
23 **【marijuana is being produced, or dispensed to a registered**
24 **qualifying patient or the patient's primary caregiver】** the facility is
25 engaged in conduct authorized pursuant to P.L.2009, c.307
26 (C.24:6I-1 et al.) involving medical cannabis, including, but not
27 limited to, the cultivating, manufacturing, or dispensing of medical
28 cannabis.

29 g. **【An alternative treatment center】** A medical cannabis
30 cultivator, medical cannabis manufacturer, medical cannabis
31 dispensary, or clinical registrant shall report any change in
32 information to the **【department】** commission not later than 10 days
33 after such change, or the permit shall be deemed null and void.

34 h. **【An alternative treatment center may charge a registered**
35 **qualifying patient or primary caregiver for the reasonable costs**
36 **associated with the production and distribution of marijuana for the**
37 **cardholder】** Each medical cannabis dispensary and clinical
38 registrant shall maintain and make available on its Internet website,
39 if any, a standard price list that shall apply to all medical cannabis,
40 medical cannabis products, and related supplies and paraphernalia
41 sold or dispensed by the medical cannabis dispensary or clinical
42 registrant, which prices shall be reasonable and consistent with the
43 actual costs incurred by the medical cannabis dispensary or clinical
44 registrant in connection with acquiring and selling, transferring, or
45 dispensing the medical cannabis or medical cannabis product and

1 related supplies and paraphernalia. The prices charged by medical
2 cannabis dispensary or clinical registrant shall not deviate from the
3 prices indicated on the entity's current price list, provided that a
4 price list maintained by a medical cannabis dispensary or clinical
5 registrant may allow for medical cannabis to be made available at a
6 reduced price or without charge to qualifying patients who have a
7 demonstrated financial hardship, as that term shall be defined by the
8 commission by regulation. A price list required pursuant to this
9 subsection may be revised no more than once per month, and each
10 medical cannabis dispensary and clinical registrant shall be
11 responsible for ensuring that the commission has a copy of the
12 facility's current price list. A medical cannabis dispensary or
13 clinical registrant shall be liable to a civil penalty of \$1,000 for
14 each sale that occurs at a price that deviates from the entity's
15 current price list, and to a civil penalty of \$10,000 for each week
16 during which the entity's current price list is not on file with the
17 commission. Any civil penalties collected by the commission
18 pursuant to this section shall be used by the commission for the
19 purposes of administering the State medical cannabis program.

- 20 i. The **【commissioner】** commission shall adopt regulations to:
- 21 (1) require such written documentation of each delivery or
22 dispensation of **【marijuana】** cannabis to, and pickup of **【marijuana】**
23 cannabis for, a registered qualifying patient, including the date and
24 amount dispensed, and, in the case of delivery, the date and times
25 the delivery commenced and was completed, the address where the
26 medical cannabis was delivered, the name of the patient or
27 caregiver to whom the medical cannabis was delivered, and the
28 name, handler certification number, and delivery certification
29 number of the medical cannabis handler who performed the
30 delivery, to be maintained in the records of the **【alternative**
31 treatment center**】** medical cannabis dispensary or clinical registrant,
32 as the **【commissioner】** commission determines necessary to ensure
33 effective documentation of the operations of each **【alternative**
34 treatment center**】** medical cannabis dispensary or clinical registrant;
- 35 (2) monitor, oversee, and investigate all activities performed by
36 **【an alternative treatment center】** medical cannabis cultivators,
37 medical cannabis manufacturers, medical cannabis dispensaries, and
38 clinical registrants; **【and】**
- 39 (3) ensure adequate security of all facilities 24 hours per day **【,**
40 including production and retail locations,**】** and security of all
41 delivery methods to registered qualifying patients; and
- 42 (4) establish thresholds for administrative action to be taken
43 against a medical cannabis cultivator, medical cannabis
44 manufacturer, medical cannabis dispensary, or clinical registrant
45 and its employees, officers, investors, directors, or governing board

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

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

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

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

1 the nonprofit entity's balance sheet, in addition to the agreed-upon
2 price for the sale or transfer of the entity's alternative treatment
3 center permit. Until such time as the members of the Cannabis
4 Regulatory Commission are appointed and the commission first
5 organizes, the Department of Health shall have full authority to
6 approve a sale or transfer pursuant to this paragraph.

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

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

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

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

44

45 11. (New section) a. The commission shall, no later than 90
46 days after the effective date of P.L. , c. (C.) (pending

1 before the Legislature as this bill) or upon adoption of rules and
2 regulations as provided in subsection c. of section 18 of P.L.2009,
3 c.307 (C.24:6I-16), whichever occurs later, begin accepting and
4 processing applications for new medical cannabis cultivator,
5 medical cannabis manufacturer, and medical cannabis dispensary
6 permits. Notwithstanding the provisions of subsubparagraph (i) of
7 subparagraph (a) of paragraph (2) of subsection a. of section 7 of
8 P.L.2009, c.307 (C.24:6I-7), the first three alternative treatment
9 center permits issued by the commission pursuant to an application
10 submitted on or after the effective date of P.L. , c. (C.)
11 (pending before the Legislature as this bill) and up to four
12 alternative treatment centers permits issued by the commission after
13 the effective date of P.L. , c. (C.) (pending before the
14 Legislature as this bill) pursuant to an application submitted
15 pursuant to a request for applications published in the New Jersey
16 Register prior to the effective date of P.L. , c. (C.) (pending
17 before the Legislature as this bill) shall be deemed to concurrently
18 hold a medical cannabis cultivator permit, a medical cannabis
19 manufacturer permit, and a medical cannabis dispensary permit; of
20 these permits, one permit shall be issued to an applicant located in
21 the northern region of the State, one permit shall be issued to an
22 applicant located in the central region of the State, and one permit
23 shall be issued to an applicant located in the southern region of the
24 State. Any permits issued by the commission thereafter shall be
25 subject to the provisions of subsubparagraph (i) of subparagraph (a)
26 of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307
27 (C.24:6I-7), and the requirements of subsection d. of this section
28 concerning conditional permits.

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

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

38 (2) The commission shall issue a permit, other than a
39 conditional permit, to an approved applicant at such time as the
40 commission completes the application review process and any
41 mandatory inspections, and determines that the applicant is in
42 compliance with and is implementing the plans, procedures,
43 protocols, actions, or other measures set forth in the applicant's
44 permit application submitted pursuant to section 12 of P.L. , c.
45 (C.) (pending before the Legislature as this bill), did maintain
46 compliance with the terms, conditions, or restrictions of a

1 conditional permit issued to the applicant, if applicable, and is
2 otherwise in compliance with the requirements of P.L.2009, c.307
3 (C.24:6I-1 et al.).

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

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

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

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

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

33 (d) documentation that each significantly involved person in the
34 proposed medical cannabis entity has, for the immediately
35 preceding taxable year, an adjusted gross income of no more than
36 \$200,000 or no more than \$400,000 if filing jointly with another;

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

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

45 (g) information about the proposed medical cannabis entity,
46 including its legal name, any registered alternate name under which

1 it may conduct business, and a copy of its articles of organization
2 and bylaws;

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

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

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

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

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

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

3 e. (1) The commission shall ensure that at least 10 percent of
4 the total permits issued for each medical cannabis permit type, other
5 than a clinical registrant permit, are designated for and only issued
6 to microbusinesses, and that at least 25 percent of the total permits
7 issued be issued to microbusinesses. A microbusiness may be
8 issued a full annual permit pursuant to section 7 of P.L.2009, c.307
9 (C.24:6I-7) or a conditional permit pursuant to subsection d. of this
10 section. The maximum fee assessed by the commission for issuance
11 or renewal of a permit issued to a microbusiness shall be no more
12 than half the fee applicable to a permit of the same type issued to a
13 person or entity that is not a microbusiness. A permit issued to a
14 microbusiness shall be valid for one year and may be renewed
15 annually.

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

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

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

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

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

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

32 (ii) in the case of a microbusiness that is a medical cannabis
33 cultivator, the total medical cannabis grow area shall not exceed
34 2,500 square feet, measured on a horizontal plane, shall grow no
35 higher than 24 feet above that plane, and shall possess a total of no
36 more than 1,000 plants, including mature and immature medical
37 cannabis plants, but not including seedlings;

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

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

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

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

8
9 12. (New section) a. Each application for a medical cannabis
10 cultivator permit, medical cannabis manufacturer permit, and
11 medical cannabis dispensary permit, and each application for annual
12 renewal of such permit, including permit and renewal applications
13 for microbusinesses that meet the requirements of subsection e. of
14 section 11 of P.L. , c. (C.) (pending before the Legislature
15 as this bill), shall be submitted to the commission. A full, separate
16 application shall be required for each initial permit requested by the
17 applicant and for each location at which an applicant seeks to
18 operate, regardless of whether the applicant was previously issued
19 a medical cannabis cultivator, medical cannabis manufacturer,
20 medical cannabis dispensary, or clinical registrant permit, and
21 regardless of whether the applicant currently holds a medical
22 cannabis cultivator, medical cannabis manufacturer, or medical
23 cannabis dispensary permit. Renewal applications shall be
24 submitted to the commission on a form and in a manner as shall be
25 specified by the commission no later than 90 days before the date
26 the current permit will expire.

27 b. An initial permit application shall be evaluated according to
28 criteria to be developed by the commission. The commission shall
29 determine the point values to be assigned to each criterion, which
30 shall include bonus points for applicants who are residents of New
31 Jersey.

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

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

42 (a) State-authorized cultivation of medical cannabis;

43 (b) conventional horticulture or agriculture, familiarity with
44 good agricultural practices, and any relevant certifications or
45 degrees;

46 (c) quality control and quality assurance;

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

- 1 description concerning the applicant's qualifications for, experience
2 in, and knowledge of each of the following topics:
- 3 (a) State-authorized dispensation of medical cannabis to
4 qualifying patients;
 - 5 (b) healthcare, medicine, and treatment of patients with
6 qualifying medical conditions;
 - 7 (c) medical cannabis product evaluation procedures;
 - 8 (d) recall plans;
 - 9 (e) packaging and labeling;
 - 10 (f) inventory control and point-of-sale software or systems for
11 the sale of medical cannabis;
 - 12 (g) patient counseling procedures;
 - 13 (h) the routes of administration, strains, varieties, and
14 cannabinoid profiles of medical cannabis and medical cannabis
15 products;
 - 16 (i) odor mitigation practices;
 - 17 (j) onsite and offsite recordkeeping;
 - 18 (k) compliance with State and federal patient privacy rules;
 - 19 (l) waste disposal plans; and
 - 20 (m) compliance with applicable laws and regulations.
- 21 d. The criteria to be developed by the commission pursuant to
22 subsection b. of this section shall include, in addition to the criteria
23 set forth in subsections c. and e. of this section and any other
24 criteria developed by the commission, an analysis of the following
25 factors, if applicable:
- 26 (1) The applicant's environmental impact plan.
 - 27 (2) A summary of the applicant's safety and security plans and
28 procedures, which shall include descriptions of the following:
 - 29 (a) plans for the use of security personnel, including
30 contractors;
 - 31 (b) the experience or qualifications of security personnel and
32 proposed contractors;
 - 33 (c) security and surveillance features, including descriptions of
34 any alarm systems, video surveillance systems, and access and
35 visitor management systems, along with drawings identifying the
36 proposed locations for surveillance cameras and other security
37 features;
 - 38 (d) plans for the storage of medical cannabis and medical
39 cannabis products, including any safes, vaults, and climate control
40 systems that will be utilized for this purpose;
 - 41 (e) a diversion prevention plan;
 - 42 (f) an emergency management plan;
 - 43 (g) procedures for screening, monitoring, and performing
44 criminal history record background checks of employees;
 - 45 (h) cybersecurity procedures, including, in the case of an
46 applicant for a medical cannabis dispensary permit, procedures for

1 collecting, processing, and storing patient data, and the applicant's
2 familiarity with State and federal privacy laws;

3 (i) workplace safety plans and the applicant's familiarity with
4 federal Occupational Safety and Health Administration regulations;

5 (j) the applicant's history of workers' compensation claims and
6 safety assessments;

7 (k) procedures for reporting adverse events; and

8 (l) a sanitation practices plan.

9 (3) A summary of the applicant's business experience, including
10 the following, if applicable:

11 (a) the applicant's experience operating businesses in highly-
12 regulated industries;

13 (b) the applicant's experience in operating alternative treatment
14 centers and related medical cannabis production and dispensation
15 entities under the laws of New Jersey or any other state or
16 jurisdiction within the United States; and

17 (c) the applicant's plan to comply with and mitigate the effects
18 of 26 U.S.C. s.280E on cannabis businesses, and for evidence that
19 the applicant is not in arrears with respect to any tax obligation to
20 the State.

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

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

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

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

45 (c) the submission of proof of local support for the suitability of
46 the location, which may be demonstrated by a resolution adopted by

1 the municipality's governing body indicating that the intended
2 location is appropriately located or otherwise suitable for such
3 activities related to the cultivation, manufacturing, or dispensing of
4 medical cannabis, cannabis products, and related supplies as will be
5 conducted at the proposed facility.

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

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

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

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

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

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

40 In evaluating the information submitted pursuant to
41 subparagraphs (b) and (c) of this paragraph, the commission shall
42 afford the greatest weight to responses pertaining to the applicant
43 itself, controlling owners, and entities with common ownership or
44 control with the applicant; followed by responses pertaining to
45 those with a 15 percent or greater ownership interest in the
46 applicant's organization; followed by significantly involved persons

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 e. In addition to the information to be submitted pursuant to
31 subsections c. and d. of this section, the commission shall require
32 all permit applicants, other than applicants issued a conditional
33 permit, to submit an attestation signed by a bona fide labor
34 organization stating that the applicant has entered into a labor peace
35 agreement with such bona fide labor organization. Except in the
36 case of an entity holding an unconverted conditional permit, the
37 maintenance of a labor peace agreement with a bona fide labor
38 organization shall be an ongoing material condition of maintaining
39 a medical cannabis cultivator, medical cannabis manufacturer, or
40 medical cannabis dispensary permit. The submission of an
41 attestation and maintenance of a labor peace agreement with a bona
42 fide labor organization by an applicant issued a conditional permit
43 pursuant to subsection d. of section 11 of P.L. , c. (C.)
44 (pending before the Legislature as this bill) shall be a requirement
45 for conversion of a conditional permit into a full permit. The
46 failure to enter into a collective bargaining agreement within 200

1 days after the date that a medical cannabis cultivator, medical
2 cannabis manufacturer, or medical cannabis dispensary first opens
3 shall result in the suspension or revocation of such permit or
4 conditional permit. In reviewing initial permit applications, the
5 commission shall give priority to the following:

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

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

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

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

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

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

38 g. The commission shall conduct a disparity study to determine
39 whether race-based measures should be considered when issuing
40 permits pursuant to this section, and shall incorporate the policies,
41 practices, protocols, standards, and criteria developed by the Office
42 of Minority, Disabled Veterans, and Women Medical Cannabis
43 Business Development pursuant to section 32 of P.L. , c.
44 (C.) (pending before the Legislature as this bill) to promote
45 participation in the medical cannabis industry by persons from
46 socially and economically disadvantaged communities, including

1 promoting applications for, and the issuance of, medical cannabis
2 cultivator, medical cannabis manufacturer, and medical cannabis
3 dispensary permits to certified minority, women's, and disabled
4 veterans' businesses. To this end, the commission shall seek to
5 issue at least 30 percent of the total number of new medical
6 cannabis cultivator permits, medical cannabis manufacturer permits,
7 and medical cannabis dispensary permits issued on or after the
8 effective date of P.L. , c. (C.) (pending before the
9 Legislature as this bill) as follows:

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

17 (2) at least 15 percent of the total number of new medical
18 cannabis cultivator permits, medical cannabis manufacturer
19 permits, and medical cannabis dispensary permits issued on or after
20 the effective date of P.L. , c. (C.) (pending before the
21 Legislature as this bill) are issued to a qualified applicant that has
22 been certified as a women's business pursuant to P.L.1986, c.195
23 (C.52:27H-21.18 et seq.) or that is a disabled-veterans' business, as
24 defined in section 2 of P.L.2015, c.116 (C.52:32-31.2).

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

28 h. The commission shall give special consideration to any
29 applicant that has entered into an agreement with an institution of
30 higher education to create an integrated curriculum involving the
31 cultivation, manufacturing, dispensing or delivery of medical
32 cannabis, provided that the curriculum is approved by both the
33 commission and the Office of the Secretary of Higher Education
34 and the applicant agrees to maintain the integrated curriculum in
35 perpetuity. An integrated curriculum permit shall be subject to
36 revocation if the IC permit holder fails to maintain or continue the
37 integrated curriculum. In the event that, because of circumstances
38 outside an IC permit holder's control, the IC permit holder will no
39 longer be able to continue an integrated curriculum, the IC permit
40 holder shall notify the commission and shall make reasonable
41 efforts to establish a new integrated curriculum with an institution
42 of higher education, subject to approval by the commission and the
43 Office of the Secretary of Higher Education. If the IC permit
44 holder is unable to establish a new integrated curriculum within six
45 months after the date the current integrated curriculum arrangement
46 ends, the commission shall revoke the entity's IC permit, unless the

1 commission finds there are extraordinary circumstances that justify
2 allowing the permit holder to retain the permit without an integrated
3 curriculum and the commission finds that allowing the permit
4 holder to retain the permit would be consistent with the purposes of
5 P.L.2009, c.307 (C.24:6I-1 et al.), in which case the IC permit shall
6 convert to a regular permit of the same type. The commission may
7 revise the application and permit fees or other conditions for an IC
8 permit as may be necessary to encourage applications for IC
9 permits.

10 i. Application materials submitted to the commission pursuant
11 to this section shall not be considered a public record pursuant to
12 P.L.1963, c.73 (C.47:1A-1 et seq.) or P.L.2001, c.404 (C.47:1A-
13 5 et al.).

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

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

36

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

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

- 1 (2) submit to the commission any required application and
2 permit fees;
- 3 (3) submit to the commission written documentation of an
4 existing contract with an academic medical center that meets the
5 requirements of subsection c. of this section; and
- 6 (4) submit to the commission documentation that the applicant
7 has a minimum of \$15 million in capital.
- 8 b. The commission shall, no later than 90 days after the
9 effective date of P.L. , c. (C.) (pending before the
10 Legislature as this bill) or upon adoption of rules and regulations as
11 provided in subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-
12 16), whichever occurs first, begin accepting and processing
13 applications for four clinical registrant permits. Thereafter, the
14 commission shall accept applications for and issue such additional
15 clinical registrant permits as it determines to be necessary and
16 consistent with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).
17 The commission shall make a determination as to a clinical
18 registrant permit application no later than 90 days after receiving
19 the application, which may include a determination that the
20 commission reasonably requires more time to adequately review the
21 application. In reviewing and approving applications for clinical
22 registrant permits, the commission shall seek to incorporate the
23 policies, practices, protocols, standards, and criteria developed by
24 the Office of Minority, Disabled Veterans, and Women Medical
25 Cannabis Business Development pursuant to section 32 of P.L. ,
26 c. (C.) (pending before the Legislature as this bill) to
27 promote participation in the medical cannabis industry by persons
28 from socially and economically disadvantaged communities. In no
29 case shall the commission accept, process, or approve an
30 application submitted by an applicant that has contracted with an
31 academic medical center that is part of a health care system that
32 includes another academic medical center that has contracted with
33 an applicant for, or a holder of, a clinical registrant permit.
- 34 c. A contract between a clinical registrant and an academic
35 medical center shall include a commitment by the academic medical
36 center, or its affiliate, to engage in clinical research related to the
37 use of medical cannabis in order to advise the clinical registrant
38 concerning patient health and safety, medical applications, and
39 dispensing and management of controlled substances, among other
40 areas. A clinical registrant issued a permit pursuant to this section
41 shall have a written contractual relationship with no more than one
42 academic medical center.
- 43 d. A clinical registrant issued a permit pursuant to this section
44 shall be authorized to engage in all conduct involving the
45 cultivation, manufacturing, and dispensing of medical cannabis as is
46 authorized for an entity holding medical cannabis cultivator,

1 medical cannabis manufacturer, and medical cannabis dispensary
2 permits pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), including
3 dispensing medical cannabis and medical cannabis products to
4 qualifying patients and designated and institutional caregivers. The
5 clinical registrant shall additionally be authorized to engage in
6 clinical research involving medical cannabis using qualifying
7 patients who consent to being part of such research, subject to any
8 restrictions established by the commission.

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

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

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

30 (4) In no case shall a clinical registrant operate or be located on
31 land that is valued, assessed or taxed as an agricultural or
32 horticultural use pursuant to the "Farmland Assessment Act of
33 1964," P.L.1964, c.48 (C.54:4-23.1 et seq.).

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

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

42 h. Each clinical registrant shall submit the results of the clinical
43 research obtained through an approved clinical registrant permit to
44 the commission no later than one year following the conclusion of
45 the research study or publication of the research study in a peer-
46 reviewed medical journal. Nothing in this subsection shall be

1 deemed to require the disclosure of any clinical research that would
2 infringe on the intellectual property of the clinical registrant or on
3 the confidentiality of patient information.

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

8
9 14. (New section) a. (1) The commission shall, within 18
10 months following the commission's organization, and every three
11 years thereafter, conduct a feasibility study concerning the potential
12 for establishing a cannabis research and development permit type.
13 In order to advance scientific and medical understanding concerning
14 the potential uses of medical cannabis, and to ensure ongoing
15 quality control in the collection of data and the aggregation of
16 clinical, translational, and other research, the feasibility study shall
17 assess the medical cannabis market and industry, current
18 perspectives in the scientific and medical communities on medical
19 cannabis, as well as those of other relevant disciplines, to determine
20 the potential benefits of establishing a research and development
21 permit type. Any cannabis research and development permit
22 established by the commission shall be limited to advancing the use
23 of cannabis as medicine, improving the lives of current registered
24 qualifying patients as well as future patients who could derive
25 therapeutic benefit from the use of cannabis, and furthering the
26 knowledge of cannabis in the scientific and medical communities.

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

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

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

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

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

13

14 15. (New section) a. A medical cannabis cultivator, medical
15 cannabis manufacturer, medical cannabis dispensary, or clinical
16 registrant may appoint a medical advisory board to provide advice
17 to the medical cannabis cultivator, medical cannabis manufacturer,
18 medical cannabis dispensary, or clinical registrant on all aspects of
19 its business.

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

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

36

37 16. (New section) a. (1) An organization issued a permit to
38 operate a medical cannabis cultivator, medical cannabis
39 manufacturer, medical cannabis dispensary, or clinical registrant or
40 that employs certified medical cannabis handlers for transfer or
41 delivery of medical cannabis pursuant to section 27 of P.L. , c.
42 (C.) (pending before the Legislature as this bill shall not be
43 eligible for a State or local economic incentive.

44 (2) The issuance of a permit to operate a medical cannabis
45 cultivator, medical cannabis manufacturer, cannabis dispensary, or
46 clinical registrant or a certification to a handler employed by any

1 entity to perform transfers or deliveries of medical cannabis
2 pursuant to section 27 of P.L. , c. (C.) (pending before the
3 Legislature as this bill) to an organization that has been awarded a
4 State or local economic incentive shall invalidate the right of the
5 organization to benefit from the economic incentive as of the date
6 of issuance of the permit, except that an academic medical center
7 that has entered into a contractual relationship with a clinical
8 registrant shall not have any right to benefit from an economic
9 incentive invalidated pursuant to this paragraph on the basis of that
10 contractual relationship.

11 b. (1) A property owner, developer, or operator of a project to
12 be used, in whole or in part, as a medical cannabis cultivator,
13 medical cannabis manufacturer, medical cannabis dispensary, or
14 clinical registrant or an entity that employs medical cannabis
15 handlers to perform transfers or deliveries of medical cannabis
16 pursuant to section 27 of P.L. , c. (C.) (pending before the
17 Legislature as this bill) shall not be eligible for a State or local
18 economic incentive during the period of time that the economic
19 incentive is in effect.

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

34 c. As used in this section:

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

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

41 "State or local economic incentive" means a financial incentive,
42 awarded by a governmental entity to a business, or agreed to
43 between a governmental entity and a business, for the purpose of
44 stimulating economic development or redevelopment in New
45 Jersey, including, but not limited to, a bond, grant, loan, loan
46 guarantee, matching fund, tax credit, or other tax expenditure.

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

4
5 17. Section 8 of P.L.2009, c.307 (C.24:6I-8) is amended to read
6 as follows:

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

10 a. operate, navigate, or be in actual physical control of any
11 vehicle, aircraft, railroad train, stationary heavy equipment or vessel
12 while under the influence of **【marijuana】** cannabis; or

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

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

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

21
22 18. Section 10 of P.L.2009, c.307 (C.24:6I-10) is amended to
23 read as follows:

24 10. a. A **【physician】** health care practitioner shall provide
25 written instructions for a registered qualifying patient or **【his】** the
26 patient's designated caregiver, or an institutional caregiver acting
27 on behalf of the patient, to present to **【an alternative treatment**
28 **center】** a medical cannabis dispensary or a clinical registrant
29 concerning the total amount of usable **【marijuana】** cannabis that a
30 patient may be dispensed, in weight, in a 30-day period, which
31 amount shall not exceed **【two ounces**. If no amount is noted, the
32 maximum amount that may be dispensed at one time is two ounces**】**
33 the maximum amount that may be authorized for the patient
34 pursuant to subsection f. of this section.

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

39 (1) Each separate set of instructions shall be issued for a
40 legitimate medical purpose by the **【physician】** health care
41 practitioner, as provided in **【this act】** P.L.2009, c.307 (C.24:6I-
42 1 et al.);

43 (2) Each separate set of instructions shall indicate the earliest
44 date on which a **【center】** dispensary or clinical registrant may

1 dispense the **【marijuana】** cannabis, except for the first dispensation
2 if it is to be filled immediately; and

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

6 c. A registered qualifying patient or **【his primary】** the patient's
7 designated caregiver, or an institutional caregiver acting on behalf
8 of a qualifying patient, shall present verification of the patient's or
9 caregiver's **【registry identification card】** registration with the
10 commission, as applicable, and these written instructions to **【the**
11 alternative treatment center**】** any medical cannabis dispensary or
12 clinical registrant at the time the patient or caregiver requests the
13 dispensing or delivery of medical cannabis, which medical cannabis
14 dispensary or clinical registrant shall verify and log the
15 documentation presented. An institutional caregiver shall
16 additionally present an authorization executed by the patient
17 certifying that the institutional caregiver is authorized to obtain
18 medical cannabis on behalf of the patient. A **【physician】** health
19 care practitioner may provide a copy of a written instruction by
20 electronic or other means, as determined by the **【commissioner】**
21 commission, directly to **【an alternative treatment center】** a medical
22 cannabis dispensary or a clinical registrant on behalf of a registered
23 qualifying patient. The dispensation of **【marijuana】** medical
24 cannabis pursuant to any written instructions shall occur within one
25 **【month】** year of the date that the instructions were written or
26 become eligible for dispensing, whichever is later, or the
27 instructions are void.

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

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

43 f. (1) Except as provided in paragraph (2) of this subsection,
44 for a period of 18 months after the effective date of P.L. , c.
45 (C.) (pending before the Legislature as this bill), the maximum

1 amount of usable cannabis that a patient may be dispensed, in
2 weight, in a 30-day period, shall be three ounces. Commencing 18
3 months after the effective date of P.L. , c. (C.) (pending
4 before the Legislature as this bill), the maximum amount of usable
5 cannabis that a patient may be dispensed shall prescribed by the
6 commission by regulation.

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

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

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

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

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

44 Commencing July 1, 2021, the amount of the sales tax that may
45 be imposed under the "Sales and Use Tax Act," P.L.1966, c.30
46 (C.54:32B-1 et seq.) on medical cannabis dispensed by a medical

1 cannabis dispensary or clinical registrant shall not exceed two
2 percent.

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

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

12 i. A municipality in which a medical cannabis dispensary is
13 located may adopt an ordinance imposing a transfer tax on any
14 medical cannabis dispensed by the dispensary, including medical
15 cannabis that is furnished by the dispensary to a medical cannabis
16 handler for delivery to a registered qualifying patient or the
17 patient's caregiver. The rate of a transfer tax established pursuant
18 to this subsection shall be at the discretion of the municipality,
19 except that in no case shall the rate exceed two percent of the
20 purchase price of the medical cannabis.

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

22

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

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

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

38 (cf: P.L.2009, c.307, s.13)

39

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

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

1 (1) no later than one year after the effective date of **【this act】**
2 P.L.2009, c.307 (C.24:6I-1 et al.), on the actions taken to
3 implement the provisions of **【this act】** P.L.2009, c.307 (C.24:6I-
4 1 et al.); and

5 (2) annually thereafter on the number of applications for
6 **【registry identification cards】** registration with the commission, the
7 number of qualifying patients registered, the number of **【primary】**
8 designated and institutional caregivers registered, the nature of the
9 **【debilitating】** qualifying medical conditions of the patients, the
10 number of **【registry identification cards】** registrations revoked, the
11 number of **【alternative treatment center】** medical cannabis
12 cultivator, medical cannabis manufacturer, and medical cannabis
13 dispensary permits issued and revoked, the number and type of
14 integrated curricula approved, established, and maintained in
15 connection with an IC permit, the number of testing laboratories
16 licensed, the number of clinical registrant permits issued and the
17 nature of the clinical research conducted by each clinical registrant,
18 any incidents of diversion of medical cannabis, information
19 concerning racial, ethnic, disabled veteran, and gender diversity in
20 the individuals issued and currently holding permits issued by the
21 commission, the number of permit applications received from
22 businesses owned by minorities, disabled veterans, and women and
23 the number of such applications that were approved, the business
24 development initiatives undertaken by the Office of Minority,
25 Disabled Veterans, and Women Medical Cannabis Business
26 Development pursuant to section 32 of P.L. , c. (C.)
27 (pending before the Legislature as this bill) and the outcomes or
28 effects of those initiatives, statistics concerning arrests for drug
29 offenses throughout the State and in areas where medical cannabis
30 dispensaries are located, including information concerning racial
31 disparities in arrest rates for drug offenses generally and cannabis
32 offenses in particular, the number of motor vehicle stops by law
33 enforcement involving violations of R.S.39:4-50, or section 5 of
34 P.L.1990, c.103 (C.39:3-10.13) concerning operators of commercial
35 motor vehicles, for driving under the influence of medical cannabis,
36 or suspicion thereof, cataloged by the jurisdictions in which the stop
37 occurred, and the race, ethnicity, gender, and age of the vehicle
38 driver and any other vehicle occupants, the number of deliveries of
39 medical cannabis performed and the percentage of total medical
40 cannabis dispensations that were completed by delivery, and the
41 number of **【physicians providing certifications for】** health care
42 practitioners authorizing patients for the medical use of cannabis,
43 including the types of license or certification held by those
44 practitioners.

1 b. The reports shall not contain any identifying information of
2 patients, caregivers, or **【physicians】** health care practitioners.

3 c. Within two years after the effective date of **【this act】**
4 P.L.2009, c.307 (C.24:6I-1 et al.) and every two years thereafter,
5 the commissioner or, after the effective date of
6 P.L. , c. (C.) (pending before the Legislature as this bill),
7 the commission, shall: evaluate whether there are sufficient
8 numbers of **【alternative treatment centers】** medical cannabis
9 cultivators, medical cannabis manufacturers, medical cannabis
10 dispensaries, and clinical registrants to meet the needs of registered
11 qualifying patients throughout the State; evaluate whether the
12 maximum amount of medical **【marijuana】** cannabis allowed
13 pursuant to **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.) is sufficient
14 to meet the medical needs of qualifying patients; and determine
15 whether any **【alternative treatment center】** medical cannabis
16 cultivator, medical cannabis manufacturer, medical cannabis
17 dispensary, or clinical registrant has charged excessive prices **【for**
18 **marijuana】** in connection with medical cannabis **【that the center**
19 **dispensed】**.

20 The commissioner or, after the effective date of
21 P.L. , c. (C.) (pending before the Legislature as this bill),
22 the commission, shall report **【his】** all such findings no later than
23 two years after the effective date of **【this act】** P.L.2009, c.307
24 (C.24:6I-1 et al.), and every two years thereafter, to the Governor,
25 and to the Legislature pursuant to section 2 of P.L.1991, c.164
26 (C.52:14-19.1).

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

28

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

31 15. a. The **【Department of Health】** Cannabis Regulatory
32 Commission is authorized to exchange fingerprint data with, and
33 receive information from, the Division of State Police in the
34 Department of Law and Public Safety and the Federal Bureau of
35 Investigation for use in reviewing applications for individuals
36 **【seeking】** who are required to complete a criminal history record
37 background check in connection with applications to serve as
38 **【primary】** designated caregivers or institutional caregivers pursuant
39 to section 4 of P.L.2009, c.307 (C.24:6I-4), for licenses to operate
40 as, or to be a director, officer, or employee of, medical cannabis
41 testing laboratories pursuant to section 25 of P.L. , c. (C.)
42 (pending before the Legislature as this bill), for permits to operate
43 as, or to be a director, officer, or employee of, or a significantly
44 involved person in, clinical registrants pursuant to section 13 of
45 P.L. , c. (C.) (pending before the Legislature as this bill),

1 and for permits to operate as, or to be a director, officer, or
2 employee of, **【alternative treatment centers】**, or a significantly
3 involved person in, medical cannabis cultivators, medical cannabis
4 manufacturers, and medical cannabis dispensaries pursuant to
5 section 7 of P.L.2009, c.307 (C.24:6I-7).

6 b. The Division of State Police shall promptly notify the
7 **【Department of Health】** Cannabis Regulatory Commission in the
8 event an applicant seeking to serve as a **【primary】** designated or
9 institutional caregiver, an applicant for a license to operate as, or to
10 be a director, officer, or employee of, a medical cannabis testing
11 laboratory, an applicant for a permit to operate as, or to be a
12 director, officer, or employee of, or a significantly involved person
13 in, a clinical registrant, or an applicant for a permit to operate as, or
14 to be a director, officer, or employee of, **【an alternative treatment**
15 **center】** or a significantly involved person in, a medical cannabis
16 cultivator, medical cannabis manufacturer, or medical cannabis
17 dispensary, who was the subject of a criminal history record
18 background check conducted pursuant to subsection a. of this
19 section, is convicted of a crime involving possession or sale of a
20 controlled dangerous substance.
21 (cf: P.L.2012, c.17, s.91)

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

25 16. Nothing in **【this act】** P.L.2009, c.307 (C.24:6I-1 et al.) or
26 P.L.2015, c.158 (C.18A:40-12.22 et al.) shall be construed to
27 require a government medical assistance program or private health
28 insurer to reimburse a person for costs associated with the medical
29 use of **【marijuana, or an employer to accommodate the medical use**
30 **of marijuana in any workplace】** cannabis, or to restrict or otherwise
31 affect the distribution, sale, prescribing, and dispensing of any
32 product that has been approved for marketing as a prescription drug
33 or device by the federal Food and Drug Administration.

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

35
36 23. Section 18 of P.L.2009, c.307 (C.24:6I-16) is amended to
37 read as follows:

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

1 b. Notwithstanding any provision of P.L.1968, c.410
2 (C.52:14B-1 et seq.) to the contrary, the commissioner shall adopt,
3 immediately upon filing with the Office of Administrative Law and
4 no later than the 90th day after the effective date of **[this act]**
5 P.L.2009, c.307 (C.24:6I-1 et al.), such regulations as the
6 commissioner deems necessary to implement the provisions of **[this**
7 **act]** P.L.2009, c.307 (C.24:6I-1 et al.). Regulations adopted
8 pursuant to this subsection shall be effective until the adoption of
9 rules and regulations pursuant to subsection a. of this section and
10 may be amended, adopted, or readopted by the commissioner in
11 accordance with the requirements of P.L.1968, c.410 (C.52:14B-
12 1 et seq.).

13 c. No later than 180 days after the effective date of
14 P.L. , c. (C.) (pending before the Legislature as this bill),
15 the commission shall promulgate rules and regulations to effectuate
16 the purposes of P.L. , c. (C.) (pending before the
17 Legislature as this bill). Rules and regulations adopted pursuant to
18 this subsection shall, at a minimum:

19 (1) Specify the number of new medical cannabis cultivator,
20 medical cannabis manufacturer, and medical cannabis dispensary
21 permits the commission will issue in the first year next following
22 the effective date of P.L. , c. (C.) (pending before the
23 Legislature as this bill); and

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

30 d. The commission may convene a task force comprised of
31 individuals with expertise in matters pertaining to the medical
32 cannabis industry to make recommendations to the commission
33 concerning the content of rules and regulations adopted by the
34 commission to implement the provisions of P.L.2009, c.307
35 (C.24:6I-1 et al.) and P.L. , c. (C.) (pending before the
36 Legislature as this bill).

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

38

39 24. (New section) a. Each batch of medical cannabis cultivated
40 by a medical cannabis cultivator or a clinical registrant and each
41 batch of a medical cannabis product produced by a medical
42 cannabis manufacturer or a clinical registrant shall be tested in
43 accordance with the requirements of section 26 of
44 P.L. , c. (C.) (pending before the Legislature as this bill) by
45 a laboratory licensed pursuant to section 25 of P.L. , c. (C.)
46 (pending before the Legislature as this bill). The laboratory

1 performing the testing shall produce a written report detailing the
2 results of the testing, a summary of which shall be included in any
3 packaging materials for medical cannabis and medical cannabis
4 products dispensed to qualifying patients and their designated and
5 institutional caregivers. The laboratory may charge a reasonable
6 fee for any test performed pursuant to this section.

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

14
15 25. (New section) a. A laboratory that performs testing services
16 pursuant to section 24 of P.L. , c. (C.) (pending before the
17 Legislature as this bill) shall be licensed by the commission and may
18 be subject to inspection by the commission to determine the condition
19 and calibration of any equipment used for testing purposes and to
20 ensure that testing is being performed in accordance with the
21 requirements of section 26 of P.L. , c. (C.) (pending before the
22 Legislature as this bill). Each applicant for licensure pursuant to this
23 section shall submit an attestation signed by a bona fide labor
24 organization stating that the applicant has entered into a labor peace
25 agreement with such bona fide labor organization. The maintenance
26 of a labor peace agreement with a bona fide labor organization shall be
27 an ongoing material condition of maintaining a license to test medical
28 cannabis.

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

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

42 d. (1) The commission shall require each applicant for licensure
43 as a medical cannabis testing laboratory to undergo a criminal history
44 record background check, except that no criminal history record
45 background check shall be required for an applicant who completed a

1 criminal history record background check as a condition of
2 professional licensure or certification.

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

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

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

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

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

42 (4) The Division of State Police shall promptly notify the
43 commission in the event that an individual who was the subject of a
44 criminal history record background check conducted pursuant to this
45 section is convicted of a crime or offense in this State after the date the
46 background check was performed. Upon receipt of that notification,

1 the commission shall make a determination regarding the continued
2 eligibility to operate or be a director, officer, or employee of a medical
3 cannabis testing laboratory.

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

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

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

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

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

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

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

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

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

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

37

38 26. (New section) a. The commission shall establish, by
39 regulation, standardized requirements and procedures for testing
40 medical cannabis and medical cannabis products.

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

45 (1) microbial contamination;

46 (2) foreign material;

1 (3) residual pesticides;

2 (4) other agricultural residue and residual solvents; and

3 (5) heavy metals.

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

8 d. As a condition of licensure, each laboratory shall certify its
9 intention to seek third party accreditation in accordance with ISO
10 17025 standards in order to ensure equipment is routinely inspected,
11 calibrated, and maintained until such time as the commission issues
12 its own standards or confirms the use of ISO 17025.

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

18

19 27. (New section) a. An individual who performs work for or
20 on behalf of a medical cannabis cultivator, medical cannabis
21 manufacturer, or medical cannabis dispensary, issued a permit
22 pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), a clinical
23 registrant issued a permit pursuant to section 13 of P.L. , c.
24 (C.) (pending before the Legislature as this bill), or a testing
25 laboratory licensed pursuant to section 25 of P.L. , c. (C.)
26 (pending before the Legislature as this bill) shall hold a valid
27 medical cannabis handler certification issued by the commission
28 pursuant to this section if the individual participates in any activity
29 involving obtaining, possessing, cultivating, processing,
30 manufacturing, creating, testing, transporting, transferring,
31 relocating, dispensing, or delivering medical cannabis.

32 b. An entity issued a permit pursuant to section 7 of P.L.2009,
33 c.307 (C.24:6I-7) or section 13 of P.L. , c. (C.) (pending
34 before the Legislature as this bill) or a license pursuant to section
35 25 of P.L. , c. (C.) (pending before the Legislature as this
36 bill) shall verify that, before allowing any individual to perform any
37 work described in subsection a. of this section at the premises for
38 which the permit has been issued, the individual holds a valid
39 medical cannabis handler certification issued pursuant to this
40 section.

41 c. The commission shall issue medical cannabis handler
42 certifications to qualified applicants to perform work described in
43 subsection a. of this section. The commission shall adopt rules and
44 regulations establishing: the qualifications for performing work
45 described in subsection a. of this section; the terms of a medical
46 cannabis handler certification issued pursuant to this section;

1 procedures for applying for and renewing a medical cannabis
2 handler certification issued pursuant to this section; and reasonable
3 application, issuance, and renewal fees for a medical cannabis
4 handler certification issued pursuant to this section.

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

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

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

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

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

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

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

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

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

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

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

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

44 (6) Each certified medical cannabis handler engaged in a
45 transfer of medical cannabis shall have access to a secure form of
46 communication with the medical cannabis cultivator, medical

1 cannabis manufacturer, medical cannabis dispensary, or clinical
2 registrant that furnished the medical cannabis to the handler for
3 transfer, such as a cellular telephone, at all times that the handler is
4 in possession of medical cannabis for transfer.

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

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

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

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

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

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

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

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

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

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

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

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

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

43 i. The commission shall enact rules and regulations governing
44 the delivery of medical cannabis, including medical cannabis
45 products, to a registered qualifying patient, designated caregiver, or

1 institutional caregiver by a medical cannabis dispensary, which
2 regulations shall require, at a minimum:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (16) The process of delivery shall begin when the certified
2 medical cannabis handler leaves the premises of the medical
3 cannabis dispensary or clinical registrant with medical cannabis for
4 delivery. The process of delivering medical cannabis ends when the
5 medical cannabis handler returns to the premises of the medical
6 cannabis handler's employer after completing the delivery.

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

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

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

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

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

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

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

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

44 k. The commission may authorize the use of an Internet-based
45 web service developed and maintained by an independent third
46 party entity that does not hold any permit, license, or certificate

1 issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.), and is not a
2 significantly involved person or other investor in any permit holder,
3 which web service may be used by registered qualifying patients,
4 designated caregivers, and institutional caregivers to request or
5 schedule deliveries of medical cannabis pursuant i. of
6 this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

41 (3) Nothing in this subsection shall be construed to authorize the
42 consumption of medical cannabis by smoking in any indoor public
43 place or workplace, as those terms are defined in subsection 3 of
44 P.L.2005, c.383 (C.26:3D-57), and the medical cannabis dispensary
45 or clinical registrant operating the consumption area shall ensure
46 that any smoking of medical cannabis that occurs in an outdoor

1 medical cannabis consumption area does not result in migration,
2 seepage, or recirculation of smoke to any indoor public place or
3 workplace. The commission may require a consumption area to
4 include any ventilation features as the commission deems necessary
5 and appropriate.

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

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

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

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

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

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

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

33 (2) may remove an individual from the establishment for any
34 reason;

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

37 (4) shall not permit rowdiness, undue noise, or other
38 disturbances or activity offensive to the average citizen or to the
39 residents of the neighborhood in which the consumption area is
40 located.

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

1 29. (New section) a. (1) The commission shall develop and
2 maintain a system for tracking the cultivation of medical cannabis,
3 the manufacturing of medical cannabis products, the transfer of
4 medical cannabis and medical cannabis products between medical
5 cannabis cultivators, medical cannabis manufacturers, medical
6 cannabis dispensaries, clinical registrants, and testing laboratories
7 as authorized pursuant to paragraph (5) of subsection a. of section 7
8 of P.L.2009, c.307 (C.24:6I-7) and subsection h. of section 27 of
9 P.L. , c. (C.) (pending before the Legislature as this bill),
10 and the dispensing or delivery of medical cannabis to registered
11 qualifying patients, designated caregivers, and institutional
12 caregivers.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 (7) the purchase, sale, or other transfer of medical cannabis and
35 medical cannabis products between medical cannabis cultivators,
36 medical cannabis manufacturers, medical cannabis dispensaries, and
37 clinical registrants as authorized pursuant to paragraph (5) of
38 subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) and
39 subsection h. of section 27 of P.L. , c. (C.) (pending before
40 the Legislature as this bill); and

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

44

45 30. (New section) The commission may waive any requirement
46 of P.L.2009, c.307 (C.24:6I-1 et al.) if the commission determines

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

6
7 31. (New section) a. The Cannabis Regulatory Commission is
8 hereby created in, but not of, the Department of the Treasury, to
9 assume all powers, duties, and responsibilities with regard to the
10 regulation and oversight of activities authorized pursuant to
11 P.L.2009, c.307 (C.24:6I-1 et al.) from the Department of Health
12 for the further development, expansion, regulation, and enforcement
13 of activities associated with the medical use of cannabis pursuant
14 P.L.2009, c.307 (C.24:6I-1 et al.). All powers, duties, and
15 responsibilities with regard to the regulation and oversight of
16 activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
17 shall be transferred from the Department of Health to the Cannabis
18 Regulatory Commission at such time as the members of the
19 commission are appointed as provided in subsection b. of this
20 section and the commission first organizes. Thereafter, any
21 reference to the Department of Health or the Commissioner of
22 Health in any statute or regulation pertaining to the provisions of
23 P.L.2009, c.307 (C.24:6I-1 et al.) shall be deemed to refer to the
24 Cannabis Regulatory Commission. The provisions of this
25 subsection shall be carried out in accordance with the "State
26 Agency Transfer Act," P.L.1971, c.375 (C.52:14D-1 et seq.).

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

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

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

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

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

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

1 subsection shall be made in the same manner as the original
2 appointment.

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

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

27 (6) The chair and other members of the commission shall devote
28 full time to their respective duties of office and shall not pursue or
29 engage in any other business, occupation, or gainful employment.
30 Each member shall receive an annual salary to be fixed and
31 established by the Governor, which for the chair shall not exceed
32 \$141,000, and for the other members shall not exceed \$125,000.

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

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

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

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

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

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

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

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

43 (ii) If, as a result of transferring powers, duties, and
44 responsibilities with regard to the regulation and oversight of
45 activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.)
46 from the Department of Health to the commission pursuant to

1 subsection a. of this section, the commission needs to employ an
2 individual to fill a position, employees of the department who
3 performed the duties of the position to be filled shall be given a
4 one-time right of first refusal offer of employment with the
5 commission, and such employees may be removed by the
6 commission for cause or if deemed unqualified to hold the position,
7 notwithstanding any other provision of law to the contrary. A
8 department employee who becomes employed by the commission
9 shall retain as an employee of the commission the seniority, and all
10 rights related to seniority, that the employee had with the
11 department as of the last day of employment with the department;
12 provided, however, that such seniority and seniority rights shall be
13 retained only by an employee who was transferred from
14 employment with the department to employment with the
15 commission, and shall not be retained by an employee who was
16 removed from employment with the department due to layoff
17 procedures or who resigned from a position with the department
18 prior to being hired by the commission.

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

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

28 d. With respect to the activities of the commission, neither the
29 President of the Senate or the Speaker of the General Assembly
30 shall be permitted to appear or practice or act in any capacity
31 whatsoever before the commission regarding any matter
32 whatsoever, nor shall any member of the immediate family of the
33 Governor, President of the Senate, or Speaker of the General
34 Assembly be permitted to so practice or appear in any capacity
35 whatsoever before the commission regarding any matter
36 whatsoever. As used in this subsection, "immediate family" means
37 the spouse, domestic partner, or civil union partner, and any
38 dependent child or stepchild, recognized by blood or by law, of the
39 Governor, President of the Senate, or Speaker of the General
40 Assembly, or of the spouse, domestic partner, or civil union partner
41 residing in the same household as the Governor, President of the
42 Senate, or Speaker of the General Assembly.

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

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

5 (1) the commission's organization;

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

7 (3) the overall effectiveness of the commission as a full time
8 entity; and

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

16 The commission shall submit the findings of the independent
17 study, along with the commission's recommendations for
18 appropriate executive, administrative, or legislative action, to the
19 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
20 19.1), to the Legislature.

21

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

35 b. (1) The office shall establish and administer, under the
36 direction of the commission, unified practices and procedures for
37 promoting participation in the medical cannabis industry by persons
38 from socially and economically disadvantaged communities,
39 including by prospective and existing ownership of minority
40 businesses and women's businesses, as these terms are defined in
41 section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled
42 veterans' businesses as defined in section 2 of P.L.2015, c.116
43 (C.52:32-31.2), to be issued medical cannabis cultivator, medical
44 cannabis manufacturer, medical cannabis dispensary, and clinical
45 registrant permits. These unified practices and procedures shall
46 include the certification and subsequent recertification at regular

1 intervals of a business as a minority or women's business, or a
2 disabled veterans' business, in accordance with eligibility criteria
3 and a certification application process established by the
4 commission through regulation in consultation with the office.

5 (2) The office shall conduct advertising and promotional
6 campaigns, and shall disseminate information to the public, to
7 increase awareness for participation in the medical cannabis
8 industry by persons from socially and economically disadvantaged
9 communities. To this end, the office shall sponsor seminars and
10 informational programs, and shall provide information on its
11 Internet website, providing practical information concerning the
12 medical cannabis industry, including information on business
13 management, marketing, and other related matters.

14 c. (1) The office shall develop, recommend, and implement
15 policies, practices, protocols, standards, and criteria designed to
16 promote the formulation of medical cannabis business entities and
17 participation in the medical cannabis industry by persons from
18 socially and economically disadvantaged communities, including by
19 promoting applications for, and the issuance of, medical cannabis
20 cultivator, medical cannabis manufacturer, medical cannabis
21 dispensary, and clinical registrant permits to certified minority,
22 women's, and disabled veterans' businesses. The office shall
23 evaluate the effectiveness of these measures by considering whether
24 the measures have resulted in new medical cannabis cultivator,
25 medical cannabis manufacturer, and medical cannabis dispensary
26 permits being issued in accordance with the provisions of
27 subsection g. of section 12 of P.L. , c. (C.) (pending
28 before the Legislature as this bill).

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

42 d. The office may review the commission's measures regarding
43 participation in the medical cannabis industry by persons from
44 socially and economically disadvantaged communities, and
45 minority, women's, and disabled veterans' businesses, and make
46 recommendations on relevant policy and implementation matters for

1 the improvement thereof. The office may consult with experts or
2 other knowledgeable individuals in the public or private sector on
3 any aspect of its mission.

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

13

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

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

44 c. (1) Each member of the commission shall file with the State
45 Ethics Commission a financial disclosure statement listing all assets
46 and liabilities, property and business interests, and sources of

1 income of the member and the member's spouse, domestic partner,
2 or partner in a civil union couple, as the case may be, and shall also
3 provide to the State Ethics Commission in the same financial
4 disclosure statement a list of all assets and liabilities, property and
5 business interests, and sources of income of each dependent child or
6 stepchild, recognized by blood or by law, of the member, or of the
7 spouse, domestic partner, or partner in a civil union couple residing
8 in the same household as the member. Each statement shall be
9 under oath and shall be filed at the time of appointment and
10 annually thereafter.

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

23
24 34. (New section) a. The “New Jersey Conflicts of Interest
25 Law,” P.L.1971, c.182 (C.52:13D-12 et seq.) shall apply to
26 members of the commission and to all employees of the
27 commission, except as herein specifically provided.

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

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

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

40 (1) No commission member or employee shall be permitted to
41 enter and engage in any activities, nor have any interest, directly or
42 indirectly, in any medical cannabis cultivator, medical cannabis
43 manufacturer, medical cannabis dispensary, or clinical registrant
44 issued a permit by the commission in accordance with the P.L.2009,
45 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
46 medical cannabis handler to perform transfers or deliveries of

1 medical cannabis, except in the course of the member's or
2 employee's duties; provided that nothing in this paragraph shall be
3 construed to prohibit a member or employee who is a registered
4 qualifying patient, or who is serving as a designated caregiver or
5 institutional caregiver for a registered qualifying patient, from being
6 dispensed medical cannabis consistent with the requirements of
7 P.L.2009, c.307 (C.24:6I-1 et al.).

8 (2) No commission member or employee shall solicit or accept
9 employment from any holder of, or applicant for, a medical
10 cannabis cultivator, medical cannabis manufacturer, medical
11 cannabis dispensary, or clinical registrant permit or any entity that
12 employs any certified medical cannabis handler to perform transfers
13 or deliveries of medical cannabis for a period of two years after
14 termination of service with the commission, except as otherwise
15 provided in section 35 of P.L. , c. (C.) (pending before the
16 Legislature as this bill).

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

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

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

45 (6) No commission member shall meet with any person, except
46 for any other member of the commission or employee of the

1 commission, or discuss any issues involving any pending or
2 proposed application or any matter whatsoever which may
3 reasonably be expected to come before the commission, or any
4 member thereof, for determination unless the meeting or discussion
5 takes place on the business premises of the commission, provided,
6 however, that commission members may meet to consider matters
7 requiring the physical inspection of equipment or premises at the
8 location of the equipment or premises. All meetings or discussions
9 subject to this paragraph shall be noted in a log maintained for this
10 purpose and available for inspection pursuant to the provisions of
11 P.L.1963, c.73 (C.47:1A-1 et seq.).

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

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

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

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

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

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

44 (c) take any active part in political campaigns or the
45 management thereof; provided, however, that nothing herein shall
46 prohibit a member or employee from voting as the member or

1 employee chooses or from expressing personal opinions on political
2 subjects and candidates.

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

11

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

21 b. (1) No employee of the commission may acquire any direct
22 or indirect interest in, or accept employment with, any holder of, or
23 applicant for, a medical cannabis cultivator, medical cannabis
24 manufacturer, medical cannabis dispensary, or clinical registrant
25 permit or in any entity that employs any certified medical cannabis
26 handler to perform transfers or deliveries of medical cannabis, for a
27 period of two years commencing at the termination of employment
28 with the commission, except that a secretarial or clerical employee
29 of the commission may accept such employment at any time after
30 the termination of employment with the commission. At the end of
31 two years and for a period of two years thereafter, a former
32 employee who held a policy-making management position at any
33 time during the five years prior to termination of employment may
34 acquire an interest in, or accept employment with, any holder of, or
35 applicant for, a medical cannabis cultivator, medical cannabis
36 manufacturer, medical cannabis dispensary, or clinical registrant
37 permit or in any entity that employs any certified medical cannabis
38 handler to perform transfers or deliveries of medical cannabis, upon
39 application to, and the approval of, the commission, upon a finding
40 that the interest to be acquired or the employment will not create the
41 appearance of a conflict of interest and does not evidence a conflict
42 of interest in fact.

43 (2) Notwithstanding the provisions of this subsection, if the
44 employment of a commission employee, other than an employee
45 who held a policy-making management position at any time during
46 the five years prior to termination of employment, is terminated as a

1 result of a reduction in the workforce at the commission, the
2 employee may, at any time prior to the end of the two-year period,
3 accept employment with any holder of, or applicant for, a medical
4 cannabis cultivator, medical cannabis manufacturer, medical
5 cannabis dispensary, or clinical registrant permit or any entity that
6 employs any certified medical cannabis handler to perform transfers
7 or deliveries of medical cannabis, upon application to, and the
8 approval of, the commission, upon a finding that the employment
9 will not create the appearance of a conflict of interest and does not
10 evidence a conflict of interest in fact. The commission shall take
11 action on an application within 30 days of receipt and an
12 application may be submitted to the commission prior to or after the
13 commencement of the employment.

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

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

23
24 36. (New section) a. (1) No holder of, or applicant for, a
25 medical cannabis cultivator, medical cannabis manufacturer,
26 medical cannabis dispensary, or clinical registrant permit issued
27 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or any entity that
28 employs any certified medical cannabis handler to perform transfers
29 or deliveries of medical cannabis shall employ or offer to employ,
30 or provide, transfer, or sell, or offer to provide, transfer, or sell any
31 interest, direct or indirect, in any medical cannabis cultivator,
32 medical cannabis manufacturer, medical cannabis dispensary, or
33 clinical registrant permit holder to any person restricted from such
34 transactions by the provisions of sections 33 through 35 of P.L. ,
35 c. (C.) (pending before the Legislature as this bill).

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

40 b. (1) A member or employee of the commission who makes
41 or causes to be made a political contribution prohibited under
42 subsection f. of section 34 of P.L. , c. (C.) (pending before
43 the Legislature as this bill) is guilty of a crime of the fourth degree,
44 but notwithstanding the provisions of subsection b. of N.J.S.2C:43-
45 3, a fine not to exceed \$200,000 may be imposed.

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

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

18
19 37. Section 2 of P.L.1971, c.182 (C.52:13D-13) is amended to
20 read as follows:

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

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

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

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

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

1 e. "Special State officer or employee" means: (1) any person
2 holding an office or employment in a State agency, excluding an
3 interstate agency, for which office or employment no compensation
4 is authorized or provided by law, or no compensation other than a
5 sum in reimbursement of expenses, whether payable per diem or per
6 annum, is authorized or provided by law; (2) any person, not a
7 member of the Legislature, holding a part-time elective or
8 appointive office or employment in a State agency, excluding an
9 interstate agency~~[,]~~ ; or (3) any person appointed as a New Jersey
10 member to an interstate agency the duties of which membership are
11 not full-time.

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

14 g. "Interest" means: (1) the ownership or control of more than
15 ~~10%~~ 10 percent of the profits or assets of a firm, association, or
16 partnership, or more than ~~10%~~ 10 percent of the stock in a
17 corporation for profit other than a professional service corporation
18 organized under the "Professional Service Corporation Act,"
19 P.L.1969, c.232 (C. 14A:17-1 et seq.); or (2) the ownership or
20 control of more than ~~1%~~ one percent of the profits of a firm,
21 association, or partnership, or more than ~~1%~~ one percent of the
22 stock in any corporation, (a) which is the holder of, or an applicant
23 for, a casino license or in any holding or intermediary company
24 with respect thereto, as defined by the "Casino Control Act,"
25 P.L.1977, c.110 (C.5:12-1 et seq.), or (b) which is the holder of, or
26 an applicant for, a medical cannabis cultivator, medical cannabis
27 manufacturer, medical cannabis dispensary, or clinical registrant
28 permit issued pursuant P.L.2009, c.307 (C.24:6I-1 et al.), or any
29 holding or intermediary company with respect thereto. The
30 provisions of this act governing the conduct of individuals are
31 applicable to shareholders, associates or professional employees of
32 a professional service corporation regardless of the extent or
33 amount of their shareholder interest in such a corporation.

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

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

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

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

1 (1) **【**any State officer or employee subject to financial disclosure
2 by law or executive order and any other State officer or employee
3 with responsibility for matters affecting casino activity; any special
4 State officer or employee with responsibility for matters affecting
5 casino activity;**】** (a) with respect to casino activity and activity
6 related to medical cannabis authorized pursuant to P.L.2009, c.307
7 (C.24:6I-1 et al.), the Governor; **【**any member of the Legislature
8 or**】** the President of the Senate; the Speaker of the General
9 Assembly; any full-time member of the Judiciary; any full-time
10 professional employee of the Office of the Governor **【**, or the
11 Legislature; members of the Casino Reinvestment Development
12 Authority**】**; the head of a principal department; the assistant or
13 deputy heads of a principal department, including all assistant and
14 deputy commissioners; the head of any division of a principal
15 department;

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

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

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

39 (b) any member of the governing body or the municipal judge of
40 a municipality, any member of the planning board or zoning board
41 of adjustment, or any professional planner, or consultant regularly
42 employed or retained by such planning board or zoning board of
43 adjustment, of a municipality wherein a medical cannabis
44 cultivator, medical cannabis manufacturer, medical cannabis

1 dispensary, or clinical registrant issued a permit pursuant to
2 P.L.2009, c.307 (C.24:6I-1 et al.) is located.

3 b. (1) No State officer or employee, nor any person, nor any
4 member of the immediate family of any State officer or employee,
5 or person, nor any partnership, firm, or corporation with which any
6 such State officer or employee or person is associated or in which
7 he has an interest, nor any partner, officer, director, or employee
8 while he is associated with such partnership, firm, or corporation,
9 shall hold, directly or indirectly, an interest in, or hold employment
10 with, or represent, appear for, or negotiate on behalf of, any holder
11 of, or applicant for, a casino license, or any holding or intermediary
12 company with respect thereto, in connection with any cause,
13 application, or matter, except as provided in section 3 of P.L.2009,
14 c.26 (C.52:13D-17.3), and except that **[(1)]** (a) a State officer or
15 employee other than a State officer or employee included in the
16 definition of person, and **[(2)]** (b) a member of the immediate
17 family of a State officer or employee, or of a person, may hold
18 employment with the holder of, or applicant for, a casino license if,
19 in the judgment of the State Ethics Commission, the Joint
20 Legislative Committee on Ethical Standards, or the Supreme Court,
21 as appropriate, such employment will not interfere with the
22 responsibilities of the State officer or employee, or person, and will
23 not create a conflict of interest, or reasonable risk of the public
24 perception of a conflict of interest, on the part of the State officer or
25 employee, or person. No special State officer or employee without
26 responsibility for matters affecting casino activity, excluding those
27 serving in the Departments of Education, Health **[and Senior**
28 **Services]**, and Human Services and the **[Commission on]** Office of
29 the Secretary of Higher Education, shall hold, directly or indirectly,
30 an interest in, or represent, appear for, or negotiate on behalf of, any
31 holder of, or applicant for, a casino license, or any holding or
32 intermediary company with respect thereto, in connection with any
33 cause, application, or matter. However, a special State officer or
34 employee without responsibility for matters affecting casino
35 activity may hold employment directly with any holder of or
36 applicant for a casino license or any holding or intermediary
37 company thereof and if so employed may hold, directly or
38 indirectly, an interest in, or represent, appear for, or negotiate on
39 behalf of, **[his]** that employer, except as otherwise prohibited by
40 law.

41 (2) No State officer or employee, nor any person, nor any
42 member of the immediate family of any State officer or employee,
43 or person, nor any partnership, firm, or corporation with which any
44 such State officer or employee or person is associated or in which
45 he has an interest, nor any partner, officer, director, or employee
46 while he is associated with such partnership, firm, or corporation,

1 shall hold, directly or indirectly, an interest in, or hold employment
2 with, or represent, appear for, or negotiate on behalf of, or derive
3 any remuneration, payment, benefit, or any other thing of value for
4 any services, including but not limited to consulting or similar
5 services, from any holder of, or applicant for, a license, permit, or
6 other approval to conduct Internet gaming, or any holding or
7 intermediary company with respect thereto, or any Internet gaming
8 affiliate of any holder of, or applicant for, a casino license, or any
9 holding or intermediary company with respect thereto, or any
10 business, association, enterprise, or other entity that is organized, in
11 whole or in part, for the purpose of promoting, advocating for, or
12 advancing the interests of the Internet gaming industry generally or
13 any Internet gaming-related business or businesses in connection
14 with any cause, application, or matter, except as provided in section
15 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that **[(1)]** (a) a
16 State officer or employee other than a State officer or employee
17 included in the definition of person, and **[(2)]** (b) a member of the
18 immediate family of a State officer or employee, or of a person,
19 may hold employment with the holder of, or applicant for, a license,
20 permit, or other approval to conduct Internet gaming, or any
21 holding or intermediary company with respect thereto, or any
22 Internet gaming affiliate of any holder of, or applicant for, a casino
23 license, or any holding or intermediary company with respect
24 thereto if, in the judgment of the State Ethics Commission, the Joint
25 Legislative Committee on Ethical Standards, or the Supreme Court,
26 as appropriate, such employment will not interfere with the
27 responsibilities of the State officer or employee, or person, and will
28 not create a conflict of interest, or reasonable risk of the public
29 perception of a conflict of interest, on the part of the State officer or
30 employee, or person.

31 (3) No State officer or employee, nor any person, nor any
32 member of the immediate family of any State officer or employee,
33 or person, nor any partnership, firm, or corporation with which any
34 such State officer or employee or person is associated or in which
35 he has an interest, nor any partner, officer, director, or employee
36 while he is associated with such partnership, firm, or corporation,
37 shall hold, directly or indirectly, an interest in, or hold employment
38 with, or represent, appear for, or negotiate on behalf of, any holder
39 of, or applicant for, a medical cannabis cultivator, medical cannabis
40 manufacturer, medical cannabis dispensary, or clinical registrant
41 permit issued pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) or in
42 any entity that employs any certified medical cannabis handler to
43 perform transfers or deliveries of medical cannabis, or any holding
44 or intermediary company with respect thereto, in connection with
45 any cause, application, or matter, except as provided in section 3 of
46 P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State officer

1 or employee other than a State officer or employee included in the
2 definition of person, and (b) a member of the immediate family of a
3 State officer or employee, or of a person, may hold employment
4 with the holder of, or applicant for, a medical cannabis cultivator,
5 medical cannabis manufacturer, medical cannabis dispensary, or
6 clinical registrant permit or any entity that employs any certified
7 medical cannabis handler to perform transfers or deliveries of
8 medical cannabis if, in the judgment of the State Ethics
9 Commission, the Joint Legislative Committee on Ethical Standards,
10 or the Supreme Court, as appropriate, such employment will not
11 interfere with the responsibilities of the State officer or employee,
12 or person, and will not create a conflict of interest, or reasonable
13 risk of the public perception of a conflict of interest, on the part of
14 the State officer or employee, or person. No special State officer or
15 employee without responsibility for matters affecting medical
16 cannabis activity, excluding those serving in the Departments of
17 Education, Health, and Human Services and the Office of the
18 Secretary of Higher Education, shall hold, directly or indirectly, an
19 interest in, or represent, appear for, or negotiate on behalf of, any
20 holder of, or applicant for, a medical cannabis cultivator, medical
21 cannabis manufacturer, medical cannabis dispensary, or clinical
22 registrant permit or any entity that employs any certified medical
23 cannabis handler to perform transfers or deliveries of medical
24 cannabis, or any holding or intermediary company with respect
25 thereto, in connection with any cause, application, or matter.
26 However, a special State officer or employee without responsibility
27 for matters affecting medical cannabis activity may hold
28 employment directly with any holder of or applicant for a medical
29 cannabis cultivator, medical cannabis manufacturer, medical
30 cannabis dispensary, or clinical registrant permit, or any entity that
31 employs any certified medical cannabis handler to perform transfers
32 or deliveries of medical cannabis, or any holding or intermediary
33 company thereof, and if so employed may hold, directly or
34 indirectly, an interest in, or represent, appear for, or negotiate on
35 behalf of, that employer, except as otherwise prohibited by law.

36 c. (1) No person or any member of his immediate family, nor
37 any partnership, firm, or corporation with which such person is
38 associated or in which he has an interest, nor any partner, officer,
39 director, or employee while he is associated with such partnership,
40 firm or corporation, shall, within two years next subsequent to the
41 termination of the office or employment of such person, hold,
42 directly or indirectly, an interest in, or hold employment with, or
43 represent, appear for, or negotiate on behalf of, any holder of, or
44 applicant for, a casino license in connection with any cause,
45 application or matter, or any holding or intermediary company with
46 respect to such holder of, or applicant for, a casino license in

1 connection with any phase of casino development, permitting,
2 licensure, or any other matter whatsoever related to casino activity,
3 except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3),
4 and except that:

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

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

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

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

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

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

35 (a) a member of the immediate family of a person may hold
36 employment with the holder of, or applicant for, a medical cannabis
37 cultivator, medical cannabis manufacturer, medical cannabis
38 dispensary, or clinical registrant permit issued pursuant to P.L.2009,
39 c.307 (C.24:6I-1 et al.) or any entity that employs any certified
40 medical cannabis handler to perform transfers or deliveries of
41 medical cannabis if, in the judgment of the State Ethics
42 Commission, the Joint Legislative Committee on Ethical Standards,
43 or the Supreme Court, as appropriate, such employment will not
44 interfere with the responsibilities of the person and will not create a
45 conflict of interest, or reasonable risk of the public perception of a
46 conflict of interest, on the part of the person;

1 (b) an employee who is terminated as a result of a reduction in
2 the workforce at the agency where employed, other than an
3 employee who held a policy-making management position at any
4 time during the five years prior to termination of employment, may,
5 at any time prior to the end of the two-year period, accept
6 employment with the holder of, or applicant for, a medical cannabis
7 cultivator, medical cannabis manufacturer, medical cannabis
8 dispensary, or clinical registrant permit or any entity that employs
9 any certified medical cannabis handler to perform transfers or
10 deliveries of medical cannabis if, in the judgment of the State Ethics
11 Commission, the Joint Legislative Committee on Ethical Standards,
12 or the Supreme Court, as appropriate, such employment will not
13 create a conflict of interest, or reasonable risk of the public
14 perception of a conflict of interest, on the part of the employee. In
15 no case shall the restrictions of this subsection apply to a secretarial
16 or clerical employee. Nothing herein contained shall alter or amend
17 the post-service or post-employment restrictions applicable to
18 members and employees of the Cannabis Regulatory Commission
19 pursuant to paragraph (2) of subsection c. of section 34 and section
20 35 of P.L. , c. (C.) (pending before the Legislature as this
21 bill); and

22 (c) any partnership, firm, or corporation engaged in the practice
23 of law or in providing any other professional services with which
24 any person included in subparagraphs (a) and (c) of paragraph (1) of
25 subsection a. of this section, or a member of the immediate family
26 of that person, is associated, and any partner, officer, director, or
27 employee thereof, other than that person, or immediate family
28 member, may represent, appear for, or negotiate on behalf of any
29 holder of, or applicant for, a medical cannabis cultivator, medical
30 cannabis manufacturer, medical cannabis dispensary, or clinical
31 registrant permit or any entity that employs any certified medical
32 cannabis handler to perform transfers or deliveries of medical
33 cannabis in connection with any cause, application, or matter or any
34 holding company or intermediary company with respect to such
35 holder of, or applicant for, a medical cannabis cultivator, medical
36 cannabis manufacturer, medical cannabis dispensary, or clinical
37 registrant permit or entity that employs any certified medical
38 cannabis handler to perform transfers or deliveries of medical
39 cannabis, in connection with any phase of development, permitting,
40 or any other matter whatsoever related to medical cannabis activity,
41 and that person or immediate family member shall not be barred
42 from association with such partnership, firm, or corporation, if for a
43 period of two years next subsequent to the termination of the
44 person's office or employment, the person or immediate family
45 member (i) is screened from personal participation in any such
46 representation, appearance or negotiation; and (ii) is associated with

1 the partnership, firm, or corporation in a position which does not
2 entail any equity interest in the partnership, firm, or corporation.
3 The exception provided in this paragraph shall not apply to a former
4 Governor, Lieutenant Governor, Attorney General, the President of
5 the Senate, the Speaker of the General Assembly, to a person
6 included in subparagraph (b) of paragraph (2) of subsection a. of
7 this section, or to the members of their immediate families.

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

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

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

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

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

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

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

18 In addition, for violations of subsection c. of this section
19 occurring after the effective date of P.L.2005, c.382, a civil penalty
20 of not less than \$500 nor more than \$10,000 shall be imposed upon
21 a former State officer or employee or former special State officer or
22 employee of a State agency in the Executive Branch upon a finding
23 of a violation by the State Ethics Commission, which penalty may
24 be collected in a summary proceeding pursuant to the "Penalty
25 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
26 (cf: P.L.2013, c.27, s.35)

27
28 39. (New section) If any provision of P.L.2009, c.307 (C.24:6I-
29 1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.) or its application
30 to any person or circumstance is held invalid, the invalidity does not
31 affect other provisions or applications of P.L.2009, c.307 (C.24:6I-1
32 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.) which can be
33 given effect without the invalid provision or application, and to this
34 end the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) and
35 P.L.2015, c.158 (C.18A:40-12.22 et al.) are severable.

36
37 40. N.J.S.2C:35-18 is amended to read as follows:
38 2C:35-18. Exemption; Burden of Proof. a. If conduct is
39 authorized by the provisions of P.L.1970, c.226 (C.24:21-1 et seq.),
40 P.L.2009, c.307 (C.24:6I-1 et al.), or P.L.2015, c.158 (C.18A:40-
41 12.22 et al.), that authorization shall, subject to the provisions of
42 this section, constitute an exemption from criminal liability under
43 this chapter or chapter 36, and the absence of such authorization
44 shall not be construed to be an element of any offense in this
45 chapter or chapter 36. It is an affirmative defense to any criminal
46 action arising under this chapter or chapter 36 that the defendant is

1 the authorized holder of an appropriate registration, permit, or order
2 form or is otherwise exempted or excepted from criminal liability
3 by virtue of any provision of P.L.1970, c.226 (C.24:21-1 et seq.),
4 P.L.2009, c.307 (C.24:6I-1 et al.), or P.L.2015, c.158 (C.18A:40-
5 12.22 et al.). The affirmative defense established herein shall be
6 proved by the defendant by a preponderance of the evidence. It
7 shall not be necessary for the State to negate any exemption set
8 forth in this act or in any provision of Title 24 of the Revised
9 Statutes in any complaint, information, indictment, or other
10 pleading or in any trial, hearing, or other proceeding under this act.

11 b. No liability shall be imposed by virtue of this chapter or
12 chapter 36 upon any duly authorized State officer, engaged in the
13 enforcement of any law or municipal ordinance relating to
14 controlled dangerous substances or controlled substance analogs.
15 (cf: P.L.2015, c.158, s.3)

16

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

19 1. a. A board of education or chief school administrator of a
20 nonpublic school shall develop a policy authorizing parents,
21 guardians, and **【primary】** designated caregivers to administer
22 medical **【marijuana】** cannabis to a student while the student is on
23 school grounds, aboard a school bus, or attending a school-
24 sponsored event.

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

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

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

37 (3) expressly authorize parents, guardians, and **【primary】**
38 designated caregivers of students who have been authorized for the
39 medical use of **【marijuana】** cannabis to administer medical
40 **【marijuana】** cannabis to the student while the student is on school
41 grounds, aboard a school bus, or attending a school-sponsored
42 event;

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

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

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

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

11

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

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

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

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

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

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

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

41 c. Medical **【marijuana】** cannabis may be administered to a
42 person receiving services for persons with developmental
43 disabilities at a facility that offers such services while the person is
44 at the facility, provided that such administration is consistent with

1 the requirements of the policy adopted pursuant to this section and
2 the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).

3 d. Nothing in this section shall be construed to authorize
4 medical **【marijuana】** cannabis to be smoked in any place where
5 smoking is prohibited pursuant to N.J.S.2C:33-13.
6 (cf: P.L.2015, c.158, s.2)

7
8 43. (New section) a. The chief administrator of a facility that
9 offers behavioral health care services shall develop a policy
10 authorizing a parent, guardian, or designated caregiver authorized to
11 assist a qualifying patient with the use of medical cannabis pursuant
12 to P.L.2009, c.307 (C.24:6I-1 et al.) to administer medical cannabis
13 to a person who is receiving behavioral health care services at the
14 facility.

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

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

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

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

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

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

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

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

1 mental illness, severe emotional disorder, or any drug or alcohol use
2 disorder.

3

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

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

22 b. The Director of the Division of Consumer Affairs, pursuant
23 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
24 1 et seq.), and in consultation with the **【Commissioner of Health**
25 **and Senior Services】** Cannabis Regulatory Commission, shall adopt
26 rules and regulations to effectuate the purposes of subsection a. of
27 this section.

28 c. Notwithstanding any provision of P.L.1968, c.410
29 (C.52:14B-1 et seq.) to the contrary, the Director of the Division of
30 Consumer Affairs shall adopt, immediately upon filing with the
31 Office of Administrative Law and no later than the 90th day after
32 the effective date of P.L.2009, c.307 (C.24:6I-1 et al.), such
33 regulations as the director deems necessary to implement the
34 provisions of subsection a. of this section. Regulations adopted
35 pursuant to this subsection shall be effective until the adoption of
36 rules and regulations pursuant to subsection b. of this section and
37 may be amended, adopted, or readopted by the director in
38 accordance with the requirements of P.L.1968, c.410 (C.52:14B-
39 1 et seq.).

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

41

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

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

- 1 (1) Approaching a patient to elicit a detailed and accurate
2 history, perform an appropriate physical examination, identify
3 problems, record information, and interpret and present information
4 to the supervising physician;
 - 5 (2) Suturing and caring for wounds including removing sutures
6 and clips and changing dressings, except for facial wounds,
7 traumatic wounds requiring suturing in layers, and infected wounds;
 - 8 (3) Providing patient counseling services and patient education
9 consistent with directions of the supervising physician;
 - 10 (4) Assisting a physician in an inpatient setting by conducting
11 patient rounds, recording patient progress notes, determining and
12 implementing therapeutic plans jointly with the supervising
13 physician, and compiling and recording pertinent narrative case
14 summaries;
 - 15 (5) Assisting a physician in the delivery of services to patients
16 requiring continuing care in a private home, nursing home,
17 extended care facility, or other setting, including the review and
18 monitoring of treatment and therapy plans; and
 - 19 (6) Referring patients to, and promoting their awareness of,
20 health care facilities and other appropriate agencies and resources in
21 the community.
 - 22 (7) (Deleted by amendment, P.L.2015, c.224)
- 23 b. A physician assistant may perform the following procedures
24 only when directed, ordered, or prescribed by the supervising
25 physician, or when performance of the procedure is delegated to the
26 physician assistant by the supervising physician as authorized under
27 subsection d. of this section:
- 28 (1) Performing non-invasive laboratory procedures and related
29 studies or assisting duly licensed personnel in the performance of
30 invasive laboratory procedures and related studies;
 - 31 (2) Giving injections, administering medications, and requesting
32 diagnostic studies;
 - 33 (3) Suturing and caring for facial wounds, traumatic wounds
34 requiring suturing in layers, and infected wounds;
 - 35 (4) Writing prescriptions or ordering medications in an inpatient
36 or outpatient setting in accordance with section 10 of P.L.1991,
37 c.378 (C.45:9-27.19); **and**
 - 38 (5) Prescribing the use of patient restraints; and
 - 39 (6) Authorizing qualifying patients for the medical use of
40 cannabis and issuing written instructions for medical cannabis to
41 registered qualifying patients pursuant to P.L.2009, c.307 (C.24:6I-
42 1 et al.).
- 43 c. A physician assistant may assist a supervising surgeon in the
44 operating room when a qualified assistant physician is not required
45 by the board and a second assistant is deemed necessary by the
46 supervising surgeon.

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

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

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

17

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

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

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

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

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

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

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

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

44 (2) the physician assistant has registered with, and obtained
45 authorization to order or prescribe controlled dangerous substances

1 from, the federal Drug Enforcement Administration and any other
2 appropriate State and federal agencies; and

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

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

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

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

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

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

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

28 (1) a supervising physician has authorized the physician
29 assistant to issue written instructions to registered qualifying
30 patients;

31 (2) the physician assistant verifies the patient's status as a
32 registered qualifying patient; and

33 (3) the physician assistant complies with the requirements for
34 issuing written instructions for medical cannabis established
35 pursuant to P.L.2009, c.307 (C.24:6I-1 et al.).

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

37

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

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

46 (1) initiating laboratory and other diagnostic tests;

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

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

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

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

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

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

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

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

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

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

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

44 (1) the collaborating physician and advanced practice nurse
45 shall address in the joint protocols whether prior consultation with

- 1 the collaborating physician is required to initiate a prescription for a
2 controlled dangerous substance;
- 3 (2) the prescription is written in accordance with standing orders
4 or joint protocols developed in agreement between a collaborating
5 physician and the advanced practice nurse, or pursuant to the
6 specific direction of a physician;
- 7 (3) the advanced practice nurse writes the prescription on a New
8 Jersey Prescription Blank pursuant to P.L.2003, c.280 (C.45:14-
9 40 et seq.), signs the nurse's own name to the prescription and prints
10 the nurse's name and certification number;
- 11 (4) the prescription is dated and includes the name of the patient
12 and the name, address, and telephone number of the collaborating
13 physician;
- 14 (5) the physician is present or readily available through
15 electronic communications;
- 16 (6) the charts and records of the patients treated by the advanced
17 practice nurse are periodically reviewed by the collaborating
18 physician and the advanced practice nurse;
- 19 (7) the joint protocols developed by the collaborating physician
20 and the advanced practice nurse are reviewed, updated, and signed
21 at least annually by both parties; and
- 22 (8) the advanced practice nurse has completed six contact hours
23 of continuing professional education in pharmacology related to
24 controlled substances, including pharmacologic therapy, addiction
25 prevention and management, and issues concerning prescription
26 opioid drugs, including responsible prescribing practices,
27 alternatives to opioids for managing and treating pain, and the risks
28 and signs of opioid abuse, addiction, and diversion, in accordance
29 with regulations adopted by the New Jersey Board of Nursing. The
30 six contact hours shall be in addition to New Jersey Board of
31 Nursing pharmacology education requirements for advanced
32 practice nurses related to initial certification and recertification of
33 an advanced practice nurse as set forth in N.J.A.C.13:37-7.2.
- 34 d. The joint protocols employed pursuant to subsections b. and
35 c. of this section shall conform with standards adopted by the
36 Director of the Division of Consumer Affairs pursuant to section 12
37 of P.L.1991, c.377 (C.45:11-51) or section 10 of P.L.1999, c.85
38 (C.45:11-49.2), as applicable.
- 39 e. (Deleted by amendment, P.L.2004, c.122.)
- 40 f. An attending advanced practice nurse may determine and
41 certify the cause of death of the nurse's patient and execute the
42 death certification pursuant to R.S.26:6-8 if no collaborating
43 physician is available to do so and the nurse is the patient's primary
44 caregiver.
- 45 g. An advanced practice nurse may authorize qualifying
46 patients for the medical use of cannabis and issue written

1 instructions for medical cannabis to registered qualifying patients,
2 subject to the following conditions:

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

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

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

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

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

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

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

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

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

32

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

34

35 49. This act shall take effect immediately.

36

37

38

STATEMENT

39

40 This bill makes various revisions to the “Compassionate Use
41 Medical Marijuana Act,” P.L.2009, c.307 (C.24:6I-1 et al.),
42 including renaming the act the “Jake Honig Compassionate Use
43 Medical Cannabis Act,” establishing a new Cannabis Regulatory
44 Commission (CRC) to oversee the medical cannabis program;
45 revising the requirements to authorize a patient for medical
46 cannabis; revising the permit and operational requirements for
47 alternative treatment centers (ATCs), including establishing discrete

1 cultivator, manufacturer, and dispensary permits; creating a new
2 clinical registrant permit; authorizing delivery of medical cannabis,
3 and establishing additional protections for registry cardholders.

4
5 Cannabis Regulatory Commission
6

7 The CRC will consist of five, full-time members. At least one
8 member is to be a State representative of a national organization or
9 State branch of such an organization with a stated mission of
10 studying, advocating, or adjudicating against forms of social
11 injustice or inequality, and all members are to possess education,
12 training, or experience with: legal, policy, or criminal justice issues;
13 corporate or industry management, finance, securities, or
14 production or distribution; medicine or pharmacology; or public
15 health, mental health, or substance use disorders.

16 The initially designated chair and two other initial members will
17 be appointed by the Governor, another initial member will be
18 appointed by the Governor upon the recommendation of the Senate
19 President, and the final initial member will be appointed by the
20 Governor upon the recommendation of the Speaker of the General
21 Assembly. Thereafter, the Governor will appoint, with the advice
22 and consent of the Senate, the chair and the two other members not
23 requiring any legislative leadership recommendation. The
24 appointments based upon based upon the Senate President's and
25 Speaker's recommendation would continue to be direct
26 gubernatorial appointments that are not subject to the advice and
27 consent of the Senate. All five members will serve terms of five
28 years, although the initial terms would include one four-year term
29 and one three-year term in order to stagger reappointments. The
30 chair will be provided a salary not to exceed \$141,000, and the
31 other members will be provided a salary not to exceed \$125,000.

32 The CRC will assume responsibility for oversight,
33 administration, and enforcement of the medical cannabis program
34 from the Department of Health at such time as the members of the
35 commission are appointed and the commission first organizes. The
36 bill will permit, based on the transfer of responsibility, employees
37 of the department who performed the duties of any position to be
38 filled by the CRC a one-time right of first refusal offer of
39 employment. Any department employee who is employed by the
40 CRC in this manner will retain seniority, and all rights related to
41 seniority, that the employee had with the department as of the last
42 day of employment with the department.

43 The CRC will be charged with establishing a plan of
44 organization, and employing personnel as it deems necessary to
45 operate under the direct supervision of a full-time executive
46 director. The new executive director position will be initially filled
47 directly by the Governor, and thereafter will be appointed by the
48 Governor with the advice and consent of the Senate.

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

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

30

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

32

33 The members of the CRC and all CRC employees will be subject
34 to ethical and conflicts-of-interest restrictions, addressing activities
35 engaged in prior to, during, and following service with the CRC.
36 For instance, a person generally may not be an appointed member
37 or employee of the CRC if, during the period commencing three
38 years prior to appointment or employment, the person held any
39 direct or indirect interest in, or any employment by, a holder of or
40 applicant for an ATC permit, unless the person's prior interest
41 would not, in the opinion of the CRC, interfere with the person's
42 obligations of appointment or employment. Additionally, for a
43 period of two years commencing from the date that a member's or
44 employee's service terminates, that former member or employee
45 will not be permitted to hold any direct or indirect interest in, or any
46 employment by, a holder of or applicant for an ATC permit;
47 provided that the two-year post-service restriction would not apply
48 to secretarial or clerical employees.

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

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

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

44 The ethical and conflicts-of-interest restrictions will be enforced
45 by the State Ethics Commission, and any person found to have
46 committed a violation will be subject to a civil penalty of not less
47 than \$500 or more than \$10,000. Additionally, any willful violation
48 of these restrictions will constitute a disorderly persons offense,

1 punishable by a term of imprisonment of up to six months, a fine of
2 up to \$1,000, or both.

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

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

14

15 Patient and Caregiver Requirements

16

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

33 The bill expands the list of professionals who can authorize
34 patients for the medical use of cannabis. Current law only allows
35 physicians to provide this authorization; the bill provides that
36 physician assistants and advanced practice nurses may authorize
37 patients for medical cannabis as well, and eliminates the
38 requirement for the professional to have a bona fide provider-
39 patient relationship with the patient. The bill requires that only a
40 pediatric specialist may approve a patient who is a minor for
41 medical cannabis. The bill provides that health care practitioners
42 will not be required to register with the CRC, or be publicly listed
43 in any CRC registry, as a condition of authorizing patients for
44 medical cannabis. Practitioners will be prohibited from authorizing
45 themselves or members of their immediate family for medical
46 cannabis.

47 With regard to caregivers, current law provides that each patient
48 may have only one primary caregiver and that a person may serve

1 as primary caregiver to no more than one patient at a time. The bill
2 changes the term “primary caregiver” to “designated caregiver,”
3 and provides that each caregiver may serve up to two patients at one
4 time and that each patient may have up to two designated caregivers
5 at one time. Patients may petition the CRC for approval to have
6 more than two designated caregivers. An immediate family
7 member of a patient will not be required to undergo a criminal
8 history record background check as a condition of serving as
9 designated caregiver.

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

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

16 The bill allows the CRC to establish an alternate means to
17 identify and verify the registration status of patients and caregivers
18 other than the registry identification card currently in use.

19

20 Dispensing Requirements for Medical Cannabis

21

22 Current law provides that up to two ounces of medical cannabis
23 may be dispensed to a patient in a 30-day period. The bill revises
24 these quantity restrictions to provide that, for a period of 18 months
25 after the effective date of the bill, patients may be dispensed up to
26 three ounces of medical cannabis in dried form or the equivalent
27 amount in any other form. Thereafter, the maximum amount that
28 may be dispensed to a patient will be established by the CRC by
29 regulation. Current law provides that a physician may authorize a
30 patient for up to a 90-day supply of medical cannabis at one time,
31 with specified dates on which each set of written instructions
32 becomes valid for dispensing. The bill revises this to allow a
33 practitioner to authorize up to a one-year supply at one time, subject
34 to the same staggered dispensing requirements. Upon dispensing
35 medical cannabis, the medical cannabis dispensary or clinical
36 registrant is to notify the practitioner of the amount, strain, and
37 form of medical cannabis dispensed. The bill removes a provision
38 that limits access to edible forms of medical cannabis, including
39 oils, to qualifying patients who are minors, and specifies that
40 medical cannabis may be distributed in transdermal, sublingual, and
41 tincture forms, as well as in the forms authorized under current law.

42 The bill authorizes delivery of medical cannabis to patients by a
43 certified medical cannabis handler who holds a medical cannabis
44 delivery certification. Medical cannabis may be delivered to the
45 patient at the patient's home address or at a second address on file
46 with the CRC, to the home address of the patient's designated
47 caregiver, or directly to an institutional caregiver at a health care
48 facility where the patient is a current resident. The CRC is to

1 additionally establish a process to authorize deliveries of medical
2 cannabis to the patient at an alternate address in cases of need.
3 Medical cannabis deliveries may be made by an employee of a
4 medical cannabis dispensary or clinical registrant or by an
5 independent third party contractor. A handler who holds a medical
6 cannabis delivery certification may simultaneously hold a medical
7 cannabis transfer certification, described below. Municipalities
8 may not restrict or prohibit deliveries of medical cannabis by
9 municipal ordinance or any other measure, and any such
10 prohibition, if enacted, would be deemed null and void. The CRC
11 may authorize the use of an Internet-based web service operated by
12 an independent third party entity for patients and their caregivers to
13 request and schedule deliveries. Permitted entities that use a third
14 party delivery service will be exempt from any criminal liability for
15 any reportable events occurring during delivery, such as motor
16 vehicle accidents, diversion, or losses.

17 The CRC is to establish recommended dosing guidelines for
18 medical cannabis products that are equivalent to one ounce of
19 medical cannabis in dried form.

20 The bill requires the CRC to establish a process for patients to be
21 dispensed up to a two-week supply of medical cannabis during the
22 pendency of the patient's registration with the CRC. The CRC is to
23 establish appropriate restrictions to protect against fraud, abuse, and
24 diversion.

25 The bill provides that medical cannabis may be dispensed to a
26 patient by any medical cannabis dispensary or clinical registrant in
27 the State; under current law, patients are to be registered with, and
28 may only be dispensed medical cannabis from, a single ATC where
29 the patient is registered. The bill requires that, prior to dispensing
30 medical cannabis to a patient, the dispensary or clinical registrant
31 will be required to access a system currently maintained by the
32 Division of Consumer Affairs in the Department of Law and Public
33 Safety that tracks written instructions for, and dispensations of,
34 medical cannabis, in order to ascertain whether any medical
35 cannabis was dispensed to or on behalf of the patient within the
36 preceding 30 days.

37 The bill provides that a practitioner or an immediate family
38 member of a practitioner who authorizes patients for medical
39 cannabis may not hold any profit or ownership interest in an ATC.
40 A practitioner or the immediate family member of a practitioner
41 who applies for an ATC identification card is to certify that the
42 practitioner has not authorized any patients for medical cannabis in
43 the preceding 90 days. A person who violates the prohibition will
44 be guilty of a crime of the fourth degree, which is punishable by
45 imprisonment for up to 18 months, up to a \$10,000 fine, or both.
46 The bill specifies that nothing in the prohibition will ban any
47 practitioner from serving on the governing board or medical
48 advisory board of an ATC, provided the practitioner receives no

1 special compensation or remuneration from the ATC, including
2 payments based on patient volumes or the number of authorizations
3 for medical cannabis the practitioner issues.

4 The bill additionally prohibits practitioners from authorizing
5 themselves or members of their immediate family for the medical
6 use of cannabis.

7 The bill requires the CRC to establish curricula for practitioners
8 and employees of medical cannabis dispensaries and clinical
9 registrants that are designed to assist with patient consultations
10 regarding the form, strain, quantity, and dosing of medical cannabis
11 appropriate to the patient's qualifying medical condition.
12 Practitioners will be required to complete the health care
13 practitioner curriculum as a condition of authorizing patients for the
14 medical use of cannabis, and employees of medical cannabis
15 dispensaries and clinical registrants will be required to complete the
16 curriculum as a condition of registering with the CRC.

17 Currently, medical cannabis is subject to the State sales tax. The
18 bill will phase out the sales tax over three years, with the tax
19 dropping to four percent on July 1, 2020, to two percent on July 1,
20 2021, and being completely exempt from all state sales tax as of
21 July 1, 2022. Until then, any sales tax assessed on medical
22 cannabis is to be exclusively appropriated to programs for the
23 treatment of mental health and substance use disorders.

24 The bill also authorizes municipalities in which a medical
25 cannabis dispensary or clinical registrant is located to assess a
26 transfer tax of up to two percent on the purchase price of all
27 medical cannabis dispensed by the dispensary or clinical registrant.

28

29 ATC Application and Permitting Requirements

30

31 The bill establishes three distinct permit types in connection with
32 the production and dispensing of medical cannabis: medical
33 cannabis cultivators, medical cannabis manufacturers, and medical
34 cannabis dispensaries. The bill identifies the specific activities and
35 functions authorized for each permit type. The CRC will be
36 required to issue a request for new permit applications within 90
37 days of the effective date of the bill, and to make a determination on
38 any permit application within 90 days after the date of submission.

39 For a period of 18 months after the effective date of the bill, an
40 entity will be permitted to hold only one permit of any type. After
41 18 months, an entity will be authorized to concurrently hold
42 medical cannabis cultivator, medical cannabis manufacturer, and
43 medical cannabis dispensary permits.

44 However, the bill provides that the CRC is to issue three new
45 ATC permits that are not subject to these restrictions; these three
46 ATCs will be deemed to concurrently hold medical cannabis
47 cultivator, medical cannabis manufacturer, and medical cannabis
48 dispensary permits immediately upon approval, regardless on the

1 general 18-month restriction on vertical integration. These three
2 ATCs will also be authorized to establish one satellite dispensary
3 location each, provided the entity applies for the satellite dispensary
4 within 18 months after the effective date of the bill. The three ATC
5 permits are to be distributed with one located in each of the
6 northern, central, and southern regions of the State.

7 The restriction on vertical integration will also not apply to
8 ATCs that were issued a permit prior to the effective date of the bill
9 or that were issued a permit after the effective date of the bill
10 pursuant to an application submitted prior to the effective date of
11 the bill, or to up to four ATCs issued permits after the effective date
12 of the bill pursuant to a request for applications published in the
13 New Jersey Register prior to the effective date of the bill, which
14 will be deemed to hold medical cannabis cultivator, medical
15 cannabis manufacturer, and medical cannabis dispensary permits.
16 Any ATC issued a permit prior to the effective date of the bill and
17 any ATCs issued a permit after the effective date of the bill
18 pursuant to an application submitted prior to the effective date of
19 the bill will be authorized to hold up to two satellite dispensary
20 permits, including any satellite dispensary permit approved prior to
21 the effective date of the bill or approved pursuant to an application
22 submitted prior to the effective date of the bill, and any satellite
23 dispensary approved pursuant to an application submitted within the
24 first 18 months after the effective date of the bill. Aside from these
25 grandfathered satellite dispensaries and the new satellite
26 dispensaries expressly authorized under the bill, plus any satellite
27 dispensary authorized for a clinical registrant, no new satellite
28 dispensaries will be approved.

29 The bill restricts the total number of entities authorized to
30 cultivate medical cannabis to 28 for the first 18 months after the
31 effective date of the bill, which will include any ATCs issued a
32 permit prior to the effective date of the bill and the new permits
33 required to be issued under the bill, but will not include
34 microbusinesses issued a cultivator permit.

35 The CRC will be required to specify by regulation the number of
36 new permits of each type that it will authorize in the first year
37 following the effective date of the bill, and thereafter periodically
38 evaluate whether the current number of permits is sufficient to meet
39 the needs of qualifying patients and issue requests for new
40 applications as needed. The CRC may additionally convene a task
41 force comprising individuals with expertise in the medical cannabis
42 industry to make recommendations to the CRC concerning the
43 content of rules and regulations governing the medical cannabis
44 program.

45 The bill sets forth the specific information to be considered when
46 reviewing new permit applications, which includes specific
47 information concerning the applicant's operational experience,
48 workforce development plan, community impact analysis, security

1 capabilities, storage systems, emergency management plan, prisoner
2 reentry program plan, and proposed location, along with any other
3 criteria the CRC deems appropriate. The CRC will determine the
4 weight to be afforded to each criterion.

5 Additionally, each applicant will be required to submit an
6 attestation by a bona fide labor organization stating that the
7 applicant has entered into a labor peace agreement with the
8 organization. Maintenance of a labor peace agreement will be an
9 ongoing condition for maintaining a permit. In reviewing
10 applications, the CRC is to additionally evaluate the applicant's
11 history and relationships with labor organizations, as well as any
12 current collective bargaining agreements the applicant is part of.
13 Microbusinesses, described below, are exempt from these
14 requirements.

15 The bill requires that at least one-third of new permits of all
16 types, other than clinical registrant permits, be issued as
17 "conditional permits," which are permits issued pursuant to a less-
18 restrictive application process for entities funded by smaller
19 investors with an adjusted gross income of no more than \$200,000,
20 or \$400,000 if filing jointly. The CRC is to provide the conditional
21 permit holder with a list of requirements with which the permit
22 holder will be required to comply within 120 days after issuance of
23 the conditional permit. If the CRC determines that, during this 120-
24 day period, the permit holder was in compliance with the CRC's
25 requirements, the CRC may convert the conditional permit into a
26 full permit, which will be renewable annually. If the permit holder
27 is not in compliance with the requirements, the permit will expire at
28 the end of the 120-day period, unless it is revoked by the CRC
29 sooner. A converted conditional permit will continue to count
30 towards the total percentage of conditional permits required for that
31 permit type. The requirement that one third of all new permits be
32 conditional permits will not apply to the first three ATC permits
33 issued after the effective date of the bill.

34 The bill additionally requires that at least 10 percent of the total
35 permits issued for each permit type, other than clinical registrant
36 permits, are to be issued to microbusinesses. The requirements for
37 a microbusiness are: 100 percent of the ownership of a
38 microbusiness is to be held by current New Jersey residents who
39 have resided in the State for at least the past two years; at least 51
40 percent of the owners, directors, officers, and employees of the
41 microbusiness are to be residents of the municipality where the
42 microbusiness is located or a bordering municipality; the
43 microbusiness may employ no more than 10 employees, inclusive
44 of owners, officers, and directors; and the microbusiness facility
45 may occupy an area of no more than 2,500 square feet. The bill sets
46 forth certain restrictions for each type of microbusiness permit:
47 microbusiness medical cannabis cultivators will be restricted to a
48 grow canopy of no more than 2,500 square feet and a height

1 restriction of 24 feet, and will be limited to possessing no more than
2 1,000 mature and immature plants at one time; microbusiness
3 medical cannabis manufacturers will be restricted to acquiring and
4 processing no more than 1,000 pounds of medical cannabis in dried
5 form, or the equivalent amount in any other form, in a month; and a
6 microbusiness medical cannabis dispensary will be permitted to
7 acquire and dispense no more than 1,000 pounds of medical
8 cannabis in dried form, or the equivalent in any other form, in a
9 month. Permit fees for microbusinesses are half the regular permit
10 fees. The application process for a microbusiness permit is the
11 same as for any other permit, and a permit issued to a
12 microbusiness, like any other permit, is renewable annually.

13 Applicants may submit multiple permit applications, with a
14 separate application for each proposed facility; the bill establishes
15 procedures for determining which permit to award to an applicant
16 who scores high enough to be awarded multiple permits of the same
17 type.

18 The CRC will be required to conduct a disparity study to
19 evaluate the adverse effects of the State's drug laws on New Jersey
20 communities to determine whether race-based measures should be
21 considered when issuing new medical cannabis cultivator,
22 manufacturer, and dispensary permits, and incorporate the policies,
23 practices, protocols, standards, and criteria developed by the Office
24 of Minority, Disabled Veterans, and Women Medical Cannabis
25 Business Development to promote participation in the medical
26 cannabis industry by persons from socially and economically
27 disadvantaged communities. At least 15 percent of the total number
28 of new permits are to be issued to minority-owned businesses, and
29 an additional 15 percent of the total number of new permits are to
30 be issued to women-owned or disabled veteran-owned businesses.

31 The CRC is to grant special consideration to an applicant for an
32 integrated curriculum permit or "IC permit," pursuant to which the
33 applicant establishes an agreement with an institution of higher
34 education to create an integrated curriculum involving the
35 theoretical or practical application of medical cannabis cultivation,
36 manufacturing, or dispensing to an area of academic study.
37 Integrated curricula are subject to approval by the CRC and the
38 Office of the Secretary of Higher Education. If an IC permit
39 holder's agreement with an institution of higher education ends, the
40 IC permit holder will have six months to establish a new integrated
41 curriculum or the IC permit will be revoked, unless the CRC
42 determines that the entity should be allowed to retain the permit.
43 The CRC may establish incentives to encourage applicants to seek
44 IC permits, such as revised permit fees.

45 The bill additionally establishes requirements for issuance of a
46 clinical registrant permit, which will authorize the permit holder to
47 engage in all conduct related to the cultivation, manufacturing, and
48 dispensing of medical cannabis and medical cannabis products as is

1 authorized for other ATC permit holders. The clinical registrant
2 will be required to enter into a contractual relationship with an
3 academic medical center, which is a facility located in New Jersey
4 that has a faculty practice in addiction medicine or is in the same
5 health care system as another facility in the State that offers
6 substance use disorder treatment services, has a faculty practice in
7 pain management or a facility-based pain management practice, has
8 a graduate medical training program that includes primary care and
9 specialized medicine, is the principal teaching affiliate of a New
10 Jersey medical school, and has the ability to conduct research
11 related to cannabis. If the facility is part of a health care system,
12 the health care system is required to be principally located in New
13 Jersey in order for the facility to qualify as an academic medical
14 center. The CRC will be required to request applications for at least
15 four clinical registrant permits within 90 days after the effective
16 date of the bill or upon the adoption of rules and regulations
17 required under the bill, whichever occurs first.

18 Academic medical centers will engage in clinical research related
19 to medical cannabis in order to advise the affiliated clinical
20 registrant concerning patient health and safety, medical
21 applications, and the dispensing and management of controlled
22 dangerous substances. Clinical registrant applicants will be
23 required to demonstrate at least \$15 million in capital.

24 A clinical registrant permit will be valid for the term of the
25 contractual relationship, and may be renewed based upon the
26 clinical registrant renewing its contractual relationship with the
27 academic medical center. A clinical registrant permit may not be
28 sold or transferred. Each clinical registrant may contract with no
29 more than one academic medical center.

30 Clinical registrants will be authorized to serve all qualifying
31 patients, as well as qualifying patients who agree to participate in
32 clinical research. Clinical registrants may operate from more than
33 one location and may be approved for a satellite dispensing
34 location, and may relocate to another location in the same region
35 unless the CRC determines relocation would be contrary to the
36 purposes of the medical cannabis laws. Clinical registrants are
37 required to report the results of the clinical research to the CRC
38 upon completion of the study or following publication of the study
39 in a peer-reviewed medical journal.

40 An entity issued a medical cannabis cultivator, manufacturer, or
41 dispensary permit may not concurrently hold a clinical registrant
42 permit, and an entity issued a clinical registrant permit may not
43 concurrently hold any medical cannabis cultivator, manufacturer, or
44 dispensary permit.

45 The bill revises the criminal history record background check
46 requirements for medical cannabis cultivator, manufacturer,
47 dispensary, and clinical registrant applicants to provide that a
48 conviction for a crime of the first, second, or third degree, as well

1 as any drug offense other than marijuana possession convictions or
2 convictions for dispensing less than five pounds of marijuana,
3 constitutes a disqualifying conviction that may bar the applicant
4 from holding an interest in or being employed by a medical
5 cannabis cultivator, manufacturer, dispensary, or clinical registrant.
6 Current law limits disqualifying convictions to drug offenses other
7 than minor cannabis possession. The CRC will retain the discretion
8 to issue a permit to an applicant if it finds evidence of
9 rehabilitation.

10 The bill further provides that no criminal history record
11 background check will be required for an applicant who holds less
12 than a five percent investment interest in the medical cannabis
13 cultivator, manufacturer, dispensary, or clinical registrant, or who is
14 a member of a group that holds less than a 20 percent investment
15 interest where no member of the group holds more than a five
16 percent interest in the total group investment, and the applicant does
17 not have the authority to make operational decisions for the
18 permitted entity. Individuals and groups that are exempt from the
19 criminal history record background check requirement will not be
20 required to complete any application information. If the applicant
21 or group gains an investment interest above these thresholds or the
22 applicant gains the authority to make operational decisions, the
23 individual or group will be required to notify the CRC, provide all
24 information as may be required by the CRC, and undergo a criminal
25 history record background check within 30 days, or the permit will
26 be revoked and the individual or group will be prohibited from
27 holding any investment interest in a medical cannabis cultivator,
28 manufacturer, dispensary, or clinical registrant for a period of at
29 least two years, and for such additional period as the CRC deems
30 appropriate in light of the duration of the nondisclosure, the size of
31 the undisclosed interest, the profits realized from the entity during
32 the period of nondisclosure, and whether the individual would have
33 been otherwise ineligible to hold the investment interest or
34 controlling authority based on a disqualifying conviction or other
35 factor.

36 The bill prohibits an employee of any department, division,
37 agency, board, or other governmental entity involved in the process
38 of reviewing, processing, or making determinations with regard to a
39 medical cannabis permit from having any financial interest in
40 medical cannabis or receiving anything of value from a permit
41 applicant in exchange for reviewing, processing, or making
42 recommendations with regard to a permit application.

43 Applications for medical cannabis cultivator, manufacturer, and
44 dispensary permits and for clinical registrant permits will be exempt
45 from the "Open Public Records Act," P.L.1963, c.73 (C.47:1A-1 et
46 seq.) and P.L.2001, c.404 (C.47:1A-5 et al.).

ATC Operational Requirements

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The bill requires medical cannabis dispensaries and clinical registrants to establish and maintain standardized price lists, which will reflect the price of all medical cannabis, medical cannabis products, and related supplies and paraphernalia dispensed or sold by the dispensary or clinical registrant to or on behalf of registered qualifying patients. Price lists are to be posted on the dispensary's or clinical registrant's Internet website, if any, maintained on file with the CRC, and may be updated once per month. A dispensary or clinical registrant that sells medical cannabis or medical cannabis products at a price that deviates from its price list will be liable to a civil penalty of \$1,000 per sale, and dispensary or clinical registrant that fails to maintain its current price list on file with the CRC will be liable to a civil penalty of \$10,000 for each week during which the CRC does not have the current price list. The prices charged by a medical cannabis dispensary or clinical registrant are to be reasonable and consistent with the costs of acquiring and dispensing, selling, or transferring the medical cannabis or medical cannabis product.

The bill provides that medical cannabis may be transferred between medical cannabis cultivators, manufacturers, dispensaries, clinical registrants, and testing laboratories by a medical cannabis handler certified as a medical cannabis transporter. Transfers may be effectuated using either medical cannabis handlers employed by a permitted entity or by an independent third-party entity. The bill sets forth certain operational protocols and recordkeeping requirements for the transfer of medical cannabis, which are generally comparable to the operational requirements and protocols for deliveries of medical cannabis. A medical cannabis handler may possess both delivery and transfer certifications. Municipalities may not restrict or prohibit transfers of medical cannabis by municipal ordinance or any other measure, and any such prohibition, if enacted, would be deemed null and void.

The bill requires the CRC to develop and maintain a comprehensive tracking system for medical cannabis that covers cultivation through final dispensing. The tracking system is to be designed to prevent diversion and tampering while promoting accurate accounting and recording of all information relevant to the medical cannabis or medical cannabis product. The system is to utilize a stamp for tracking purposes, which is to be affixed to medical cannabis packages and containers by medical cannabis cultivators, medical cannabis manufacturers, and clinical registrants. The purchase price of the stamp is to be reasonable and commensurate with the cost of producing the stamp.

The owners, directors, officers, and employees at each medical cannabis cultivator, manufacturer, dispensary, courier, and clinical registrant will be required to undergo eight hours of ongoing

1 training each calendar year. The training is to be tailored to the
2 roles and responsibilities of the individual's job function and
3 include training on confidentiality and any other topics required by
4 the CRC. For medical cannabis dispensary and clinical registrant
5 employees, the ongoing training may include completing the
6 curriculum developed by the CRC concerning patient consultations.
7 Additionally, all individuals who handle medical cannabis in any
8 capacity are required to be certified by the CRC as medical
9 cannabis handlers. The training required for handler certification
10 will only be required once, and will count toward the required eight
11 hours of annual training.

12 The bill requires the CRC to establish, by regulation, thresholds
13 for administrative action to be taken against permit holders,
14 including specific penalties and disciplinary actions that may be
15 imposed in a summary proceeding.

16 The bill provides that the first six ATC permits issued after
17 P.L.2009, c.307 (C.24:6I-1 et al.) took effect may sell or transfer
18 that permit to a for profit entity, provided that: the owners, officers,
19 directors, employees, and applicable investors complete a criminal
20 history record background check; the CRC approves the sale or
21 transfer; and the sale or transfer takes place within one year after
22 the effective date of the bill. The sale or transfer will not be subject
23 to the requirements of the "New Jersey Nonprofit Corporation Act,"
24 N.J.S.15A:1-1 et seq., provided that, prior to or at the time of the
25 sale or transfer, all debts and obligations of the nonprofit entity are
26 either paid in full or assumed by the for-profit entity purchasing or
27 acquiring the permit, or a reserve fund is established for the purpose
28 of paying in full the debts and obligations of the nonprofit entity,
29 and the for-profit entity pays the full value of all assets held by the
30 nonprofit entity, as reflected on the nonprofit entity's balance sheet,
31 in addition to the agreed-upon price for the sale or transfer of the
32 entity's alternative treatment center permit. Any other sale or
33 transfer of an interest in a permitted entity of five percent or more
34 will be subject to approval by the CRC and will be conditioned on
35 the entity purchasing or receiving the transfer of the interest
36 completing a criminal history record background check.

37 The bill authorizes medical cannabis dispensaries and clinical
38 registrants to establish medical cannabis consumption areas, subject
39 to approval by the CRC and the municipality in which the
40 dispensary or clinical registrant is located. A consumption area is
41 required to be on the premises of the dispensary or clinical
42 registrant, accessible only to patients and their designated
43 caregivers, and screened by sufficient walls or other barriers to
44 prevent any view of patients consuming medical cannabis.
45 Consumption areas may be indoor or outdoor, provided that no
46 consumption of medical cannabis by smoking occurs indoors and no
47 medical cannabis smoke seeps into any indoor public area or
48 workplace. The CRC may require any ventilation features for a

1 consumption area as it deems necessary and appropriate, and smoke
2 from the consumption of medical cannabis may not seep into any
3 indoor public place or workplace.

4 The bill provides that medical cannabis cultivators,
5 manufacturers, dispensaries, and clinical registrants will be
6 permitted to establish a medical advisory board to advise the
7 permitted entity on all aspects of its business. A medical advisory
8 board is to comprise five members: three healthcare practitioners;
9 one qualifying patient who resides in the same area as the permitted
10 entity; and one business owner from the same area as the permitted
11 entity. No owner, director, officer, or employee of a permitted
12 entity may serve on a medical advisory board. Medical advisory
13 boards are to meet at least two times per year.

14 Medical cannabis dispensaries and clinical registrants are to
15 consider whether to make interpreter services available to the
16 population served, including for individuals with a vision or hearing
17 impairment. The CRC is to assist facilities in locating appropriate
18 interpreter resources. Dispensaries and clinical registrants will be
19 responsible for the cost of providing interpreter services.

20 Medical cannabis cultivators, manufacturers, dispensaries,
21 clinical registrants, and entities employing medical cannabis
22 handlers to perform deliveries and transfers of medical cannabis
23 operating on a for-profit basis may not operate at any premises that
24 were the subject of a business development incentive. Medical
25 cannabis cultivators and clinical registrants may not be located on
26 land valued, assessed, or taxed as an agricultural or horticultural use
27 pursuant to the "Farmland Assessment Act of 1964," P.L.1964, c.48
28 (C.54:4-23.1 et seq.).

29

30 Other Cannabis-Related Licensure

31

32 The bill requires each batch of medical cannabis and each batch
33 of a medical cannabis product to be tested by a laboratory to
34 determine its chemical composition and potency and to screen for
35 contamination by microbial contaminants, foreign material, residual
36 pesticides, other agricultural residue and residual solvents, and
37 heavy metals. The laboratory is to produce a written report
38 detailing the results of the testing, a summary of which is to be
39 included in any packaging materials for the medical cannabis or
40 cannabis product. Laboratories may charge a reasonable fee for
41 performing the test. The testing requirement will take effect once
42 the CRC certifies that there are a sufficient number of testing
43 laboratories licensed to ensure that the testing and labeling
44 requirements can be satisfied without disrupting timely patient
45 access to medical cannabis.

46 Laboratories providing testing services will be required to
47 register with the CRC and will be subject to inspection to ensure
48 that the equipment used is in good condition and properly

1 calibrated. The owners, directors, officers, and employees of a
2 testing laboratory will be required to undergo a criminal history
3 record background check as a condition of licensure; no applicant
4 with a disqualifying conviction will be authorized to own, operate,
5 or be employed by a medical cannabis testing laboratory.
6 “Disqualifying conviction” means any drug offense other than
7 minor cannabis possession; applicants with a disqualifying
8 conviction may still be approved if the applicant demonstrates clear
9 and convincing evidence of rehabilitation. As a condition of
10 licensure, each laboratory will be required to certify its intention to
11 seek third party accreditation in accordance with ISO 17025 to
12 ensure equipment is routinely inspected, calibrated, or maintained,
13 until such time as the CRC issues its own standards or confirms the
14 use of ISO 17025.

15 The CRC will be required to establish testing standards;
16 however, until such time as the standards are adopted, testing
17 laboratories will be authorized to utilize testing standards from
18 another state with a medical cannabis program, which state is to be
19 designated by the CRC.

20 The CRC is required to conduct a feasibility study concerning
21 the establishment of a new research and development permit that
22 would be dedicated to advancing the medical uses of cannabis. The
23 study is to examine potential funding sources and include a public
24 hearing, and the CRC is to conduct the study every three years until
25 such time as a research and development permit is established in the
26 State. The CRC will be authorized to establish additional permit
27 types as may be appropriate, including permits authorizing
28 pharmacies to be issued medical cannabis dispensary permits.

29

30 Legal Protections for Patients and Caregivers

31

32 The bill provides that qualifying patients and designated
33 caregivers may not be discriminated against when enrolling in
34 schools and institutions of higher education, when renting or leasing
35 real property, or in the issuance of professional licensing,
36 certifications, or permits issued by the State, solely on the basis of
37 the individual’s status as a registry cardholder or engaging in
38 authorized conduct in relation to medical cannabis. However,
39 schools, institutions of higher education, landlords, and licensing
40 authorities will not be required to take any action that would
41 jeopardize a monetary grant or privilege of licensure based on
42 federal law. Schools, institutions, and landlords may not be
43 penalized or denied benefits under State law solely on the basis of
44 enrolling or renting or leasing real property to a registered patient.
45 A person’s status as a patient or caregiver, or as an owner, officer,
46 director, or employee of a medical cannabis cultivator,
47 manufacturer, dispensary, or clinical registrant will not constitute

1 the sole grounds for entering an order restricting or denying custody
2 of, or visitation with, a minor child of the person.

3 The bill provides that medical cannabis is to be treated the same
4 as any other medication for the purposes of furnishing medical care,
5 including determining the individual's eligibility for an organ
6 transplant.

7 The bill prohibits employers from taking any adverse
8 employment action against an employee based on the employee's
9 status as a registry identification cardholder. If an employer has a
10 drug testing policy and an employee or job applicant tests positive
11 for cannabis, the employee or job applicant is to be offered an
12 opportunity to present a legitimate medical explanation for the
13 positive test result or request a retest. Nothing in the bill will
14 restrict an employer's ability to prohibit or take adverse
15 employment action for the possession or use of intoxicating
16 substances during work hours or on workplace premises outside of
17 work hours, or require an employer to commit any act that would
18 violate federal law or result in the loss of a federal contract or
19 federal funding. Employers will not be penalized or denied any
20 benefit under State law for employing a person who is a registry
21 cardholder.

22 The bill provides that health care facilities are prohibited from
23 taking adverse employment action or ending a professional
24 affiliation with a health care practitioner solely based on the
25 practitioner authorizing patients for the medical use of medical
26 cannabis or otherwise engaging in authorized conduct in relation to
27 medical cannabis. Health care facilities may not be penalized or
28 denied benefits under State law for employing or maintaining a
29 professional affiliation with a practitioner who engages in
30 authorized conduct in relation to medical cannabis.

31 Health care facilities may not be penalized or denied any benefit
32 under State law solely for permitting or prohibiting the handling,
33 administration, usage, or storage of medical cannabis, provided that
34 the facility's policies related to medical cannabis are consistent with
35 all other facility policy on medication handling, administration,
36 usage, or storage. Health care facilities will also not be penalized
37 or denied any benefit under State law solely for prohibiting the
38 smoking of medical cannabis on facility property in accordance
39 with the facility's smoke free policy.

40 Insurance carriers will be prohibited from denying health care
41 practitioners medical malpractice coverage or charging increased
42 premiums, deductibles, or other fees based on the practitioner
43 engaging in authorized conduct in relation to medical cannabis.

44 The bill prohibits any action or proceeding by the Division of
45 Child Protection and Permanency in the Department of Children
46 and Families be initiated against a pregnant woman or against the
47 parent or guardian of a minor child on the sole grounds that the
48 individual is a registered qualifying patient, a designated or

1 institutional caregiver, or a director, officer, or employee of an
2 ATC.

3 The bill provides that the chief administrator of a facility that
4 provides behavioral health services is to develop a policy allowing
5 designated caregivers, parents, and guardians access to registered
6 qualifying patients who are receiving services at the facility, for the
7 purpose of assisting the patient with the administration of medical
8 cannabis. Nothing in the bill will authorize medical cannabis to be
9 smoked in any area of the facility where smoking is otherwise
10 prohibited by law.

11 The bill updates the annual reporting requirements for the CRC
12 to reflect new data that will be generated pursuant to the bill,
13 including information concerning diversity in the permits awarded
14 in by the CRC and information on disparities in drug arrests.

15 Nothing in the bill is to be construed to restrict or otherwise
16 affect the sale, prescribing, and dispensing of prescription drugs and
17 devices approved by the federal Food and Drug Administration.

18 The bill adds a severability clause and provides that the CRC
19 may waive any requirements of the State medical cannabis laws if a
20 waiver is necessary to achieve the purposes of the law and provide
21 access to patients who would not otherwise qualify for medical
22 cannabis to alleviate suffering from a debilitating medical
23 condition, and if granting the waiver does not create a danger to the
24 public health, safety, or welfare.