

Suggested allocation: ss.1-3: C.24:6I-17 to -19; ss.4-6: C.2C:35-10b to -10d; ss.7-13: C.24:6I-20 to -26; ss.17 and 18: C.24:6I-27 and -28; s.19: C.54:32H-1; s.20: C.54:32B-8.64; s.21: C.40:48I-1; ss.22-31: C.24:6I-29 to -38; s.32: C.34:6B-20; s.33: C.17:16F-7.1; s.34: C.5:10-50; ss.37-39: C.24:6I-39 to -41; s.44: C.2C:35-10a; s.45: C.2C:52-6.1; s.48: 2C:52-6.2; ss.49-51: C.2B:1-14 to -16; s.57: C.40:48-1.2b; ss.74-76: C.24:6I-42 to -44; s.77: C.2C:35-10e; ss.81 and 82: C.24:6I-45 and -46; s.83: C.18A:3-33; s.84: C.24:6I-47; and s.85: Eff. date & Note to all sections to 2019/15

SENATE COMMITTEE SUBSTITUTE FOR

[First Reprint]

SENATE, No. 2703

STATE OF NEW JERSEY

Sponsored by Senators SCUTARI and SWEENEY

AN ACT concerning the regulation and use of cannabis, and amending and supplementing various parts of the statutory law.

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

1. (New section) This act shall be known and may be cited as the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act.”

2. (New section) Findings and Declarations.

The Legislature finds and declares that:

a. It is the intent of the people of New Jersey to adopt a new approach to our marijuana policies by taxing, controlling, and legalizing a marijuana product, to be referred to as cannabis, in a similar fashion to the regulation of alcohol for adults;

b. It is the intent of the people of New Jersey that the provisions of this act will prevent the sale or distribution of cannabis to persons under 21 years of age;

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.

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c. This act is designed to eliminate the problems caused by the unregulated manufacture, distribution, and use of illegal marijuana within New Jersey;

d. This act will divert funds from marijuana sales from going to illegal enterprises, gangs, and cartels;

e. Black New Jerseyans are nearly three times more likely to be arrested for marijuana possession than white New Jerseyans, despite similar usage rates;

f. New Jersey spends approximately \$127 million per year on marijuana possession enforcement costs;

g. Taxing, controlling, and legalizing cannabis for adults like alcohol will free up precious resources to allow our criminal justice system to focus on serious crime and public safety issues;

h. Taxing, controlling, and legalizing cannabis for adults like alcohol will strike a blow at the illegal enterprises that profit from New Jersey's current, unregulated illegal marijuana market;

i. New Jersey must strengthen our support for evidence-based, drug prevention programs that work to educate New Jerseyans, particularly young New Jerseyans, about the harms of drug abuse;

j. New Jersey must enhance State-supported programming that provides appropriate, evidence-based treatment for those who suffer from the illness of drug addiction;

k. Controlling and regulating the manufacture, distribution, and sale of cannabis will strengthen our ability to keep it and illegal marijuana away from minors;

l. A controlled system of cannabis manufacturing, distribution, and sale must be designed in a way that enhances public health and minimizes harms to New Jersey communities and families;

m. The regulated cannabis system in New Jersey must be regulated so as to prevent persons younger than 21 years of age from accessing or purchasing cannabis;

n. A marijuana arrest in New Jersey can have a debilitating impact on a person's future, including consequences for one's job prospects, housing access, financial health, familial integrity, immigration status, and educational opportunities;

o. The tax revenue generated from a controlled cannabis manufacture, distribution, and retail sales system in New Jersey will generate hundreds of millions of dollars to bolster effective, evidence-based drug treatment and education, and to reinvest in New Jersey communities; and

p. New Jersey cannot afford to sacrifice its public safety and civil rights by continuing its ineffective and wasteful past marijuana enforcement policies.

3. (New section) Definitions.

As used in P.L. , c. (C.) (pending before the Legislature as this bill) regarding the personal use of cannabis, unless the context otherwise requires:

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“Alternative treatment center” means an entity issued a permit to engage in activities associated with medical cannabis pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.).

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

“Cannabis consumption area” means a designated location operated by a cannabis retailer or alternative treatment center, for which both a State and local endorsement has been obtained, that is either: (1) an indoor, structurally enclosed area of a cannabis retailer or alternative treatment center that is separate from the area in which retail sales of cannabis items or the dispensing of medical cannabis occurs; or (2) an exterior structure on the same premises as the cannabis retailer or alternative treatment center, either separate from or connected to the retailer or center, at which cannabis items or medical cannabis either obtained from the retailer or center, or brought by a person to the consumption area, may be consumed.

“Cannabis establishment” means a cannabis grower, also referred to as a cannabis cultivation facility, a cannabis processor, also referred to as a cannabis product manufacturing facility, a cannabis wholesaler, or a cannabis retailer.

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

“Cannabis flower” means the flower of the plant Genus Cannabis L. within the plant family Cannabaceae.

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“Cannabis grower” means any licensed person or entity that grows, cultivates, or produces cannabis in this State, and may sell this cannabis to other cannabis growers, cannabis processors, cannabis wholesalers, or cannabis retailers, but not to consumers. This person or entity shall hold a Class 1 Cannabis Grower license. A cannabis grower may also be referred to as a "cannabis cultivation facility."

“Cannabis item” means any cannabis, cannabis resin, cannabis product, and cannabis extract. “Cannabis item” does not include any form of medical cannabis dispensed to registered qualifying patients pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.).

“Cannabis leaf” means the leaf of the plant genus Genus Cannabis L. within the plant family Cannabaceae.

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

“Cannabis processor” means any licensed person or entity that processes cannabis items in this State by purchasing cannabis, manufacturing, preparing, and packaging cannabis items, and selling these items to other cannabis processors, cannabis wholesalers, or cannabis retailers, but not to consumers. This person or entity shall hold a Class 2 Cannabis Processor license. A cannabis processor may also be referred to as a “cannabis product manufacturing facility.”

“Cannabis product” means a product containing cannabis or cannabis extracts and other ingredients intended for human consumption or use, including a product intended to be applied to the skin or hair, edible products, ointments, and tinctures. Cannabis products do not include: (1) cannabis by itself; or (2) cannabis extract by itself.

“Cannabis Regulatory Commission” means the commission established in but not of the Department of the Treasury.

“Cannabis resin” means the resin extracted from any part of the plant Genus Cannabis L. and any compound, manufacture, salt, derivative, mixture, or preparation of such resin, processed and used in accordance with P.L. , c. (C.) (pending before the Legislature as this bill). “Cannabis resin” does not include any form of medical cannabis dispensed to registered qualifying patients pursuant to the

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“Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.), hashish as defined in N.J.S.2C:35-2 and applied to any offense or civil violation set forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or as defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense of the “New Jersey Controlled Dangerous Substances Act,” P.L.1970, c.226 (C.24:21-1 et al.).

“Cannabis retailer” means any licensed person or entity that purchases cannabis from cannabis growers and cannabis items from cannabis processors or cannabis wholesalers, and sells these to consumers from a retail store. This person or entity shall hold a Class 4 Cannabis Retailer license.

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

“Cannabis wholesaler” means any licensed person or entity that sells cannabis items for the purpose of resale either to another cannabis wholesaler or to a cannabis retailer. This person or entity shall hold a Class 3 Cannabis Wholesaler license.

“Conditional license” means a temporary license designated as either a Class 1 Cannabis Grower license, a Class 2 Cannabis Processor license, a Class 3 Cannabis Wholesaler license, or a Class 4 Cannabis Retailer license that allows the holder to lawfully act as a cannabis grower, cannabis processor, cannabis wholesaler, or cannabis retailer, as the case may be, which is issued pursuant to an abbreviated application process, after which the conditional license holder shall have a limited period of time in which to become fully licensed by satisfying all of the remaining conditions for licensure which were not required for the issuance of the conditional license.

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

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

“Delivery” means the transportation of cannabis items and related supplies to a consumer. “Delivery” also includes the use by a licensed cannabis retailer of any third party technology platform to receive, process, and fulfill orders by consumers, provided that any physical acts in connection with filling the order and delivery shall be accomplished by a certified cannabis handler performing work for or on behalf of the licensed cannabis retailer.

“Department” means the Department of Health.

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

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“Executive director” means the executive director of the Cannabis Regulatory Commission.

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

“Immature cannabis plant” means a cannabis plant that is not flowering.

“Impact zone” means any local governmental entity, based on past criminal marijuana enterprises contributing to higher concentrations of law enforcement activity, unemployment, and poverty within parts of or throughout the entity, that:

(1) has a population of 120,000 or more according to the most recently compiled federal decennial census as of the effective date of P.L. , c. (C.) (pending before the Legislature as this bill); or

(2) ranks in the top 33 percent of local governmental entities in the State for marijuana- or hashish-related arrests for violation of paragraph (4) of subsection a. of N.J.S.2C:35-10 in the calendar year next preceding the effective date of P.L. , c. (C.) (pending before the Legislature as this bill); has a crime index total of 1,000 or higher based upon the indexes listed in the most recently issued annual Uniform Crime Report by the Division of State Police as of that effective date; and has a local governmental entity average annual unemployment rate that ranks in the top 15 percent of all local governmental entities for the calendar year next preceding that effective date, based upon average annual unemployment rates estimated for the relevant calendar year by the Office of Research and Information in the Department of Labor and Workforce Development.

“Jake Honig Compassionate Use Medical Cannabis Act” includes all provisions of P.L.2009, c.307 (C.24:6I-1 et al.), as amended and supplemented by P.L. , c. (C.) (pending before the Legislature as the Third Reprint of Senate Committee Substitute for Senate Bill Nos. 10 and 2426), as well as all provisions of P.L.2009, c.307 (C.24:6I-1 et al.) in effect on the date next preceding the effective date of P.L. , c. (C.) (pending before the Legislature as the Third Reprint of Senate Committee Substitute for Senate Bill Nos. 10 and 2426) until the date those provisions are amended or supplemented.

“License” means a license issued under P.L. , c. (C.) (pending before the Legislature as this bill) that is designated as either a Class 1 Cannabis Grower license, a Class 2 Cannabis Processor license, a Class 3 Cannabis Wholesaler license, or a Class 4 Cannabis Retailer license. The term includes a conditional license for a designated class, except when the context of the provisions of P.L. , c. (C.) (pending before the Legislature as this bill) otherwise intend to only apply to a license and not a conditional license.

“Licensee” means a person or entity that holds a license issued under P.L. , c. (C.) (pending before the Legislature as this

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bill) that is designated as either a Class 1 Cannabis Grower license, a Class 2 Cannabis Processor license, a Class 3 Cannabis Wholesaler license, or a Class 4 Cannabis Retailer license, and includes a person or entity that holds a conditional license for a designated class, except when the context of the provisions of P.L. , c. (C.) (pending before the Legislature as this bill) otherwise intend to only apply to a person or entity that holds a license and not a conditional license.

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

“Local governmental entity” means a municipality.

“Mature cannabis plant” means a cannabis plant that is not an immature cannabis plant.

“Medical cannabis” means cannabis dispensed to registered qualifying patients pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.), as both are amended and supplemented by P.L. , c. (C.) (pending before the Legislature as the Second Reprint of Assembly Committee Substitute combining Assembly Bill No. 10 and the previous Assembly Committee Substitute for Assembly Bill Nos. 3740 and 3437), and includes medical marijuana dispensed under those acts prior to the provisions of P.L. , c. (C.) (pending before the Legislature as the Second Reprint of Assembly Committee Substitute combining Assembly Bill No. 10 and the previous Assembly Committee Substitute for Assembly Bill Nos. 3740 and 3437) taking effect. “Medical cannabis” does not include any cannabis item which is cultivated, produced, processed, and consumed pursuant to P.L. , c. (C.) (pending before the Legislature as this bill).

“Microbusiness” means a person or entity licensed by the commission as a cannabis grower, cannabis processor, cannabis wholesaler, or cannabis retailer that may only, with respect to its business operations, and capacity and quantity of product: (1) employ no more than 10 employees; (2) operate a cannabis establishment occupying an area of no more than 2,500 square feet, and in the case of a cannabis grower, grow cannabis on an area no more than 2,500 square feet measured on a horizontal plane and grow above that plane not higher than 24 feet; (3) possess no more than 1,000 cannabis plants each month; (4) acquire and process each month, in the case of a cannabis processor, no more than 1,000 pounds of cannabis in dried form; (5) acquire for resale each month, in the case of a cannabis wholesaler, no more than 1,000 pounds of cannabis in dried form, or the equivalent amount in any other form, or any combination thereof; and (6) acquire for retail sale each month, in the case of a cannabis retailer, no more than 1,000 pounds

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of cannabis in dried form, or the equivalent amount in any other form, or any combination thereof.

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

“Premises” or “licensed premises” includes the following areas of a location licensed under P.L. , c. (C.) (pending before the Legislature as this bill): all public and private enclosed areas at the location that are used in the business operated at the location, including offices, kitchens, rest rooms, and storerooms; all areas outside a building that the commission has specifically licensed for the production, processing, wholesaling, or retail sale of cannabis items; and, for a location that the commission has specifically licensed for the production of cannabis outside a building, the entire lot or parcel that the licensee owns, leases, or has a right to occupy.

“Process” means the processing, compounding, or conversion of cannabis into cannabis products or cannabis extracts. “Process” does not include packaging or labeling.

“Produce” means the manufacture, planting, cultivation, growing or harvesting of cannabis. “Produce” does not include the drying of cannabis by a cannabis processor, if the cannabis processor is not otherwise producing cannabis; or the cultivation and growing of an immature cannabis plant by a cannabis processor, cannabis wholesaler, or cannabis retailer if the cannabis processor, cannabis wholesaler, or cannabis retailer purchased or otherwise received the plant from a licensed cannabis grower.

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

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

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

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

“THC” means delta-9-tetrahydrocannabinol, the main psychoactive chemical contained in the cannabis plant.

4. (New section) Personal Use of Cannabis or Cannabis Resin.

Notwithstanding any other provision of law, the following acts are not unlawful and shall not be an offense or a basis for seizure or forfeiture of assets under N.J.S.2C:64-1 et seq. or other applicable law for persons 21 years of age or older:

a. Possessing, displaying, purchasing, or transporting: cannabis paraphernalia; one ounce (28.38 grams) or less of cannabis; the equivalent of one ounce (28.38 grams) or less of cannabis infused product in solid, liquid, or concentrate form, based upon an equivalency calculation for different product forms set by the commission in its regulations, and for which the commission may utilize research conducted in other states on the issue of product equivalency calculations when setting this equivalency; or five grams (0.176 ounces) or less of cannabis resin. Possessing, displaying, purchasing, or transporting at any one time any amount of cannabis or cannabis resin in an amount greater than as permitted pursuant to this subsection, or an infused product in solid, liquid, or concentrate form with more than the equivalency permitted pursuant to this subsection shall be considered a violation of the “Comprehensive Drug Reform Act of 1987,” P.L.1987, c.106 (N.J.S.2C:35-1 et al.), and subject the person to a civil penalty or prosecution as if the person possessed, displayed, purchased, or transported marijuana or hashish in violation of that act;

b. Transferring without remuneration: one ounce (28.38 grams) or less of cannabis; the equivalent of one ounce (28.38 grams) or less of cannabis infused product in solid, liquid, or concentrate form, based upon the equivalency calculation for different product forms set by the commission pursuant to subsection a. of this section; or five grams (0.176 ounces) or less of cannabis resin to a person who is of legal age for purchasing cannabis items, provided that such transfer is for non-promotional, non-business purposes. Transferring at any one time any amount of cannabis or cannabis resin in an amount greater than as permitted pursuant to this subsection, or an infused product in solid, liquid, or concentrate form with more than the equivalency permitted pursuant to this subsection, or to a person who is not of legal age to purchase cannabis items, shall be considered a violation of the “Comprehensive Drug Reform Act of 1987,” P.L.1987, c.106 (N.J.S.2C:35-1 et al.), and subject the person to prosecution as if the person distributed marijuana or hashish in violation of that act,

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unless the transfer to a person who is not of legal age was done by a cannabis establishment licensed pursuant to P.L. , c. (C.) (pending before the Legislature as this bill), or an employee or agent thereof, in which case it is a civil violation and the civil penalty set forth in subsection b. of section 6 of P.L. , c. (C.) (pending before the Legislature as this bill) shall apply;

c. Consumption of a lawfully possessed cannabis item, provided that nothing in this section shall permit a person to smoke or otherwise consume any cannabis item in a public place. This prohibition includes the smoking of a cannabis item in any public place pursuant to law that prohibits the smoking of tobacco, including N.J.S.2C:33-13 and the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.), and any indoor public place, as that term is defined in section 3 of P.L.2005, c.383 (C.26:3D-57), or portion thereof, even if the smoking of tobacco is otherwise permitted in that place or portion thereof pursuant to the “New Jersey Smoke-Free Air Act”; except that the smoking of a cannabis item shall be permitted in a cannabis consumption area as set forth in section 82 of P.L. , c. (C.) (pending before the Legislature as this bill), and may be permitted by the person or entity that owns or controls a hotel, motel, or other lodging establishment as defined in section 1 of P.L.1967, c.95 (C.29:4-5) in up to 20 percent of its guest rooms. The smoking of a cannabis item may also be prohibited or otherwise regulated in multifamily housing that is a multiple dwelling as defined in section 3 of P.L.1967, c.76 (C.55:13A-3), as decided by the person or entity that owns or controls the multifamily housing, or prohibited or otherwise regulated in the units of a condominium, as those terms are defined by section 3 of P.L.1969, c.257 (C.46:8B-3), if approved by the association for the condominium and a majority of all of the condominium’s unit owners, as those terms are defined in that section. Except as otherwise provided by P.L. , c. (C.) (pending before the Legislature as this bill), any penalties that may be assessed for the smoking of tobacco where prohibited under the “New Jersey Smoke-Free Air Act” shall be applicable to the smoking of cannabis where prohibited. Concerning the consumption of any cannabis item, other than by smoking: a person or entity that owns or controls a property, other than multifamily housing that is a multiple dwelling as defined in section 3 of P.L.1967, c.76 (C.55:13A-3), a unit of a condominium, as those terms are defined by section 3 of P.L.1969, c.257 (C.46:8B-3), or a site in a mobile home park as defined in section 3 of P.L.1983, c.386 (C.40:55D-102), which site is leased to the owner of a manufactured home, as defined in that section, that is installed thereon, may prohibit or otherwise regulate the consumption of cannabis items on or in that property, including a casino hotel facility as defined in section 19 of P.L.1977, c.110 (C.5:12-19) with respect to a hotel property, a

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casino as defined in section 6 of P.L.1977, c.110 (C.5:12-6), or casino simulcasting facility authorized pursuant to the “Casino Simulcasting Act,” P.L.1992, c.19 (C.5:12-191 et al.); and a local governmental entity may enact an ordinance making it an unlawful act for any person 21 years of age or older to consume, other than by smoking, any cannabis item in a public place, including any indoor public place as that term is defined in section 3 of P.L.2005, c.383 (C.26:3D-57), or portion thereof, and providing a civil penalty for a violation in accordance with section 57 of P.L. , c. (C.) (pending before the Legislature as this bill); and

d. Assisting another person to engage in any of the acts described in subsections a. through c. of this section, provided that the person being assisted is of legal age to purchase cannabis items and the assistance being provided is without remuneration.

5. (New section) Lawful Operation of Cannabis Establishments.

Notwithstanding any other provision of law, the following acts are not unlawful and shall not be a criminal offense or a basis for seizure or forfeiture of assets under N.J.S.2C:64-1 et seq. or other applicable law for persons 21 years of age or older, provided the acts are undertaken by a person acting within the scope of authority provided by a license or certification issued pursuant to P.L. , c. (C.) (pending before the Legislature as this bill):

a. manufacturing, possessing, or purchasing cannabis paraphernalia or the sale of cannabis paraphernalia to a person who is 21 years of age or older;

b. possessing, displaying, or transporting cannabis items; purchasing cannabis from a cannabis cultivation facility; purchasing cannabis items from a cannabis product manufacturing facility; or selling cannabis items to consumers, if the person conducting the activities described in this subsection has obtained a current, valid license to operate as a cannabis retailer or is acting in his capacity as an owner, employee, or agent of a licensed cannabis retailer;

c. cultivating, harvesting, processing, packaging, transporting, displaying, or possessing cannabis; delivering or transferring cannabis to a cannabis testing facility; selling cannabis to a cannabis cultivation facility, a cannabis product manufacturing facility, or a cannabis retailer; or purchasing cannabis from a cannabis cultivation facility, if the person conducting the activities described in this subsection has obtained a current, valid license to operate a cannabis cultivation facility or is acting in his capacity as an owner, employee, or agent of a licensed cannabis cultivation facility;

d. packaging, processing, transporting, manufacturing, displaying, or possessing cannabis items; delivering or transferring cannabis items to a cannabis testing facility; selling cannabis items to a cannabis retailer or a cannabis product manufacturing facility; purchasing cannabis from a cannabis cultivation facility; or purchasing cannabis items from a cannabis product manufacturing

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facility, if the person conducting the activities described in this subsection has obtained a current, valid license to operate a cannabis product manufacturing facility or is acting in his capacity as an owner, employee, or agent of a licensed cannabis product manufacturing facility;

e. possessing, cultivating, processing, repackaging, storing, transporting, displaying, transferring, or delivering cannabis items if the person has obtained a current, valid license to operate a cannabis testing facility or is acting in his capacity as an owner, employee, or agent of a licensed cannabis testing facility; and

f. leasing or otherwise allowing the use of property owned, occupied, or controlled by any person, corporation, or other entity for any of the activities conducted lawfully in accordance with subsections a. through e. of this section.

6. (New section) Prohibition of Persons Under the Legal Age Purchasing Cannabis or Cannabis Resin.

a. Except as authorized by the “Jake Honing Compassionate Use Medical Cannabis Act, P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.), no licensee, either directly or indirectly by an agent or employee, shall sell, offer for sale, distribute for commercial purpose at no cost or minimal cost, give, or furnish, to a person under 21 years of age, any cannabis items.

b. Any licensee or employee or agent of a licensee who allows a person under the age of 21 to procure cannabis items which, pursuant to section 4 of P.L. , c. (C.) (pending before the Legislature as this bill) are not unlawful for persons 21 years of age or older to procure for personal use, shall be subject to a civil penalty of not less than \$250 for the first violation; \$500 for the second violation; and \$1,000 for the third and each subsequent violation; in addition, subject to a hearing, a licensee’s license may be revoked, suspended, or otherwise limited. The penalties provided for in this subsection shall be recovered by a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

c. The establishment of all of the following facts by a licensee, employee, or agent, allowing any such person under the age of 21 to procure cannabis items shall constitute a defense to any violation of the provisions of subsection a. or b. of this section:

(1) That the purchaser of the cannabis item falsely represented that the person was of legal age to make the purchase, by producing either a United States passport; driver’s license or non-driver identification card issued by the New Jersey Motor Vehicle Commission; a driver’s license issued pursuant to the laws of another state; or any other identification card issued by a state or the United States that bears a picture of the person, the name of the person, the person’s date of birth, and a physical description of the person; and

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(2) That the sale or distribution was made in good faith, relying upon the production of the identification in paragraph (1) of this subsection and in the reasonable belief that the purchaser or recipient was actually of legal age to make the purchase.

d. It shall be unlawful for a person under the age of 21 to purchase, acquire, or attempt to purchase or acquire a cannabis item, even if the cannabis item may be legally purchased by persons at or above the legal age for purchasing cannabis items.

For purposes of this subsection, purchasing a cannabis item includes accepting a cannabis item, and acquiring a cannabis item includes consuming a cannabis item.

e. It shall be unlawful for a person under the age of 21 to present or offer to a cannabis establishment or the cannabis establishment's agent or employee any written or oral evidence of age or other personal identifying information that is false, fraudulent, or not actually the person's own, including the use of a driver's license or other government-issued form of identification in violation of section 1 of P.L.1983, c.565 (C.2C:21-2.1), N.J.S.2C:21-17, section 5 of P.L.2003, c.184 (C.2C:21-17.2), or section 6 of P.L.1968, c.313 (C.33:1-81.7), for the purpose of:

(1) Purchasing, attempting to purchase, or otherwise procuring or attempting to procure cannabis items; or

(2) Gaining access to a cannabis establishment.

f. Except as permitted by the commission by rule or regulation, or as necessary on an emergency basis, a person under legal age for purchasing cannabis items may not enter or attempt to enter any portion of a licensed premises that is posted or otherwise identified as being prohibited to the use of persons under legal age for purchasing cannabis items, unless accompanied by and supervised by a parent or legal guardian.

g. Any person under the legal age to purchase cannabis, who knowingly possesses without legal authority or who knowingly consumes any cannabis item, in any school, public conveyance, public place, place of public assembly, or motor vehicle, shall be guilty of an offense as set forth in section 1 of P.L.1979, c.264 (C.2C:33-15). Any person under the legal age to purchase cannabis, who knowingly possesses without legal authority or who knowingly consumes, any cannabis item on private property shall be guilty of a municipal violation as set forth in section 1 of P.L.2000, c.33 (C.40:48-1.2).

h. The prohibitions of this section do not apply to a person under the legal age for purchasing cannabis items who is acting under the direction of the commission or under the direction of State or local law enforcement agencies for the purpose of investigating possible violations of the laws prohibiting the sale of cannabis items to persons who are under the legal age for purchasing cannabis items.

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i. The prohibitions of this section do not apply to a person under the legal age for purchasing cannabis items who is acting under the direction of a licensee for the purpose of investigating possible violations by employees of the licensee of laws prohibiting sales of cannabis items to persons who are under the legal age for purchasing cannabis items.

7. (New section) Creation, Powers, and Duties of the Cannabis Regulatory Commission.

The Cannabis Regulatory Commission is hereby created in, but not of, the Department of the Treasury, to oversee the development, regulation, and enforcement of activities associated with the personal use of cannabis pursuant to P.L. , c. (C.) (pending before the Legislature as this bill), and assume responsibility from the Department of Health for the further development and expansion, regulation, and enforcement of activities associated with the medical use of cannabis pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.).

a. (1) (a) The commission shall consist of five members, one of whom shall be designated by the Governor as the chair, and one of whom shall be designated the vice-chair in accordance with the appointment process set forth in this subparagraph. Initially, the chair and two other members shall be appointed by the Governor, one member shall be appointed and designated the vice-chair by the Governor upon the joint recommendation of the Senate President and Speaker of the General Assembly, and one additional member shall be appointed by the Governor upon the joint recommendation of the Senate President and Speaker of the General Assembly. Thereafter, any subsequent appointment as the chair or as any other commission member without any needed recommendation, including the reappointment of the initial chair or another initial member, shall be an appointment by the Governor, with the advice and consent of the Senate. The subsequent appointments based upon the joint recommendation of the Senate President and Speaker of the General Assembly shall be done in the same manner as the initial appointment.

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

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(2) The chair and the other members shall serve for terms of five years; provided that for the two other members initially appointed by the Governor without any needed recommendation, one shall be appointed for a term of four years, and one shall be appointed for a term of three years. The chair and the other members shall serve in their respective capacities throughout their entire term and until their successors shall have been duly appointed and qualified. Any vacancy in the commission occurring for any reason other than the expiration of a term, including a vacancy occurring during the term of the initial chair or another initial member, shall be filled for the unexpired term only in the same manner as the appointment of any subsequent chair or other member as set forth in subparagraph (a) of paragraph (1) of this subsection.

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

(4) The vice-chair shall be empowered to carry out all of the responsibilities of the chair during the chair's absence, disqualification, or inability to serve.

(5) A majority of the total authorized membership of the commission shall be required to establish a quorum, and a majority of the total authorized membership of the commission shall be required to exercise its powers at any meeting thereof. However, only if all five commissioners have been duly appointed in accordance with the appointment process set forth in subsection a. of this section, and five appointed commissioners are present at a meeting, can a majority of the total authorized membership act to adopt the commission's initial rules and regulations pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill), by which the licensing of cannabis establishments, and the lawfully permitted licensing activities of those establishments, may begin.

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

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

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

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(a) The initial executive director shall be appointed by the Governor, and thereafter every subsequent executive director shall be appointed by the Governor with the advice and consent of the Senate. The executive director shall serve at the pleasure of the appointing Governor during the Governor's term of office and until a successor has been duly appointed and qualified. Any vacancy in the office occurring for any reason other than the expiration of a term, including a vacancy occurring during the term of the initial executive director, shall be filled for the unexpired term only in the same manner as the appointment of any subsequent executive director as set forth herein. The executive director shall receive an annual salary to be fixed and established by the Governor, which shall be at an amount not to exceed the annual salary of a member of the commission not serving as chair, as set forth in paragraph (3) of subsection a. of this section.

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

(ii) If, as a result of the transfer of duties and responsibilities from the Department of Health to the commission in accordance with P.L. , c. (C.) (pending before the Legislature as this bill) and the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) on or after the effective date of P.L. , c. (C.) (pending before the Legislature as the Third Reprint of Senate Committee Substitute for Senate Bill Nos. 10 and 2426), the commission needs to employ an individual to fill a position, employees of the department who performed the duties of the position to be filled shall be given a one-time right of first refusal offer of employment with the commission, and such employees may be removed by the commission for cause or if deemed unqualified to hold the position, notwithstanding any other provision of law to the contrary. A department employee who becomes employed by the commission shall retain as an employee of the commission the seniority, and all rights related to seniority, that the employee had with the department as of the last day of employment with the department; provided, however, that such seniority and seniority rights shall be retained only by an employee who was transferred from employment with the department to employment with the commission, and shall not be retained by an employee who was removed from employment with the department due to layoff procedures or who resigned from a position with the department prior to being hired by the commission.

(2) The commission may sue and be sued in any court, employ legal counsel to represent the commission in any proceeding to which it is a party and render legal advice to the commission upon

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its request, as well as contract for the services of other professional, technical, and operational personnel and consultants as may be necessary to the performance of its responsibilities.

(3) The commission may incur additional expenses within the limits of fund available to it in order to carry out its duties, functions, and powers under P.L. , c. (C.) (pending before the Legislature as this bill), the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), and P.L.2015, c.158 (C.18A:40-12.22 et al.).

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

8. (New section) Powers and Duties of the Cannabis Regulatory Commission Concerning Personal Use of Cannabis; Reporting on Commission’s Activities.

a. The Cannabis Regulatory Commission shall have all powers necessary or proper to enable it to carry out the commission’s duties, functions, and powers under P.L. , c. (C.) (pending before the Legislature as this bill). The jurisdiction, supervision, duties, functions, and powers of the commission extend to any person who buys, sells, produces, processes, transports, or delivers any cannabis items within this State.

b. The duties, functions and powers of the commission shall include the following:

(1) To regulate the purchase, sale, production, processing, transportation, and delivery of cannabis items in accordance with the provisions of P.L. , c. (C.) (pending before the Legislature as this bill);

(2) To grant, refuse, suspend, revoke, cancel, or take actions otherwise limiting licenses or conditional licenses for the sale, processing, or production of cannabis items, or other licenses in regard to cannabis items, and to permit, in the commission’s discretion, the transfer of a license between persons;

(3) To investigate and aid in the prosecution of every violation of the statutory laws of this State relating to cannabis items and to

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cooperate in the prosecution of offenders before any State court of competent jurisdiction;

(4) To adopt, amend, or repeal regulations as necessary to carry out the intent and provisions of P.L. , c. (C.) (pending before the Legislature as this bill);

(5) To exercise all powers incidental, convenient, or necessary to enable the commission to administer or carry out the provisions of P.L. , c. (C.) (pending before the Legislature as this bill), or any other law of this State that charges the commission with a duty, function, or power related to cannabis. Powers described in this paragraph include, but are not limited to:

- (a) Issuing subpoenas;
- (b) Compelling attendance of witnesses;
- (c) Administering oaths;
- (d) Certifying official acts;
- (e) Taking depositions as provided by law;

(f) Compelling the production of books, payrolls, accounts, papers, records, documents, and testimony; and

(g) Establishing fees in addition to the application, licensing, and renewal fees, provided that any fee established by the commission is reasonably calculated not to exceed the cost of the activity for which the fee is charged;

(6) To adopt rules regulating and prohibiting the advertising of cannabis items in a manner that is appealing to minors; that promotes excessive use; that promotes illegal activity; or that otherwise presents a significant risk to public health and safety; and

(7) To regulate the use of cannabis items for scientific, pharmaceutical, manufacturing, mechanical, industrial, and other purposes.

c. The powers of the commission further include the power to purchase, seize, possess, and dispose of cannabis items. The commission may purchase, possess, seize, or dispose of cannabis items as is necessary to ensure compliance with and enforcement of the provisions of P.L. , c. (C.) (pending before the Legislature as this bill), and any rule adopted pursuant thereto. Any State officer, board, commission, corporation, institution, department, or other State body, and any local officer, board, commission, institution, department, or other local government body, that is permitted by the statutory laws of this State to perform a duty, function, or power with respect to a cannabis item, may purchase, possess, seize, or dispose of the cannabis item as the State officer, board, commission, corporation, institution, department or other State body, or the local officer, board, commission, institution, department, or other local government body, considers necessary to ensure compliance with and enforce the applicable statutory law or any rule adopted under the applicable statutory law.

d. (1) (a) Within 180 days after the effective date of this section, which takes effect immediately upon enactment of P.L. ,

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c. (C.) (pending before the Legislature as this bill), or within 45 days of all five members of the commission being duly appointed in accordance with the appointment process set forth in paragraph (5) of subsection a. of section 7 of that act (C.), whichever date is later, and notwithstanding the provisions of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, the commission, after consultation with the Attorney General, State Treasurer, Commissioner of Health, and Commissioner of Banking and Insurance, shall, immediately upon filing proper notice with the Office of Administrative Law, adopt rules and regulations prepared by the commission necessary or proper to enable it to carry out the commission’s duties, functions, and powers with respect to overseeing the development, regulation, and enforcement of activities associated with the personal use of cannabis pursuant to P.L. , c. (C.), and assume responsibility from the Department of Health for the further development and expansion, regulation, and enforcement of activities associated with the medical use of cannabis pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.).

(b) The initial rules and regulations adopted pursuant to subparagraph (a) of this paragraph shall be in effect for a period not to exceed one year after the date of filing with the Office of Administrative Law. These rules and regulations shall thereafter be adopted, amended, or readopted, and any subsequent rules and regulations adopted, amended, or readopted, by the commission in accordance with the requirements of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), after consultation with other department heads, as the commission deems appropriate.

(2) On the date of adoption of the initial rules and regulations pursuant to subparagraph (a) of paragraph (1) of this subsection, the provisions of P.L. , c. (C.) (pending before the Legislature as this bill) shall become operative, other than those provisions which were operative immediately upon enactment. Subsequent to the date of adoption of the initial rules and regulations, the commission shall determine the first date thereafter on which cannabis retailers issued licenses or conditional licenses may begin retail sales of personal use cannabis items, which latter date shall not be more than 180 days after the commission’s adoption of its initial rules and regulations. The commission shall provide every person or entity issued licenses or conditional licenses by the commission with at least 30 days’ notice of this date, and shall also provide the 30-day notice to every alternative treatment center deemed to be licensed for personal use cannabis activities pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), as amended by P.L. , c. (C.) (pending before the Legislature as the Third Reprint to Senate Committee Substitute for Senate Bill Nos. 10 and 2426),

whether or not already engaged in retail sales of personal use cannabis items as permitted prior to the retail sales date established pursuant to this paragraph, as set forth in paragraph (3) of subsection a. of section 30 of P.L. , c. (C.) (pending before the Legislature as this bill).

e. (1) The commission shall biannually report to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) to the Legislature, regarding the commission’s regulation and enforcement activities associated with the personal use of cannabis pursuant to P.L. , c. (C.), and the medical use of cannabis pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), and P.L.2015, c.158 (C.18A:40-12.22 et al.). The biannual report shall include, but is not limited to, information on:

(a) the number of civil penalty citations or arrests or charges for manufacturing, distributing, or possessing or having under control with the intent to distribute marijuana or hashish in violation of paragraph (12) of subsection b. of N.J.S.2C:35-5, or for obtaining or possessing marijuana or hashish in violation of paragraph (4) of subsection a. of N.J.S.2C:35-10, cataloged by the jurisdictions in which the acts resulting in the citations, arrests, or charges occurred, and the race, ethnicity, gender, and age of the persons cited, arrested, or charged;

(b) the number of motor vehicle stops by law enforcement involving violations of R.S.39:4-50, or section 5 of P.L.1990, c.103 (C.39:3-10.13) concerning operators of commercial motor vehicles, for driving under the influence of cannabis or marijuana, or suspicion thereof, cataloged by the jurisdictions in which the stop occurred, and the race, ethnicity, gender, and age of the vehicle driver and any other vehicle occupants;

(c) the total number of personal use cannabis licenses and medical use cannabis permits issued since the distribution of the previous report to the Governor and Legislature, as well as the number for each class of license and permit issued, and the total number and type of applicants that submitted applications for licenses and permits and whether they were approved, reapproved, or denied;

(c) the data compiled by the Office of Minority, Disabled Veterans, and Women Cannabis Business Development pursuant to subsection f. of section 9 of P.L. , c. (C.) (pending before the Legislature as this bill) about participation in the lawful operation of cannabis establishments by persons from socially and economically disadvantaged communities, including minority, disabled veterans’, and women’s business licensing and business development in the personal use cannabis and medical use cannabis marketplaces, and the data shall include the office’s analysis of the total number of licenses and permits applied for and issued since the distribution of the previous report to the Governor and Legislature compared with the total number of minority businesses and

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women's businesses, as these terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled veterans' businesses, as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), that submitted applications for licenses and permits and whether they were approved, reapproved, or denied; and

(d) the total amount of tax revenue generated by the State-level taxes on personal use cannabis collected by the State pursuant to section 19 of P.L. , c. (C.) (pending before the Legislature as this bill), and any optional local tax thereon collected by a local governmental entity pursuant to section 21 of that act (C.).

(2) Beginning on the third anniversary of the commission's first organizational meeting called by the commission chair pursuant to paragraph (4) of subsection a. of section 7 of P.L. , c. (C.) (pending before the Legislature as this bill), a public research university, as defined in section 3 of P.L.1994, c.48 (C.18A:3B-3), contracted by the commission shall engage in an independent study, reviewing the commission's organization, and regulation and enforcement activities, with a focus on the commission's effectiveness as established and operating as a full time commission pursuant to P.L. , c. (C.) (pending before the Legislature as this bill) and whether a better execution of the laws concerning the personal use of cannabis and medical use of cannabis could be more effectively managed, and more efficiently promoted through a reorganization of the commission, consolidation of the commission within the Department of the Treasury or another Executive Branch department, change to a part-time commission, or the transfer of some or all of the commission's operations elsewhere within the Executive Branch, to begin on the fifth anniversary of the commission's first organizational meeting. The findings of the university's study shall be issued in a report, presented to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature.

9. (New section) Office of Minority, Disabled Veterans, and Women Cannabis Business Development; Establishment; Powers and Duties.

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

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b. (1) The office shall establish and administer, under the direction of the commission, unified practices and procedures for promoting participation in the lawful operation of cannabis establishments and medical cannabis alternative treatment centers by persons from socially and economically disadvantaged communities, including by prospective and existing ownership of minority businesses and women’s businesses, as these terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled veterans’ businesses as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2), to be licensed as personal use cannabis establishments under P.L. , c. (C.) (pending before the Legislature as this bill) or issued permits for activities concerning the medical use of cannabis under the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.). These unified practices and procedures shall include the certification and subsequent recertification at regular intervals of a business as a minority or women’s business, or a disabled veterans’ business, in accordance with eligibility criteria and a certification application process established by the commission through regulation in consultation with the office.

(2) The office shall conduct advertising, promotional campaigns, and disseminate information to the public to increase awareness for participation in the lawful operation of cannabis establishments and medical cannabis alternative treatment centers by persons from socially and economically disadvantaged communities, including by prospective and existing ownership of certified minority, women’s, and disabled veterans’ businesses, concerning the qualifications and application processes for licenses and permits pursuant to P.L. , c. (C.) (pending before the Legislature as this bill) or the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.). The office shall sponsor seminars and informational programs, as well as provide information on its Internet website, directed toward those persons and prospective and existing certified businesses which are useful to persons seeking practical information on personal use cannabis or medical cannabis business management, marketing, and other matters.

c. (1) The office shall develop, recommend, and implement policies, practices, protocols, standards, and criteria designed to promote the formulation and participation in the lawful operation of cannabis establishments by persons from socially and economically disadvantaged communities, including by prospective or existing ownership of certified minority, women’s, and disabled veterans’ businesses, the effectiveness of which measures shall be assessed by considering whether those measures have resulted in not less than 30 percent of the total number of licenses issued by the commission for personal use cannabis establishments under P.L. , c. (C.) (pending before the Legislature as this bill), and not less than 30

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percent of the new permits issued for activities concerning the medical use of cannabis under the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) on or after the effective date of P.L. , c. (C.) (pending before the Legislature as the Third Reprint of Senate Committee Substitute for Senate Bill Nos. 10 and 2426) being issued to businesses certified in accordance with the certification process established by the office pursuant to paragraph (1) of subsection b. of this section. Of the resulting total number of licenses issued for personal use cannabis establishments and new permits issued for activities concerning the medical use of cannabis, the effectiveness of the office’s policies, practices, protocols, standards, and criteria shall be further assessed by considering whether those measures have resulted in not less than 15 percent of the licenses and permits being issued to certified minority businesses, and not less than 15 percent of the licenses and permits being issued to certified women’s and disabled veterans’ businesses.

(2) The office shall periodically analyze the number of licenses and permits issued by the commission and compare that analysis to the number of certified minority, women’s, and disabled veterans’ businesses that submitted applications for licenses and permits. The office shall make good faith efforts to establish, maintain, and enhance the measures designed to promote the formulation and participation in the lawful operation of cannabis establishments by persons from socially and economically disadvantaged communities consistent with the standards set forth in paragraph (1) of this subsection, and to coordinate and assist the commission with respect to its incorporation of these licensing measures into the application and review process for issuing licenses for personal use cannabis establishments under P.L. , c. (C.) (pending before the Legislature as this bill), and for issuing permits for activities concerning the medical use of cannabis under the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) on or after the effective date of P.L. , c. (C.) (pending before the Legislature as the Third Reprint of Senate Committee Substitute for Senate Bill Nos. 10 and 2426), as set forth in paragraph (4) of subsection a. of section 17 of P.L. , c. (C.) (pending before the Legislature as this bill).

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

e. The office shall make recommendations to the commission on relevant policy and implementation matters concerning

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participation in the lawful operation of cannabis establishments by persons from socially and economically disadvantaged communities, including by prospective or existing ownership of minority, women's, and disabled veterans' businesses, as the office deems appropriate.

f. The office shall prepare information regarding its activities pursuant to this section addressing participation in the lawful operation of cannabis establishments by persons from socially and economically disadvantaged communities, including minority, women's, and disabled veterans' business development in the retail cannabis and medical cannabis marketplaces, to be incorporated by the commission in its biannual report to the Governor and the Legislature pursuant to subsection e. of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill).

10. (New section) Pre-Interest or Pre-Employment Restrictions on Cannabis Regulatory Commission Members and Employees.

a. No person shall be appointed to or employed by the commission if, during the period commencing three years prior to appointment or employment, the person held any direct or indirect interest in, or any employment by, any holder of, or applicant for, a cannabis license or permit pursuant to P.L. , c. (C.) (pending before the Legislature as this bill), or the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), or which is an entity that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed cannabis establishment; provided, however, that notwithstanding any other provision of P.L. , c. (C.) (pending before the Legislature as this bill) to the contrary, any such person may be appointed to or employed by the commission if the person's prior interest in any such license or permit holder, applicant, or entity involving a certified cannabis handler would not, in the opinion of the commission, interfere with the objective discharge of the person's obligations of appointment or employment, but in no instance shall any person be appointed to or employed by the commission if the person's prior interest in such license or permit holder, applicant, or entity involving a certified cannabis handler constituted a controlling interest in that license or permit holder, or entity; and provided further, however, that notwithstanding any other provision of P.L. , c. (C.) (pending before the Legislature as this bill) to the contrary, any such person may be employed by the commission in a secretarial or clerical position if, in the opinion of the commission, the person's previous employment by, or interest in, any license or permit holder, or entity involving a certified cannabis handler, would not interfere with the objective discharge of the person's employment obligations.

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b. Prior to appointment or employment, each member of the commission and each employee of the commission shall swear or affirm that he possesses no interest in any business or organization issued a license or permit by the commission, or interest in any business or organization that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed cannabis establishment.

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

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

11. (New section) Restrictions on Cannabis Regulatory Commission Members and Employees.

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

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

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

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

(1) No commission member or employee shall be permitted to enter and engage in any activities, nor have any interest, directly or indirectly, in any cannabis grower, cannabis processor, cannabis wholesaler, or cannabis retailer issued its license by the commission in accordance with P.L. , c. (C.) (pending before the Legislature as this bill), or any alternative treatment center issued its permit by the commission in accordance with the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), except in the course of the member’s or employee’s duties.

(2) No commission member or employee shall solicit or accept employment from any personal use cannabis license holder or medical cannabis permit holder, or from any applicant for a license or permit, or any entity that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed cannabis establishment, for a period of two years after termination of service with the commission, except as otherwise provided in section 12 of P.L. , c. (C.) (pending before the Legislature as this bill).

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

(4) No commission member or employee shall act in the member’s or employee’s official capacity in a matter concerning any personal use cannabis license holder or medical cannabis permit holder, or any applicant for a license or permit, or any entity that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed cannabis establishment, and who is the employer of a spouse, domestic partner, or partner in a civil union couple, or child, parent, or sibling of the commission member or employee when the fact of the employment of the spouse, domestic partner, or partner in a civil union couple, or child, parent, or sibling might reasonably be expected to impair the objectivity and independence of judgment of the commission member or employee.

(5) No spouse, domestic partner, or partner in a civil union couple, or child, parent, or sibling of a commission member shall be employed in any capacity by any personal use cannabis license holder or medical cannabis permit holder, or any applicant for a license or permit, or any entity that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed

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cannabis establishment, nor by any holding, intermediary, or subsidiary company thereof.

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

d. No commission member or employee shall have any interest, direct or indirect, in any personal use cannabis license holder or medical cannabis permit holder, or any applicant for a license or permit, or any entity that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed cannabis establishment, during the member's term of office or employee's term of employment.

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

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

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

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

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

(c) Take any active part in political campaigns or the management thereof; provided, however, that nothing herein shall

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prohibit a member or employee from voting as the member or employee chooses or from expressing personal opinions on political subjects and candidates.

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

12. (New section) Post-Service Restrictions on Cannabis Regulatory Commission Members and Employees.

a. No member of the commission shall hold any direct or indirect interest in, or be employed by, any holder of, or applicant for, a personal use cannabis license or medical cannabis permit pursuant to P.L. , c. (C.) (pending before the Legislature as this bill), or the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or which is an entity that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed cannabis establishment, for a period of two years commencing on the date that membership on the commission terminates.

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

(2) Notwithstanding the provisions of this subsection, if the employment of a commission employee, other than an employee who held a policy-making management position at any time during

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the five years prior to termination of employment, is terminated as a result of a reduction in the workforce at the commission, the employee may, at any time prior to the end of the two-year period, accept employment with any personal use cannabis license holder or medical cannabis permit holder, or any applicant for a license or permit, or any entity that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed cannabis establishment, upon application to, and the approval of, the commission, upon a finding that the employment will not create the appearance of a conflict of interest and does not evidence a conflict of interest in fact. The commission shall take action on an application within 30 days of receipt and an application may be submitted to the commission prior to or after the commencement of the employment.

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

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

13. (New section) Liability For Interest, Employment, and Ethics Violations By Applicant for Cannabis License or Permit, License or Permit Holder, and Cannabis Regulatory Commission Members and Employees; Enforcement by State Ethics Commission.

a. (1) No holder of, or applicant for, a personal use cannabis license or medical cannabis permit pursuant to P.L. , c. (C.) (pending before the Legislature as this bill), or the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or entity that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed cannabis establishment shall employ or offer to employ, or provide, transfer, or sell, or offer to provide, transfer, or sell any interest, direct or indirect, in any personal use cannabis license holder or medical cannabis permit holder to any person restricted from such transactions by the provisions of sections 10 through 12 of P.L. , c. (C.) (pending before the Legislature as this bill).

(2) The commission may deny an application, or revoke or suspend a license or permit holder’s license or permit, for committing a violation of this subsection, as well as impose a civil penalty of not less than \$500 nor more than \$10,000, which penalty may be collected in a summary proceeding pursuant to the “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.).

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b. (1) A member or employee of the commission who makes or causes to be made a political contribution prohibited under subsection f. of section 11 of P.L. , c. (C.) (pending before the Legislature as this bill) is guilty of a crime of the fourth degree, but notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine not to exceed \$200,000 may be imposed.

(2) A member or employee of the commission who willfully violates any other provisions in sections 10 through 12 of P.L. , c. (C.) (pending before the Legislature as this bill) is guilty of a disorderly persons offense.

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

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

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

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

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

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

d. "Head of a State agency" means (1) in the case of the Executive Branch of government, except with respect to interstate agencies, the department head or, if the agency is not assigned to a

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department, the Governor, and (2) in the case of the Legislative Branch, the chief presiding officer of each House of the Legislature.

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

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

g. "Interest" means (1) the ownership or control of more than **[10%]** 10 percent of the profits or assets of a firm, association, or partnership, or more than **[10%]** 10 percent of the stock in a corporation for profit other than a professional service corporation organized under the "Professional Service Corporation Act," P.L.1969, c.232 (C. 14A:17-1 et seq.); or (2) the ownership or control of more than **[1%]** one percent of the profits of a firm, association, or partnership, or more than **[1%]** one percent of the stock in any corporation, (a) which is the holder of, or an applicant for, a casino license or in any holding or intermediary company with respect thereto, as defined by the "Casino Control Act," P.L.1977, c.110 (C.5:12-1 et seq.), or (b) which is the holder of, or an applicant for, a license concerning the personal use of cannabis or a permit concerning the medical use of cannabis, issued pursuant to the "New Jersey Cannabis Regulatory and Expungement Aid Modernization Act," P.L. , c. (C.) (pending before the Legislature as this bill), or the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), or any holding or intermediary company with respect thereto, or (c) which is an entity that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed cannabis establishment, or any holding or intermediary company with respect to that entity. The provisions of this act governing the conduct of individuals are applicable to shareholders, associates or professional employees of a professional service corporation regardless of the extent or amount of their shareholder interest in such a corporation.

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

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

15. The title of P.L.1981, c.142 is amended to read as follows:
AN ACT concerning casino activity, and personal use and medical cannabis activities, and the conduct of certain elected and appointed public officers and employees as it relates thereto, amending and supplementing P.L.1971, c.182, amending P.L.1977, c.110, P.L.1980, c.28 and P.L.1980, c.69 , and repealing section 2 of P.L.1980, c.79.
(cf: P.L.1981, c.142, title)

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

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

(1) [any State officer or employee subject to financial disclosure by law or executive order and any other State officer or employee with responsibility for matters affecting casino activity; any special State officer or employee with responsibility for matters affecting casino activity;] (a) with respect to casino activity, personal use cannabis activity subject to the "New Jersey Cannabis Regulatory and Expungement Aid Modernization Act," P.L. , c. (C.) (pending before the Legislature as this bill), and medical cannabis activity subject to the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), the Governor; [any member of the Legislature or] the President of the Senate; the Speaker of the General Assembly; any full-time member of the Judiciary; any full-time professional employee of the Office of the Governor [, or the Legislature; members of the Casino Reinvestment Development Authority]; the head of a principal department; the assistant or deputy heads of a principal department, including all assistant and deputy commissioners; the head of any division of a principal department;

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

(c) with respect to personal use cannabis activity subject to the "New Jersey Cannabis Regulatory and Expungement Aid Modernization Act," P.L. , c. (C.) (pending before the Legislature as this bill), and medical cannabis activity subject to the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009,

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

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

(b) any member of the governing body or the municipal judge of a municipality wherein a cannabis grower, cannabis processor, cannabis wholesaler, or cannabis retailer, issued its license in accordance with the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill), is located, or wherein an alternative treatment center, issued its permit in accordance with the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or deemed to be licensed for personal use cannabis activities pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), or otherwise issued a license therefor by the commission in accordance with the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” is located.

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

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perception of a conflict of interest, on the part of the State officer or employee, or person. No special State officer or employee without responsibility for matters affecting casino activity, excluding those serving in the Departments of Education, Health [and Senior Services], and Human Services and the Commission on Higher Education, shall hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, in connection with any cause, application, or matter. However, a special State officer or employee without responsibility for matters affecting casino activity may hold employment directly with any holder of or applicant for a casino license or any holding or intermediary company thereof and if so employed may hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, [his] that employer, except as otherwise prohibited by law.

(2) No State officer or employee, nor any person, nor any member of the immediate family of any State officer or employee, or person, nor any partnership, firm or corporation with which any such State officer or employee or person is associated or in which he has an interest, nor any partner, officer, director or employee while he is associated with such partnership, firm, or corporation, shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, or derive any remuneration, payment, benefit or any other thing of value for any services, including but not limited to consulting or similar services, from any holder of, or applicant for, a license, permit, or other approval to conduct Internet gaming, or any holding or intermediary company with respect thereto, or any Internet gaming affiliate of any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, or any business, association, enterprise or other entity that is organized, in whole or in part, for the purpose of promoting, advocating for, or advancing the interests of the Internet gaming industry generally or any Internet gaming-related business or businesses in connection with any cause, application, or matter, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that [(1)] (a) a State officer or employee other than a State officer or employee included in the definition of person, and [(2)] (b) a member of the immediate family of a State officer or employee, or of a person, may hold employment with the holder of, or applicant for, a license, permit, or other approval to conduct Internet gaming, or any holding or intermediary company with respect thereto, or any Internet gaming affiliate of any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the

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responsibilities of the State officer or employee, or person, and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the State officer or employee, or person.

(3) No State officer or employee, nor any person, nor any member of the immediate family of any State officer or employee, or person, nor any partnership, firm or corporation with which any such State officer or employee or person is associated or in which he has an interest, nor any partner, officer, director or employee while he is associated with such partnership, firm, or corporation, shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a license concerning the personal use of cannabis or a permit concerning the medical use of cannabis, issued pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill), or the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or any holding or intermediary company with respect thereto, or which is an entity that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed cannabis establishment, in connection with any cause, application, or matter, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that (a) a State officer or employee other than a State officer or employee included in the definition of person, and (b) a member of the immediate family of a State officer or employee, or of a person, may hold employment with the holder of, or applicant for, a personal use cannabis license or medical cannabis permit, or an entity that employs or uses a certified cannabis handler if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the State officer or employee, or person, and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the State officer or employee, or person. No special State officer or employee without responsibility for matters affecting personal use cannabis or medical cannabis activity, excluding those serving in the Departments of Education, Health, and Human Services and the Commission on Higher Education, shall hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a personal use cannabis license or medical cannabis permit, or any holding or intermediary company with respect thereto, or an entity that employs or uses a certified cannabis handler in connection with any cause, application, or matter. However, a special State officer or employee without responsibility for matters affecting personal use cannabis or medical cannabis activity may hold employment directly with any holder of or

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applicant for a personal use cannabis license or medical cannabis permit, or any holding or intermediary company thereof, or an entity that employs or uses a certified cannabis handler, and if so employed may hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, that employer, except as otherwise prohibited by law.

c. No person or any member of his immediate family, nor any partnership, firm or corporation with which such person is associated or in which he has an interest, nor any partner, officer, director or employee while he is associated with such partnership, firm or corporation, shall, within two years next subsequent to the termination of the office or employment of such person, hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for or negotiate on behalf of, any holder of, or applicant for, a casino license, or any holder of, or applicant for, a license concerning the personal use of cannabis or a permit concerning the medical use of cannabis, issued pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill), or the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or any holding or intermediary company with respect thereto, or any entity that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed cannabis establishment, in connection with any cause, application or matter, or any holding or intermediary company with respect to such holder of, or applicant for, a casino license, personal use cannabis license, or medical cannabis permit, in connection with any phase of [casino] development, permitting, licensure or any other matter whatsoever related to casino, personal use cannabis, or medical cannabis activity, except as provided in section 3 of P.L.2009, c.26 (C.52:13D-17.3), and except that:

(1) a member of the immediate family of a person may hold employment with the holder of, or applicant for, a casino license, or the holder of, or applicant for, a license concerning the personal use of cannabis or a permit concerning the medical use of cannabis, issued pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill), or the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), or any entity that employs or uses a certified cannabis handler if, in the judgment of the State Ethics Commission, the Joint Legislative Committee on Ethical Standards, or the Supreme Court, as appropriate, such employment will not interfere with the responsibilities of the person and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the person;

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

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

(ii) Nothing herein contained shall alter or amend the post-service or post-employment restrictions applicable to members and employees of the Cannabis Regulatory Commission pursuant to paragraph (2) of subsection c. of section 11 and section 12 of P.L. , c. (C.) (pending before the Legislature as this bill); and

(3) any partnership, firm or corporation engaged in the practice of law or in providing any other professional services with which any person included in paragraph (1) of subsection a. of this section, or a member of the immediate family of that person, is associated, and any partner, officer, director or employee thereof, other than that person, or immediate family member, may represent, appear for or negotiate on behalf of any holder of, or applicant for, a casino license, personal use cannabis license, or medical cannabis permit, or any entity that employs or uses a certified cannabis handler in connection with any cause, application or matter or any holding company or intermediary company with respect to such holder of, or applicant for, a casino license, personal use cannabis license, or medical cannabis permit, or entity, in connection with any phase of [casino] development, permitting, licensure or any other matter whatsoever related to casino or cannabis or medical marijuana activity, and that person or immediate family member shall not be barred from association with such partnership, firm or corporation, if for a period of two years next subsequent to the termination of the person's office or employment, the person or immediate family member (a) is screened from personal participation in any such representation, appearance or negotiation; and (b) is associated with the partnership, firm or corporation in a

position which does not entail any equity interest in the partnership, firm or corporation. The exception provided in this paragraph shall not apply to a former Governor, Lieutenant Governor, Attorney General, member of the Legislature, person included in paragraph (2) of subsection a. of this section, or to the members of their immediate families.

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

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

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

(2) No person shall solicit or accept, directly or indirectly, any complimentary service or discount from any holder of, or applicant for, a license concerning the personal use of cannabis or a permit concerning the medical use of cannabis, issued pursuant to the "New Jersey Cannabis Regulatory and Expungement Aid Modernization Act," P.L. , c. (C.) (pending before the Legislature as this bill), or the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), or any entity that employs or uses a certified cannabis handler to perform work for or on behalf of a licensed cannabis establishment, which the person knows or has reason to know is other than a service or discount that is offered to members of the general public in like circumstance.

g. No person shall influence, or attempt to influence, by use of his official authority, the decision of the [commission] Casino Control Commission or the investigation of the [division] Division of Gaming Enforcement in any application for casino licensure, or the decision of the Cannabis Regulatory Commission in any application for a personal use cannabis license or medical cannabis permit, or in any proceeding to enforce the provisions of this act or the regulations of [the] either commission. Any such attempt shall

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be promptly reported to the Attorney General; provided, however, that nothing in this section shall be deemed to proscribe a request for information by any person concerning the status of any application for licensure or permitting, or any proceeding to enforce the provisions of this act or the regulations of [the] either commission.

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

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

17. (New section) Regulation of Cannabis.

a. The commission shall adopt rules and regulations, pursuant to subsection d. of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill), which shall be consistent with the intent of P.L. , c. (C.) (pending before the Legislature as this bill). The commission may create an expert task force to make recommendations to the commission about the content of such regulations. Such regulations shall include:

(1) Procedures for the application, issuance, denial, renewal, suspension, and revocation of a license or conditional license to operate a cannabis establishment. Such procedures shall include a periodic evaluation of whether the number of each class of cannabis establishment is sufficient to meet the market demands of the State, a result of which is the commission's authority to make requests for new applications and issue additional licenses as it deems necessary to meet those demands, except as otherwise provided in section 30 of P.L. , c. (C.) (pending before the Legislature as this bill) regarding an initial period during which the number of Class 1 Cannabis Grower licenses is capped;

(2) Application, licensure, and renewal of licensure fees;

(3) Incorporation of the licensing goals for applicants for licensure who are New Jersey residents established in P.L. , c. (C.) (pending before the Legislature as this bill). The commission shall make good faith efforts to meet these goals. Qualifications for licensure shall be directly and demonstrably related to the operation of a cannabis establishment, provided that the commission shall make licenses available to as diverse a group as reasonably practicable, however no license of any kind shall be issued to a person under the legal age to purchase cannabis items;

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(4) (a) Incorporation of the licensing measures established by the Office of Minority, Disabled Veterans, and Women Cannabis Business Development pursuant to paragraph (1) of subsection c. of section 9 of P.L. , c. (C.) (pending before the Legislature as this bill) to promote the licensing of persons from socially and economically disadvantaged communities, and minority businesses and women’s businesses, as these terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled veterans’ businesses as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2). The commission shall coordinate with the office with respect to the incorporation of these licensing measures;

(b) Procedures, to monitor the incorporated licensing measures established by the Office of Minority, Disabled Veterans, and Women Cannabis Business Development, which shall include a verification, as part of the application process for licensure or license renewal, of a minority, women’s, or disabled veterans’ business certification provided to that business by the office pursuant to paragraph (1) of subsection b. of section 9 of P.L. , c. (C.) (pending before the Legislature as this bill), or verification of an application for certification under review by the office pursuant to that paragraph, which review is occurring simultaneous to the application for licensure or license renewal;

(5) Security requirements for cannabis establishments and transportation of cannabis;

(6) Requirements to prevent the sale or diversion of cannabis items to persons under the legal age to purchase cannabis items, including, but not limited to, requirements that:

(a) All licensees and licensee representatives, before permitting entrance to a cannabis establishment and selling or serving cannabis items to any person, shall require such person to produce one of the following pieces of identification:

- (i) The person’s United States passport;
- (ii) The person’s motor vehicle driver’s license, whether issued by New Jersey or by any other state, provided the license displays a picture of the person;
- (iii) A New Jersey identification card issued by the New Jersey Motor Vehicle Commission; or
- (iv) Any other identification card issued by a state or the United States that bears a picture of the person, the name of the person, the person’s date of birth, and a physical description of the person;

(b) No cannabis establishment shall employ persons under 18 years of age nor shall any cannabis retailer allow persons under the legal age to purchase cannabis items, other than a person employed by the retailer, to enter or remain on the premises of a cannabis retailer unless accompanied by a parent or legal guardian;

(c) Packaging and branding regulations to prevent marketing of cannabis items and cannabis paraphernalia to people under the legal age to purchase cannabis items;

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(7) Labeling and packaging requirements for cannabis items sold or distributed by a cannabis establishment, including, but not limited to, the affixing of a tracking stamp to containers or packaging as set forth in section 18 of P.L. , c. (C.) (pending before the Legislature as this bill) and requirements that:

(a) Cannabis items and cannabis paraphernalia are not packaged, branded, or marketed using any statement, illustration, or image that:

(i) Includes false, deceptive, or misleading statements;

(ii) Promotes over-consumption;

(iii) Depicts a child or other person under legal age consuming cannabis items; or

(iv) Includes objects, such as toys, characters, or cartoon characters suggesting the presence of a person under the legal age to purchase cannabis items, or any other depiction designed in any manner to be especially appealing to persons under the legal age to purchase cannabis items;

(b) Ensure cannabis items are packaged in opaque, child-resistant special packaging, or if applicable to a particular cannabis item, child resistant special packaging for liquid nicotine containers, in accordance with the “Poison Prevention Packaging Act of 1970,” 15 U.S.C. s.1471 et seq., and the associated regulations promulgated thereunder, except that these child-resistant packaging requirements shall not apply to any cannabis item obtained from a cannabis retailer or alternative treatment center for immediate, on-premises consumption at that retailer’s or center’s cannabis consumption area as permitted pursuant to section 82 of P.L. , c. (C.) (pending before the Legislature as this bill);

(c) Cannabis items warning labels adequately inform consumers about safe cannabis use and warn of the consequences of misuse or overuse;

(d) Labeling rules that mandate clear identification of health and safety information, including, but not limited to:

(i) Net weight;

(ii) Production date and expiration date;

(iii) An ingredient list that includes, but is not limited to, all ingredients used to manufacture the cannabis product and a list of all potential allergens contained within the product;

(iv) Strain or type of cannabis, listed by scientific terms, if available, and generic or “slang” names;

(v) Whether the product requires refrigeration;

(vi) Growth method (whether dirt grown, hydroponic, or otherwise) and an indication whether the cannabis was grown using all-organic materials, and a complete list of any nonorganic pesticides, fungicides and herbicides used during the cultivation of the cannabis;

(vii) Serving size, the total number of servings, and a statement regarding the percentage of THC contained in the cannabis product

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and in each serving. For example: “The serving size of active THC in this product is X mg. This product contains X servings of cannabis, and the total amount of active THC in this product is X mg.”;

(viii) Warning labels that include the nationwide toll-free telephone number used to access poison control centers that is maintained in accordance with 42 U.S.C. s.300d-71, as well as include, but are not limited to, one or more of the following:

- “This product contains cannabis”;
- “This product is infused with cannabis”;
- “This product is intended for use by adults 21 years of age or older. Keep out of the reach of children”;
- “The intoxicating effects of this product may be delayed by two or more hours”;
- “There may be health risks associated with the consumption of this product, including for women who are pregnant, breastfeeding, or planning on becoming pregnant”;
- “Do not drive a motor vehicle or operate heavy machinery while using cannabis”;

(e) Labeling rules that mandate the source of the cannabis items, including, but not limited to, the license number of the cannabis cultivation facility where the cannabis used to produce the cannabis item was grown, the license number of the cannabis product manufacturing facility that produced the cannabis item, and the license number of the cannabis retailer that sold the cannabis item and the production batch and lot numbers of the cannabis items;

(8) Health and safety regulations and standards for the manufacture and sale of cannabis products and the cultivation of cannabis, including, but not limited to, requirements that:

(a) Establish accreditation and licensure criteria for cannabis testing facilities, which shall include, as a condition for licensure, the maintenance of a labor peace agreement and entrance into, or good faith effort to enter into, a collective bargaining agreement in accordance with subsection c. of section 23 of P.L. , c. (C.) (pending before the Legislature as this bill). The commission shall also incorporate the licensing measures established by the Office of Minority, Disabled Veterans, and Women Cannabis Business Development, and the assessment of their effectiveness, pursuant to paragraph (1) of subsection c. of section 9 of P.L. , c. (C.) (pending before the Legislature as this bill), and apply them to the licensing of cannabis testing facilities in order to promote the licensing of persons from socially and economically disadvantaged communities, and minority businesses and women’s businesses, as these terms are defined in section 2 of P.L.1986, c.195 (C.52:27H-21.18), and disabled veterans’ businesses as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2);

(b) (i) The commission issue licenses for a sufficient number of cannabis testing facilities, if those facilities meet the requirements

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for licensure, in order to ensure that the testing of representative samples of cannabis items in accordance with the procedures set forth in paragraph (13) of this subsection can be completed in not more than seven days following their submission to any facility. Other factors that may be considered by the commission in determining whether a sufficient number of cannabis testing facilities are currently licensed include the current licensees' experience or expertise in testing highly regulated products, demonstrated testing efficiency and effectiveness, existing research partnerships or capability to form and maintain research partnerships focusing on cannabis items, and any other factors established in regulation by the commission; and

(ii) Permits the commission to inspect any licensed cannabis testing facility to determine the condition and calibration of any equipment used for testing, and to ensure that a facility's testing procedures are performed in accordance with the commission's accreditation requirements for licensure;

(c) Every licensed cannabis cultivation facility and cannabis product manufacturing facility shall permit representatives of cannabis testing facilities to make scheduled and unscheduled visits to facilities in order to obtain random samples of cannabis items, in a quantity established by the commission, to be transported to cannabis testing facilities for inspection and testing to certify compliance with health, safety, and potency standards adopted by the commission;

(d) Prescribe methods of producing, processing, and packaging cannabis items; conditions of sanitation; safe handling requirements; approved pesticides and pesticide testing requirements, to the extent not inconsistent with approved pesticides and requirements otherwise established under federal and State law; and standards of ingredients, quality, and identity of cannabis items produced, processed, packaged, or sold by cannabis establishments;

(e) Establish accreditation and licensing criteria for responsible cannabis server and seller training and certification programs for cannabis retailer employees;

(f) Provide that no licensed cannabis establishment or employee of a cannabis establishment shall consume, or allow to be consumed, any cannabis items on the establishment's premises, except permitted in a cannabis consumption area as set forth in section 82 of P.L. , c. (C.) (pending before the Legislature as this bill);

(g) Set appropriate dosage, potency, and serving size limits for cannabis and other cannabis items, provided that a standardized serving of cannabis shall be no more than 10 milligrams of active THC and no individual edible retail product unit for sale shall contain more than 100 milligrams of active THC;

(h) Require that each single standardized serving of cannabis in a multiple-serving edible cannabis product is physically demarked

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in a way that enables a reasonable person to determine how much of the product constitutes a single serving of active THC, and that each standardized serving of cannabis shall be easily separable to allow an average person 21 years of age or older to physically separate, with minimal effort, individual servings of the product;

(i) Require that, if it is impracticable to clearly demark every standardized serving of cannabis or to make each standardized serving easily separable in an edible cannabis product, the product shall contain no more than 10 milligrams of active THC per unit of sale;

(j) Establish screening, hiring, training, and supervising requirements for retail store employees and others who manufacture or handle cannabis items;

(k) Promote general sanitary requirements for the handling, storage, and disposal of cannabis items, and the maintenance of cannabis establishments;

(l) Provide for rigorous auditing, inspection, and monitoring of cannabis establishments for compliance with health and safety rules and regulations;

(m) Require the implementation of security requirements for retail outlets and premises where cannabis items are produced or processed, and safety protocols for cannabis establishments and their employees;

(n) Prescribe reasonable restrictions on the manner, methods, and means by which licensees shall transport cannabis items within the State; and

(o) Establish procedures for identification, seizure, confiscation, destruction, or donation to law enforcement for training purposes of all cannabis or cannabis products produced, processed, sold, or offered for sale within this State which do not conform in all respects to the standards prescribed by P.L. , c. (C.) (pending before the Legislature as this bill);

(9) Restrictions on the advertising and display of cannabis items and cannabis paraphernalia, including, but not limited to, requirements that:

(a) Restrict advertising of cannabis items and cannabis paraphernalia in ways that target or are designed to appeal to individuals under the legal age to purchase cannabis items, including, but not limited to depictions of a person under 21 years of age consuming cannabis, or, includes objects, such as toys, characters, or cartoon characters suggesting the presence of a person under 21 years of age, or any other depiction designed in any manner to be especially appealing to a person under 21 years of age;

(b) Prohibit advertising of any cannabis items or cannabis paraphernalia on television, or on radio between the hours of 6:00am and 10:00pm;

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(c) Prohibit engaging in advertising unless the advertiser has reliable evidence that at least 71.6 percent of the audience for the advertisement is reasonably expected to be 21 years of age or older;

(d) Prohibit engaging in advertising or marketing directed towards location-based devices, including but not limited to cellular phones, unless the marketing is a mobile device application installed on the device by the owner of the device who is 21 years of age or older and includes a permanent and easy opt-out feature and warnings that the use of cannabis items is restricted to persons 21 years of age or older;

(e) Prohibit the sponsoring of a charitable, sports, musical, artistic, cultural, social, or other similar event or advertising at or in connection with such an event unless the sponsor or advertiser has reliable evidence that no more than 20 percent of the audience at the event is reasonably expected to be under the legal age to purchase cannabis items;

(f) Require all advertisements to contain the following warning: “This product contains cannabis. For use only by adults 21 years of age or older. Keep out of the reach of children.”;

(g) Prohibit the advertising of cannabis items or cannabis paraphernalia in any form or through any medium whatsoever within 200 feet of an elementary or secondary school grounds.

For the purposes of this section, a noncommercial message shall not be considered an advertisement. This section also shall not apply to advertisements within the premises of a cannabis retailer.

(10) A requirement that only cannabis items and cannabis paraphernalia are available for sale at a cannabis establishment;

(11) Procedures for the commission to conduct announced and unannounced visits to cannabis establishments to make, or cause to be made, such investigations as it shall deem proper in the administration of P.L. , c. (C.) (pending before the Legislature as this bill) and any other laws which may hereafter be enacted concerning cannabis, or the manufacture, distribution or sale thereof, including the inspection and search of premises for which the license is sought or has been issued, of any building containing the same, of licensed buildings, examination of the books, records, accounts, documents and papers of the licensees or on the licensed premises;

(a) The commission and the Director of the Division of taxation shall be authorized, after adequate notice to the owner or the agent of the owner, to make an examination of the books and may at any time make an examination of the premises of any person licensed under P.L. , c. (C.) (pending before the Legislature as this bill) for the purpose of determining compliance with P.L. , c. (C.) (pending before the Legislature as this bill) and the rules of the commission. The commission shall not require the books of any licensee to be maintained on the premises of the licensee;

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(b) The commission and the Director of the Division of taxation may, at any time, examine the books and records of any cannabis licensee, require compliance with P.L. , c. (C.) (pending before the Legislature as this bill), and may appoint auditors, investigators and other employees that the commission or the Director of the Division of Taxation considers necessary to enforce its powers and perform its duties;

(c) During any inspection of a licensed premises, the commission may require proof that a person performing work at the premises is 18 years of age or older. If the person does not provide the commission with acceptable proof of age upon request, the commission may require the person to immediately cease any activity and leave the premises until the commission receives acceptable proof of age; and

(d) The commission shall not be required to obtain a search warrant to conduct an investigation or search of licensed premises;

(12) Record keeping requirements, including, but not limited to, the following:

(a) The obligation of every cannabis grower to keep a complete and accurate record of all sales of cannabis flowers, cannabis leaves, and immature cannabis plants, and a complete and accurate record of the number of cannabis flowers produced, the number of ounces of cannabis leaves produced, the number of immature cannabis plants produced, and the dates of production; and the obligation of every cannabis establishment to keep a complete and accurate record of all sales of cannabis, and a complete and accurate record of the number of ounces of cannabis items sold;

(b) Such records shall be kept and maintained for four years and the records shall be in such form and contain such other information as the commission may require; and

(c) The commission or the Director of the Division of Taxation may at any time, with adequate notice, examine the books and records of any cannabis establishment, and may appoint auditors, investigators, and other employees that the commission considers necessary to enforce its powers and duties as described in P.L. , c. (C.) (pending before the Legislature as this bill);

(13) Procedures for inspecting samples of cannabis items, including:

(a) On a schedule determined by the commission, every licensed cannabis grower and processor shall submit representative samples of cannabis, useable cannabis, or cannabis-infused products produced or processed by the licensee to an independent, third-party licensed testing facility meeting the accreditation requirements established by the commission, for inspection and testing to certify compliance with standards adopted by the commission. Any sample remaining after testing shall be destroyed by the facility or returned to the licensee, unless that sample does not meet the applicable standards adopted by the commission, in which case it may be retained

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for purposes of retesting upon request of a licensee in accordance with subparagraph (c) of this paragraph;

(b) Licensees shall submit the results of this inspection and testing to the commission on a form developed by the commission; and

(c) If a representative sample inspected and tested under this section does not meet the applicable standards adopted by the commission, the representative sample may, upon notice to the commission, be retested at the request of a licensee in a manner prescribed by the commission, and in addition to a retest, or as an alternative thereto, the licensee may also be permitted an opportunity to remediate, upon notice to the commission, the lot from which the failed representative sample was taken, which lot shall be subject to a subsequent test of a new representative sample in a manner prescribed by the commission. Any request for a retest of a representative sample, and any retest and reporting of results, as well as any lot remediation process undertaken and subsequent testing of that lot, shall be completed within a time period established by the commission. The commission shall also provide a process by which representative samples and lots that failed retesting or remediation, as applicable, shall be destroyed;

(14) Establishing the number of cannabis retailers:

(a) Assuming there are sufficient qualified applicants for licensure, the commission shall, subject to annual review, issue a sufficient number of Class 4 Retailer licenses to meet the market demands of the State, giving regard to geographical and population distribution throughout the State; and

(b) the provision of adequate access to licensed sources of useable cannabis and cannabis products to discourage purchases from the illegal market; and

(15) Civil penalties for the failure to comply with regulations adopted pursuant to this section.

b. In order to ensure that individual privacy is protected, the commission shall not require a consumer to provide a cannabis retailer with personal information other than government-issued identification to determine the consumer's age, and a cannabis retailer shall not collect and retain any personal information about consumers other than information typically acquired in a financial transaction conducted by the holder of a Class C retail license concerning alcoholic beverages as set forth in R.S.33:1-12.

c. (1) Once regulations are adopted by the commission pursuant to subsection a. of this section, but prior to the commencement of the application process, the commission shall conduct a series of information sessions in every county in New Jersey to educate residents of New Jersey about the responsibilities, opportunities, requirements, obligations, and processes for application for a license to operate a cannabis establishment. The commission shall conduct an appropriate number of information

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sessions in each county considering the population of each county, but no fewer than one information session. in each county. The commission shall publicize the day, time, location, and agenda of each information session broadly through television, radio, Internet, print, and local agencies.

(2) With respect to any authority provided in this section to the Director of the Division of Taxation, notwithstanding the provisions of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, the director may immediately upon filing proper notice with the Office of Administrative Law, adopt rules and regulations deemed necessary by the director concerning the director’s authority. These rules and regulations shall be effective for a period not to exceed 180 days following the date determined by the commission pursuant to paragraph (2) of subsection d. of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill) to be the first date on which cannabis retailers issued licenses or conditional licenses may begin retail sales of personal use cannabis items, or the first date that any alternative treatment center issued a cannabis retailer license pursuant to paragraph (3) of subsection a. of section 30 of P.L. , c. (C.) (pending before the Legislature as this bill) engages in retail sales of personal use cannabis items, whichever date is earlier, and shall thereafter be adopted, amended, or readopted, and any subsequent rules and regulations adopted, amended, or readopted, by the director in accordance with the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.).

d. The commission shall:

(1) Examine available research, and may conduct or commission new research or convene an expert task force, to investigate the influence of cannabis and marijuana on the ability of a person to drive a vehicle, on methods for determining whether a person is under the influence of cannabis or marijuana, and on the concentration of delta-9 tetrahydrocannabinol in a person's blood, in each case taking into account all relevant factors; and

(2) Report, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), the results of the research to the Legislature and make recommendations to the Legislature regarding legislation or other legislative action as the commission deems necessary.

18. (New section) Tracking System.

a. (1) The commission shall develop and maintain a system for tracking the production of cannabis, the processing of cannabis items, the transfer of cannabis items between licensed premises, and the retail sale of cannabis items, utilizing a means of electronic identity verification, to persons 21 years of age or older.

(2) The tracking system shall, among other features as determined by the commission, utilize a stamp affixed to a container or package

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for a cannabis item to assist in the collection of the information required to be tracked pursuant to subsection c. of this section.

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

(b) The commission, and the Director of the Division of Taxation if authorized by the commission, shall make stamps available for purchase by a licensed cannabis establishment, and only a licensed establishment shall affix a stamp to a container or package for a cannabis item in accordance with applicable regulations promulgated by the commission in consultation with the Director of the Division of Taxation.

(c) A cannabis establishment shall not purchase, sell, offer for sale, or transport any cannabis item unless a stamp is properly affixed to the container or package for that item.

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

(1) Preventing the diversion of cannabis items to criminal enterprises, gangs, cartels, minors, and other states;

(2) Preventing persons from substituting or tampering with cannabis items;

(3) Ensuring an accurate accounting of the production, processing, and sale of cannabis items;

(4) Assisting the Director of the Division of Taxation with the collection of taxes for the purpose of being distributed as described in subsection g. of section 19 of P.L. , c. (C.) (pending before the Legislature as this bill);

(5) Ensuring that the testing results by licensed cannabis testing facilities are accurately reported; and

(6) Ensuring compliance with the rules and regulations adopted under the provisions of P.L. , c. (C.) (pending before the Legislature as this bill), and any other law of this State that charges the commission with a duty, function, or power related to cannabis.

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

(1) The propagation of immature cannabis plants and the production of cannabis by a cannabis grower;

(2) The processing of cannabis by a cannabis processor;

(3) The receiving, storing, and delivering of cannabis items by a cannabis wholesaler;

(4) The sale of cannabis items by a cannabis retailer to a consumer;

(5) The purchase and sale of cannabis items between licensees;

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- (6) The transfer of cannabis items between licensed premises;
- (7) The delivery of cannabis items; and
- (8) Any other information that the commission determines is reasonably necessary to accomplish the duties, functions, and powers of the commission.

19. (New section) Taxation; Business Treatment.

a. There is imposed an excise tax on the sale or transfer of cannabis by a cannabis grower to any other cannabis establishment as follows: (1) any part of the bud and flower shall be taxed at \$42 an ounce; and (2) the remainder of the plant shall be taxed at a rate to be determined by the commission, which shall not exceed \$42 an ounce. Any fractional portion of an ounce sold or transferred shall be taxed proportionately. The sales of cannabis by a cannabis grower for which the excise tax is imposed shall be exempt from the tax imposed under the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.).

b. (1) The commission shall regularly review the tax imposed under this section and make recommendations to the Legislature as appropriate regarding adjustments that would further the goals of: supporting the development, expansion, regulation, and enforcement of activities in the legal personal use cannabis marketplace; undercutting illegal marijuana and hashish market prices; discouraging use, particularly by those under 21 years of age; and maximizing the use of taxation revenue.

(2) Additionally, in the first biannual report prepared by the commission pursuant to paragraph (1) of subsection e. of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill) that next follows the third anniversary of the date determined by the commission pursuant to paragraph (2) of subsection d. of that section to be the first date on which retail sales of personal use cannabis items may occur, the commission shall present an evaluation of the tax based upon the goals set forth in paragraph (1) of this subsection and include a recommendation as to whether the tax amount should remain the same or be reduced to a lower amount, and if the recommendation is for a reduction, what lower amount would be appropriate in order to continue or enhance the goals set forth in paragraph (1) of this subsection.

c. (1) The tax imposed pursuant to this section shall be collected from the cannabis establishment purchasing the cannabis or paid by the cannabis grower, and remitted to the Director of the Division of Taxation. The tax shall be stated, charged, and shown separately on any sales slip, invoice, receipt, or other statement or memorandum of the price paid or payable for the bud and flower of the cannabis, or the remainder of the cannabis plant, or both, as applicable.

(2) Every cannabis grower required to collect or pay the tax imposed by this section shall be personally liable for the tax

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imposed, collected, or required to be collected or paid under this section. Any cannabis grower shall have the same right with respect to collecting the tax from the cannabis establishment purchasing the cannabis, or with respect to non-payment of the tax by the cannabis establishment, as if the tax were a part of the purchase price of the cannabis, and payable at the same time; provided, however, that the director shall be joined as a party in any action or proceeding brought to collect the tax.

d. The tax shall be reported and paid to the director on a monthly basis, in a manner prescribed by the director.

e. Except as otherwise provided in the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill), the tax imposed pursuant to this section shall be governed by the provisions of the “State Uniform Tax Procedure Law,” R.S.54:48-1 et seq.

f. The excise tax imposed under this section shall not apply to sales or transfers of cannabis by a cannabis grower to a licensed medical cannabis alternative treatment center for use as medical cannabis dispensed pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

g. The tax revenue collected pursuant to this section shall be deposited by the Director of the Office of Management and Budget into the “Cannabis Regulatory and Expungement Aid Modernization Fund” established pursuant to section 81 of P.L. , c. (C.) (pending before the Legislature as this bill), and shall be used to fund the commission’s operations and for other purposes as set forth in that section.

h. With respect to the business treatment of cannabis establishments:

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

(2) As used in this paragraph, “economic incentive” includes, but is not limited to, operating as a certified seller in a designated enterprise zone established pursuant to the "New Jersey Urban Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et al.), or a UEZ-impacted business district established pursuant to P.L.2001, c.347 (C.52:27H-66.2 et al.).

(a) (i) A person or entity issued a license to operate as a cannabis grower, cannabis processor, cannabis wholesaler, or cannabis retailer shall not be eligible for a State or local economic incentive.

(ii) The issuance of a license to operate as a cannabis grower, cannabis processor, cannabis wholesaler, or cannabis retailer to a person or entity that has been awarded a State or local economic incentive shall invalidate the right of the person or entity to benefit

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from the economic incentive as of the date of issuance of the license.

(b) (i) A property owner, developer, or operator of a project to be used, in whole or in part, as a cannabis grower, cannabis processor, cannabis wholesaler, or cannabis retailer shall not be eligible for a State or local economic incentive during the period of time that the economic incentive is in effect.

(ii) The issuance of a license to operate as a cannabis grower, cannabis processor, cannabis wholesaler, or cannabis retailer at a location that is the subject of a State or local economic incentive shall invalidate the right of a property owner, developer, or operator to benefit from the economic incentive as of the date of issuance of the license.

i. With respect to any authority provided in this section to the Director of the Division of Taxation, notwithstanding the provisions of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, the director may immediately upon filing proper notice with the Office of Administrative Law, adopt rules and regulations deemed necessary by the director concerning the director’s authority. These rules and regulations shall be effective for a period not to exceed 180 days following the date determined by the commission pursuant to paragraph (2) of subsection d. of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill) to be the first date on which cannabis retailers issued licenses or conditional licenses may begin retail sales of personal use cannabis items, or the first date that any alternative treatment center issued a cannabis retailer license pursuant to paragraph (3) of subsection a. of section 30 of P.L. , c. (C.) (pending before the Legislature as this bill) engages in retail sales of personal use cannabis items, whichever date is earlier, and shall thereafter be adopted, amended, or readopted, and any subsequent rules and regulations adopted, amended, or readopted, by the director in accordance with the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.).

j. As used in this section:

“Cannabis” means the same as that term is defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill).

“Cannabis establishment” means the same as that term is defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill).

“Cannabis grower” means the same as that term is defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill).

“Cannabis items” means the same as that term is defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill).

“Cannabis processor” means the same as that term is defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill).

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“Cannabis retailer” means the same as that term is defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill).

“Cannabis wholesaler” means the same as that term is defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill).

“Director” means the Director of the Division of Taxation in the Department of the Treasury.

20. (New section) a. The receipts from the retail sale of cannabis items by a cannabis retailer, as those terms are defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill), in accordance with the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill) shall be exempt from the tax imposed under the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.).

b. The Director of the Division of Taxation, notwithstanding the provisions of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, may immediately upon filing proper notice with the Office of Administrative Law, adopt rules and regulations deemed necessary by the director to carry out the provisions of this section. These rules and regulations shall be effective for a period not to exceed 180 days following the date determined by the commission pursuant to paragraph (2) of subsection d. of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill) to be the first date on which cannabis retailers issued licenses or conditional licenses may begin retail sales of personal use cannabis items, or the first date that any alternative treatment center issued a cannabis retailer license pursuant to paragraph (3) of subsection a. of section 30 of P.L. , c. (C.) (pending before the Legislature as this bill) engages in retail sales of personal use cannabis items, whichever date is earlier, and shall thereafter be adopted, amended, or readopted, and any subsequent rules and regulations adopted, amended, or readopted, by the director in accordance with the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.).

21. (New section) Local Cannabis Taxation; Local Cannabis Transfer Tax and User Tax.

a. (1) A municipality may adopt an ordinance imposing a transfer tax on the sale of cannabis items by a cannabis establishment that is located in the municipality. At the discretion of the local governmental entity, the tax may be imposed on: receipts from the sale of cannabis items from one cannabis establishment to another cannabis establishment; receipts from the retail sales by a cannabis retailer to retail customers who are 21 years of age or older; or any combination thereof. Each municipality shall set its own rate or rates, but in no

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case shall a rate exceed: two percent of the receipts from each sale by a cannabis grower; two percent of the receipts from each sale by a cannabis processor; one percent of the receipts from each sale by a cannabis wholesaler; and three percent of the receipts from each sale by a cannabis retailer.

(2) A local tax ordinance adopted pursuant to paragraph (1) of this subsection shall also include provisions for imposing a user tax, at the equivalent transfer tax rates, on any concurrent license holder, as permitted by section 30 of P.L. , c. (C.) (pending before the Legislature as this bill), operating more than one cannabis establishment. The user tax shall be imposed on the value of each transfer or use of cannabis items not otherwise subject to the transfer tax imposed pursuant to paragraph (1) of this subsection, from the license holder's establishment that is located in the municipality to any of the other license holder's establishments, whether located in the municipality or another municipality.

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

(2) Every cannabis establishment required to collect a transfer tax or user tax imposed by ordinance pursuant to this section shall be personally liable for the transfer tax or user tax imposed, collected, or required to be collected under this section. Any cannabis establishment shall have the same right with respect to collecting the transfer tax or user tax from another cannabis establishment or the customer as if the transfer tax or user tax was a part of the sale and payable at the same time, or with respect to non-payment of the transfer tax or user tax by the cannabis establishment or customer, as if the transfer tax or user tax was a part of the purchase price of the cannabis item, and payable at the same time; provided, however, that the chief fiscal officer of the municipality which imposes the transfer tax or user tax shall be joined as a party in any action or proceeding brought to collect the transfer tax or user tax.

(3) No cannabis establishment required to collect a transfer tax or user tax imposed by ordinance pursuant to this section shall advertise or hold out to any person or to the public in general, in any manner,

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directly or indirectly, that the transfer tax or user tax will not be separately charged and stated to another cannabis establishment or the customer or that the transfer tax or user tax will be refunded to the cannabis establishment or the customer.

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

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

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

d. No transfer tax or user tax imposed by ordinance pursuant to this section shall be levied upon medical cannabis dispensed pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.).

e. As used in this section:

“Cannabis establishment” means the same as that term is defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill).

“Cannabis grower” means the same as that term is defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill).

“Cannabis items” means the same as that term is defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill).

“Cannabis processor” means the same as that term is defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill).

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“Cannabis retailer” means the same as that term is defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill).

“Cannabis wholesaler” means the same as that term is defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill).

“Director” means the Director of the Division of Taxation in the Department of the Treasury.

22. (New section) Local Governmental Entity Regulations or Ordinances.

a. A local governmental entity may enact ordinances or regulations, not in conflict with the provisions of P.L. , c. (C.) (pending before the Legislature as this bill):

(1) governing the time, location, manner, and number of cannabis establishments; and

(2) establishing civil penalties for violation of an ordinance or regulation governing the time, location, and manner of a cannabis establishment that may operate in such local governmental entity.

b. A local governmental entity may prohibit the operation of any one or more classes of cannabis establishment within the jurisdiction of the local governmental entity through the enactment of an ordinance, and this prohibiting ordinance shall apply throughout the local governmental entity, even if that local governmental entity or parts thereof fall within any district, area, or other geographical jurisdiction for which land use planning, site planning, zoning requirements or other development authority is exercised by an independent State authority, commission, instrumentality, or agency pursuant to the enabling legislation that governs its duties, functions, and powers, even if this development authority is expressly stated or interpreted to be exclusive thereunder; the local prohibiting ordinance applies, notwithstanding the provisions of any independent State authority law to the contrary. Only an ordinance to prohibit one or more classes of cannabis establishment enacted pursuant to the specific authority to do so by this section shall be valid and enforceable; any ordinance enacted by a local governmental entity prior to the effective date of this section addressing the issue of prohibiting one or more types of cannabis-related activities within the jurisdiction of the local governmental entity is null and void, and that entity may only prohibit the operation of one or more classes of cannabis establishment by enactment of a new ordinance based upon the specific authority to do so by this section. The failure of a local governmental entity to enact an ordinance prohibiting the operation of one or more classes of cannabis establishment within 180 days after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall result in any class of cannabis establishment that is not prohibited from operating within the local governmental entity as

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being permitted to operate therein as follows: the growing, cultivating, processing, and selling and reselling of cannabis and cannabis items by a cannabis grower, cannabis processor, or cannabis wholesaler shall be permitted uses in all industrial zones of the local governmental entity; and the selling of cannabis items to consumers from a retail store by a cannabis retailer shall be a conditional use in all commercial zones or retail zones, subject to meeting the conditions set forth in any applicable zoning ordinance or receiving a variance from one or more of those conditions in accordance with the “Municipal Land Use Law,” P.L.1975, c.291 (C.40:55D-1 et seq.). At the end of a five-year period following the initial failure of a local governmental entity to enact an ordinance prohibiting the operation of one or more classes of cannabis establishment, and every five-year period thereafter following a failure to enact a prohibiting ordinance, the local governmental entity shall again be permitted to prohibit the future operation of any one or more classes of cannabis establishment through the enactment of an ordinance, but this ordinance shall be prospective only and not apply to any cannabis establishment operating in the local governmental entity prior to the enactment of the ordinance.

c. (1) When the commission receives an application for initial licensing or renewal of an existing license for any cannabis establishment pursuant to section 23 of P.L. , c. (C.) (pending before the Legislature as this bill), or endorsement for a cannabis consumption area pursuant to section 82 of P.L. , c. (C.) (pending before the Legislature as this bill), the commission shall provide, within seven days, a copy of the application to the local governmental entity in which the establishment or consumption area is to be located, unless the local governmental entity has prohibited the operation of the particular class of cannabis establishment for which licensure is sought, or in the case of an application seeking a consumption area endorsement, prohibited the operation of cannabis retailers. The local jurisdiction shall determine whether the application complies with local restrictions on time, location, manner, and the number of cannabis businesses. The local jurisdiction shall inform the commission whether the application complies with local restrictions on time, location, manner, and the number of cannabis businesses.

(2) A local governmental entity may impose a separate local licensing or endorsement requirement as a part of its restrictions on time, location, manner, and the number of cannabis businesses. A local governmental entity may decline to impose any local licensing or endorsement requirements, but a local jurisdiction shall notify the commission that it either approves or denies each application forwarded to it.

23. (New section) Application For License or Conditional License.

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a. Each application for an annual license to operate a cannabis establishment, or conditional license for a proposed cannabis establishment, shall be submitted to the commission. A separate license or conditional license shall be required for each location at which a cannabis establishment seeks to operate. Renewal applications for another annual license may be filed up to 90 days prior to the expiration of the establishment's license. A conditional license shall not be renewed, but replaced with an annual license upon the commission's determination of qualification for the annual license, or otherwise expire, as set forth in paragraph (2) of subsection b. of this section.

b. (1) Regarding the application for and issuance of annual licenses, the commission shall:

(a) begin accepting and processing applications within 30 days after the commission's initial rules and regulations have been adopted pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill);

(b) forward, within seven days of receipt, a copy of each application to the local governmental entity in which the applicant desires to operate the cannabis establishment; and

(c) verify the information contained in the application and review the qualifications for the applicable license class, set forth in section 24, 26, 27, or 28 of P.L. , c. (C.) (pending before the Legislature as this bill), and regulations concerning qualifications for licensure promulgated by the commission for which the applicant seeks licensure, and not more than 90 days after the receipt of an application, make a determination as to whether the application is approved or denied, or that the commission requires more time to adequately review the application.

The commission shall deny a license application to any applicant who fails to provide information, documentation and assurances as required by P.L. , c. (C.) (pending before the Legislature as this bill) or as requested by the commission, or who fails to reveal any fact material to qualification, or who supplies information which is untrue or misleading as to a material fact pertaining to the qualification criteria for licensure. The commission shall approve a license application that meets the requirements of this section unless the commission finds by clear and convincing evidence that the applicant would be manifestly unsuitable to perform the activities for the applicable license class for which licensure is sought.

(i) If the application is approved, upon collection of the license fee, the commission shall issue an annual license to the applicant no later than 30 days after giving notice of approval of the application unless the commission finds the applicant is not in compliance with regulations for annual licenses enacted pursuant to the provisions of paragraph (1) of subsection d. of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill) or the commission is

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notified by the relevant local governmental entity that the applicant is not in compliance with ordinances and regulations made pursuant to the provisions of section 22 of P.L. , c. (C.) (pending before the Legislature as this bill) and in effect at the time of application, provided, if a local governmental entity has enacted a numerical limit on the number of cannabis establishments and a greater number of applicants seek licenses, the commission shall solicit and consider input from the local governmental entity as to the local governmental entity's preference or preferences for licensure.

(ii) If the application is denied, the commission shall notify the applicant in writing of the specific reason for its denial, and provide the applicant with the opportunity for a hearing in accordance with the "Administrative Procedure Act, P.L.1968, c.410 (C.52:14B-1 et seq.).

(2) Regarding the application for and issuance of conditional licenses, the commission shall:

(a) begin accepting and processing applications from applicants within 30 days after the commission's initial rules and regulations have been adopted pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill), and ensure that at least 35 percent of the total licenses issued for each class of cannabis establishment are conditional licenses, which 35 percent figure shall also include any conditional license issued to an applicant which is subsequently replaced by the commission with an annual license due to that applicant's compliance for the annual license pursuant to subparagraph (i) of subparagraph (d) of this paragraph;

(b) forward, within seven days of receipt, a copy of each application to the local governmental entity in which the applicant desires to operate a proposed cannabis establishment; and

(c) verify the information contained in the application and review the following qualifications for a conditional license:

(i) that the application include at least one significantly involved person who has resided in this State for at least two years as of the date of the application;

(ii) a listing included with the application, showing all persons with a financial interest who also has decision making authority for the proposed cannabis establishment detailed in the application;

(iii) proof that the significantly involved person and any other person with a financial interest who also has decision making authority for the proposed cannabis establishment is 21 years of age or older;

(iv) the name, address, date of birth, and resumes of each executive officer and all other persons with a financial interest who also has decision making authority for the proposed cannabis establishment, as well as a photocopy of their driver's licenses or other government-issued form of identification, plus background

check information in a form and manner determined by the commission in consultation with the Superintendent of State Police; concerning the background check, an application shall be denied if any person has any disqualifying conviction pursuant to subparagraph (c) of paragraph (4) of subsection a. of section 24, 26, 27 or 28 of P.L. , c. (C.) (pending before the Legislature as this bill), based upon the applicable class of cannabis establishment for which the application was submitted, unless the commission determines pursuant to subsubparagraph (ii) of those subparagraphs that the conviction should not disqualify the application;

(v) proof that each person with a financial interest who also has decision making authority for the proposed cannabis establishment has, for the immediately preceding taxable year, an adjusted gross income of no more than \$200,000 or no more than \$400,000 if filing jointly with another;

(vi) a certification that each person with a financial interest who also has decision making authority for the proposed cannabis establishment does not have any financial interest in an application for an annual license under review before the commission or a cannabis establishment that is currently operating with an annual license;

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

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

(ix) the business plan and management operation profile for the proposed cannabis establishment;

(x) the plan by which the applicant intends to obtain appropriate liability insurance coverage for the proposed cannabis establishment; and

(xi) any other requirements established by the commission pursuant to regulation; and

(d) not more than 30 days after the receipt of an application, make a determination as to whether the application is approved or denied, or that the commission requires more time to adequately review the application.

The commission shall deny a license application to any applicant who fails to provide information, documentation and assurances as required by P.L. , c. (C.) (pending before the Legislature as this bill) or as requested by the commission, or who fails to reveal any fact material to qualification, or who supplies information which is untrue or misleading as to a material fact pertaining to the qualification criteria for licensure. The commission shall approve a license application that meets the requirements of this section unless the commission finds by clear and convincing evidence that the applicant

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would be manifestly unsuitable to perform the activities for the applicable license class for which licensure is sought.

(i) If the application is approved, upon collection of the conditional license fee, the commission shall issue a conditional license to the applicant, which is non-transferable for its duration, no later than 30 days after giving notice of approval of the application, unless the commission finds the applicant is not in compliance with regulations for conditional licenses enacted pursuant to the provisions of paragraph (1) of subsection d. of section 8 of P.L. , c. (C.) (pending before the legislature as this bill) or the commission is notified by the relevant local governmental entity that the applicant is not in compliance with ordinances and regulations made pursuant to the provisions of section 22 of P.L. , c. (C.) (pending before the Legislature as this bill) and in effect at the time of application, provided, if a local governmental entity has enacted a numerical limit on the number of marijuana cannabis establishments and a greater number of applicants seek licenses, the commission shall solicit and consider input from the local governmental entity as to the local governmental entity's preference or preferences for licensure. For each license issued, the commission shall also provide the approved licensee with documentation setting forth the remaining conditions to be satisfied under section 24, 26, 27 or 28 of P.L. , c. (C.) (pending before the Legislature as this bill), or relevant regulations, based upon the applicable class of cannabis establishment for which the conditional license was issued, and which were not already required for the issuance of that license, to be completed within 120 days of issuance of the conditional license. If the commission subsequently determines during that 120-day period that the conditional licensee is in compliance with all applicable conditions and is implementing the plans, procedures, protocols, actions, or other measures set forth in its application, the commission shall replace the conditional license by issuing an annual license, which will expire one year from its date of issuance; if the conditional licensee is not in compliance with all applicable conditions or not implementing the plans, procedures, protocols, actions, or other measures set forth in its application, the conditional license shall automatically expire at the end of the 120-day period;

(ii) If the application is denied, the commission shall notify the applicant in writing of the specific reason for its denial, provide with this written notice a refund of 80 percent of the application fee submitted with the application, and provide the applicant with the opportunity for a hearing in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.);

c. The commission shall require all applicants for cannabis licenses, other than applicants issued a conditional license for any form of cannabis establishment or issued either a conditional or

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annual license for an establishment that is a microbusiness pursuant to subsection f. of this section, to submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement with such bona fide labor organization. The maintenance of a labor peace agreement with a bona fide labor organization by a licensed cannabis establishment, other than an establishment that is a microbusiness, shall be an ongoing material condition of the establishment's license. The submission of an attestation and maintenance of a labor peace agreement with a bona fide labor organization by an applicant issued a conditional license for a cannabis establishment, other than an establishment that is a microbusiness, shall be a requirement for final approval for an annual license. Failure to enter, or to make a good faith effort to enter, into a collective bargaining agreement within 200 days of the opening of a licensed cannabis establishment, other than an establishment that is a microbusiness, shall result in the suspension or revocation of the establishment's license.

d. d. (1) Each license application shall be scored and reviewed based upon a point scale with the commission determining the amount of points, the point categories, and the system of point distribution by regulation. The commission shall rank all applicants, from the most to the least points, according to the point system. The commission may, pursuant to a process set forth in regulation and consistent with this subsection, adjust the point system or utilize a separate point system and rankings with respect to the review of an application for which a conditional license is sought. If two or more eligible applicants have the same number of points, those applicants shall be grouped together and, if there are more eligible applicants in this group than the remaining number of licenses available, the commission shall utilize a public lottery to determine which applicants receive a license or conditional license, as the case may be.

(a) An initial application for licensure shall be evaluated according to criteria to be developed by the commission. For the point values assigned to each criterion, there shall be included bonus points for applicants who are residents of New Jersey.

(b) The criteria to be developed by the commission pursuant to subparagraph (a) this paragraph shall include, in addition to the criteria set forth in subparagraphs (c) and (d) of this paragraph and any other criteria developed by the commission, an analysis of the applicant's operating plan, excluding safety and security criteria, which shall include the following:

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

- State-authorized cultivation of medical cannabis;

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- conventional horticulture or agriculture, familiarity with good agricultural practices, and any relevant certifications or degrees;
- quality control and quality assurance;
- recall plans;
- packaging and labeling;
- inventory control and tracking software or systems for the production of personal use cannabis;
- analytical chemistry and testing of personal use cannabis;
- water management practices;
- odor mitigation practices;
- onsite and offsite recordkeeping;
- strain variety and plant genetics;
- pest control and disease management practices, including plans for the use of pesticides, nutrients, and additives;
- waste disposal plans; and
- compliance with applicable laws and regulations.

(ii) In the case of an applicant for a cannabis processor license, or, as applicable, a cannabis wholesaler license, the operating plan summary shall include a written description concerning the applicant's qualifications for, experience in, and knowledge of each of the following topics:

- State-authorized manufacture, production, and creation of cannabis products using appropriate extraction methods, including intended use and sourcing of extraction equipment and associated solvents or intended methods and equipment for non-solvent extraction;
- quality control and quality assurance;
- recall plans;
- packaging and labeling;
- inventory control and tracking software or systems for the production of personal use cannabis and cannabis items;
- analytical chemistry and testing of personal use cannabis and cannabis items;
- water management practices;
- odor mitigation practices;
- onsite and offsite recordkeeping;
- a list of product formulations or products proposed to be manufactured with estimated cannabinoid profiles, if known, including varieties with high cannabidiol content;
- intended use and sourcing of all non-cannabis ingredients used in the manufacture, production, and creation of cannabis products, including methods to verify or ensure the safety and integrity of those ingredients and their potential to be or contain allergens;
- waste disposal plans; and
- compliance with applicable laws and regulations.

(iii) In the case of an applicant for a cannabis retailer license, the operating plan summary shall include a written description

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concerning the applicant's qualifications for, experience in, and knowledge of each of the following topics:

- State-authorized sales of cannabis items to consumers;
- personal use cannabis product evaluation procedures;
- recall plans;
- packaging and labeling;
- inventory control and point-of-sale software or systems for the sale of cannabis items;
- the routes of administration, strains, varieties, and cannabinoid profiles of personal use cannabis and cannabis items;
- odor mitigation practices;
- onsite and offsite recordkeeping;
- waste disposal plans; and
- compliance with applicable laws and regulations.

(c) The criteria to be developed by the commission pursuant to subparagraph (a) of this paragraph shall include, in addition to the criteria set forth in subparagraph (b) and (d) of this paragraph and any other criteria developed by the commission, an analysis of the following factors, if applicable:

- (i) The applicant's environmental impact plan.
- (ii) A summary of the applicant's safety and security plans and procedures, which shall include descriptions of the following:
 - plans for the use of security personnel, including contractors;
 - the experience or qualifications of security personnel and proposed contractors;
 - security and surveillance features, including descriptions of any alarm systems, video surveillance systems, and access and visitor management systems, along with drawings identifying the proposed locations for surveillance cameras and other security features;
 - plans for the storage of cannabis and cannabis items, including any safes, vaults, and climate control systems that will be utilized for this purpose;
 - a diversion prevention plan;
 - an emergency management plan;
 - procedures for screening, monitoring, and performing criminal history record background checks of employees;
 - cybersecurity procedures;
 - workplace safety plans and the applicant's familiarity with federal Occupational Safety and Health Administration regulations;
 - the applicant's history of workers' compensation claims and safety assessments;
 - procedures for reporting adverse events; and
 - a sanitation practices plan.
- (iii) A summary of the applicant's business experience, including the following, if applicable:
 - the applicant's experience operating businesses in highly-regulated industries;

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- the applicant's experience in operating alternative treatment centers and related medical cannabis production and dispensation entities under the laws of New Jersey or any other state or jurisdiction within the United States; and

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

In evaluating the experience described under this subsubparagraph, the commission shall afford the greatest weight to the experience of the applicant itself, controlling owners, and entities with common ownership or control with the applicant; followed by the experience of those with a 15 percent or greater ownership interest in the applicant's organization; followed by interest holders in the applicant's organization; followed by other officers, directors, and bona fide full-time employees of the applicant as of the submission date of the application.

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

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

- the submission of zoning approvals for the proposed location, which shall consist of a letter or affidavit from appropriate officials of the local governmental entity that the location will conform to local zoning requirements allowing for activities related to the operations of the proposed cannabis grower, cannabis processor, cannabis wholesaler, or cannabis retailer, and related supplies as will be conducted at the proposed facility; and

- the submission of proof of local support for the suitability of the location, which may be demonstrated by a resolution adopted by the local governmental entity's governing body indicating that the intended location is appropriately located or otherwise suitable for activities related to the operations of the proposed cannabis grower, cannabis processor, cannabis wholesaler, or cannabis retailer.

Notwithstanding any other provision of this subsubparagraph, an application shall be disqualified from consideration unless it includes documentation demonstrating that the applicant will have final control of the premises upon approval of the application, including, but not limited to, a lease agreement, contract for sale, title, deed, or similar documentation. In addition, if the applicant will lease the premises, the application will be disqualified from consideration unless it includes certification from the landlord that the landlord is aware that the tenant's use of the premises will involve operations as a cannabis grower, cannabis processor, cannabis wholesaler, or cannabis retailer. An application shall not be disqualified from consideration if the application does not include the materials described in this subsubparagraph.

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

- a community impact plan summarizing how the applicant intends to have a positive impact on the community in which the proposed cannabis establishment is to be located, which shall include an economic impact plan and a description of outreach activities;

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

- a written description of any research the applicant has conducted on the adverse effects of the use of cannabis items, substance abuse or addiction, and the applicant's participation in or support of cannabis-related research and educational activities; and

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

In evaluating the information submitted pursuant to this subparagraph, the commission shall afford the greatest weight to the experience of the applicant itself, controlling owners, and entities with common ownership or control with the applicant; followed by the experience of those with a 15 percent or greater ownership interest in the applicant's organization; followed by interest holders in the applicant's organization; followed by other officers, directors, and bona fide full-time employees of the applicant as of the submission date of the application.

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

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

- an executive summary of the applicant's business plan;

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

- a description of the applicant's experience complying with guidance pertaining to cannabis issued by the Financial Crimes Enforcement Network under 31 U.S.C. s.5311 et seq., the federal "Bank Secrecy Act", which may be demonstrated by submitting letters regarding the applicant's banking history from banks or

credit unions that certify they are aware of the business activities of the applicant, or entities with common ownership or control of the applicant's organization, in any state where the applicant has operated a business related to medical cannabis. For the purposes of this subparagraph, the commission shall consider only bank references involving accounts in the name of the applicant or of an entity with common ownership or control of the applicant's organization. An applicant who does not submit the information described in this subparagraph shall not be disqualified from consideration.

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

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

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

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

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

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

(2) In ranking applications, in addition to the awarding of points as set forth in paragraph (1) of this subsection, the commission shall give priority to the following:

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

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

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

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

(3) In reviewing an initial application, unless the information is otherwise solicited by the commission in a specific application question, the commission's evaluation of the application shall be limited to the experience and qualifications of the applicant's organization, including any entities with common ownership or control of the applicant's organization, controlling owners or interest holders in the applicant's organization, and the officers, directors, and current full-time existing employees of the applicant's organization. Responses pertaining to consultants, independent contractors, applicants who are exempt from the criminal history record background check requirements of P.L. , c. (C.) (pending before the Legislature as this bill), and prospective or part-time employees of the entity shall not be considered. Each applicant shall certify as to the status of the individuals and entities included in the application.

(4) The commission shall give special consideration to any applicant that has entered into an agreement with an institution of higher education to create an integrated curriculum involving the growing, processing, wholesaling, and retail sales of personal use cannabis and cannabis items, provided that the curriculum is approved by both the commission and the Department of Education and the applicant agrees to maintain the integrated curriculum in perpetuity. An integrated curriculum permit shall be subject to revocation if the permit holder fails to maintain or continue the integrated curriculum. In the event that, because of circumstances outside a permit holder's control, the permit holder will no longer be able to continue an integrated curriculum, the permit holder shall notify the commission and shall make reasonable efforts to establish a new integrated curriculum with an institution of higher education, subject to approval by the commission and the Department of Education. If the permit holder is unable to establish a new integrated curriculum within six months after the date the current integrated curriculum arrangement ends, the commission shall revoke the entity's permit, unless the commission finds there are extraordinary circumstances that justify allowing the permit holder to retain the permit without an integrated curriculum and the commission finds that allowing the permit holder to retain the permit would be consistent with the purposes of P.L. , c. (C.) (pending before the Legislature as this bill). The commission may revise the application and permit fees or other conditions for a permit pursuant to this paragraph as may be necessary to encourage applications for permits.

(5) Application materials submitted to the commission pursuant to this section shall not be considered a public record pursuant to

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P.L.1963, c.73 (C.47:1A-1 et seq.) or P.L.2001, c.404 (C.47:1A-5 et al.).

(6) If the commission notifies an applicant that it has performed sufficiently well on multiple applications to be awarded more than one cannabis grower license, more than one cannabis processor license, more than one cannabis wholesaler license, or more than one cannabis retailer license, the applicant shall notify the commission, within seven business days after receiving such notice, as to which license it will accept. For any license award that is declined by an applicant pursuant to this paragraph, the commission shall, upon receiving notice from the applicant of the declination, award the license to the applicant for that license class who, in the determination of the commission, best satisfies the commission's criteria while meeting the commission's determination of Statewide market place need. If an applicant fails to notify the commission as to which license it will accept, the commission shall have the discretion to determine which license it will award to the applicant, based on the commission's determination of Statewide marketplace need and other applications submitted for cannabis establishments to be located in the affected regions.

e. (1) The commission shall also prioritize applications on the basis of impact zones, for which past criminal marijuana enterprises contributed to higher concentrations of law enforcement activity, unemployment, and poverty within parts of or throughout these zones. An "impact zone" means any local governmental entity that:

(a) has a population of 120,000 or more according to the most recently compiled federal decennial census as of the effective date of P.L. , c. (C.) (pending before the Legislature as this bill); or

(b) (i) ranks in the top 33 percent of local governmental entities in the State for marijuana- or hashish-related arrests for violation of paragraph (4) of subsection a. of N.J.S.2C:35-10 in the calendar year next preceding the effective date of P.L. , c. (C.) (pending before the Legislature as this bill);

(ii) has a crime index total of 1,000 or higher based upon the indexes listed in the most recently issued annual Uniform Crime Report by the Division of State Police as of that effective date; and

(iii) has a local governmental entity average annual unemployment rate that ranks in the top 15 percent of all local governmental entities in the State for the calendar year next preceding that effective date, based upon average annual unemployment rates estimated for the relevant calendar year by the Office of Research and Information in the Department of Labor and Workforce Development.

(2) In ranking applications with respect to impact zones, the commission shall give priority to the following:

(a) An applicant who is a current resident of an impact zone and has resided therein for three or more consecutive years at the time

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of making the application. To the extent reasonably practicable, at least 25 percent of the total licenses issued to applicants for a cannabis establishment license shall be awarded to applicants who have resided in an impact zone for three or more consecutive years at the time of making the application, regardless of where the cannabis establishment is, or is intended to be, located.

(b) An applicant who presents a plan, attested to, to employ 25 percent of employees who reside in an impact zone, of whom at least 25 percent shall reside in the impact zone nearest to the location, or intended location, of the cannabis establishment; failure to meet the requisite percentages of employees from an impact zone within 90 days of the opening of a licensed cannabis establishment shall result in the suspension or revocation of a license or conditional license, as applicable, issued based on an application with an impact zone employment plan.

f. (1) The commission shall ensure that at least 10 percent of the total licenses issued for each class of cannabis establishment are designated for and only issued to microbusinesses, and that at least 25 percent of the total licenses issued be issued to microbusinesses. The determination of the percentage for each class of license issued to microbusinesses shall include the number of conditional licenses issued to microbusinesses for each class, as the percentage of conditional licenses issued for each class pursuant to subparagraph (a) of paragraph (2) of subsection b. of this section shall not be mutually exclusive of the percentage of licenses issued to microbusinesses pursuant to this paragraph. The maximum fee assessed by the commission for issuance or renewal of a license designated and issued to a microbusiness shall be no more than half the fee applicable to a license of the same class issued to a person or entity that is not a microbusiness. A license designated and issued to a microbusiness shall be valid for one year and may be renewed annually.

(2) A microbusiness shall meet the following requirements:

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

(b) at least 51 percent of the owners, directors, officers, or employees of the microbusiness shall be residents of the local governmental entity in which the microbusiness is located, or to be located, or a local governmental entity bordering the local governmental entity in which the microbusiness is located, or to be located;

(c) concerning business operations, and capacity and quantity restrictions:

(i) employ no more than 10 employees;

(ii) operate a cannabis establishment occupying an area of no more than 2,500 square feet, and in the case of a cannabis grower, grow cannabis on an area no more than 2,500 square feet measured

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on a horizontal plane and grow above that plane not higher than 24 feet;

(iii) possess no more than 1,000 cannabis plants each month;

(iv) in the case of a cannabis processor, acquire and process no more than 1,000 pounds of cannabis in dried form each month;

(v) in the case of a cannabis wholesaler, acquire for resale no more than 1,000 pounds of cannabis in dried form, or the equivalent amount in any other form, or any combination thereof, each month; and

(vi) in the case of a cannabis retailer, acquire for retail sale no more than 1,000 pounds of cannabis in dried form, or the equivalent amount in any other form, or any combination thereof, each month.

(d) no owner, director, officer, or other person with a financial interest who also has decision making authority for the microbusiness shall hold any financial interest in any other licensed cannabis establishment, whether or not a microbusiness;

(e) no owner, director, officer, or other person with a financial interest who also has decision making authority for a licensed cannabis establishment, whether or not a microbusiness, shall hold any financial interest in a microbusiness;

(f) the microbusiness shall not sell or transfer the license issued to it; and

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

24. (New section) Class 1 Cannabis Grower license.

A cannabis grower shall have a Class 1 Cannabis Grower license issued by the commission for the premises at which the cannabis is grown or cultivated. Except for an initial period during which the number of licenses is capped pursuant to section 30 of P.L. , c. (C.) (pending before the Legislature as this bill), the commission shall determine the maximum number of licenses, of which at least 35 percent shall be conditional licenses issued pursuant to subparagraph (a) of paragraph (2) of subsection b. of section 23 of P.L. , c. (C.) (pending before the Legislature as this bill), and at least 25 percent of the total number of licenses and conditional licenses shall be designated for and only issued to microbusinesses pursuant subsection f. of that section. After the initial period during which the number of licenses is capped pursuant to section 30 of P.L. , c. (C.) (pending before the Legislature as this bill), the commission shall review the current number of licenses issued and, providing there exist qualified applicants, may, as authorized by paragraph (1) of subsection a. of section 17 of P.L. , c. (C.) (pending before the Legislature as this bill), make requests for new applications for additional

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licenses as it deems necessary to meet the market demands of the State.

a. To hold a Class 1 Cannabis Grower license under this section, an applicant:

(1) Shall apply for a license in the manner described in section 23 of P.L. , c. (C.) (pending before the Legislature as this bill);

(2) Shall have at least one significantly involved person who has resided in this State for at least two years as of the date of the application, and provide proof that this person and any other person with an investment interest who also has decision making authority for the cannabis grower listed on an application submitted under section 23 of P.L. , c. (C.) (pending before the Legislature as this bill) is 21 years of age or older;

(3) Shall meet the requirements of any rule or regulation adopted by the commission under subsection b. of this section; and

(4) Shall provide for each of the following persons to undergo a criminal history record background check: any owner, other than an owner who holds less than a five percent investment interest in the cannabis grower or who is a member of a group that holds less than a 20 percent investment interest in the cannabis grower and no member of that group holds more than a five percent interest in the total group investment, and who lacks the authority to make controlling decisions regarding the cannabis grower's operations; any director; any officer; and any employee.

(a) Pursuant to this provision, the commission is authorized to exchange fingerprint data with and receive criminal history record background information from the Division of State Police and the Federal Bureau of Investigation consistent with the provisions of applicable federal and State laws, rules, and regulations. The Division of State Police shall forward criminal history record background information to the commission in a timely manner when requested pursuant to the provisions of this section;

(b) Each person shall submit to being fingerprinted in accordance with applicable State and federal laws, rules, and regulations. No check of criminal history record background information shall be performed pursuant to this section unless a person has furnished his written consent to that check. A person who refuses to consent to, or cooperate in, the securing of a check of criminal history record background information shall not be considered for licensure as a grower. Each person shall bear the cost for the criminal history record background check, including all costs of administering and processing the check;

(c) (i) With respect to determining whether any conviction of a person contained in the criminal history record background check should disqualify an applicant for a Class 1 Cannabis Grower license, the commission shall not take into consideration any conviction for a crime or offense that occurred prior to the effective

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date of P.L. , c. (C.) (pending before the Legislature as this bill) involving a controlled dangerous substance or controlled substance analog as set forth in paragraph (11) or (12) of subsection b., or subparagraph (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar indictable offense under federal law, this State's law, or any other state's law, or for any conviction under federal law for conduct involving cannabis or cannabis resin that is authorized by P.L. , c. (C.) (pending before the Legislature as this bill). Additionally, the commission shall not take into consideration any other prior conviction, unless that conviction is for an indictable offense under federal law, other than a conviction for conduct involving cannabis or cannabis resin that is authorized by P.L. , c. (C.) (pending before the Legislature as this bill), or under this State's law, or any other state's law that is substantially related to the qualifications, functions, or duties for which the license is required, and not more than five years have passed since the date of that conviction, satisfactory completion of probation or parole, or release from incarceration, which is later. In determining which indictable offenses are substantially related to the qualifications, functions, or duties for which the license is required, the commission shall at least consider any conviction involving fraud, deceit, or embezzlement, and any conviction for N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or similar indictable offense in this or another jurisdiction involving the use of a minor to dispense or distribute a controlled dangerous substance or controlled substance analog;

(ii) The commission may approve an applicant for a Class 1 Cannabis Grower license after conducting a thorough review of any previous conviction of a person that substantially related to the qualifications, functions, or duties for which the license is required that is contained in the criminal history record background information, and this review shall include examining the nature of the indictable offense, the circumstances at the time of committing the offense, and evidence of rehabilitation since conviction. If the commission determines that the reviewed conviction should not disqualify the applicant, the applicant may be approved so long as the applicant is otherwise qualified to be issued the license; and

(d) Upon receipt and review of the criminal history record background information from the Division of State Police and the Federal Bureau of Investigation, the commission shall provide written notification to the applicant of the qualification for or disqualification for a Class 1 Cannabis Grower license.

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

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(e) The Division of State Police shall promptly notify the commission in the event that a person who was the subject of a criminal history record background check conducted pursuant to this section is convicted of a crime or offense in this State after the date the background check was performed. Upon receipt of that notification, the commission shall make a determination regarding the continued eligibility for the applicant, or following application, for the licensee, to hold a Class 1 Cannabis Grower license.

b. The commission shall adopt rules and regulations that:

(1) Provide for the annual renewal of the Class 1 Cannabis Grower license;

(2) Establish application, licensure, and renewal of licensure fees for cannabis growers in accordance with paragraph (2) of subsection a. of section 17 of P.L. , c. (C.) (pending before the Legislature as this bill);

(3) Require cannabis produced by cannabis growers to be tested in accordance with P.L. , c. (C.) (pending before the Legislature as this bill);

(4) Require cannabis growers to submit, at the time of applying for or renewing a license under P.L. , c. (C.) (pending before the Legislature as this bill), a report describing the applicant's or licensee's electrical and water usage; and

(5) Require a cannabis grower to meet any public health and safety standards, industry best practices, and all applicable regulations established by the commission by rule or regulation related to the production of cannabis or the propagation of immature cannabis plants and the seeds of the plant Genus Cannabis L. within the plant family Cannabaceae. The commission may regulate the number of immature cannabis plants that may be possessed by a cannabis grower licensed under this section; the size of the grow canopy a cannabis grower licensed under this section uses to grow immature cannabis plants; and the weight or size of shipments of immature cannabis plants made by a cannabis grower licensed under this section.

c. Fees adopted under subsection b. of this section:

(1) Shall be in the form of a schedule that imposes a greater fee for premises with more square footage or on which more mature cannabis plants are grown; and

(2) Shall be deposited in the "Cannabis Regulatory and Expungement Aid Modernization Fund" established under section 81 of P.L. , c. (C.) (pending before the Legislature as this bill).

d. (1) The commission shall issue or deny issuance of a Class 1 Cannabis Grower license or conditional license in accordance with the procedures set forth in section 23 of P.L. , c. (C.) (pending before the Legislature as this bill).

(2) The commission may suspend or revoke a Class 1 Cannabis Grower license or conditional license to operate as a cannabis

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cultivation facility for cause, which shall be considered a final agency action for the purposes of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) and shall be subject only to judicial review as provided in the Rules of Court.

e. A person who has been issued a license or conditional license shall display the license or conditional license at the premises at all times when cannabis is being produced.

f. As required by the commission in regulation, a licensee or conditional licensee shall report required changes in information about the licensee to the commission within the time specified by the commission.

25. (New section) Grow Canopies for Licensed Cannabis Growers.

a. Subject to subsection b. of this section, the commission shall adopt rules or regulations restricting the size of mature cannabis plant grow canopies at premises for which a license has been issued to a cannabis grower pursuant to P.L. , c. (C.) (pending before the Legislature as this bill).

b. When adopting rules and regulations under this subsection, the commission shall consider whether to:

(1) Limit the size of mature cannabis plant grow canopies for premises where cannabis is grown outdoors and for premises where cannabis is grown indoors in a manner calculated to result in premises that produce the same amount of harvested cannabis leaves and harvested cannabis flowers, regardless of whether the cannabis is grown outdoors or indoors;

(2) Adopt a tiered system under which the permitted size of a cannabis growers' mature cannabis plant grow canopy increases at the time of licensure renewal, except that the permitted size of a cannabis growers' mature cannabis plant grow canopy may not increase following any year during which the commission disciplined the cannabis growers for violating a provision of or a rule adopted under a provision of P.L. , c. (C.) (pending before the Legislature as this bill); provided, that at the time of adoption, any growing or cultivation square footage previously approved or authorized for an alternative treatment center that was issued a permit prior to the effective date of P.L. , c. (C.) (pending before the Legislature as the Third Reprint of Senate Committee Substitute for Senate Bill Nos. 10 and 2426), or that was issued a permit on or after that effective date pursuant to an application submitted prior to that effective date, shall not be reduced, but the commission's adopted tier system shall apply to the growing or cultivation square footage of that alternative treatment center thereafter;

(3) Take into consideration the market demand for cannabis items in this State, the number of persons applying for a license pursuant to sections 24, 26, 27 and 28 of P.L. , c. (C.)

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(pending before the Legislature as this bill), and to whom a license has been issued pursuant to those sections, and whether the availability of cannabis items in this State is commensurate with the market demand.

c. This section shall not apply to premises for which a license has been issued to a cannabis grower pursuant to section 24 of P.L. , c. (C.) (pending before the Legislature as this bill), if the premises is used only to propagate immature cannabis plants.

26. (New section) Class 2 Cannabis Processor license.

A cannabis processor shall have a Class 2 Cannabis Processor license issued by the commission for the premises at which the cannabis product is produced. The commission shall determine the maximum number of licenses, of which at least 35 percent shall be conditional licenses issued pursuant to subparagraph (a) of paragraph (2) of subsection b. of section 23 of P.L. , c. (C.) (pending before the Legislature as this bill), and at least 25 percent of the total number of licenses and conditional licenses shall be designated for and only issued to microbusinesses pursuant to subsection f. of that section. Providing there exist qualified applicants, the commission shall issue a sufficient number of licenses to meet the market demands of the State, and may, as authorized by paragraph (1) of subsection a. of section 17 of P.L. , c. (C.) (pending before the Legislature as this bill), make requests for new applications for additional licenses as it deems necessary to meet those demands.

a. To hold a Class 2 Cannabis Processor license under this section, an applicant:

(1) Shall apply for a license in the manner described in section 23 of P.L. , c. (C.) (pending before the Legislature as this bill);

(2) Shall have at least one significantly involved person who has resided in this State for at least two years as of the date of the application, and provide proof that this person and any other person with an investment interest who also has decision making authority for the cannabis processor listed on an application submitted under section 23 of P.L. , c. (C.) (pending before the Legislature as this bill) is 21 years of age or older;

(3) Shall meet the requirements of any rule or regulation adopted by the commission under subsection b. of this section; and

(4) Shall provide for each of the following persons to undergo a criminal history record background check: any owner, other than an owner who holds less than a five percent investment interest in the cannabis processor or who is a member of a group that holds less than a 20 percent investment interest in the cannabis processor and no member of that group holds more than a five percent interest in the total group investment, and who lacks the authority to make

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controlling decisions regarding the cannabis processor's operations; any director; any officer; and any employee.

(a) Pursuant to this provision, the commission is authorized to exchange fingerprint data with and receive criminal history record background information from the Division of State Police and the Federal Bureau of Investigation consistent with the provisions of applicable federal and State laws, rules, and regulations. The Division of State Police shall forward criminal history record background information to the commission in a timely manner when requested pursuant to the provisions of this section;

(b) Each person shall submit to being fingerprinted in accordance with applicable State and federal laws, rules, and regulations. No check of criminal history record background information shall be performed pursuant to this section unless a person has furnished his written consent to that check. A person who refuses to consent to, or cooperate in, the securing of a check of criminal history record background information shall not be considered for licensure as a processor. Each person shall bear the cost for the criminal history record background check, including all costs of administering and processing the check;

(c) (i) With respect to determining whether any conviction of a person contained in the criminal history record background check should disqualify an applicant for a Class 2 Cannabis Processor license, the commission shall not take into consideration any conviction for a crime or offense that occurred prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) involving a controlled dangerous substance or controlled substance analog as set forth in paragraph (11) or (12) of subsection b., or subparagraph (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar indictable offense under federal law, this State's law, or any other state's law, or for any conviction under federal law for conduct involving cannabis or cannabis resin that is authorized by P.L. , c. (C.) (pending before the Legislature as this bill). Additionally, the commission shall not take into consideration any other prior conviction, unless that conviction is for an indictable offense under federal law, other than a conviction for conduct involving cannabis or cannabis resin that is authorized by P.L. , c. (C.) (pending before the Legislature as this bill), or under this State's law, or any other state's law that is substantially related to the qualifications, functions, or duties for which the license is required, and not more than five years have passed since the date of that conviction, satisfactory completion of probation or parole, or release from incarceration, whichever is later. In determining which indictable offenses are substantially related to the qualifications, functions, or duties for which the license is required, the commission shall at least consider any conviction involving fraud, deceit, or embezzlement, and any conviction for

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N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or similar indictable offense in this or another jurisdiction involving the use of a minor to dispense or distribute a controlled dangerous substance or controlled substance analog;

(ii) The commission may approve an applicant for a Class 2 Cannabis Processor license after conducting a thorough review of any previous conviction of a person that substantially related to the qualifications, functions, or duties for which the license is required that is contained in the criminal history record background information, and this review shall include examining the nature of the indictable offense, the circumstances at the time of committing the offense, and evidence of rehabilitation since conviction. If the commission determines that the reviewed conviction should not disqualify the applicant, the applicant may be approved so long as the applicant is otherwise qualified to be issued the license; and

(d) Upon receipt and review of the criminal history record background information from the Division of State Police and the Federal Bureau of Investigation, the commission shall provide written notification to the applicant of the qualification for or disqualification for a Class 2 Cannabis Processor license.

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

(e) The Division of State Police shall promptly notify the commission in the event that an individual who was the subject of a criminal history record background check conducted pursuant to this section is convicted of a crime or offense in this State after the date the background check was performed. Upon receipt of that notification, the commission shall make a determination regarding the continued eligibility for the applicant, or following application, for the licensee, to hold a Class 2 Cannabis Processor license.

b. The commission shall adopt rules that:

(1) Provide for the annual renewal of the Class 2 Cannabis Processor license;

(2) Establish application, licensure, and renewal of licensure fees for cannabis processors in accordance with paragraph (2) of subsection a. of section 17 of P.L. , c. (C.) (pending before the Legislature as this bill);

(3) Require cannabis produced by cannabis processors to be tested in accordance with P.L. , c. (C.) (pending before the Legislature as this bill); and

(4) Require a cannabis processor to meet any public health and safety standards, industry best practices, and all applicable regulations established by the commission by rule or regulation related to the processing of cannabis.

c. Fees adopted under subsection b. of this section:

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(1) Shall be in the form of a schedule that imposes a greater fee for premises with more square footage; and

(2) Shall be deposited in the “Cannabis Regulatory and Expungement Aid Modernization Fund” established under section 81 of P.L. , c. (C.) (pending before the Legislature as this bill).

d. (1) The commission shall issue or deny issuance of a Class 2 Cannabis Processor license or conditional license in accordance with the procedures set forth in section 23 of P.L. , c. (C.) (pending before the Legislature as this bill).

(2) The commission may suspend or revoke a Class 2 Cannabis Processor license or conditional license to operate as a cannabis production facility for cause, which shall be considered a final agency action for the purposes of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) and shall be subject only to judicial review as provided in the Rules of Court.

e. A person who has been issued a license or conditional license shall display the license or conditional license at the premises at all times when cannabis is being processed.

f. As required by the commission in regulation, a licensee or conditional licensee shall report required changes in information about the licensee to the commission within the time specified by the commission.

27. (New section) Class 3 Cannabis Wholesaler license.

A cannabis wholesaler shall have a Class 3 Cannabis Wholesaler license issued by the commission for the premises at which the cannabis is warehoused. The commission shall determine the maximum number of licenses, of which at least 35 percent shall be conditional licenses issued pursuant to subparagraph (a) of paragraph (2) of subsection b. of section 23 of P.L. , c. (C.) (pending before the Legislature as this bill), and at least 25 percent of the total number of licenses and conditional licenses shall be designated for and only issued to microbusinesses pursuant subsection f. of that section. Providing there exist qualified applicants, the commission shall issue a sufficient number of licenses to meet the market demands of the State, and may, as authorized by paragraph (1) of subsection a. of section 17 of P.L. , c. (C.) (pending before the Legislature as this bill), make requests for new applications for additional licenses as it deems necessary to meet those demands.

a. To hold a Class 3 Cannabis Wholesaler license under this section, an applicant:

(1) Shall apply for a license in the manner described in section 23 of P.L. , c. (C.) (pending before the Legislature as this bill);

(2) Shall have at least one significantly involved person who has resided in this State for at least two years as of the date of the

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application, and provide proof that this person and any other person with an investment interest who also has decision making authority for the cannabis wholesaler listed on an application submitted under section 23 of P.L. , c. (C.) (pending before the Legislature as this bill) is 21 years of age or older;

(3) Shall meet the requirements of any rule or regulation adopted by the commission under subsection b. of this section; and

(4) Shall provide for each of the following persons to undergo a criminal history record background check: any owner, other than an owner who holds less than a five percent investment interest in the cannabis wholesaler or who is a member of a group that holds less than a 20 percent investment interest in the cannabis wholesaler and no member of that group holds more than a five percent interest in the total group investment, and who lacks the authority to make controlling decisions regarding the cannabis wholesaler's operations; any director; any officer; and any employee.

(a) Pursuant to this provision, the commission is authorized to exchange fingerprint data with and receive criminal history record background information from the Division of State Police and the Federal Bureau of Investigation consistent with the provisions of applicable federal and State laws, rules, and regulations. The Division of State Police shall forward criminal history record background information to the commission in a timely manner when requested pursuant to the provisions of this section;

(b) Each person shall submit to being fingerprinted in accordance with applicable State and federal laws, rules, and regulations. No check of criminal history record background information shall be performed pursuant to this section unless a person has furnished his written consent to that check. A person who refuses to consent to, or cooperate in, the securing of a check of criminal history record background information shall not be considered for licensure as a wholesaler. Each person shall bear the cost for the criminal history record background check, including all costs of administering and processing the check;

(c) (i) With respect to determining whether any conviction of a person contained in the criminal history record background check should disqualify an applicant for a Class 3 Cannabis Wholesaler license, the commission shall not take into consideration any conviction for a crime or offense that occurred prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) involving a controlled dangerous substance or controlled substance analog as set forth in paragraph (11) or (12) of subsection b., or subparagraph (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar indictable offense under federal law, this State's law, or any other state's law, or for any conviction under federal law for conduct involving cannabis or cannabis resin that is authorized by P.L. , c. (C.) (pending before the Legislature as

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this bill). Additionally, the commission shall not take into consideration any other prior conviction, unless that conviction is for an indictable offense under federal law, other than a conviction for conduct involving cannabis or cannabis resin that is authorized by P.L. , c. (C.) (pending before the Legislature as this bill), or under this State's law, or any other state's law that is substantially related to the qualifications, functions, or duties for which the license is required, and not more than five years have passed since the date of that conviction, satisfactory completion of probation or parole, or release from incarceration, whichever is later. In determining which indictable offenses are substantially related to the qualifications, functions, or duties for which the license is required, the commission shall at least consider any conviction involving fraud, deceit, or embezzlement, and any conviction for N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or similar indictable offense in this or another jurisdiction involving the use of a minor to dispense or distribute a controlled dangerous substance or controlled substance analog;

(ii) The commission may approve an applicant for a Class 3 Cannabis Wholesaler license after conducting a thorough review of any previous conviction of a person that substantially related to the qualifications, functions, or duties for which the license is required that is contained in the criminal history record background information, and this review shall include examining the nature of the indictable offense, the circumstances at the time of committing the offense, and evidence of rehabilitation since conviction. If the commission determines that the reviewed conviction should not disqualify the applicant, the applicant may be approved so long as the applicant is otherwise qualified to be issued the license; and

(d) Upon receipt and review of the criminal history record background information from the Division of State Police and the Federal Bureau of Investigation, the commission shall provide written notification to the applicant of the qualification for or disqualification for a Class 3 Cannabis Wholesaler license.

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

(e) The Division of State Police shall promptly notify the commission in the event that an individual who was the subject of a criminal history record background check conducted pursuant to this section is convicted of a crime or offense in this State after the date the background check was performed. Upon receipt of that notification, the commission shall make a determination regarding the continued eligibility for the applicant, or following application, for the licensee to hold a Class 3 Cannabis Wholesaler license.

b. The commission shall adopt rules that:

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(1) Provide for the annual renewal of the Class 3 Cannabis Wholesaler license;

(2) Establish application, licensure, and renewal of licensure fees for cannabis wholesalers in accordance with paragraph (2) of subsection a. of section 17 of P.L. , c. (C.) (pending before the Legislature as this bill);

(3) Require cannabis warehoused by cannabis wholesalers to be tested in accordance with P.L. , c. (C.) (pending before the Legislature as this bill); and

(4) Require a cannabis wholesaler to meet any public health and safety standards, industry best practices, and all applicable regulations established by the commission by rule or regulation related to the warehousing of cannabis.

c. Fees adopted under subsection b. of this section:

(1) Shall be in the form of a schedule that imposes a greater fee for premises with more square footage; and

(2) Shall be deposited in the “Cannabis Regulatory and Expungement Aid Modernization Fund” established under section 81 of P.L. , c. (C.) (pending before the Legislature as this bill).

d. (1) The commission shall issue or deny issuance of a Class 3 Cannabis Wholesaler license or conditional license in accordance with the procedures set forth in section 23 of P.L. , c. (C.) (pending before the Legislature as this bill).

(2) The commission may suspend or revoke a Class 3 Cannabis Wholesaler license or conditional license to operate as a cannabis wholesaler for cause, which shall be considered a final agency action for the purposes of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) and shall be subject only to judicial review as provided in the Rules of Court.

e. A person who has been issued a license or conditional license shall display the license or conditional license at the premises at all times when cannabis is being warehoused.

f. As required by the commission in regulation, a licensee or conditional licensee shall report required changes in information about the licensee to the commission within the time specified by the commission.

28. (New section) Class 4 Cannabis Retailer license.

A cannabis retailer shall have a Class 4 Cannabis Retailer license issued by the commission for the premises at which the cannabis is retailed. The commission shall determine the maximum number of licenses, of which at least 35 percent shall be conditional licenses issued pursuant to subparagraph (a) of paragraph (2) of subsection b. of section 23 of P.L. , c. (C.) (pending before the Legislature as this bill), and at least 25 percent of the total number of licenses and conditional licenses shall be designated for and only issued to

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microbusinesses pursuant subsection f. of that section. Providing there exist qualified applicants, the commission shall issue a sufficient number of licenses to meet the market demands of the State, and may, as authorized by paragraph (1) of subsection a. of section 17 of P.L. , c. (C.) (pending before the Legislature as this bill), make requests for new applications for additional licenses as it deems necessary to meet those demands.

a. To hold a Class 4 Cannabis Retailer license under this section, a cannabis retailer:

(1) Shall apply for a license in the manner described in section 23 of P.L. , c. (C.) (pending before the Legislature as this bill);

(2) Shall have at least one significantly involved person who has resided in this State for at least two years as of the date of the application, and provide proof that this person and any other person with an investment interest who also has decision making authority for the cannabis retailer listed on an application submitted under section 23 of P.L. , c. (C.) (pending before the Legislature as this bill) is 21 years of age or older;

(3) Shall meet the requirements of any rule adopted by the commission under subsection b. of this section; and

(4) Shall provide for each of the following persons to undergo a criminal history record background check: any owner, other than an owner who holds less than a five percent investment interest in the cannabis retailer or who is a member of a group that holds less than a 20 percent investment interest in the cannabis retailer and no member of that group holds more than a five percent interest in the total group investment, and who lacks the authority to make controlling decisions regarding the cannabis retailer's operations; any director; any officer; and any employee.

(a) Pursuant to this provision, the commission is authorized to exchange fingerprint data with and receive criminal history record background information from the Division of State Police and the Federal Bureau of Investigation consistent with the provisions of applicable federal and State laws, rules, and regulations. The Division of State Police shall forward criminal history record background information to the commission in a timely manner when requested pursuant to the provisions of this section;

(b) Each person shall submit to being fingerprinted in accordance with applicable State and federal laws, rules, and regulations. No check of criminal history record background information shall be performed pursuant to this section unless a person has furnished his written consent to that check. A person who refuses to consent to, or cooperate in, the securing of a check of criminal history record background information shall not be considered for licensure as a retailer. Each person shall bear the cost for the criminal history record background check, including all costs of administering and processing the check;

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(c) (i) With respect to determining whether any conviction of a person contained in the criminal history record background check should disqualify an applicant for a Class 4 Cannabis Retailer license, the commission shall not take into consideration any conviction for a crime or offense that occurred prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) involving a controlled dangerous substance or controlled substance analog as set forth in paragraph (11) or (12) of subsection b., or subparagraph (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar indictable offense under federal law, this State's law, or any other state's law, or for any conviction under federal law for conduct involving cannabis or cannabis resin that is authorized by P.L. , c. (C.) (pending before the Legislature as this bill). Additionally, the commission shall not take into consideration any other prior conviction, unless that conviction is for an indictable offense under federal law, other than a conviction for conduct involving cannabis or cannabis resin that is authorized by P.L. , c. (C.) (pending before the Legislature as this bill), or under this State's law, or any other state's law that is substantially related to the qualifications, functions, or duties for which the license is required, and not more than five years have passed since the date of that conviction, satisfactory completion of probation or parole, or release from incarceration, whichever is later. In determining which indictable offenses are substantially related to the qualifications, functions, or duties for which the license is required, the commission shall at least consider any conviction involving fraud, deceit, or embezzlement, and any conviction for N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or similar indictable offense in this or another jurisdiction involving the use of a minor to dispense or distribute a controlled dangerous substance or controlled substance analog;

(ii) The commission may approve an applicant for a Class 4 Cannabis Retailer license after conducting a thorough review of any previous conviction of a person that substantially related to the qualifications, functions, or duties for which the license is required that is contained in the criminal history record background information, and this review shall include examining the nature of the indictable offense, the circumstances at the time of committing the offense, and evidence of rehabilitation since conviction. If the commission determines that the reviewed conviction should not disqualify the applicant, the applicant may be approved so long as the applicant is otherwise qualified to be issued the license; and

(d) Upon receipt and review of the criminal history record background information from the Division of State Police and the Federal Bureau of Investigation, the commission shall provide written notification to the applicant of the qualification for or disqualification for a Class 4 Cannabis Retailer license.

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

(e) The Division of State Police shall promptly notify the commission in the event that an individual who was the subject of a criminal history record background check conducted pursuant to this section is convicted of a crime or offense in this State after the date the background check was performed. Upon receipt of that notification, the commission shall make a determination regarding the continued eligibility for the applicant, or following application, for the licensee, to hold a Class 4 Cannabis Retailer license.

b. The commission shall adopt rules that:

(1) Provide for the annual renewal of the Class 4 Cannabis Retailer license;

(2) Establish application, licensure, and renewal of licensure fees for a cannabis retailer in accordance with paragraph (2) of subsection a. of section 17 of P.L. , c. (C.) (pending before the Legislature as this bill);

(3) Require cannabis sold by a cannabis retailer to be tested in accordance with P.L. , c. (C.) (pending before the Legislature as this bill); and

(4) Require a cannabis retailer to meet any public health and safety standards, industry best practices, and all applicable regulations established by the commission by rule related to the sale of cannabis.

c. Fees adopted under subsection b. of this section:

(1) Shall be in the form of a schedule that imposes a greater fee for premises with more square footage; and

(2) Shall be deposited in the "Cannabis Regulatory and Expungement Aid Modernization Fund" established under section 81 of P.L. , c. (C.) (pending before the Legislature as this bill).

d. (1) The commission shall issue or deny issuance of a Class 4 Cannabis Retailer license or conditional license in accordance with the procedures set forth in section 23 of P.L. , c. (C.) (pending before the Legislature as this bill).

(2) The commission may suspend or revoke a Class 4 Cannabis Retailer license or conditional license to operate as a cannabis retailer for cause, which shall be considered a final agency action for the purposes of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) and shall be subject only to judicial review as provided in the Rules of Court.

e. A person who has been issued a license or conditional license shall display the license or conditional license at the premises at all times when cannabis is being retailed.

f. As required by the commission in regulation, a licensee or conditional licensee shall report required changes in information

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about the licensee to the commission within the time specified by the commission.

g. Subject to receiving an endorsement pursuant to section 82 of P.L. , c. (C.) (pending before the Legislature as this bill):

(1) A licensed cannabis retailer may operate a cannabis consumption area at which the on-premises consumption of cannabis items either obtained from the retailer, or brought by a person to the consumption area, may occur.

(2) Each licensed cannabis retailer may operate only one cannabis consumption area.

(3) The cannabis consumption area shall be either (a) an indoor, structurally enclosed area of the licensed cannabis retailer that is separate from the area in which retail sales of cannabis items occur or (b) an exterior structure on the same premises as the retailer, either separate from or connected to the retailer.

(4) A Class 4 Cannabis Retailer licensee that has been approved for a cannabis consumption area endorsement may transfer cannabis items purchased by a person in its retail establishment to the person in its cannabis consumption area. The Class 4 Cannabis Retailer licensee shall not transfer to the consumption area an amount of cannabis items that exceed the limits established by the commission.

29. (New section) Cannabis Handlers.

a. An individual who performs work for or on behalf of a person who holds a license classified pursuant to section 24, 26, 27 or 28 of P.L. , c. (C.) (pending before the Legislature as this bill) shall have a valid certification issued by the commission under this section if the individual participates in:

(1) the possession, securing, or selling of cannabis items at the premises for which the license has been issued; or

(2) the recording of the possession, securing, or selling of cannabis items at the premises for which the license has been issued; or

(3) the delivery of cannabis items.

b. A person who holds a license classified pursuant to section 24, 26, 27 or 28 of P.L. , c. (C.) (pending before the Legislature as this bill) shall verify that an individual has a valid certification issued under this section before allowing the individual to perform any work described in subsection a. of this section at the premises for which the license has been issued.

c. The commission shall issue certifications to qualified applicants to perform work described in this section. The commission shall adopt rules and regulations establishing: the qualifications for performing work described in this section; the terms of a certification issued under this section; procedures for applying for and renewing a certification issued under this section;

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and reasonable application, issuance, and renewal fees for a certification issued under this section.

d. The commission may require an individual applying for a certification under this section to successfully complete a course, made available by or through the commission, in which the individual receives training on: checking identification; detecting intoxication; handling cannabis items; statutory and regulatory provisions relating to cannabis; and any matter deemed necessary by the commission to protect the public health and safety. The commission or other provider may charge a reasonable fee for the course.

The commission shall not require an individual to successfully complete the course more than once, except that the commission may adopt regulations directing continuing education training on a prescribed schedule.

As part of a final order suspending a certification issued under this section, the commission may require a holder of a certification to successfully complete the course as a condition of lifting the suspension and as part of a final order revoking a certification issued under this section, the commission shall require an individual to successfully complete the course prior to applying for a new certification.

e. (1) Each individual applying for a certification under this section shall undergo a criminal history record background check. The commission is authorized to exchange fingerprint data with and receive criminal history record background information from the Division of State Police and the Federal Bureau of Investigation consistent with the provisions of applicable federal and State laws, rules, and regulations. The Division of State Police shall forward criminal history record background information to the commission in a timely manner when requested pursuant to the provisions of this subsection.

(2) Each individual shall submit to being fingerprinted in accordance with applicable State and federal laws, rules, and regulations. No check of criminal history record background information shall be performed pursuant to this subsection unless the individual has furnished written consent to that check. Any individual who refuses to consent to, or cooperate in, the securing of a check of criminal history record background information shall not be considered for a certification. Each individual shall bear the cost for the criminal history record background check, including all costs of administering and processing the check.

(3) Upon receipt and review of the criminal history record background information from the Division of State Police and the Federal Bureau of Investigation, the commission shall provide written notification to the individual of the qualification for or disqualification for a certification. If the individual is disqualified because of a disqualifying conviction as set forth in subsection f. of

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this section, the conviction that constitutes the basis for the disqualification shall be identified in the written notice.

(4) The Division of State Police shall promptly notify the commission in the event that an individual who was the subject of a criminal history record background check conducted pursuant to this subsection is convicted of a crime in this State after the date the background check was performed. Upon receipt of that notification, the commission shall make a determination regarding the continued eligibility to hold a certification.

f. (1) (a) With respect to determining whether any conviction of an individual contained in the criminal history record background check should disqualify an applicant for a certification, the commission shall not take into consideration any conviction for a crime or offense that occurred prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) involving a controlled dangerous substance or controlled substance analog as set forth in paragraph (11) or (12) of subsection b., or subparagraph (b) of paragraph (10) of subsection b. of N.J.S.2C:35-5, or paragraph (3) or (4) of subsection a. of N.J.S.2C:35-10, or any similar indictable offense under federal law, this State's law, or any other state's law, or for any conviction under federal law for conduct involving cannabis or cannabis resin that is authorized by P.L. , c. (C.) (pending before the Legislature as this bill). Additionally, the commission shall not take into consideration any other prior conviction, unless that conviction is for an indictable offense under federal law, other than a conviction for conduct involving cannabis or cannabis resin that is authorized by P.L. , c. (C.) (pending before the Legislature as this bill), or under this State's law, or any other state's law that is substantially related to the qualifications, functions, or duties for which certification is required, and not more than five years have passed since the date of that conviction, satisfactory completion of probation or parole, or release from incarceration, whichever is later. In determining which indictable offenses are substantially related to the qualifications, functions, or duties for which certification is required, the commission shall at least consider any conviction involving fraud, deceit, or embezzlement, and any conviction for N.J.S.2C:35-6, employing a minor in a drug distribution scheme, or similar indictable offense in this or another jurisdiction involving the use of a minor to dispense or distribute a controlled dangerous substance or controlled substance analog;

(b) The commission may approve an applicant for a certification after conducting a thorough review of any previous conviction of a person that substantially related to the qualifications, functions, or duties for which certification is required that is contained in the criminal history record background information, and this review shall include examining the nature of the indictable offense, the circumstances at the time of committing the offense, and evidence

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of rehabilitation since conviction. If the commission determines that the reviewed conviction should not disqualify the applicant, the applicant may be approved so long as the applicant is otherwise qualified to be issued the certification.

g. The commission shall deny an application to any applicant who fails to provide information, documentation and assurances as required by P.L. , c. (C.) (pending before the Legislature as this bill) or as requested by the commission, or who fails to reveal any fact material to qualification, or who supplies information which is untrue or misleading as to a material fact pertaining to the qualification criteria for licensure.

h. The commission may suspend, revoke, or refuse to renew a certification if the individual who is applying for or who holds the certification: violates any provision of P.L. , c. (C.) (pending before the Legislature as this bill) or any rule or regulation adopted under P.L. , c. (C.) (pending before the Legislature as this bill); makes a false statement to the commission; or refuses to cooperate in any investigation by the commission.

i. A certification issued under this section is a personal privilege and permits work described under this section only for the individual who holds the certification.

j. In addition to the requirements for regulations set forth in paragraph (1) of subsection d. of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill) the commission shall enact regulations to allow for a cannabis retailer to engage in delivery of cannabis items by a certified cannabis handler performing work for or on behalf of a cannabis retailer, and which regulations shall include, but not be limited to, the following requirements:

(1) A cannabis retailer may only deliver cannabis items to a physical address in this State.

(2) Deliveries shall be made only to a legal consumer by a certified cannabis handler who is an employee of a cannabis retailer or an approved contractor vendor for a cannabis retailer.

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

(4) A cannabis retailer shall staff each delivery vehicle with a certified cannabis handler who is an employee of the cannabis retailer who shall be at least 18 years of age, or use an approved contract vendor whose delivery employees shall be at least 18 years of age.

(5) All deliveries of cannabis items shall be made in person. A delivery of cannabis items shall not be made through the use of an unmanned vehicle.

(6) Each certified cannabis handler shall carry a copy of the cannabis employee or contract vendor identification card. The cannabis handler shall present the identification card upon request

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to State and local law enforcement, and State and local regulatory authorities and agencies.

(7) Each certified cannabis handler shall have access to a secure form of communication with the cannabis retailer, such as a cellular telephone, at all times that a delivery vehicle contains cannabis items.

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

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

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

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

(12) Upon request, a cannabis retailer shall provide the commission with information regarding any vehicles used for delivery, including the vehicle's make, model, color, Vehicle Identification Number, license plate number, and vehicle registration.

(13) Each cannabis retailer or contract vendor of a cannabis retailer shall maintain current hired and non-owned automobile liability insurance sufficient to insure all vehicles used for delivery of cannabis in the amount of not less than \$1,000,000 per occurrence or accident.

(14) Each cannabis retailer shall ensure that vehicles used to deliver cannabis bear no markings that would either identify or indicate that the vehicle is used to deliver cannabis items.

(15) Each cannabis retailer shall ensure that deliveries are completed in a timely and efficient manner.

(16) While making deliveries, a certified cannabis handler shall only travel from the cannabis retailer's licensed premises to the delivery address; from one delivery address to another delivery address; or from a delivery address back to the cannabis retailer's licensed premises. A cannabis handler shall not deviate from the delivery path described in this paragraph, except in the event of emergency or as necessary for rest, fuel, or vehicle repair stops, or

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because road conditions make continued use of the route or operation of the vehicle unsafe, impossible, or impracticable.

(17) The process of delivery begins when the certified cannabis handler leaves the cannabis retailer licensed premises with the cannabis items for delivery. The process of delivering ends when the cannabis handler returns to the cannabis retailer's licensed premises after delivering the cannabis item to the consumer.

(18) Each cannabis retailer shall maintain a record of each delivery of cannabis items in a delivery log, which may be written or electronic. For each delivery, the log shall record:

- (a) The date and time that the delivery began and ended;
- (b) The name of the certified cannabis handler;
- (c) The cannabis items delivered;
- (d) The lot number of the cannabis; and
- (e) The signature of the consumer who accepted delivery.

(19) A cannabis retailer shall report any vehicle accidents, diversions, losses, or other reportable events that occur during delivery to the appropriate State and local authorities, including the commission.

30. (New section) Marketplace Regulation.

a. (1) (a) For a period of 18 months after the date determined by the commission pursuant to paragraph (2) of subsection d. of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill), to be the first date on which cannabis retailers issued licenses or conditional licenses may begin retail sales of personal use cannabis items, it shall be unlawful for any owner, part owner, stockholder, officer, or director of any corporation, or any other person interested in any cannabis cultivation facility, cannabis testing facility, cannabis product manufacturing facility, or cannabis wholesaler, to conduct, own either in whole or in part, or be directly or indirectly interested in the retailing of any cannabis in this State, and such interest shall include any payments or delivery of money or property by way of loan or otherwise accompanied by an agreement to sell the product of said cannabis cultivation facility, cannabis testing facility, cannabis product manufacturing facility, or cannabis wholesaler. During this 18-month period, the holder of a Class 1 Cannabis Grower license to operate a cannabis cultivation facility or a Class 2 Cannabis Processor license to operate a cannabis product manufacturing facility may hold one other license to operate another cannabis establishment, other than a Class 3 Cannabis Wholesaler license to operate a cannabis wholesaler or a Class 4 Cannabis Retailer license to operate a cannabis retailer; and the holder of a Class 3 Cannabis Wholesaler license to operate a cannabis wholesaler shall be limited to just that one license.

(b) Throughout the 18-month period set forth in subparagraph (a) of this paragraph, the commission shall not:

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(i) providing there exist qualified applicants, allow more than 28 cannabis growers to be simultaneously licensed and engaging in personal use cannabis activities; and

(ii) providing there exist qualified applicants, allow more than 28 entities to be simultaneously holding medical cannabis cultivator permits issued pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) for activities concerning the medical use of cannabis under the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), which total number of entities shall include any alternative treatment center that was issued a permit prior to the effective date of P.L. , c. (C.) (pending before the Legislature as the Third Reprint of Senate Committee Substitute for Senate Bill Nos. 10 and 2426), or that was issued a permit after that effective date pursuant to an application submitted prior to that effective date, or is one of the six alternative treatment centers expressly exempt from the provisions of subparagraph (a) of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) pursuant to section 11 of P.L. , c. (C.) (pending before the Legislature as the Third Reprint of Senate Committee Substitute for Senate Bill Nos. 10 and 2426) concerning certain limitations on concurrently held medical cannabis permits.

(2) For a period of 18 months after the date determined by the commission pursuant to paragraph (2) of subsection d. of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill), to be the first date on which cannabis retailers issued licenses or conditional licenses may begin retail sales of personal use cannabis items, it shall be unlawful for any owner, part owner, stockholder, officer, or director of any corporation, or any other person interested in any retailing of any cannabis to conduct, own either whole or in part, or to be a shareholder, officer or director of a corporation or association, directly or indirectly, interested in any cannabis cultivation facility, cannabis testing facility, cannabis product manufacturing facility, or cannabis wholesaler.

(3) (a) (i) Except with respect to the cap on the number of cannabis grower licenses and medical cannabis cultivator permits set forth in subparagraph (b) of paragraph (1) of this subsection, the provisions of paragraphs (1) and (2) of this subsection shall not apply to an alternative treatment center that was issued a permit prior to the effective date of P.L. , c. (C.) (pending before the Legislature as the Third Reprint of Senate Committee Substitute for Senate Bill Nos. 10 and 2426), or that was issued a permit after that effective date pursuant to an application submitted prior to that effective date, or is one of the six alternative treatment centers expressly exempt from the provisions of subparagraph (a) of paragraph (2) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) concerning certain limitations on concurrently held medical cannabis permits, and that is deemed, pursuant to that section 7 (C.24:6I-7), to either concurrently hold a Class 1 Cannabis

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Grower license, a Class 2 Cannabis Processor license, and a Class 4 Cannabis Retailer license, plus an additional Class 4 Cannabis Retailer license for each satellite dispensary that was approved prior to that act's effective date or approved after that effective date pursuant to an application submitted prior to the effective date P.L. , c. (C.) (pending before the Legislature as the Third Reprint of Senate Committee Substitute for Senate Bill Nos. 10 and 2426), or deemed to hold a Class 3 Wholesaler license.

(ii) For each alternative treatment center deemed to have licenses pursuant to subparagraph (i) of this subparagraph, the commission shall not require the submission of an application for licensure, as the application requirement is deemed satisfied by the alternative treatment center's previously approved permit application that was submitted to the Department of Health pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), but the alternative treatment center shall not begin to operate as any class of cannabis establishment until the alternative treatment center has submitted a written approval for a proposed cannabis establishment from the local governmental entity in which the proposed establishment is to be located, which approval is based on a determination that the proposed establishment complies with the local governmental entity's restrictions on the time, location, manner, and number of establishments enacted pursuant to section 22 of P.L. , c. (C.) (pending before the Legislature as this bill). The commission shall issue the initial license to the alternative treatment center for a cannabis establishment of the appropriate class upon receipt of the local governmental entity's approval. The commission shall begin accepting local governmental entity approvals from alternative treatment centers beginning on the date of adoption of the commission's initial rules and regulations pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill).

(iii) An alternative treatment center issued an initial license following approval by a local governmental entity pursuant to subparagraph (ii) of this subparagraph shall not engage in activities related to the growing, producing, or wholesaling of personal use cannabis until it has certified to the commission that that it has sufficient quantities of medical cannabis and medical cannabis products available to meet the reasonably anticipated need of registered qualifying patients, and the commission has accepted the alternative treatment center's certification.

Notwithstanding the date determined by the commission pursuant to paragraph (2) of subsection d. of section 8 of that act (C.) to be the first date on which cannabis retailers issued licenses or conditional licenses may begin retail sales of personal use cannabis items, an alternate treatment center, if approved by a local governmental entity to operate as a cannabis retailer, may begin to engage in the retail sale of cannabis items on any date after the date

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that the commission adopts its initial rules and regulations pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill), so long as it has certified to the commission, and to the local governmental entity in which it is located and intends to engage in retail sales, that it has sufficient quantities of medical cannabis and, if applicable, medical cannabis products available to meet the reasonably anticipated need of registered qualifying patients, and both the commission and local governmental entity have accepted the alternative treatment center's certification.

(iv) An alternative treatment center issued a license for a cannabis establishment shall be authorized to use the same premises for all activities authorized under P.L. , c. (C.) (pending before the Legislature as this bill) and the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), without being required to establish or maintain any physical barriers or separations between operations related to the medical use of cannabis and operations related to personal use cannabis, provided that the alternative treatment center shall be required to certify that it has sufficient quantities of medical cannabis and, if applicable, medical cannabis products available to meet the reasonably anticipated treatment needs of registered qualifying patients, as set forth in subparagraph (iii) of this subparagraph, as a condition of selling personal use cannabis at retail.

In determining whether to accept, pursuant to this subparagraph, an alternative treatment center's certification that it has sufficient quantities of medical cannabis or medical cannabis products available to meet the reasonably anticipated needs of registered qualifying patients, the commission, and if applicable a local governmental entity in consultation with the commission, shall assess patient enrollment, inventory, sales of medical cannabis and medical cannabis products, and any other factors determined by the commission through regulation. If an alternative treatment center is found by the commission to not have sufficient quantities of medical cannabis or medical cannabis products available to meet the reasonably anticipated needs of qualified patients, the commission may issue fines, limit retail sales, temporarily suspend the alternative treatment center's cannabis establishment license, or issue any other penalties determined by the commission through regulation.

(b) Beginning on a date determined by the commission, to be not later than one year from the date determined by the commission pursuant to paragraph (2) of subsection d. of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill) to be the first date on which cannabis retailers issued licenses or conditional licenses may begin retail sales of personal use cannabis items, an alternative treatment center deemed to have licenses and issued

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initial licenses pursuant to subparagraph (a) of this paragraph shall certify to the commission, within a period of time, as determined by the commission, prior to the date on which a license issued to the alternative treatment center is set to expire, the continued material accuracy of the alternative treatment center's previously approved permit application to the Department of Health pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7), and its compliance with the provisions of P.L. , c. (C.) (pending before the Legislature as this bill) as required by the commission for its operations concerning personal use cannabis, and this certification shall be supplemented with a new written approval from the local governmental entity in which the alternative treatment center is operating as a cannabis establishment for which the initial license was issued, approving the continued operations as a cannabis establishment. The commission shall renew the license of the alternative treatment center based upon a review of the certification and supporting local governmental entity's continued approval. This license renewal process shall thereafter be followed for each expiring license issued to the alternative treatment center.

b. Following the 18 month period set forth in subsection a. of this section, a license holder shall be authorized to hold:

(1) (a) a Class 1 Cannabis Grower license, a Class 2 Cannabis Processor license, and a Class 4 Cannabis Retailer license concurrently, provided that no license holder shall be authorized to concurrently hold more than one license of each class, except for an alternative treatment center that was deemed, during the 18 month period, to have an additional Class 4 Cannabis Retailer license for each satellite dispensary pursuant to subparagraph (i) of subparagraph (a) of paragraph (3) of subsection a. of this section. These additional retailer licenses only permit the retail operation of each satellite dispensary, and shall not be replaced by any other class of cannabis establishment license; or

(b) a Class 3 Cannabis Wholesaler license. In no case may a holder of a Class 3 Cannabis Wholesaler license concurrently holder a license of any other class.

(2) The commission, pursuant to its authority under paragraph (1) of subsection a. of section 17 of P.L. , c. (C.) (pending before the Legislature as this bill), and pursuant to paragraph (4) of subsection a. of section 7 of P.L.2009, c.307 (C.24:6I-7) for making periodic evaluations of whether the number of each class of cannabis establishment is sufficient to meet the market demands of the State, and the number of permits is sufficient to meet the medical needs of registered qualifying patients, shall review the limit on the number of cannabis grower licenses and medical cannabis cultivator permits set forth in subparagraph (b) of paragraph (1) of subsection a. of this section, and providing there exist qualified applicants, may make requests for new applications for additional licenses and permits as it deems necessary.

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(3) A license holder may submit an application for a license of any type that the license holder does not currently hold prior to the expiration of the 18 month period set forth in subsection a. of this section, or thereafter, does not currently hold pursuant to paragraph (1) of this subsection, provided that no license shall be awarded to the license holder during the 18 month period, or thereafter, if issuance of the license would violate the restrictions set forth in subsection a. of this section concerning the classes of licenses that may be concurrently held during that 18 month period, or the restrictions set forth in paragraph (1) of this subsection.

31. (New section) Employers, Driving, Minors and Control of Property.

a. No employer shall refuse to hire or employ any person or shall discharge from employment or take any adverse action against any employee with respect to compensation, terms, conditions, or other privileges of employment because that person does or does not smoke or use cannabis items, unless the employer has a rational basis for doing so which is reasonably related to the employment, including the responsibilities of the employee or prospective employee.

b. Nothing in P.L. , c. (C.) (pending before the Legislature as this bill):

(1) Requires an employer to amend or repeal, or affect, restrict or preempt the rights and obligations of employers to maintain a drug and alcohol free workplace or require an employer to permit or accommodate the use, consumption, being under the influence, possession, transfer, display, transportation, sale, or growth of cannabis or cannabis items in the workplace, or to affect the ability of employers to have policies prohibiting cannabis use or intoxication by employees during work hours.

(2) Is intended to allow driving under the influence of cannabis items or driving while impaired by cannabis items or to supersede laws related to driving under the influence of marijuana or cannabis items or driving while impaired by marijuana or cannabis items.

(3) Is intended to permit the transfer of cannabis items, with or without remuneration, to a person under the age of 21 or to allow a person under the age of 21 to purchase, possess, use, transport, grow, or consume cannabis items, unless the person is under the age of 21, but at least 18 years of age, and an employee of a cannabis establishment acting in the person's employment capacity.

(4) Shall, consistent with subsection c. of section 4 of P.L. , c. (C.) (pending before the Legislature as this bill), prohibit a person or entity that owns or controls a property, including a casino hotel facility as defined in section 19 of P.L.1977, c.110 (C.5:12-19), from prohibiting or otherwise regulating the consumption, use, display, transfer, distribution, sale, or transportation of cannabis items on or in that property, or portion

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thereof, including a hotel property that is a casino hotel facility as defined in section 19 of P.L.1977, c.110 (C.5:12-19), a casino as defined in section 6 of P.L.1977, c.110 (C.5:12-6), or casino simulcasting facility authorized pursuant to the “Casino Simulcasting Act,” P.L.1992, c.19 (C.5:12-191 et al.), provided that a person or entity that owns or controls multifamily housing that is a multiple dwelling as defined in section 3 of P.L.1967, c.76 (C.55:13A-3), a unit of a condominium, as those terms are defined by section 3 of P.L.1969, c.257 (C.46:8B-3), or a site in a mobile home park as defined in section 3 of P.L.1983, c.386 (C.40:55D-102), which site is leased to the owner of a manufactured home, as defined in that section, that is installed thereon, may only prohibit or otherwise regulate the smoking, but not other consumption, of cannabis items, and further provided that local governmental entities may not prohibit possession or consumption of cannabis items by a person 21 years of age or older as permitted by section 4 of P.L. , c. (C.) (pending before the Legislature as this bill).

(5) Is intended to permit any person to possess, consume, use, display, transfer, distribute, sell, transport, or grow cannabis items in a school, hospital, detention facility, adult correctional facility, or youth correction facility.

(6) Is intended to permit the smoking of cannabis items in any place that any other law prohibits the smoking of tobacco, including N.J.S.2C:33-13 and the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.). Except as otherwise provided by P.L. , c. (C.) (pending before the Legislature as this bill), any fines or civil penalties that may be assessed for the smoking of tobacco in designated places shall be applicable to the smoking of cannabis items.

32. (New section) a. An employer shall not be permitted to consider when making an employment decision, require any applicant to disclose or reveal, or take any adverse action against any applicant for employment on the basis of, any arrest, charge, conviction, or adjudication of delinquency, for unlawful distribution of, or possessing or having under control with intent to distribute, marijuana or hashish in violation of paragraph (11) of subsection b. of N.J.S.2C:35-5, or a lesser amount of marijuana or hashish in violation of paragraph (12) of subsection b. of that section, or a violation of either of those paragraphs and a violation of subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or possessing or having under control with intent to distribute, on or within 1,000 feet of any school property, or on or within 500 feet of the real property comprising a public housing facility, public park, or public building, or for obtaining, possessing, using, being under the influence of, or failing to make lawful disposition of marijuana or hashish in

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violation of paragraph (3) or (4) of subsection a., or subsection b., or subsection c. of N.J.S.2C:35-10, or for a violation of any of those provisions and a violation of N.J.S.2C:36-2 for using or possessing with intent to use drug paraphernalia with the marijuana or hashish, or an arrest, charge, conviction, or adjudication of delinquency under the laws of another state or of the United States of a crime or offense which, if committed in this State, would be a violation of any of the aforementioned crimes or offenses, regardless of when any such arrest, charge, conviction, or adjudication of delinquency occurred, unless the employment sought or being considered is for a position in law enforcement, corrections, the judiciary, homeland security, or emergency management.

b. Any employer who commits an act in violation of this section shall be liable for a civil penalty in an amount not to exceed \$1,000 for the first violation, \$5,000 for the second violation, and \$10,000 for each subsequent violation, which shall be collectible by the Commissioner of Labor and Workforce Development in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The penalties set forth in this subsection shall be the sole remedy provided for violations of this section.

c. Nothing set forth in this section shall be construed as creating or establishing a standard of care or duty for employers with respect to any other law. Evidence that an employer has violated, or is alleged to have violated, the provisions of this section, shall not be admissible in any legal proceeding with respect to any law or claim other than a proceeding to enforce the provisions of this section. Nothing set forth in this section shall be construed as creating, establishing, or authorizing a private cause of action by an aggrieved person against an employer who has violated, or is alleged to have violated, the provisions of this section.

33. (New section) a. A person that makes a mortgage loan in this State shall not discriminate against an applicant in accepting an application, granting, withholding, extending, modifying or renewing, or in the fixing of the rates, terms, conditions, or provisions of any mortgage loan based on an applicant's arrest, charge, conviction, or adjudication of delinquency, for unlawful distribution of, or possessing or having under control with intent to distribute, marijuana or hashish in violation of paragraph (11) of subsection b. of N.J.S.2C:35-5, or a lesser amount of marijuana or hashish in violation of paragraph (12) of subsection b. of that section, or a violation of either of those paragraphs and a violation of subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or possessing or having under control with intent to distribute, on or within 1,000 feet of any school property, or on or within 500 feet of the real property comprising a public housing facility, public park, or

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public building, or for obtaining, possessing, using, being under the influence of, or failing to make lawful disposition of marijuana or hashish in violation of paragraph (3) or (4) of subsection a., or subsection b., or subsection c. of N.J.S.2C:35-10, or for a violation of any of those provisions and a violation of N.J.S.2C:36-2 for using or possessing with intent to use drug paraphernalia with the marijuana or hashish, or an arrest, charge, conviction, or adjudication of delinquency under the laws of another state or of the United States of a crime or offense which, if committed in this State, would be a violation of any of the aforementioned crimes or offenses, regardless of when any such arrest, charge, conviction, or adjudication of delinquency occurred.

b. Any applicant who has been discriminated against as a result of a violation of this section may bring an action in New Jersey in a court of competent jurisdiction. Upon finding that a person is in violation of this section, the court may award actual damages, reasonable attorneys' fees, and court costs.

c. The Commissioner of Banking and Insurance shall have the power to:

(1) Make such investigations into any matter pertaining to this section, including the power to hold hearings and issue subpoenas to compel the attendance of witnesses and the production of evidence. In case of a failure of any person to comply with any subpoena, the Superior Court may issue an order requiring the attendance of such person and the giving of testimony or production of evidence. Any person failing to obey the court's order may be punished for contempt.

(2) Order a person found to be in violation of this section to cease its unlawful practices, subject to review, hearing, and relief in the Superior Court. A person that continues to violate the provisions of this act after having been ordered by the commissioner to cease such practices shall be liable to a penalty of \$10,000 for each offense instead of the penalty for a continuous violation set forth in section 10 of P.L.1977, c.1 (C.17:16F-10).

This penalty may be collected in a summary proceeding pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). Except as set forth herein, the penalty provided by this section shall be in addition to and not in lieu of any other provision of law applicable upon a person's failure to comply with an order of the commissioner.

34. (New section) a. A person alleging discrimination in public or private housing, real property, or a place of public accommodation, based on a prior arrest, charge, conviction, or adjudication of delinquency, for unlawful distribution of, or possessing or having under control with intent to distribute, marijuana or hashish in violation of paragraph (11) of subsection b. of N.J.S.2C:35-5, or a lesser amount of marijuana or hashish in violation of paragraph (12) of

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subsection b. of that section, or a violation of either of those paragraphs and a violation of subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or possessing or having under control with intent to distribute, on or within 1,000 feet of any school property, or on or within 500 feet of the real property comprising a public housing facility, public park, or public building, or for obtaining, possessing, using, being under the influence of, or failing to make lawful disposition of marijuana or hashish in violation of paragraph (3) or (4) of subsection a., or subsection b., or subsection c. of N.J.S.2C:35-10, or for a violation of any of those provisions and a violation of N.J.S.2C:36-2 for using or possessing with intent to use drug paraphernalia with the marijuana or hashish, or an arrest, charge, conviction, or adjudication of delinquency under the laws of another state or of the United States of a crime or offense which, if committed in this State, would be a violation of any of the aforementioned crimes or offenses, regardless of when any such arrest, charge, conviction, or adjudication of delinquency occurred, may institute a civil action in the Superior Court for relief. All remedies available in common law tort actions shall be available to a prevailing plaintiff. The court may also order any or all of the following relief:

(1) an assessment of a civil fine of not less than \$1,000 and not more than \$2,000 for the first violation of any of the provisions of this section, and not more than \$5,000 for each subsequent violation;

(2) an injunction to restrain the continued violation of subsection a. of this section;

(3) if the discrimination impacted the person's employment, and if applicable:

(a) reinstatement of the person to the same position of employment or to a position equivalent to that which the person held prior to unlawful discharge or retaliatory action;

(b) reinstatement of full fringe benefits and seniority rights; and

(c) compensation for any lost wages, benefits and other remuneration; and

(6) payment of reasonable costs and attorney's fees.

b. An action brought under this section shall be commenced within one year of the date of the alleged violation.

c. The private cause of action provided for in this section shall be the sole remedy for a violation of this section.

35. R.S.19:4-1 is amended to read as follows:

19:4-1. Except as provided in R.S.19:4-2 and R.S.19:4-3, every person possessing the qualifications required by Article II, paragraph 3, of the Constitution of the State of New Jersey and having none of the disqualifications hereinafter stated and being duly registered as required by Title 19, shall have the right of suffrage and shall be entitled to vote in the polling place assigned to the election district in which he actually resides, and not elsewhere.

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No person shall have the right of suffrage--

(1) Who has been adjudicated by a court of competent jurisdiction to lack the capacity to understand the act of voting; or

(2) (Deleted by amendment.)

(3) (Deleted by amendment.)

(4) (Deleted by amendment.)

(5) (Deleted by amendment.)

(6) Who has been convicted of a violation of any of the provisions of this Title, for which criminal penalties were imposed, if such person was deprived of such right as part of the punishment therefor according to law unless pardoned or restored by law to the right of suffrage; or

(7) Who shall be convicted of the violation of any of the provisions of this Title, for which criminal penalties are imposed, if such person shall be deprived of such right as part of the punishment therefor according to law, unless pardoned or restored by law to the right of suffrage; or

(8) Who is serving a sentence or is on parole or probation as the result of a conviction of any indictable offense under the laws of this or another state or of the United States , other than a person who is on parole or probation as the result of a conviction for unlawful distribution of, or possessing or having under control with intent to distribute, marijuana or hashish in violation of paragraph (11) of subsection b. of N.J.S.2C:35-5, or a lesser amount of marijuana or hashish in violation of paragraph (12) of subsection b. of that section, or a violation of either of those paragraphs and a violation of subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or possessing or having under control with intent to distribute, on or within 1,000 feet of any school property, or on or within 500 feet of the real property comprising a public housing facility, public park, or public building, or for obtaining or possessing marijuana or hashish in violation of paragraph (3) of subsection a. of N.J.S.2C:35-10, or as the result of a conviction of any indictable offense under the laws of another state or of the United States which, if committed in this State, would be a violation of any of those paragraphs.

A person who will have on the day of the next general election the qualifications to entitle him to vote shall have the right to be registered for and vote at such general election and register for and vote at any election, intervening between such date of registration and such general election, if he shall be a citizen of the United States and shall meet the age and residence requirements prescribed by the Constitution of this State and the laws of the United States, when such intervening election is held, as though such qualifications were met before registration.

(cf: P.L.2010, c.50, s.17)

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36. Section 1 of P.L.1995, c.23 (C.47:1A-1.1) is amended to read as follows:

1. As used in P.L.1963, c.73 (C.47:1A-1 et seq.) as amended and supplemented:

"Biotechnology" means any technique that uses living organisms, or parts of living organisms, to make or modify products, to improve plants or animals, or to develop micro-organisms for specific uses; including the industrial use of recombinant DNA, cell fusion, and novel bioprocessing techniques.

"Custodian of a government record" or "custodian" means in the case of a municipality, the municipal clerk and in the case of any other public agency, the officer officially designated by formal action of that agency's director or governing body, as the case may be.

"Government record" or "record" means any paper, written or printed book, document, drawing, map, plan, photograph, microfilm, data processed or image processed document, information stored or maintained electronically or by sound-recording or in a similar device, or any copy thereof, that has been made, maintained or kept on file in the course of his or its official business by any officer, commission, agency or authority of the State or of any political subdivision thereof, including subordinate boards thereof, or that has been received in the course of his or its official business by any such officer, commission, agency, or authority of the State or of any political subdivision thereof, including subordinate boards thereof. The terms shall not include inter-agency or intra-agency advisory, consultative, or deliberative material.

A government record shall not include the following information which is deemed to be confidential for the purposes of P.L.1963, c.73 (C.47:1A-1 et seq.) as amended and supplemented:

information received by a member of the Legislature from a constituent or information held by a member of the Legislature concerning a constituent, including but not limited to information in written form or contained in any e-mail or computer data base, or in any telephone record whatsoever, unless it is information the constituent is required by law to transmit;

any memorandum, correspondence, notes, report or other communication prepared by, or for, the specific use of a member of the Legislature in the course of the member's official duties, except that this provision shall not apply to an otherwise publicly-accessible report which is required by law to be submitted to the Legislature or its members;

any copy, reproduction or facsimile of any photograph, negative or print, including instant photographs and videotapes of the body, or any portion of the body, of a deceased person, taken by or for the medical examiner at the scene of death or in the course of a post mortem examination or autopsy made by or caused to be made by the medical examiner except:

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when used in a criminal action or proceeding in this State which relates to the death of that person,

for the use as a court of this State permits, by order after good cause has been shown and after written notification of the request for the court order has been served at least five days before the order is made upon the county prosecutor for the county in which the post mortem examination or autopsy occurred,

for use in the field of forensic pathology or for use in medical or scientific education or research, or

for use by any law enforcement agency in this State or any other state or federal law enforcement agency;

criminal investigatory records;

the portion of any criminal record concerning a person's detection, apprehension, arrest, detention, trial or disposition for unlawful distribution of, or possessing or having under control with intent to distribute, marijuana or hashish in violation of paragraph (11) of subsection b. of N.J.S.2C:35-5, or a lesser amount of marijuana or hashish in violation of paragraph (12) of subsection b. of that section, or a violation of either of those paragraphs and a violation of subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or possessing or having under control with intent to distribute, on or within 1,000 feet of any school property, or on or within 500 feet of the real property comprising a public housing facility, public park, or public building, or for obtaining, possessing, using, being under the influence of, or failing to make lawful disposition of marijuana or hashish in violation of paragraph (3) or (4) of subsection a., or subsection b., or subsection c. of N.J.S.2C:35-10, or for a violation of any of those provisions and a violation of N.J.S.2C:36-2 for using or possessing with intent to use drug paraphernalia with the marijuana or hashish;

victims' records, except that a victim of a crime shall have access to the victim's own records;

any written request by a crime victim for a record to which the victim is entitled to access as provided in this section, including, but not limited to, any law enforcement agency report, domestic violence offense report, and temporary or permanent restraining order;

personal firearms records, except for use by any person authorized by law to have access to these records or for use by any government agency, including any court or law enforcement agency, for purposes of the administration of justice;

personal identifying information received by the Division of Fish and Wildlife in the Department of Environmental Protection in connection with the issuance of any license authorizing hunting with a firearm. For the purposes of this paragraph, personal identifying information shall include, but not be limited to, identity, name, address, social security number, telephone number, fax number,

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driver's license number, email address, or social media address of any applicant or licensee;

trade secrets and proprietary commercial or financial information obtained from any source. For the purposes of this paragraph, trade secrets shall include data processing software obtained by a public body under a licensing agreement which prohibits its disclosure;

any record within the attorney-client privilege. This paragraph shall not be construed as exempting from access attorney or consultant bills or invoices except that such bills or invoices may be redacted to remove any information protected by the attorney-client privilege;

administrative or technical information regarding computer hardware, software and networks which, if disclosed, would jeopardize computer security;

emergency or security information or procedures for any buildings or facility which, if disclosed, would jeopardize security of the building or facility or persons therein;

security measures and surveillance techniques which, if disclosed, would create a risk to the safety of persons, property, electronic data or software;

information which, if disclosed, would give an advantage to competitors or bidders;

information generated by or on behalf of public employers or public employees in connection with any sexual harassment complaint filed with a public employer or with any grievance filed by or against an individual or in connection with collective negotiations, including documents and statements of strategy or negotiating position;

information which is a communication between a public agency and its insurance carrier, administrative service organization or risk management office;

information which is to be kept confidential pursuant to court order;

any copy of form DD-214, or that form, issued by the United States Government, or any other certificate of honorable discharge, or copy thereof, from active service or the reserves of a branch of the Armed Forces of the United States, or from service in the organized militia of the State, that has been filed by an individual with a public agency, except that a veteran or the veteran's spouse or surviving spouse shall have access to the veteran's own records;

any copy of an oath of allegiance, oath of office or any affirmation taken upon assuming the duties of any public office, or that oath or affirmation, taken by a current or former officer or employee in any public office or position in this State or in any county or municipality of this State, including members of the Legislative Branch, Executive Branch, Judicial Branch, and all law enforcement entities, except that the full name, title, and oath date of that person contained therein shall not be deemed confidential;

that portion of any document which discloses the social security number, credit card number, unlisted telephone number or driver

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license number of any person; except for use by any government agency, including any court or law enforcement agency, in carrying out its functions, or any private person or entity acting on behalf thereof, or any private person or entity seeking to enforce payment of court-ordered child support; except with respect to the disclosure of driver information by the New Jersey Motor Vehicle Commission as permitted by section 2 of P.L.1997, c.188 (C.39:2-3.4); and except that a social security number contained in a record required by law to be made, maintained or kept on file by a public agency shall be disclosed when access to the document or disclosure of that information is not otherwise prohibited by State or federal law, regulation or order or by State statute, resolution of either or both houses of the Legislature, Executive Order of the Governor, rule of court or regulation promulgated under the authority of any statute or executive order of the Governor;

A list of persons identifying themselves as being in need of special assistance in the event of an emergency maintained by a municipality for public safety purposes pursuant to section 1 of P.L.2017, c.266 (C.40:48-2.67); and

A list of persons identifying themselves as being in need of special assistance in the event of an emergency maintained by a county for public safety purposes pursuant to section 6 of P.L.2011, c.178 (C.App.A:9-43.13).

A government record shall not include, with regard to any public institution of higher education, the following information which is deemed to be privileged and confidential:

pedagogical, scholarly and/or academic research records and/or the specific details of any research project conducted under the auspices of a public higher education institution in New Jersey, including, but not limited to research, development information, testing procedures, or information regarding test participants, related to the development or testing of any pharmaceutical or pharmaceutical delivery system, except that a custodian may not deny inspection of a government record or part thereof that gives the name, title, expenditures, source and amounts of funding and date when the final project summary of any research will be available;

test questions, scoring keys and other examination data pertaining to the administration of an examination for employment or academic examination;

records of pursuit of charitable contributions or records containing the identity of a donor of a gift if the donor requires non-disclosure of the donor's identity as a condition of making the gift provided that the donor has not received any benefits of or from the institution of higher education in connection with such gift other than a request for memorialization or dedication;

valuable or rare collections of books and/or documents obtained by gift, grant, bequest or devise conditioned upon limited public access;

information contained on individual admission applications; and

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information concerning student records or grievance or disciplinary proceedings against a student to the extent disclosure would reveal the identity of the student.

"Personal firearms record" means any information contained in a background investigation conducted by the chief of police, the county prosecutor, or the Superintendent of State Police, of any applicant for a permit to purchase a handgun, firearms identification card license, or firearms registration; any application for a permit to purchase a handgun, firearms identification card license, or firearms registration; any document reflecting the issuance or denial of a permit to purchase a handgun, firearms identification card license, or firearms registration; and any permit to purchase a handgun, firearms identification card license, or any firearms license, certification, certificate, form of register, or registration statement. For the purposes of this paragraph, information contained in a background investigation shall include, but not be limited to, identity, name, address, social security number, phone number, fax number, driver's license number, email address, social media address of any applicant, licensee, registrant or permit holder.

"Public agency" or "agency" means any of the principal departments in the Executive Branch of State Government, and any division, board, bureau, office, commission or other instrumentality within or created by such department; the Legislature of the State and any office, board, bureau or commission within or created by the Legislative Branch; and any independent State authority, commission, instrumentality or agency. The terms also mean any political subdivision of the State or combination of political subdivisions, and any division, board, bureau, office, commission or other instrumentality within or created by a political subdivision of the State or combination of political subdivisions, and any independent authority, commission, instrumentality or agency created by a political subdivision or combination of political subdivisions.

"Law enforcement agency" means a public agency, or part thereof, determined by the Attorney General to have law enforcement responsibilities.

"Constituent" means any State resident or other person communicating with a member of the Legislature.

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

"Criminal investigatory record" means a record which is not required by law to be made, maintained or kept on file that is held by a law enforcement agency which pertains to any criminal investigation or related civil enforcement proceeding.

"Victim's record" means an individually-identifiable file or document held by a victims' rights agency which pertains directly to a victim of a crime except that a victim of a crime shall have access to the victim's own records.

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"Victim of a crime" means a person who has suffered personal or psychological injury or death or incurs loss of or injury to personal or real property as a result of a crime, or if such a person is deceased or incapacitated, a member of that person's immediate family.

"Victims' rights agency" means a public agency, or part thereof, the primary responsibility of which is providing services, including but not limited to food, shelter, or clothing, medical, psychiatric, psychological or legal services or referrals, information and referral services, counseling and support services, or financial services to victims of crimes, including victims of sexual assault, domestic violence, violent crime, child endangerment, child abuse or child neglect, and the Victims of Crime Compensation Board, established pursuant to P.L.1971, c.317 (C.52:4B-1 et seq.) and continued as the Victims of Crime Compensation Office pursuant to P.L.2007, c.95 (C.52:4B-3.2 et al.) and Reorganization Plan No. 001-2008. (cf: P.L.2017, c.266, s.4)

37. (New section) Medical Cannabis Provisions.

Nothing in P.L. , c. (C.) (pending before the Legislature as this bill) shall be construed:

a. to limit any privileges or rights of a registered qualifying patient, designated caregiver, institutional caregiver, or alternative treatment center as provided in the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), or P.L.2015, c.158 (C.18A:40-12.22 et al.) concerning the medical use of cannabis;

b. to authorize an alternative treatment center to dispense cannabis to or on behalf of a person who is not a registered qualifying patient, unless that alternative treatment center is deemed to be licensed to engage in the retail sale of cannabis pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a license by the commission following receipt of a local governmental entity's written approval for a cannabis retailer pursuant to subparagraph (a) of paragraph (3) of subsection a. of section 30 of P.L. , c. (C.) (pending before the Legislature as this bill), or otherwise has applied for a license, and been approved and issued a license by the commission pursuant to P.L. , c. (C.) (pending before the Legislature as this bill) to simultaneously operate as a cannabis retailer, and the alternative treatment center has certified to the commission, and to the local governmental entity in which it is located and intends to engage in retail sales, that it has sufficient quantities of medical cannabis and medical cannabis products available to meet the reasonably anticipated need of registered qualifying patients, and the commission, and local governmental entity, if applicable, has accepted the alternative treatment center's certification;

c. to authorize an alternative treatment center to purchase or acquire cannabis or cannabis products in a manner or from a source

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not permitted under the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) or P.L.2015, c.158 (C.18A:40-12.22 et al.), unless that alternative treatment center is deemed to be a licensed cannabis establishment pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a license by the commission following receipt of a local governmental entity’s written approval for the cannabis establishment pursuant to subparagraph (a) of paragraph (3) of subsection a. of section 30 of P.L. , c. (C.) (pending before the Legislature as this bill), or otherwise has applied for a license, and been approved and issued a license by the commission pursuant to P.L. , c. (C.) (pending before the Legislature as this bill) to simultaneously operate as a cannabis establishment, and the alternative treatment center has certified to the commission, and if operating as a cannabis retailer, to the local governmental entity in which it is located and intends to engage in retail sales, that it has sufficient quantities of medical cannabis and, if applicable, medical cannabis products available to meet the reasonably anticipated treatment needs of registered qualifying patients, and the commission, and local governmental entity, if applicable, has accepted the alternative treatment center’s certification;

d. to authorize an alternative treatment center issued a permit under section 7 of P.L.2009, c.307 (C.24:6I-7) to operate on the same premises as a cannabis license holder or applicant for a license, unless that alternative treatment center is deemed to be a licensed cannabis establishment pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) and issued a license by the commission following receipt of a local governmental entity’s written approval for the cannabis establishment pursuant to subparagraph (a) of paragraph (3) of subsection a. of section 30 of P.L. , c. (C.) (pending before the Legislature as this bill), or otherwise has applied for a license, and been approved and issued a license by the commission pursuant to P.L. , c. (C.) (pending before the Legislature as this bill) to simultaneously operate as a cannabis establishment, and the alternative treatment center has certified to the commission, and if operating as a cannabis retailer, to the local governmental entity in which it is located and intends to engage in retail sales, that it has sufficient quantities of medical cannabis and, if applicable, medical cannabis products available to meet the reasonably anticipated treatment needs of registered qualifying patients, and the commission, and local governmental entity, if applicable, has accepted the alternative treatment center’s certification; or

e. to discharge the Department of Health from its duties to regulate medical cannabis pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.) prior to the establishment of the commission and its initial promulgation of rules and regulations to oversee the development, regulation, and

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enforcement of activities associated with the personal use of cannabis pursuant to P.L. , c. (C.) (pending before the Legislature as this bill), and to assume responsibility from the department for the further development and expansion, regulation, and enforcement of activities associated with the medical use of cannabis pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.).

In determining whether to accept, pursuant to this section, an alternative treatment center’s certification that it has sufficient quantities of medical cannabis or medical cannabis products available to meet the reasonably anticipated needs of registered qualifying patients, the commission, and if applicable a local governmental entity in consultation with the commission, shall assess patient enrollment, inventory, sales of medical cannabis and medical cannabis products, and any other factors determined by the commission through regulation. If an alternative treatment center is found by the commission to not have sufficient quantities of medical cannabis or medical cannabis products available to meet the reasonably anticipated needs of qualified patients, the commission may issue fines, limit retail sales, temporarily suspend the alternative treatment center’s cannabis establishment license, or issue any other penalties determined by the commission through regulation.

38. (New section) Medical Cannabis – Additional Regulatory Requirements.

a. An alternative treatment center issued a permit under section 7 of P.L.2009, c.307 (C.24:6I-7) shall, as a condition of engaging in operations associated with personal use cannabis, after being deemed to be licensed pursuant to that section and issued a license by the commission following receipt of a local governmental entity’s written approval for a cannabis retailer pursuant to subparagraph (a) of paragraph (3) of subsection a. of section 30 of P.L. , c. (C.) (pending before the Legislature as this bill), or otherwise issued a license by the commission pursuant to P.L. , c. (C.) (pending before the Legislature as this bill) to simultaneously operate as a cannabis establishment, certify to the commission, and if operating as a cannabis retailer, to the local governmental entity in which it is located and intends to engage in retail sales, that it has sufficient quantities of medical cannabis and, if applicable, medical cannabis products available to meet the reasonably anticipated treatment needs of registered qualifying patients, and the commission, and local governmental entity, if applicable, has accepted the alternative treatment center’s certification.

b. In determining whether to accept, pursuant to this section, an alternative treatment center’s certification that it has sufficient

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quantities of medical cannabis or medical cannabis products available to meet the reasonably anticipated needs of registered qualifying patients, the commission, and if applicable a local governmental entity in consultation with the commission, shall assess patient enrollment, inventory, sales of medical cannabis and medical cannabis products, and any other factors determined by the commission through regulation. If an alternative treatment center is found by the commission to not have sufficient quantities of medical cannabis or medical cannabis products available to meet the reasonably anticipated needs of qualified patients, the commission may issue fines, limit retail sales, temporarily suspend the alternative treatment center's cannabis establishment license, or issue any other penalties determined by the commission through regulation.

39. (New section) Limitations.

The provisions of P.L. , c. (C.) (pending before the Legislature as this bill) shall not be construed:

- a. To amend or affect in any way any State or federal law pertaining to employment matters;
- b. To amend or affect in any way any State or federal law pertaining to landlord-tenant matters;
- c. To prohibit a recipient of a federal grant or an applicant for a federal grant from prohibiting the manufacture, delivery, possession, or use of cannabis items to the extent necessary to satisfy federal requirements for the grant;
- d. To prohibit a party to a federal contract or a person applying to be a party to a federal contract from prohibiting the manufacture, delivery, possession, or use of cannabis items to the extent necessary to comply with the terms and conditions of the contract or to satisfy federal requirements for the contract;
- e. To require a person to violate a federal law; or
- f. To exempt a person from a federal law or obstruct the enforcement of a federal law.

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

2C:35-2. As used in this chapter:

"Administer" means the direct application of a controlled dangerous substance or controlled substance analog, whether by injection, inhalation, ingestion, or any other means, to the body of a patient or research subject by: (1) a practitioner (or, in his presence, by his lawfully authorized agent), or (2) the patient or research subject at the lawful direction and in the presence of the practitioner.

"Agent" means an authorized person who acts on behalf of or at the direction of a manufacturer, distributor, or dispenser but does not include a common or contract carrier, public warehouseman, or employee thereof.

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"Controlled dangerous substance" means a drug, substance, or immediate precursor in Schedules I through V, marijuana and hashish as defined in this section, any substance the distribution of which is specifically prohibited in N.J.S.2C:35-3, in section 3 of P.L.1997, c.194 (C.2C:35-5.2), in section 5 of P.L.1997, c.194 (C.2C:35-5.3), in section 2 of P.L.2011, c.120 (C.2C:35-5.3a), or in section 2 of P.L.2013, c.35 (C.2C:35-5.3b), and any drug or substance which, when ingested, is metabolized or otherwise becomes a controlled dangerous substance in the human body. When any statute refers to controlled dangerous substances, or to a specific controlled dangerous substance, it shall also be deemed to refer to any drug or substance which, when ingested, is metabolized or otherwise becomes a controlled dangerous substance or the specific controlled dangerous substance, and to any substance that is an immediate precursor of a controlled dangerous substance or the specific controlled dangerous substance. The term shall not include distilled spirits, wine, malt beverages, as those terms are defined or used in R.S.33:1-1 et seq., [or] tobacco and tobacco products, or cannabis or cannabis resin as defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill). The term, wherever it appears in any law or administrative regulation of this State, shall include controlled substance analogs.

"Controlled substance analog" means a substance that has a chemical structure substantially similar to that of a controlled dangerous substance and that was specifically designed to produce an effect substantially similar to that of a controlled dangerous substance. The term shall not include a substance manufactured or distributed in conformance with the provisions of an approved new drug application or an exemption for investigational use within the meaning of section 505 of the "Federal Food, Drug and Cosmetic Act," 52 Stat. 1052 (21 U.S.C. s.355).

"Counterfeit substance" means a controlled dangerous substance or controlled substance analog which, or the container or labeling of which, without authorization, bears the trademark, trade name, or other identifying mark, imprint, number, or device, or any likeness thereof, of a manufacturer, distributor, or dispenser other than the person or persons who in fact manufactured, distributed, or dispensed the substance and which thereby falsely purports or is represented to be the product of, or to have been distributed by, such other manufacturer, distributor, or dispenser.

"Deliver" or "delivery" means the actual, constructive, or attempted transfer from one person to another of a controlled dangerous substance or controlled substance analog, whether or not there is an agency relationship.

"Dispense" means to deliver a controlled dangerous substance or controlled substance analog to an ultimate user or research subject by or pursuant to the lawful order of a practitioner, including the prescribing, administering, packaging, labeling, or compounding

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necessary to prepare the substance for that delivery. "Dispenser" means a practitioner who dispenses.

"Distribute" means to deliver other than by administering or dispensing a controlled dangerous substance or controlled substance analog. "Distributor" means a person who distributes.

"Drugs" means (a) substances recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, or any supplement to any of them; and (b) substances intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals; and (c) substances (other than food) intended to affect the structure or any function of the body of man or other animals; and (d) substances intended for use as a component of any article specified in subsections (a), (b), and (c) of this section; but does not include devices or their components, parts, or accessories.

"Drug or alcohol dependent person" means a person who as a result of using a controlled dangerous substance or controlled substance analog or alcohol has been in a state of psychic or physical dependence, or both, arising from the use of that controlled dangerous substance or controlled substance analog or alcohol on a continuous or repetitive basis. Drug or alcohol dependence is characterized by behavioral and other responses, including but not limited to a strong compulsion to take the substance on a recurring basis in order to experience its psychic effects, or to avoid the discomfort of its absence.

"Hashish" means the resin extracted from any part of the plant Genus Cannabis L. and any compound, manufacture, salt, derivative, mixture, or preparation of such resin. "Hashish" does not include cannabis resin as defined in section 3 of P.L. _____, c. (C. _____) (pending before the Legislature as this bill) which is extracted in accordance with the "New Jersey Cannabis Regulatory and Expungement Aid Modernization Act," P.L. _____, c. (C. _____) (pending before the Legislature as this bill), for use in a cannabis item as defined in that section.

"Manufacture" means the production, preparation, propagation, compounding, conversion, or processing of a controlled dangerous substance or controlled substance analog, either directly or by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container, except that this term does not include the preparation or compounding of a controlled dangerous substance or controlled substance analog by an individual for his own use or the preparation, compounding, packaging, or labeling of a controlled dangerous substance: (1) by a practitioner as an incident to his administering or dispensing of a controlled dangerous substance or controlled substance analog in the course of his professional practice, or (2) by a practitioner (or

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under his supervision) for the purpose of, or as an incident to, research, teaching, or chemical analysis and not for sale.

"Marijuana" means all parts of the plant Genus Cannabis L., whether growing or not; the seeds thereof, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds, except those containing resin extracted from the plant [; but shall not include the mature stalks of the plant, fiber produced from the stalks, oil, or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of mature stalks, fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination]. "Marijuana" does not include cannabis as defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill) which is cultivated and processed in accordance with the "New Jersey Cannabis Regulatory and Expungement Aid Modernization Act," P.L. , c. (C.) (pending before the Legislature as this bill), for use in a cannabis item as defined in that section.

"Narcotic drug" means any of the following, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis:

(a) Opium, coca leaves, and opiates;

(b) A compound, manufacture, salt, derivative, or preparation of opium, coca leaves, or opiates;

(c) A substance (and any compound, manufacture, salt, derivative, or preparation thereof) which is chemically identical with any of the substances referred to in subsections (a) and (b), except that the words "narcotic drug" as used in this act shall not include decocainized coca leaves or extracts of coca leaves, which extracts do not contain cocaine or ecogine.

"Opiate" means any dangerous substance having an addiction-forming or addiction-sustaining liability similar to morphine or being capable of conversion into a drug having such addiction-forming or addiction-sustaining liability. It does not include, unless specifically designated as controlled pursuant to the provisions of section 3 of P.L.1970, c.226 (C.24:21-3), the dextrorotatory isomer of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). It does include its racemic and levorotatory forms.

"Opium poppy" means the plant of the species Papaver somniferum L., except the seeds thereof.

"Person" means any corporation, association, partnership, trust, other institution or entity, or one or more individuals.

"Plant" means an organism having leaves and a readily observable root formation, including, but not limited to, a cutting having roots, a rootball or root hairs.

"Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.

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"Practitioner" means a physician, dentist, veterinarian, scientific investigator, laboratory, pharmacy, hospital, or other person licensed, registered, or otherwise permitted to distribute, dispense, conduct research with respect to, or administer a controlled dangerous substance or controlled substance analog in the course of professional practice or research in this State.

(a) "Physician" means a physician authorized by law to practice medicine in this or any other state and any other person authorized by law to treat sick and injured human beings in this or any other state.

(b) "Veterinarian" means a veterinarian authorized by law to practice veterinary medicine in this State.

(c) "Dentist" means a dentist authorized by law to practice dentistry in this State.

(d) "Hospital" means any federal institution, or any institution for the care and treatment of the sick and injured, operated or approved by the appropriate State department as proper to be entrusted with the custody and professional use of controlled dangerous substances or controlled substance analogs.

(e) "Laboratory" means a laboratory to be entrusted with the custody of narcotic drugs and the use of controlled dangerous substances or controlled substance analogs for scientific, experimental, and medical purposes and for purposes of instruction approved by the Department of Health.

"Production" includes the manufacture, planting, cultivation, growing, or harvesting of a controlled dangerous substance or controlled substance analog.

"Immediate precursor" means a substance which the Division of Consumer Affairs in the Department of Law and Public Safety has found to be and by regulation designates as being the principal compound commonly used or produced primarily for use, and which is an immediate chemical intermediary used or likely to be used in the manufacture of a controlled dangerous substance or controlled substance analog, the control of which is necessary to prevent, curtail, or limit such manufacture.

"Residential treatment facility" means any facility licensed and approved by the Department of Human Services and which is approved by any county probation department for the inpatient treatment and rehabilitation of drug or alcohol dependent persons.

"Schedules I, II, III, IV, and V" are the schedules set forth in sections 5 through 8 of P.L.1970, c.226 (C.24:21-5 through 24:21-8) and in section 4 of P.L.1971, c.3 (C.24:21-8.1) and as modified by any regulations issued by the Director of the Division of Consumer Affairs in the Department of Law and Public Safety pursuant to the director's authority as provided in section 3 of P.L.1970, c.226 (C.24:21-3).

"State" means the State of New Jersey.

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"Ultimate user" means a person who lawfully possesses a controlled dangerous substance or controlled substance analog for his own use or for the use of a member of his household or for administration to an animal owned by him or by a member of his household.

"Prescription legend drug" means any drug which under federal or State law requires dispensing by prescription or order of a licensed physician, veterinarian, or dentist and is required to bear the statement "Rx only" or similar wording indicating that such drug may be sold or dispensed only upon the prescription of a licensed medical practitioner and is not a controlled dangerous substance or stramonium preparation.

"Stramonium preparation" means a substance prepared from any part of the stramonium plant in the form of a powder, pipe mixture, cigarette, or any other form with or without other ingredients.

"Stramonium plant" means the plant *Datura Stramonium* Linne, including *Datura Tatula* Linne.

(cf: P.L.2013, c.35, s.1)

41. N.J.S.2C:35-5 is amended to read as follows:

2C:35-5. Manufacturing, Distributing or Dispensing. a. Except as authorized by P.L.1970, c.226 (C.24:21-1 et seq.), it shall be unlawful for any person knowingly or purposely:

(1) To manufacture, distribute or dispense, or to possess or have under his control with intent to manufacture, distribute or dispense, a controlled dangerous substance or controlled substance analog; or

(2) To create, distribute, or possess or have under his control with intent to distribute, a counterfeit controlled dangerous substance.

b. Any person who violates subsection a. with respect to:

(1) Heroin, or its analog, or coca leaves and any salt, compound, derivative, or preparation of coca leaves, and any salt, compound, derivative, or preparation thereof which is chemically equivalent or identical with any of these substances, or analogs, except that the substances shall not include decocainized coca leaves or extractions which do not contain cocaine or ecogine, or 3,4-methylenedioxyamphetamine or 3,4-methylenedioxyamphetamine, in a quantity of five ounces or more including any adulterants or dilutants is guilty of a crime of the first degree. The defendant shall, except as provided in N.J.S.2C:35-12, be sentenced to a term of imprisonment by the court. The term of imprisonment shall include the imposition of a minimum term which shall be fixed at, or between, one-third and one-half of the sentence imposed, during which the defendant shall be ineligible for parole. Notwithstanding the provisions of subsection a. of N.J.S.2C:43-3, a fine of up to ~~【\$500,000.00】~~ \$500,000 may be imposed;

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(2) A substance referred to in paragraph (1) of this subsection, in a quantity of one-half ounce or more but less than five ounces, including any adulterants or dilutants is guilty of a crime of the second degree;

(3) A substance referred to paragraph (1) of this subsection in a quantity less than one-half ounce including any adulterants or dilutants is guilty of a crime of the third degree except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to ~~【\$75,000.00】~~ \$75,000 may be imposed;

(4) A substance classified as a narcotic drug in Schedule I or II other than those specifically covered in this section, or the analog of any such substance, in a quantity of one ounce or more including any adulterants or dilutants is guilty of a crime of the second degree;

(5) A substance classified as a narcotic drug in Schedule I or II other than those specifically covered in this section, or the analog of any such substance, in a quantity of less than one ounce including any adulterants or dilutants is guilty of a crime of the third degree except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to ~~【\$75,000.00】~~ \$75,000 may be imposed;

(6) Lysergic acid diethylamide, or its analog, in a quantity of 100 milligrams or more including any adulterants or dilutants, or phencyclidine, or its analog, in a quantity of 10 grams or more including any adulterants or dilutants, is guilty of a crime of the first degree. Except as provided in N.J.S.2C:35-12, the court shall impose a term of imprisonment which shall include the imposition of a minimum term, fixed at, or between, one-third and one-half of the sentence imposed by the court, during which the defendant shall be ineligible for parole. Notwithstanding the provisions of subsection a. of N.J.S.2C:43-3, a fine of up to ~~【\$500,000.00】~~ \$500,000 may be imposed;

(7) Lysergic acid diethylamide, or its analog, in a quantity of less than 100 milligrams including any adulterants or dilutants, or where the amount is undetermined, or phencyclidine, or its analog, in a quantity of less than 10 grams including any adulterants or dilutants, or where the amount is undetermined, is guilty of a crime of the second degree;

(8) Methamphetamine, or its analog, or phenyl-2-propanone (P2P), in a quantity of five ounces or more including any adulterants or dilutants is guilty of a crime of the first degree. Notwithstanding the provisions of subsection a. of N.J.S.2C:43-3, a fine of up to ~~【\$300,000.00】~~ \$300,000 may be imposed;

(9) (a) Methamphetamine, or its analog, or phenyl-2-propanone (P2P), in a quantity of one-half ounce or more but less than five ounces including any adulterants or dilutants is guilty of a crime of the second degree;

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(b) Methamphetamine, or its analog, or phenyl-2-propanone (P2P), in a quantity of less than one-half ounce including any adulterants or dilutants is guilty of a crime of the third degree except that notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to ~~【\$75,000.00】~~ \$75,000 may be imposed;

(10) (a) Marijuana in a quantity of 25 pounds or more including any adulterants or dilutants, or 50 or more marijuana plants, regardless of weight, or hashish in a quantity of five pounds or more including any adulterants or dilutants, is guilty of a crime of the first degree. Notwithstanding the provisions of subsection a. of N.J.S.2C:43-3, a fine of up to ~~【\$300,000.00】~~ \$300,000 may be imposed;

(b) Marijuana in a quantity of five pounds or more but less than 25 pounds including any adulterants or dilutants, or 10 or more but fewer than 50 marijuana plants, regardless of weight, or hashish in a quantity of one pound or more but less than five pounds, including any adulterants and dilutants, is guilty of a crime of the second degree;

(11) Marijuana in a quantity of more than one ounce [or more] but less than five pounds including any adulterants or dilutants, or hashish in a quantity of more than five grams [or more] but less than one pound including any adulterants or dilutants, is guilty of a crime of the third degree except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to ~~【\$25,000.00】~~ \$25,000 may be imposed;

(12) Marijuana in a quantity of ~~【less than】~~ one ounce (28.38 grams) or less including any adulterants or dilutants, or hashish in a quantity of ~~【less than】~~ five grams or less including any adulterants or dilutants, is guilty of a crime of the fourth degree; but distribution without remuneration of, or possessing or having under control with intent to distribute without remuneration this amount of marijuana or hashish is presumed to be the lawful transfer or intended transfer of cannabis or cannabis resin in accordance with the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill) and this distribution without remuneration, or possessing or having under control with intent to distribute without remuneration, alone does not constitute reasonable articulable suspicion of an act subject to prosecution as a crime of the fourth degree pursuant to this paragraph;

(13) Any other controlled dangerous substance classified in Schedule I, II, III or IV, or its analog, is guilty of a crime of the third degree, except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to ~~【\$25,000.00】~~ \$25,000 may be imposed; or

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(14) Any Schedule V substance, or its analog, is guilty of a crime of the fourth degree except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to ~~【\$25,000.00】~~ \$25,000 may be imposed.

c. Where the degree of the offense for violation of this section depends on the quantity of the substance, the quantity involved shall be determined by the trier of fact. Where the indictment or accusation so provides, the quantity involved in individual acts of manufacturing, distribution, dispensing or possessing with intent to distribute may be aggregated in determining the grade of the offense, whether distribution or dispensing is to the same person or several persons, provided that each individual act of manufacturing, distribution, dispensing or possession with intent to distribute was committed within the applicable statute of limitations.

(cf: P.L.2000, c.136, s.1)

42. N.J.S.2C:35-10 is amended to read as follows:

2C:35-10. Possession, Use or Being Under the Influence, or Failure to Make Lawful Disposition.

a. It is unlawful for any person, knowingly or purposely, to obtain, or to possess, actually or constructively, a controlled dangerous substance or controlled substance analog, unless the substance was obtained directly, or pursuant to a valid prescription or order form from a practitioner, while acting in the course of his professional practice, or except as otherwise authorized by P.L.1970, c.226 (C.24:21-1 et seq.). Any person who violates this section with respect to:

(1) A controlled dangerous substance, or its analog, classified in Schedule I, II, III or IV other than those specifically covered in this section, is guilty of a crime of the third degree except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to ~~【\$35,000.00】~~ \$35,000 may be imposed;

(2) Any controlled dangerous substance, or its analog, classified in Schedule V, is guilty of a crime of the fourth degree except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to ~~【\$15,000.00】~~ \$15,000 may be imposed;

(3) Possession of more than 50 grams of marijuana, including any adulterants or dilutants, or more than five grams of hashish is ~~【guilty of a crime of the fourth degree, except that, notwithstanding the provisions of subsection b. of N.J.S.2C:43-3, a fine of up to \$25,000.00 may be imposed】~~ a disorderly person; or

(4) Possession of 50 grams or less of marijuana, including any adulterants or dilutants, [or five grams or less of hashish] is an unlawful act subject to a [disorderly person] civil penalty of \$50, but if the amount possessed is one ounce (28.38 grams) or less, the

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possession is presumed to be the lawful possession of cannabis in accordance with the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. _____, c. _____ (C. _____) (pending before the Legislature as this bill) and the State shall establish by a preponderance of evidence that the substance possessed was not cannabis as defined in section 3 of that act (C. _____) to impose the \$50 civil penalty for possession of one ounce (28.38 grams) or less of marijuana pursuant to this paragraph. Possession of five grams or less of hashish is an unlawful act subject to a civil penalty of \$50, but possession of this amount is presumed to be the lawful possession of cannabis resin in accordance with the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. _____, c. _____ (C. _____) (pending before the Legislature as this bill) and the State shall establish by a preponderance of evidence that the substance possessed was not cannabis resin as defined in section 3 of that act (C. _____) to impose the \$50 civil penalty for possession of five grams or less of hashish pursuant to this paragraph. The penalties provided for in this paragraph shall be collected pursuant to the “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding before the municipal court having jurisdiction. A penalty recovered under the provisions of this paragraph shall be recovered by and in the name of the State by the local municipality. The penalty shall be paid into the treasury of the municipality in which the violation occurred for the general use of the municipality.

Any person who commits any offense defined in this section while on any property used for school purposes which is owned by or leased to any elementary or secondary school or school board, or within 1,000 feet of any such school property or a school bus, or while on any school bus, and who is not sentenced to a term of imprisonment, shall, in addition to any other sentence which the court may impose, be required to perform not less than 100 hours of community service.

b. Any person who uses or who is under the influence of any controlled dangerous substance, or its analog, for a purpose other than the treatment of sickness or injury as lawfully prescribed or administered by a physician is a disorderly person.

In a prosecution under this subsection, it shall not be necessary for the State to prove that the accused did use or was under the influence of any specific drug, but it shall be sufficient for a conviction under this subsection for the State to prove that the accused did use or was under the influence of some controlled dangerous substance, counterfeit controlled dangerous substance, or controlled substance analog, by proving that the accused did manifest physical and physiological symptoms or reactions caused by the use of any controlled dangerous substance or controlled substance analog.

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c. Any person who knowingly obtains or possesses a controlled dangerous substance or controlled substance analog in violation of subsection a. of this section and who fails to voluntarily deliver the substance to the nearest law enforcement officer is guilty of a disorderly persons offense. Nothing in this subsection shall be construed to preclude a prosecution or conviction for any other offense defined in this title or any other statute.
(cf: P.L.1997, c.181, s.6)

43. N.J.S 2C:36-1 is amended to read as follows:

2C:36-1. Drug paraphernalia, defined; determination.

a. As used in this act, "drug paraphernalia" means all equipment, products and materials of any kind which are used or intended for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, ingesting, inhaling, or otherwise introducing into the human body a controlled dangerous substance, controlled substance analog or toxic chemical in violation of the provisions of chapter 35 of this title. It shall include, but not be limited to:

[a.] (1) kits used or intended for use in planting, propagating, cultivating, growing or harvesting of any species of plant which is a controlled dangerous substance or from which a controlled dangerous substance can be derived;

[b.] (2) kits used or intended for use in manufacturing, compounding, converting, producing, processing, or preparing controlled dangerous substances or controlled substance analogs;

[c.] (3) isomerization devices used or intended for use in increasing the potency of any species of plant which is a controlled dangerous substance;

[d.] (4) testing equipment used or intended for use identifying, or in analyzing the strength, effectiveness or purity of controlled dangerous substances or controlled substance analogs;

[e.] (5) scales and balances used or intended for use in weighing or measuring controlled dangerous substances or controlled substance analogs;

[f.] (6) dilutants and adulterants, such as quinine hydrochloride, mannitol, mannite, dextrose and lactose, used or intended for use in cutting controlled dangerous substances or controlled substance analogs;

[g.] (7) separation gins and sifters used or intended for use in removing twigs and seeds from, or in otherwise cleaning or refining, [marihuana] marijuana;

[h.] (8) blenders, bowls, containers, spoons and mixing devices used or intended for use in compounding controlled dangerous substances or controlled substance analogs;

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[i.] (9) capsules, balloons, envelopes and other containers used or intended for use in packaging small quantities of controlled dangerous substances or controlled substance analogs;

[j.] (10) containers and other objects used or intended for use in storing or concealing controlled dangerous substances, controlled substance analogs or toxic chemicals;

[k.] (11) objects used or intended for use in ingesting, inhaling, or otherwise introducing [marihuana] marijuana, cocaine, hashish, hashish oil, nitrous oxide or the fumes of a toxic chemical into the human body, such as [(1)] (a) metal, wooden, acrylic, glass, stone, plastic, or ceramic pipes with or without screens, permanent screens, hashish heads, or punctured metal bowls; [(2)] (b) water pipes; [(3)] (c) carburetion tubes and devices; [(4)] (d) smoking and carburetion masks; [(5)] (e) roach clips, meaning objects used to hold burning material, such as a marihuana cigarette, that has become too small or too short to be held in the hand; [(6)] (f) miniature cocaine spoons, and cocaine vials; [(7)] (g) chamber pipes; [(8)] (h) carburetor pipes; [(9)] (i) electric pipes; [(10)] (j) air-driven pipes; [(11)] (k) chillums; [(12)] (l) bongs; [(13)] (m) ice pipes or chillers; [(14)] (n) compressed gas containers, such as tanks, cartridges or canisters, that contain food grade or pharmaceutical grade nitrous oxide as a principal ingredient; [(15)] (o) chargers or charging bottles, meaning metal, ceramic or plastic devices that contain an interior pin that may be used to expel compressed gas from a cartridge or canister; and [(16)] (p) tubes, balloons, bags, fabrics, bottles or other containers used to concentrate or hold in suspension a toxic chemical or the fumes of a toxic chemical.

b. In determining whether or not an object is drug paraphernalia, the trier of fact, in addition to or as part of the proofs, may consider the following factors:

[a.] (1) (a) statements by an owner or by anyone in control of the object concerning its use;

[b.] (b) the proximity of the object [of] to illegally possessed controlled dangerous substances, controlled substance analogs or toxic chemicals;

[c.] (c) the existence of any residue of illegally possessed controlled dangerous substances, controlled substance analogs or toxic chemicals on the object;

[d.] (d) direct or circumstantial evidence of the intent of an owner, or of anyone in control of the object, to deliver it to persons whom he knows intend to use the object to facilitate a violation of this act; the innocence of an owner, or of anyone in control of the object, as to a direct violation of this act shall not prevent a finding that the object is intended for use as drug paraphernalia;

[e.] (e) instructions, oral or written, provided with the object concerning its use;

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[f.] (f) descriptive materials accompanying the object which explain or depict its use;

[g.] (g) national or local advertising whose purpose the person knows or should know is to promote the sale of objects intended for use as drug paraphernalia;

[h.] (h) the manner in which the object is displayed for sale;

[i.] (i) the existence and scope of legitimate uses for the object in the community; and

[j.] (j) expert testimony concerning its use.

(2) If an object appears to be for use, intended for use, or designed for use with cannabis or cannabis items in accordance with the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill), the object is presumed to be a lawful cannabis paraphernalia as defined in section 3 of that act (C.), and does not alone constitute reasonable articulable suspicion that the object is a drug paraphernalia, notwithstanding that the object could also be used with marijuana, hashish, or another illegal controlled substance or controlled substance analog, unless the owner or any other person in proximity to or in control of the object was in possession of marijuana, hashish, or another illegal controlled dangerous substance or controlled substance analog, or the object was in proximity of marijuana, hashish, or another illegally possessed controlled dangerous substance or controlled substance analog to indicate its use, intended use, or design for use with that controlled dangerous substance or controlled substance analog.

(cf: P.L.2007, c.31, s.2)

44. (New section) Dismissal, Withdrawal, or Termination of Small Amount Marijuana and Hashish Cases; Post-Conviction Relief for Certain Convictions Involving Small Amount Marijuana and Hashish.

a. Except to the extent required to dismiss, withdraw, or terminate the charge, no court shall have jurisdiction over any charge, including any charge of delinquency, based on a violation of any of the following laws that occurred prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), unless a final judgment of conviction or adjudication of delinquency has been entered on or before that effective date: a violation of paragraph (11) of subsection b. of N.J.S.2C:35-5; or a lesser amount of marijuana or hashish in violation of paragraph (12) of subsection b. of that section; or a violation of either of those paragraphs and a violation of subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or possessing or having under control with intent to distribute, on or within 1,000 feet of any

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school property, or on or within 500 feet of the real property comprising a public housing facility, public park, or public building; or for obtaining, possessing, using, being under the influence of, or failing to make lawful disposition of marijuana or hashish in violation of paragraph (3) or (4) of subsection a., or subsection b., or subsection c. of N.J.S.2C:35-10; or for a violation of any of those provisions and a violation of N.J.S.2C:36-2 for using or possessing with intent to use drug paraphernalia with the marijuana or hashish. These non-prosecutable charges and cases shall be expeditiously dismissed, which may be accomplished by appropriate action by a law enforcement agency, or on a motion to the court which would otherwise have jurisdiction over a case, or the court's own motion, based upon guidelines or directives issued by the Attorney General and the Administrative Director of the Courts.

b. A charge, including any charge of delinquency, conviction, or adjudication of delinquency, based on a violation of any of the following laws that occurred prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall not be considered whenever the Pretrial Services Program established by the Administrative Office of the Courts pursuant to section 11 of P.L.2014, c.31 (C.2A:162-25) conducts a risk assessment on an eligible defendant for the purpose of making recommendations to the court concerning an appropriate pretrial release decision in accordance with sections 1 through 11 of P.L.2014, c.31 (C.2A:162-15 et seq.): a violation of paragraph (11) of subsection b. of N.J.S.2C:35-5; or a lesser amount of marijuana or hashish in violation of paragraph (12) of subsection b. of that section; or a violation of either of those paragraphs and a violation of subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or possessing or having under control with intent to distribute, on or within 1,000 feet of any school property, or on or within 500 feet of the real property comprising a public housing facility, public park, or public building; or for obtaining, possessing, using, being under the influence of, or failing to make lawful disposition of marijuana or hashish in violation of paragraph (3) or (4) of subsection a., or subsection b., or subsection c. of N.J.S.2C:35-10; or for a violation of any of those provisions and a violation of N.J.S.2C:36-2 for using or possessing with intent to use drug paraphernalia with the marijuana or hashish.

c. (1) It shall be grounds for post-conviction relief that a conviction or adjudication of delinquency entered prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) for a violation of paragraph (11) of subsection b. of N.J.S.2C:35-5, or a lesser amount of marijuana or hashish in violation of paragraph (12) of subsection b. of that section, or a violation of either of those paragraphs and a violation of subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section

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1 of P.L.1997, c.327 (C.2C:35-7.1), for distributing, or possessing or having under control with intent to distribute, on or within 1,000 feet of any school property, or on or within 500 feet of the real property comprising a public housing facility, public park, or public building, or obtaining, possessing, using, being under the influence of, or failing to make lawful disposition of marijuana or hashish in violation of paragraph (3) or (4) of subsection a., or subsection b., or subsection c. of N.J.S.2C:35-10, or a violation involving marijuana or hashish as described herein and using or possessing with intent to use drug paraphernalia with that marijuana or hashish in violation of N.J.S.2C:36-2, alone or in combination with each other, if the conviction or adjudication of delinquency is based solely upon a charge or charges over which the court would lack jurisdiction pursuant to subsection a. of this section and if a final judgment of conviction or adjudication of delinquency had not been entered on or before that effective date.

(2) Notwithstanding any court rule limiting the time period within which a motion to reduce or change a sentence may be filed, any person who, on the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), is serving a sentence of incarceration, probation, parole or other form of community supervision solely as a result of the person's conviction or adjudication of delinquency for a crime or offense enumerated in paragraph (1) of this subsection may move to have the person's sentence reviewed by the court. If the court finds that the sentence under review is based solely upon a charge or charges over which the court would lack jurisdiction pursuant to subsection a. of this section, the court shall order appropriate relief.

(3) No fee shall be charged to a person seeking post-conviction relief pursuant to this subsection.

45. (New section) a. Other than the consequences of any sentence set forth in a judgment of conviction, including a term of imprisonment and any court-ordered financial assessment, unless otherwise provided by law, any arrest, charge, conviction, and adjudication of delinquency that occurred prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), and any proceedings related thereto, for unlawful distribution of, or possessing or having under control with intent to distribute, marijuana or hashish in violation of paragraph (11) of subsection b. of N.J.S.2C:35-5, or a lesser amount of marijuana or hashish in violation of paragraph (12) of subsection b. of that section, or a violation of either of those paragraphs and a violation of subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1), for distributing, or possessing or having under control with intent to distribute, on or within 1,000 feet of any school property, or on or within 500 feet of the real property comprising a public housing facility, public park, or public building, or

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obtaining, possessing, using, being under the influence of, or failing to make lawful disposition of marijuana or hashish in violation of paragraph (3) or (4) of subsection a., or subsection b., or subsection c. of N.J.S.2C:35-10, or a violation involving marijuana or hashish as described herein and using or possessing with intent to use drug paraphernalia with that marijuana or hashish in violation of N.J.S.2C:36-2 shall be deemed not to have occurred, and the person involved in that violation may answer any questions relating to their occurrence accordingly, except that such information shall be revealed by that person if seeking employment within the judicial branch or with a law enforcement or corrections agency and such information shall continue to provide a disability as otherwise provided by law.

46. N.J.S.2C:52-2 is amended to read as follows:
2C:52-2. Indictable Offenses.

a. In all cases, except as herein provided, a person may present an expungement application to the Superior Court pursuant to this section if:

the person has been convicted of one crime under the laws of this State, and does not otherwise have any prior or subsequent conviction for another crime, whether within this State or any other jurisdiction; or

the person has been convicted of one crime and less than four disorderly persons or petty disorderly persons offenses under the laws of this State, and does not otherwise have any prior or subsequent conviction for another crime, or any prior or subsequent conviction for another disorderly persons or petty disorderly persons offense such that the total number of convictions for disorderly persons and petty disorderly persons offenses would exceed three, whether any such crime or offense conviction was within this State or any other jurisdiction; or

the person has been convicted of multiple crimes or a combination of one or more crimes and one or more disorderly persons or petty disorderly persons offenses under the laws of this State, all of which are listed in a single judgment of conviction, and does not otherwise have any prior or subsequent conviction for another crime or offense in addition to those convictions included in the expungement application, whether any such conviction was within this State or any other jurisdiction; or

the person has been convicted of multiple crimes or a combination of one or more crimes and one or more disorderly persons or petty disorderly persons offenses under the laws of this State, which crimes or combination of crimes and offenses were interdependent or closely related in circumstances and were committed as part of a sequence of events that took place within a comparatively short period of time, regardless of the date of conviction or sentencing for each individual crime or offense, and the person does not otherwise have any prior or

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subsequent conviction for another crime or offense in addition to those convictions included in the expungement application, whether any such conviction was within this State or any other jurisdiction.

For purposes of determining eligibility to present an expungement application to the Superior Court pursuant to this section, a conviction for unlawful distribution of, or possessing or having under control with intent to distribute, marijuana or hashish in violation of paragraph (11) of subsection b. of N.J.S.2C:35-5, or a lesser amount of marijuana or hashish in violation of paragraph (12) of subsection b. of that section, or a violation of either of those paragraphs and a violation of subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1), for distributing, or possessing or having under control with intent to distribute, on or within 1,000 feet of any school property, or on or within 500 feet of the real property comprising a public housing facility, public park, or public building, or for obtaining or possessing marijuana or hashish in violation of paragraph (3) of subsection a. of N.J.S.2C:35-10, or for an equivalent crime in another jurisdiction, regardless of when the conviction occurred, shall be not considered a conviction of a crime within this State or any other jurisdiction but shall instead be considered a conviction of a disorderly person offense within this State or an equivalent category of offense within the other jurisdiction, and a conviction for obtaining, possessing, using, being under the influence of, or failing to make lawful disposition of marijuana or hashish in violation of paragraph (4) of subsection a., or subsection b., or subsection c. of N.J.S.2C:35-10, or a violation involving marijuana or hashish as described herein and using or possessing with intent to use drug paraphernalia with that marijuana or hashish in violation of N.J.S.2C:36-2, or for an equivalent crime or offense in another jurisdiction, regardless of when the conviction occurred, shall not be considered a conviction within this State or any other jurisdiction.

The person, if eligible, may present the expungement application after the expiration of a period of six years from the date of his most recent conviction, payment of fine, satisfactory completion of probation or parole, or release from incarceration, whichever is later. The term "fine" as used herein and throughout this section means and includes any fine, restitution, and other court-ordered financial assessment imposed by the court as part of the sentence for the conviction, for which payment of restitution takes precedence in accordance with chapter 46 of Title 2C of the New Jersey Statutes. The person shall submit the expungement application to the Superior Court in the county in which the conviction for the crime was adjudged, which contains a separate, duly verified petition as provided in N.J.S.2C:52-7 for each conviction sought to be expunged, praying that the conviction, or convictions if applicable, and all records and information pertaining thereto be expunged. The petition for each

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conviction appended to an application shall comply with the requirements set forth in N.J.S.2C:52-1 et seq.

Notwithstanding the provisions concerning the six-year time requirement, if a fine which is currently subject to collection under the comprehensive enforcement program established pursuant to P.L.1995, c.9 (C.2B:19-1 et al.) is not yet satisfied due to reasons other than willful noncompliance, but the time requirement of six years is otherwise satisfied, the person may submit the expungement application and the court may grant an expungement, provided, however, that if expungement is granted under this paragraph, the court shall provide for the continued collection of any outstanding amount owed that is necessary to satisfy the fine or the entry of civil judgment for the outstanding amount in accordance with section 8 of P.L.2017, c.244 (C.2C:52-23.1).

Additionally, an application may be filed and presented, and the court may grant an expungement pursuant to this section, although less than six years have expired in accordance with the time requirements when the court finds:

(1) the fine is satisfied but less than six years have expired from the date of satisfaction, and the time requirement of six years is otherwise satisfied, and the court finds that the person substantially complied with any payment plan ordered pursuant to N.J.S.2C:46-1 et seq., or could not do so due to compelling circumstances affecting his ability to satisfy the fine; or

(2) at least five but less than six years have expired from the date of the most recent conviction, payment of fine, satisfactory completion of probation or parole, or release from incarceration, whichever is later; and

the person has not been otherwise convicted of a crime, disorderly persons offense, or petty disorderly persons offense since the time of the most recent conviction; and the court finds in its discretion that expungement is in the public interest, giving due consideration to the nature of the offense or offenses, and the applicant's character and conduct since the conviction or convictions.

In determining whether compelling circumstances exist for the purposes of paragraph (1) of this subsection, a court may consider the amount of the fine or fines imposed, the person's age at the time of the offense or offenses, the person's financial condition and other relevant circumstances regarding the person's ability to pay.

b. Records of conviction pursuant to statutes repealed by this Code for the crimes of murder, manslaughter, treason, anarchy, kidnapping, rape, forcible sodomy, arson, perjury, false swearing, robbery, embracery, or a conspiracy or any attempt to commit any of the foregoing, or aiding, assisting or concealing persons accused of the foregoing crimes, shall not be expunged.

Records of conviction for the following crimes specified in the New Jersey Code of Criminal Justice shall not be subject to expungement: N.J.S.2C:11-1 et seq. (Criminal Homicide), except

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death by auto as specified in N.J.S.2C:11-5 and strict liability vehicular homicide as specified in section 1 of P.L.2017, c.165 (C.2C:11-5.3); N.J.S.2C:13-1 (Kidnapping); section 1 of P.L.1993, c.291 (C.2C:13-6) (Luring or Enticing); section 1 of P.L.2005, c.77 (C.2C:13-8) (Human Trafficking); N.J.S.2C:14-2 (Sexual Assault or Aggravated Sexual Assault); subsection a. of N.J.S.2C:14-3 (Aggravated Criminal Sexual Contact); if the victim is a minor, subsection b. of N.J.S.2C:14-3 (Criminal Sexual Contact); if the victim is a minor and the offender is not the parent of the victim, N.J.S.2C:13-2 (Criminal Restraint) or N.J.S.2C:13-3 (False Imprisonment); N.J.S.2C:15-1 (Robbery); N.J.S.2C:17-1 (Arson and Related Offenses); subsection a. of N.J.S.2C:24-4 (Endangering the welfare of a child by engaging in sexual conduct which would impair or debauch the morals of the child, or causing the child other harm); paragraph (4) of subsection b. of N.J.S.2C:24-4 (Photographing or filming a child in a prohibited sexual act or for portrayal in a sexually suggestive manner); paragraph (3) of subsection b. of N.J.S.2C:24-4 (Causing or permitting a child to engage in a prohibited sexual act or the simulation of an act, or to be portrayed in a sexually suggestive manner); subparagraph (a) of paragraph (5) of subsection b. of N.J.S.2C:24-4 (Distributing, possessing with intent to distribute or using a file-sharing program to store items depicting the sexual exploitation or abuse of a child); subparagraph (b) of paragraph (5) of subsection b. of N.J.S.2C:24-4 (Possessing or viewing items depicting the sexual exploitation or abuse of a child); section 8 of P.L.2017, c.141 (C.2C:24-4.1) (Leader of a child pornography network); N.J.S.2C:28-1 (Perjury); N.J.S.2C:28-2 (False Swearing); paragraph (4) of subsection b. of N.J.S.2C:34-1 (Knowingly promoting the prostitution of the actor's child); section 2 of P.L.2002, c.26 (C.2C:38-2) (Terrorism); subsection a. of section 3 of P.L.2002, c.26 (C.2C:38-3) (Producing or Possessing Chemical Weapons, Biological Agents or Nuclear or Radiological Devices); and conspiracies or attempts to commit such crimes.

Records of conviction for any crime committed by a person holding any public office, position or employment, elective or appointive, under the government of this State or any agency or political subdivision thereof and any conspiracy or attempt to commit such a crime shall not be subject to expungement if the crime involved or touched such office, position or employment.

c. [In the case of conviction for the sale or distribution of a controlled dangerous substance or possession thereof with intent to sell, expungement shall be denied except where the crimes involve:

(1) Marijuana, where the total quantity sold, distributed or possessed with intent to sell was less than one ounce;

(2) Hashish, where the total quantity sold, distributed or possessed with intent to sell was less than five grams; or

(3) Any controlled dangerous substance provided that the conviction is of the third or fourth degree, where the court finds that

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expungement is consistent with the public interest, giving due consideration to the nature of the offense and the petitioner's character and conduct since conviction.] (~~Deleted by amendment, P.L. , c.~~)

d. In the case of a State licensed physician or podiatrist convicted of an offense involving drugs or alcohol or pursuant to section 14 or 15 of P.L.1989, c.300 (C.2C:21-20 or 2C:21-4.1), the court shall notify the State Board of Medical Examiners upon receipt of a petition for expungement of the conviction and records and information pertaining thereto.

(cf: P.L.2017, c.244, s.1)

47. N.J.S.2C:52-3 is amended to read as follows:

2C:52-3. Disorderly persons offenses and petty disorderly persons offenses.

a. Any person who has been convicted of one or more disorderly persons or petty disorderly persons offenses under the laws of this State who has not been convicted of any crime, whether within this State or any other jurisdiction, may present an expungement application to the Superior Court pursuant to this section. Any person who has been convicted of one or more disorderly persons or petty disorderly persons offenses under the laws of this State who has also been convicted of one or more crimes shall not be eligible to apply for an expungement pursuant to this section, but may present an expungement application to the Superior Court pursuant to N.J.S.2C:52-2.

b. Any person who has been convicted of one or more disorderly persons or petty disorderly persons offenses under the laws of this State who has not been convicted of any crime, whether within this State or any other jurisdiction, may present an expungement application to the Superior Court pursuant to this section if:

the person has been convicted, under the laws of this State, on the same or separate occasions of no more than four disorderly persons offenses, no more than four petty disorderly persons offenses, or a combination of no more than four disorderly persons and petty disorderly persons offenses, and the person does not otherwise have any prior or subsequent conviction for a disorderly persons or petty disorderly persons offense, whether within this State or any other jurisdiction, such that the total number of convictions for disorderly persons and petty disorderly persons offenses would exceed four; or

the person has been convicted of multiple disorderly persons offenses or multiple petty disorderly persons offenses under the laws of this State, or a combination of multiple disorderly persons and petty disorderly persons offenses under the laws of this State, which convictions were entered on the same day, and does not otherwise have any prior or subsequent conviction for another offense in addition to those convictions included in the expungement application, whether any such conviction was within this State or any other jurisdiction; or

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the person has been convicted of multiple disorderly persons offenses or multiple petty disorderly persons offenses under the laws of this State, or a combination of multiple disorderly persons and petty disorderly persons offenses under the laws of this State, which offenses or combination of offenses were interdependent or closely related in circumstances and were committed as part of a sequence of events that took place within a comparatively short period of time, regardless of the date of conviction or sentencing for each individual offense, and the person does not otherwise have any prior or subsequent conviction for another offense in addition to those convictions included in the expungement application, whether within this State or any other jurisdiction.

For purposes of determining eligibility to present an expungement application to the Superior Court pursuant to this section, a conviction for unlawful distribution of, or possessing or having under control with intent to distribute, marijuana or hashish in violation of paragraph (11) of subsection b. of N.J.S.2C:35-5, or a lesser amount of marijuana or hashish in violation of paragraph (12) of subsection b. of that section, or a violation of either of those paragraphs and a violation of subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1), for distributing, or possessing or having under control with intent to distribute, on or within 1,000 feet of any school property, or on or within 500 feet of the real property comprising a public housing facility, public park, or public building, or for obtaining or possessing marijuana or hashish in violation of paragraph (3) of subsection a. of N.J.S.2C:35-10, or for an equivalent crime in another jurisdiction, regardless of when the conviction occurred, shall be not considered a conviction of a crime within this State or any other jurisdiction but shall instead be considered a conviction of a disorderly person offense within this State or an equivalent category of offense within the other jurisdiction, and a conviction for obtaining, possessing, using, being under the influence of, or failing to make lawful disposition of marijuana or hashish in violation of paragraph (4) of subsection a., or subsection b., or subsection c. of N.J.S.2C:35-10, or a violation involving marijuana or hashish as described herein and using or possessing with intent to use drug paraphernalia with that marijuana or hashish in violation of N.J.S.2C:36-2, or for an equivalent crime or offense in another jurisdiction, regardless of when the conviction occurred, shall not be considered a conviction within this State or any other jurisdiction.

The person, if eligible, may present the expungement application after the expiration of a period of five years from the date of his most recent conviction, payment of fine, satisfactory completion of probation or release from incarceration, whichever is later. The term "fine" as used herein and throughout this section means and includes any fine, restitution, and other court-ordered financial assessment imposed by the court as part of the sentence for the conviction, for

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which payment of restitution takes precedence in accordance with chapter 46 of Title 2C of the New Jersey Statutes. The person shall submit the expungement application to the Superior Court in the county in which the most recent conviction for a disorderly persons or petty disorderly persons offense was adjudged, which contains a separate, duly verified petition as provided in N.J.S.2C:52-7 for each conviction sought to be expunged, praying that the conviction, or convictions if applicable, and all records and information pertaining thereto be expunged. The petition for each conviction appended to an application shall comply with the requirements of N.J.S.2C:52-1 et seq.

Notwithstanding the provisions of the five-year time requirement, an application may be filed and presented, and the court may grant an expungement pursuant to this section, when the court finds:

(1) the fine is satisfied but less than five years have expired from the date of satisfaction, and the five-year time requirement is otherwise satisfied, and the court finds that the person substantially complied with any payment plan ordered pursuant to N.J.S.2C:46-1 et seq., or could not do so due to compelling circumstances affecting his ability to satisfy the fine; or

(2) at least three but less than five years have expired from the date of the most recent conviction, payment of fine, satisfactory completion of probation or parole, or release from incarceration, whichever is later; and

the person has not been otherwise convicted of a crime, disorderly persons offense, or petty disorderly persons offense since the time of the most recent conviction; and the court finds in its discretion that expungement is in the public interest, giving due consideration to the nature of the offense or offenses, and the applicant's character and conduct since the conviction or convictions.

In determining whether compelling circumstances exist for the purposes of paragraph (1) of this subsection, a court may consider the amount of the fine or fines imposed, the person's age at the time of the offense or offenses, the person's financial condition and other relevant circumstances regarding the person's ability to pay.

(cf: P.L.2017, c.244, s.2)

48. (New section) a. Notwithstanding the requirements of subsections a. and b. of N.J.S.2C:52-2 and N.J.S.2C:52-3 or any other provision of law to the contrary, beginning on the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), the following persons may file a petition for an expedited expungement with the Superior Court at any time:

(1) any person who, prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), was charged with, convicted of, or adjudicated delinquent for any number of offenses which if committed by an adult would constitute, unlawful distribution of, or possessing or having under control with intent to

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distribute, marijuana or hashish in violation of paragraph (11) of subsection b. of N.J.S.2C:35-5, or a lesser amount of marijuana or hashish in violation of paragraph (12) of subsection b. of that section, or a violation of either of those paragraphs and a violation of subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or possessing or having under control with intent to distribute, on or within 1,000 feet of any school property, or on or within 500 feet of the real property comprising a public housing facility, public park, or public building; or

(2) any person who, prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), was charged with, convicted of, or adjudicated delinquent for any number of offenses which if committed by an adult would constitute, obtaining, possessing, using, being under the influence of, or failing to make lawful disposition of marijuana or hashish in violation of paragraph (3) or (4) of subsection a., or subsection b., or subsection c. of N.J.S.2C:35-10; or

(3) any person who, prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), was charged with, convicted of, or adjudicated delinquent for any number of offenses which if committed by an adult would constitute, a violation involving marijuana or hashish as described in paragraph (1) or (2) of this subsection and using or possessing with intent to use drug paraphernalia with that marijuana or hashish in violation of N.J.S.2C:36-2.

b. (1) The provisions of N.J.S.2C:52-7 through N.J.S.2C:52-14 shall not apply to an expedited expungement as described in this section, and no fee shall be charged to the person making the expungement application.

(2) Upon review of the petition, the court shall immediately grant an expedited expungement for each charge, conviction, or adjudication of delinquency pursuant to this section. The court shall provide copies of the expungement order to the person who is the subject of the petition.

(3) A court order vacating an expedited expungement that is granted to a person pursuant to this section may be issued upon an action filed by a county prosecutor with the court that granted the expungement, if filed no later than 45 days after the expungement order was issued, with notice to the person, and a hearing is scheduled at which the county prosecutor shows proof that the expedited expungement was granted in error due to a statutory disqualification to expungement that existed at the time the relief was initially granted.

c. Any public employee, or public agency that provides information or records pursuant to this section shall be immune from criminal and civil liability as a result of an act of commission or omission by that person or entity arising out of and in the course of participation in, or assistance with, in good faith, an

expedited expungement. The immunity shall be in addition to and not in limitation of any other immunity provided by law.

49. (New section) a. The Administrative Director of the Courts shall maintain and provide information to any person upon request about the expungement process and legal services programs Statewide and in each county which may be available to assist the person with an expedited expungement pursuant to section 48 of P.L. , c. (C.) (pending before the Legislature as this bill).

50. (New section) a. (1) The Administrative Director of the Courts shall develop and maintain a multilingual public awareness campaign to promote awareness of expedited expungements and the expungement e-filing system established pursuant to sections 48 through 51 of P.L. , c. (C.) (pending before the Legislature as this bill), as well as information on State, local, non-profit and other private job training programs.

(2) The public awareness campaign shall, at a minimum, utilize electronic and print media, and shall make available electronically on an Internet website a petition form and a list of the supporting information necessary for an expungement, including an expedited expungement pursuant to section 48 of P.L. , c. (C.) (pending before the Legislature as this bill), using the expungement e-filing system once established pursuant to section 51 of that act (C.).

(3) The petition and supporting information shall, at a minimum, be made available in English and Spanish.

b. The Administrative Director of the Courts shall include in the annual report on the activities of the Administrative Office of the Courts, prepared pursuant to N.J.S.2A:12-5, information about the activities and accomplishments of the public awareness campaign developed and maintained pursuant to subsection a. of this section, beginning no later than one year after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill).

51. (New section) a. No later than nine months after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), the Administrative Office of the Courts shall develop and maintain a system for petitioners to electronically file expungement petitions pursuant to N.J.S.2C:52-1 et seq. The e-filing system shall be available Statewide and include electronic filing, electronic service of process, and electronic document management.

(1) The court shall electronically compile and transmit a listing of all possibly relevant Judiciary records to an expungement petitioner and the appropriate criminal justice parties subject to notice of the petition in accordance with N.J.S.2C:52-10 for review and

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confirmation against the criminal history record background information maintained by the Division of State Police.

(2) The court shall provide copies of an expungement order to the person who is the subject of the petition and electronically transmit the order to the previously noticed parties, or parties otherwise entitled to notice, in accordance with N.J.S.2C:52-15.

b. Beginning no later than one year after the implementation of the e-filing system established pursuant to this section, the Administrative Director of the Courts shall include in the annual report on the activities of the Administrative Office of the Courts, prepared pursuant to N.J.S.2A:12-5, information on the operation, maintenance, and administration of the e-filing system, and may include any recommendations as to legislative changes or improvements to effectuate the purposes of sections 48 through 51 of P.L. , c. (C.) (pending before the Legislature as this bill). The report shall assist policymakers in determining whether the e-filing system should be modified or expanded. The report shall include statistics regarding the number of applicants; the number of expungements processed; the number of expungement orders issued; and any other relevant information at the discretion of the Administrative Director of the Courts.

52. N.J.S.2B:12-31 is amended to read as follows:

2B:12-31. Suspension of driving privileges.

a. (1) If a defendant charged with a disorderly persons offense, a petty disorderly persons offense, a violation of a municipal ordinance, or a violation of any other law of this State for which a penalty may be imposed fails to appear at any scheduled court proceeding after written notice has been given to said defendant pursuant to the Rules of Court, a municipal court may order the suspension of the person's driving privileges or nonresident reciprocity privilege or prohibit the person from receiving or obtaining driving privileges until the pending matter is adjudicated or otherwise disposed of, except by dismissal for failure of defendant to appear.

(2) If a defendant sentenced to pay a fine or costs, make restitution, perform community service, serve a term of probation, or do any other act as a condition of that sentence fails to do so, a municipal court may order the suspension of the person's driving privileges or nonresident reciprocity privilege or prohibit the person from receiving or obtaining driving privileges until the terms and conditions of the sentence have been performed or modified.

b. Prior to any action being taken pursuant to the provisions of this section, the defendant shall be given notice of the proposed action and afforded an opportunity to appear before the court to contest the validity of the proposed action.

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c. The municipal court shall notify the [Division of] New Jersey Motor [Vehicles] Vehicle Commission of any action taken pursuant to the provisions of this section.

d. Any action taken by a municipal court pursuant to this section shall be in addition to any other remedies which are available to the court and in addition to any other penalties which may be imposed by the court.

e. (1) When a defendant whose license has been suspended pursuant to subsection a. of this section satisfies the requirements of that subsection, the municipal court shall forward to the [Division of] New Jersey Motor [Vehicles] Vehicle Commission a notice to restore the defendant's driving privileges.

(2) There shall be included in the fines and penalties imposed by a court on a defendant whose license has been suspended pursuant to subsection a. of this section, the following:

(a) A fee of \$3.00 which shall be transferred to the [Division of] New Jersey Motor [Vehicles] Vehicle Commission;

(b) A penalty of \$10.00 for the issuance of the failure to appear notice; and

(c) A penalty of \$15.00 for the order of suspension of defendant's driving privileges.

(cf: N.J.S.2B:12-31)

53. N.J.S.2C:35-16 is amended to read as follows:

2C:35-16. a. In addition to any disposition authorized by this title, the provisions of section 24 of P.L.1982, c.77 (C.2A:4A-43), or any other statute indicating the dispositions that can be ordered for an adjudication of delinquency, and notwithstanding the provisions of subsection c. of N.J.S.2C:43-2, a person convicted of or adjudicated delinquent for a violation of any offense defined in this chapter or chapter 36 of this title shall forthwith forfeit his right to operate a motor vehicle over the highways of this State for a period to be fixed by the court at not less than six months or more than two years which shall commence on the day the sentence is imposed unless the court finds compelling circumstances warranting an exception or except as provided in subsection e. of this section. For the purposes of this section, compelling circumstances warranting an exception exist if the forfeiture of the person's right to operate a motor vehicle over the highways of this State will result in extreme hardship and alternative means of transportation are not available. In the case of a person who at the time of the imposition of sentence is less than 17 years of age, the period of any suspension of driving privileges authorized herein, including a suspension of the privilege of operating a motorized bicycle, shall commence on the day the sentence is imposed and shall run for a period as fixed by the court of not less than six months or more than two years after the day the person reaches the age of 17 years. If the driving privilege of any person is under revocation, suspension,

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or postponement for a violation of any provision of this title or Title 39 of the Revised Statutes at the time of any conviction or adjudication of delinquency for a violation of any offense defined in this chapter or chapter 36 of this title, any revocation, suspension, or postponement period imposed herein shall commence as of the date of termination of the existing revocation, suspension, or postponement.

b. If forfeiture or postponement of driving privileges is ordered by the court pursuant to subsection a. of this section, the court shall collect forthwith the New Jersey driver's license or licenses of the person and forward such license or licenses to the Chief Administrator of the New Jersey Motor Vehicle Commission along with a report indicating the first and last day of the suspension or postponement period imposed by the court pursuant to this section. If the court is for any reason unable to collect the license or licenses of the person, the court shall cause a report of the conviction or adjudication of delinquency to be filed with the Chief Administrator. That report shall include the complete name, address, date of birth, eye color, and sex of the person and shall indicate the first and last day of the suspension or postponement period imposed by the court pursuant to this section. The court shall inform the person orally and in writing that if the person is convicted of personally operating a motor vehicle during the period of license suspension or postponement imposed pursuant to this section, the person shall, upon conviction, be subject to the penalties set forth in R.S.39:3-40. A person shall be required to acknowledge receipt of the written notice in writing. Failure to receive a written notice or failure to acknowledge in writing the receipt of a written notice shall not be a defense to a subsequent charge of a violation of R.S.39:3-40. If the person is the holder of a driver's license from another jurisdiction, the court shall not collect the license but shall notify forthwith the Chief Administrator who shall notify the appropriate officials in the licensing jurisdiction. The court shall, however, in accordance with the provisions of this section, revoke the person's non-resident driving privilege in this State.

c. In addition to any other condition imposed, a court may in its discretion suspend, revoke or postpone in accordance with the provisions of this section the driving privileges of a person admitted to supervisory treatment under N.J.S.2C:36A-1 or N.J.S.2C:43-12 without a plea of guilty or finding of guilt.

d. After sentencing and upon notice to the prosecutor, a person subject to suspension or postponement of driving privileges under this section may seek revocation of the remaining portion of any suspension or postponement based on compelling circumstances warranting an exception that were not raised at the time of sentencing. The court may revoke the suspension or postponement if it finds compelling circumstances.

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e. Provided that the person was not convicted of or adjudicated delinquent for a violation of any offense defined in this chapter or chapter 36 of this title other than those enumerated in this subsection, the forfeiture or postponement of driving privileges set forth in subsection a. of this section shall not apply to any person convicted of or adjudicated delinquent for an offense which if committed by an adult would constitute:

(1) distribution of, or possessing or having under control with intent to distribute, marijuana or hashish in violation of paragraph (11) of subsection b. of N.J.S.2C:35-5, or a lesser amount of marijuana or hashish in violation of paragraph (12) of subsection b. that section, or a violation of either of those paragraphs based on an amount of marijuana or hashish described herein and a violation of subsection a. of section 1 of P.L.1987, c.101 (C.2C:35-7) or subsection a. of section 1 of P.L.1997, c.327 (C.2C:35-7.1) for distributing, or possessing or having under control with intent to distribute, on or within 1,000 feet of any school property, or on or within 500 feet of the real property comprising a public housing facility, public park, or public building;

(2) using, being under the influence of, or failing to make lawful disposition of marijuana or hashish in violation of subsection b. or subsection c. of N.J.S.2C:35-10; or

(3) a violation involving marijuana or hashish as described in paragraph (1) or (2) of this subsection and using or possessing with intent to use drug paraphernalia with that marijuana or hashish in violation of N.J.S.2C:36-2.

(cf: P.L.2008, c.84, s.2)

54. The title of P.L.1981, c.197 is amended to read as follows:

AN ACT concerning the unauthorized bringing of alcoholic beverages or cannabis items onto school premises, and supplementing chapter 33 of Title 2C of the New Jersey Statutes. (cf: P.L.1981, c.197, title)

55. Section 1 of P.L.1981, c.197 (C.2C:33-16) is amended to read as follows:

1. Any person of legal age to purchase alcoholic beverages or cannabis items, who, in the case of alcoholic beverages, knowingly and without the express written permission of the school board, its delegated authority, or any school principal, brings or possesses any alcoholic beverages, or in the case of cannabis items, brings, possesses, or consumes, including by smoking, any cannabis items, on any property used for school purposes which is owned by any school or school board, is guilty of a disorderly persons offense. For purposes of this section, an alcoholic beverage includes powdered alcohol as defined by R.S.33:1-1, and a cannabis item includes any item available for lawful consumption pursuant to the

“New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill).

(cf: P.L.1981, c.197, s.1)

56. R.S.40:48-1 is amended to read as follows:

40:48-1. Ordinances; general purpose. The governing body of every municipality may make, amend, repeal and enforce ordinances to:

Finances and property. 1. Manage, regulate and control the finances and property, real and personal, of the municipality;

Contracts and contractor's bonds. 2. Prescribe the form and manner of execution and approval of all contracts to be executed by the municipality and of all bonds to be given to it;

Officers and employees; duties, terms and salaries. 3. Prescribe and define, except as otherwise provided by law, the duties and terms of office or employment, of all officers and employees; and to provide for the employment and compensation of such officials and employees, in addition to those provided for by statute, as may be deemed necessary for the efficient conduct of the affairs of the municipality;

Fees. 4. Fix the fees of any officer or employee of the municipality for any service rendered in connection with his office or position, for which no specific fee or compensation is provided. In the case of salaried officers or employees, such fee shall be paid into the municipal treasury;

Salaries instead of fees; disposition of fees. 5. Provide that any officer or employee receiving compensation for his services, in whole or in part by fees, whether paid by the municipality or otherwise, shall be paid a salary to be fixed in the ordinance, and thereafter all fees received by such officer or employee shall be paid into the municipal treasury;

Maintain order. 6. Prevent vice, drunkenness and immorality; to preserve the public peace and order; to prevent and quell riots, disturbances and disorderly assemblages; to prohibit the consumption of alcoholic beverages or cannabis items by underage persons on private property pursuant to section 1 of P.L.2000, c.33 (C.40:48-1.2);

Punish beggars; prevention of loitering. 7. Restrain and punish drunkards, vagrants, mendicants and street beggars; to prevent loitering, lounging or sleeping in the streets, parks or public places;

Auctions and noises. 8. Regulate the ringing of bells and the crying of goods and other commodities for sale at auction or otherwise, and to prevent disturbing noises;

Swimming; bathing costume; prohibition of public nudity. 9. Regulate or prohibit swimming or bathing in the waters of, in, or bounding the municipality, and to regulate or prohibit persons from appearing upon the public streets, parks and places clad in bathing

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costumes or robes, or costumes of a similar character; regulate or prohibit persons from appearing in a state of nudity upon all lands within its borders which are under the jurisdiction of the State including, without limitation, all lands owned by, controlled by, managed by or leased by the State;

Prohibit annoyance of persons or animals. 10. Regulate or prohibit any practice tending to frighten animals, or to annoy or injure persons in the public streets;

Animals; pounds; establishment and regulation. 11. Establish and regulate one or more pounds, and to prohibit or regulate the running at large of horses, cattle, dogs, swine, goats and other animals, and to authorize their impounding and sale for the penalty incurred, and the costs of impounding, keeping and sale; to regulate or prohibit the keeping of cattle, goats or swine in any part of the municipality; to authorize the destruction of dogs running at large therein;

Hucksters. 12. Prescribe and regulate the place of vending or exposing for sale articles of merchandise from vehicles;

Building regulations; wooden structures. 13. Regulate and control the construction, erection, alteration and repair of buildings and structures of every kind within the municipality; and to prohibit, within certain limits, the construction, erection or alteration of buildings or structures of wood or other combustible material;

Inflammable materials; inspect docks and buildings. 14. Regulate the use, storage, sale and disposal of inflammable or combustible materials, and to provide for the protection of life and property from fire, explosions and other dangers; to provide for inspections of buildings, docks, wharves, warehouses and other places, and of goods and materials contained therein, to secure the proper enforcement of such ordinance;

Dangerous structures; removal or destruction; procedure. 15. Provide for the removal or destruction of any building, wall or structure which is or may become dangerous to life or health, or might tend to extend a conflagration; and to assess the cost thereof as a municipal lien against the premises;

Chimneys and boilers. 16. Regulate the construction and setting up of chimneys, furnaces, stoves, boilers, ovens and other contrivances in which fire is used;

Explosives. 17. Regulate, in conformity with the statutes of this State, the manufacture, storage, sale, keeping or conveying of gunpowder, nitroglycerine, dynamite and other explosives;

Firearms and fireworks. 18. Regulate and prohibit the sale and use of guns, pistols, firearms, and fireworks of all descriptions;

Soft coal. 19. Regulate the use of soft coal in locomotives, factories, power houses and other places;

Theaters, schools, churches and public places. 20. Regulate the use of theaters, cinema houses, public halls, schools, churches, and

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other places where numbers of people assemble, and the exits therefrom, so that escape therefrom may be easily and safely made in case of fire or panic; and to regulate any machinery, scenery, lights, wires and other apparatus, equipment or appliances used in all places of public amusement;

Excavations. 21. Regulate excavations below the established grade or curb line of any street, not greater than eight feet, which the owner of any land may make, in the erection of any building upon his own property; and to provide for the giving of notice, in writing, of such intended excavation to any adjoining owner or owners, and that they will be required to protect and care for their several foundation walls that may be endangered by such excavation; and to provide that in case of the neglect or refusal, for 10 days, of such adjoining owner or owners to take proper action to secure and protect the foundations of any adjacent building or other structure, that the party or parties giving such notice, or their agents, contractors or employees, may enter into and upon such adjoining property and do all necessary work to make such foundations secure, and may recover the cost of such work and labor in so protecting such adjacent property; and to make such further and other provisions in relation to the proper conduct and performance of said work as the governing body or board of the municipality may deem necessary and proper;

Sample medicines. 22. Regulate and prohibit the distribution, depositing or leaving on the public streets or highways, public places or private property, or at any private place or places within any such municipality, any medicine, medicinal preparation or preparations represented to cure ailments or diseases of the body or mind, or any samples thereof, or any advertisements or circulars relating thereto, but no ordinance shall prohibit a delivery of any such article to any person above the age of 12 years willing to receive the same;

Boating. 23. Regulate the use of motor and other boats upon waters within or bounding the municipality;

Fire escapes. 24. Provide for the erection of fire escapes on buildings in the municipality, and to provide rules and regulations concerning the construction and maintenance of the same, and for the prevention of any obstruction thereof or thereon;

Care of injured employees. 25. Provide for the payment of compensation and for medical attendance to any officer or employee of the municipality injured in the performance of his duty;

Bulkheads and other structures. 26. Fix and determine the lines of bulkheads or other works or structures to be erected, constructed or maintained by the owners of lands facing upon any navigable water in front of their lands, and in front of or along any highway or public lands of said municipality, and to designate the materials to be used, and the type, height and dimensions thereof;

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Lifeguard. 27. Establish, maintain, regulate and control a lifeguard upon any beach within or bordering on the municipality;

Appropriation for life-saving apparatus. 28. Appropriate moneys to safeguard people from drowning within its borders, by location of apparatus or conduct of educational work in harmony with the plans of the United States volunteer life-saving corps in this State;

Fences. 29. Regulate the size, height and dimensions of any fences between the lands of adjoining owners, whether built or erected as division or partition fences between such lands, and whether the same exist or be erected entirely or only partly upon the lands of any such adjoining owners, or along or immediately adjacent to any division or partition line of such lands. To provide, in such ordinance, the manner of securing, fastening or shoring such fences, and for surveying the land when required by statute, and to prohibit in any such ordinance the use at a height of under 10 feet from the ground, of any device, such as wire or cable, that would be dangerous to pedestrians, equestrians, bicyclists, or drivers of off-the-road vehicles, unless that device is clearly visible to pedestrians, equestrians, bicyclists or drivers of off-the-road vehicles. In the case of fences thereafter erected contrary to the provisions thereof, the governing body may provide for a penalty for the violation of such ordinance, and in the case of such fence or fences erected or existing at the time of the passage of any such ordinance, may provide therein for the removal, change or alteration thereof, so as to make such fence or fences comply with the provisions of any such ordinance;

Advertise municipality. 30. Appropriate funds for advertising the advantages of the municipality;

Government Energy Aggregation Programs. 31. Establish programs and procedures pursuant to which the municipality may act as a government aggregator pursuant to sections 40 through 43 of P.L.1999, c.23 (C.48:3-89 through C.48:3-92), section 45 of P.L.1999, c.23 (C.48:3-94), and sections 1, 2 and 6 of P.L.2003, c.24 (C.48:3-93.1 through C.48:3-93.3). Notwithstanding the provisions of any other law, rule or regulation to the contrary, a municipality acting as a government aggregator pursuant to P.L.1999, c.23 (C.48:3-49 et al.) shall not be deemed to be a public utility pursuant to R.S.40:62-24 or R.S.48:1-1 et seq. or be deemed to be operating any form of public utility service pursuant to R.S.40:62-1 et seq., to the extent such municipality is solely engaged in the provision of such aggregation service and not otherwise owning or operating any plant or facility for the production or distribution of gas, electricity, steam or other product as provided in R.S.40:62-12;

Joint municipal action on consent for the provision of cable television service. 32. Establish programs and procedures pursuant to which a municipality may act together with one or more

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municipalities in granting municipal consent for the provision of cable television service pursuant to the provisions of the "Cable Television Act," P.L.1972, c.186 (C.48:5A-1 et seq.) as amended and supplemented. Notwithstanding the provisions of any other law, rule or regulation to the contrary, two or more municipalities acting jointly pursuant to the provisions of P.L.1972, c.186 (C.48:5A-1 et seq.) shall not be deemed a public utility pursuant to R.S.48:1-1 et seq., to the extent those municipalities are solely engaged in granting municipal consent jointly and are not otherwise owning or operating any facility for the provision of cable television service as provided in P.L.1972, c.186 (C.48:5A-1 et seq.);

Private cable television service aggregation programs. 33. Establish programs and procedures pursuant to which a municipality may employ the services of a private aggregator for the purpose of facilitating the joint action of two or more municipalities in granting municipal consent for the provision of cable television service provided that any such municipality shall adhere to the provisions of the "Cable Television Act," P.L.1972, c.186 (C.48:5A-1 et seq.) as amended and supplemented, and to the provisions of the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.) as amended and supplemented. Notwithstanding the provisions of any other law, rule or regulation to the contrary, a municipality that employs the services of a private aggregator pursuant to the provisions of P.L.1972, c.186 (C.48:5A-1 et seq.) shall not be deemed a public utility pursuant to R.S.48:1-1 et seq., to the extent that the municipality is solely engaged in employing the services of a private aggregator for the purpose of facilitating the joint action of two or more municipalities in granting municipal consent and is not otherwise owning or operating any facility for the provision of cable television service as provided in P.L.1972, c.186 (C.48:5A-1 et seq.);

Protective Custody. 34. Provide protective custody to persons arrested for operating a motor vehicle under the influence of alcoholic beverages, cannabis items as defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill), any chemical substance, or any controlled dangerous substance in violation of R.S.39:4-50 as provided in section 1 of P.L.2003, c.164 (C.40:48-1.3);

Private Outdoor Video Surveillance Camera Registry. 35. Establish a private outdoor video surveillance camera registry and allow voluntary registration of private outdoor video surveillance cameras as provided in P.L.2015, c.142 (C.40:48-1.6 et al.). (cf: P.L.2015, c.142, s.3)

57. (New section) A municipality may enact an ordinance making it unlawful for any person who is of legal age and consumes, other than by smoking, a cannabis item available for lawful consumption

pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill), in any public place as defined in section 3 of that act (C.), other than school property described in section 1 of P.L.1981, c.197 (C.2C:33-16) for which unlawful consumption is a disorderly persons offense, or alternatively as prohibited by the owner or person responsible for the operation of that public place. A person may be subject to a civil penalty of up to \$200, which shall be recovered in a civil action by a summary proceeding in the name of the municipality pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). The municipal court and the Superior Court shall have jurisdiction of proceedings for the enforcement of the penalty provided by this section.

58. The title of P.L.1979, c.264 is amended to read as follows:

AN ACT concerning certain alcoholic beverage and cannabis item offenses by persons under the legal age to purchase alcoholic beverages and cannabis items, and supplementing chapter 33 of Title 2C of the New Jersey Statutes.
(cf: P.L.1979, c.264, title)

59. Section 1 of P.L.1979, c.264 (C.2C:33-15) is amended to read as follows:

1. a. (1) Any person under the legal age to purchase alcoholic beverages who knowingly possesses without legal authority or who knowingly consumes any alcoholic beverage in any school, public conveyance, public place, or place of public assembly, or motor vehicle, is guilty of a petty disorderly persons offense, and shall be fined not less than ~~[\$500]~~ \$250.

(2) (a) Any person under the legal age to purchase cannabis items who knowingly possesses without legal authority any cannabis item, the amount of which may be lawfully possessed by a person of the legal age to purchase cannabis items pursuant to section 4 of P.L. , c. (C.) (pending before the Legislature as this bill), in any school, public conveyance, public place, or place of public assembly, or motor vehicle, is guilty of a petty disorderly persons offense, and shall be fined not less than \$250.

(b) Any person under the legal age to purchase cannabis items who knowingly possesses without legal authority any cannabis item, the amount of which exceeds what may be lawfully possessed by a person of the legal age to purchase cannabis items pursuant to section 4 of P.L. , c. (C.) (pending before the Legislature as this bill), or who knowingly consumes any cannabis item in any school, public conveyance, public place, or place of public assembly, or motor vehicle, is guilty of a disorderly persons offense, and shall be fined not less than \$500.

b. Whenever this offense is committed in a motor vehicle, the court shall, in addition to the sentence authorized for the offense,

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suspend or postpone for six months the driving privilege of the defendant. Upon the conviction of any person under this section, the court shall forward a report to the New Jersey Motor Vehicle Commission stating the first and last day of the suspension or postponement period imposed by the court pursuant to this section. If a person at the time of the imposition of a sentence is less than 17 years of age, the period of license postponement, including a suspension or postponement of the privilege of operating a motorized bicycle, shall commence on the day the sentence is imposed and shall run for a period of six months after the person reaches the age of 17 years.

If a person at the time of the imposition of a sentence has a valid driver's license issued by this State, the court shall immediately collect the license and forward it to the commission along with the report. If for any reason the license cannot be collected, the court shall include in the report the complete name, address, date of birth, eye color, and sex of the person as well as the first and last date of the license suspension period imposed by the court.

The court shall inform the person orally and in writing that if the person is convicted of operating a motor vehicle during the period of license suspension or postponement, the person shall be subject to the penalties set forth in R.S.39:3-40. A person shall be required to acknowledge receipt of the written notice in writing. Failure to receive a written notice or failure to acknowledge in writing the receipt of a written notice shall not be a defense to a subsequent charge of a violation of R.S.39:3-40.

If the person convicted under this section is not a New Jersey resident, the court shall suspend or postpone, as appropriate, the non-resident driving privilege of the person based on the age of the person and submit to the commission the required report. The court shall not collect the license of a non-resident convicted under this section. Upon receipt of a report by the court, the commission shall notify the appropriate officials in the licensing jurisdiction of the suspension or postponement.

c. In addition to the general penalty prescribed for a disorderly persons offense, the court may require any person who violates this act to participate in an alcohol or drug abuse education or treatment program, authorized by the Division of Mental Health and Addiction Services in the Department of [Human Services] Health, for a period not to exceed the maximum period of confinement prescribed by law for the offense for which the individual has been convicted.

d. Nothing in this act shall apply to possession of alcoholic beverages by any such person while actually engaged in the performance of employment pursuant to an employment permit issued by the Director of the Division of Alcoholic Beverage Control, or for a bona fide hotel or restaurant, in accordance with the provisions of R.S.33:1-26, or while actively engaged in the

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preparation of food while enrolled in a culinary arts or hotel management program at a county vocational school or [post secondary] post-secondary educational institution; and nothing in this section shall apply to possession of cannabis items by any such person while actually engaged in the performance of employment by a cannabis establishment as permitted pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill).

e. The provisions of section 3 of P.L.1991, c.169 (C.33:1-81.1a) shall apply to a parent, guardian or other person with legal custody of a person under 18 years of age who is found to be in violation of this section.

f. An underage person and one or two other persons shall be immune from prosecution under this section if:

(1) one of the underage persons called 9-1-1 and reported that another underage person was in need of medical assistance due to alcohol consumption or the consumption of a cannabis item;

(2) the underage person who called 9-1-1 and, if applicable, one or two other persons acting in concert with the underage person who called 9-1-1 provided each of their names to the 9-1-1 operator;

(3) the underage person was the first person to make the 9-1-1 report; and

(4) the underage person and, if applicable, one or two other persons acting in concert with the underage person who made the 9-1-1 call remained on the scene with the person under the legal age in need of medical assistance until assistance arrived and cooperated with medical assistance and law enforcement personnel on the scene.

The underage person who received medical assistance also shall be immune from prosecution under this section.

g. For purposes of this section, an alcoholic beverage includes powdered alcohol as defined by R.S.33:1-1, and a cannabis item includes any item available for lawful consumption pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill).

(cf: P.L.2015, c.137, s.3)

60. The title of P.L.2000, c.33 is amended to read as follows:

AN ACT concerning possession and consumption of alcoholic beverages or cannabis items by underaged persons, supplementing Title 40 of the Revised Statutes and amending R.S.40:48-1.

(cf: P.L.2000, c.33, title)

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61. Section 1 of P.L.2000, c.33 (C.40:48-1.2) is amended to read as follows:

1. a. A municipality may enact an ordinance making it unlawful for any person under the legal age who, without legal authority, knowingly possesses or knowingly consumes an alcoholic beverage or a cannabis item, other than by smoking, on private property.

(1) The ordinance shall provide that a violation involving alcoholic beverage activity shall be punished by a fine of \$250 for a first offense and \$350 for any subsequent offense.

(2) The ordinance shall provide that a violation involving cannabis activity shall be punished as follows:

(a) If the cannabis item possessed is an amount which may be lawfully possessed by a person of the legal age to purchase cannabis items pursuant to section 4 of P.L. , c. (C.) (pending before the Legislature as this bill): for a first offense, a civil penalty of \$100; for a second offense, a civil penalty of \$200; and for a third or subsequent offense, a fine of \$350. The civil penalties provided for in this subparagraph shall be collected pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding before the municipal court having jurisdiction. A penalty recovered under the provisions of this subparagraph shall be recovered by and in the name of the municipality.

(b) If the cannabis item possessed is an amount that exceeds what may be lawfully possessed by a person of the legal age to purchase cannabis items pursuant to section 4 of P.L. , c. (C.) (pending before the Legislature as this bill), or if any cannabis item is consumed: for a first offense, a fine of \$250; and for a second or subsequent offense, a fine of \$350.

b. The ordinance shall provide that the court may, in addition to the fine authorized for this offense, suspend or postpone for six months the driving privilege of the defendant. Upon the conviction of any person and the suspension or postponement of that person's driver's license, the court shall forward a report to the [Division of] New Jersey Motor [Vehicles] Vehicle Commission stating the first and last day of the suspension or postponement period imposed by the court pursuant to this section. If a person at the time of the imposition of a sentence is less than 17 years of age, the period of license postponement, including a suspension or postponement of the privilege of operating a motorized bicycle, shall commence on the day the sentence is imposed and shall run for a period of six months after the person reaches the age of 17 years.

If a person at the time of the imposition of a sentence has a valid driver's license issued by this State, the court shall immediately collect the license and forward it to the [division] commission along with the report. If for any reason the license cannot be collected, the court shall include in the report the complete name, address, date of birth, eye color, and sex of the person, as well as

the first and last date of the license suspension period imposed by the court.

The court shall inform the person orally and in writing that if the person is convicted of operating a motor vehicle during the period of license suspension or postponement, the person shall be subject to the penalties set forth in R.S.39:3-40. A person shall be required to acknowledge receipt of the written notice in writing. Failure to receive a written notice or failure to acknowledge in writing the receipt of a written notice shall not be a defense to a subsequent charge of a violation of R.S.39:3-40.

If the person convicted under such an ordinance is not a New Jersey resident, the court shall suspend or postpone, as appropriate, the non-resident driving privilege of the person based on the age of the person and submit to the [division] commission the required report. The court shall not collect the license of a non-resident convicted under this section. Upon receipt of a report by the court, the [division] commission shall notify the appropriate officials in the licensing jurisdiction of the suspension or postponement.

c. (1) No ordinance shall prohibit an underaged person from consuming or possessing an alcoholic beverage in connection with a religious observance, ceremony, or rite or consuming or possessing an alcoholic beverage in the presence of and with the permission of a parent, guardian or relative who has attained the legal age to purchase and consume alcoholic beverages.

(2) As used in this section:

“Alcoholic beverage” includes powdered alcohol as defined by R.S.33:1-1.

“Guardian” means a person who has qualified as a guardian of the underaged person pursuant to testamentary or court appointment.

“Cannabis items” includes any item available for lawful consumption pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill).

“Relative” means the underaged person's grandparent, aunt or uncle, sibling, or any other person related by blood or affinity.

d. No ordinance shall prohibit possession of alcoholic beverages by any such person while actually engaged in the performance of employment by a person who is licensed under Title 33 of the Revised Statutes, or while actively engaged in the preparation of food while enrolled in a culinary arts or hotel management program at a county vocational school or [post secondary] post-secondary educational institution, and no ordinance shall prohibit possession of cannabis items by any such person while actually engaged in the performance of employment by a cannabis establishment as permitted pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill);

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however, no ordinance enacted pursuant to this section shall be construed to preclude the imposition of a penalty under this section, R.S.33:1-81, or any other section of law against a person who is convicted of unlawful alcoholic beverage activity or unlawful cannabis activity on or at premises licensed for the sale of alcoholic beverages or cannabis items.

(cf: P.L.2000, c.33, s.1)

62. The title of P.L.2009, c.133 is amended to read as follows:

AN ACT concerning persons under the legal age to possess and consume alcoholic beverages or cannabis items, amending P.L.1979, c.264, and supplementing P.L.2000, c.33 (C.40:48-1.2 et al.).

(cf: P.L.2009, c.133, title)

63. Section 2 of P.L.2009, c.133 (C.40:48-1.2a) is amended to read as follows:

2. a. An underage person and one or two other persons shall be immune from prosecution under an ordinance authorized by section 1 of P.L.2000, c.33 (C.40:48-1.2) prohibiting any person under the legal age who, without legal authority, knowingly possesses or knowingly consumes an alcoholic beverage or cannabis item on private property if:

(1) one of the underage persons called 9-1-1 and reported that another underage person was in need of medical assistance due to alcohol consumption or the consumption of a cannabis item;

(2) the underage person who called 9-1-1 and, if applicable, one or two other persons acting in concert with the underage person who called 9-1-1 provided each of their names to the 9-1-1 operator;

(3) the underage person was the first person to make the 9-1-1 report; and

(4) the underage person and, if applicable, one or two other persons acting in concert with the underage person who made the 9-1-1 call remained on the scene with the person under the legal age in need of medical assistance until assistance arrived and cooperated with medical assistance and law enforcement personnel on the scene.

b. The underage person who received medical assistance as provided in subsection a. of this section also shall be immune from prosecution under an ordinance authorized by section 1 of P.L.2000, c.33 (C.40:48-1.2).

(cf: P.L.2009, c.133, s.2)

64. Section 1 of P.L.1983, c.565 (C.2C:21-2.1) is amended to read as follows:

1. a. A person who knowingly sells, offers or exposes for sale, or otherwise transfers, or possesses with the intent to sell, offer or

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expose for sale, or otherwise transfer, a document, printed form or other writing which falsely purports to be a driver's license, birth certificate or other document issued by a governmental agency and which could be used as a means of verifying a person's identity or age or any other personal identifying information is guilty of a crime of the second degree.

b. A person who knowingly makes, or possesses devices or materials to make, a document or other writing which falsely purports to be a driver's license, birth certificate or other document issued by a governmental agency and which could be used as a means of verifying a person's identity or age or any other personal identifying information is guilty of a crime of the second degree.

c. A person who knowingly exhibits, displays or utters a document or other writing which falsely purports to be a driver's license, birth certificate or other document issued by a governmental agency and which could be used as a means of verifying a person's identity or age or any other personal identifying information is guilty of a crime of the third degree. A violation of N.J.S.2C:28-7, constituting a disorderly persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15), R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case where the person uses the personal identifying information of another to illegally purchase an alcoholic beverage or for using the personal identifying information of another to misrepresent [his] the person's age for the purpose of obtaining tobacco or other consumer product denied to persons under [18] 21 years of age shall not, except as otherwise set forth in this subsection, constitute an offense under this subsection if the actor received only that benefit or service and did not perpetrate or attempt to perpetrate any additional injury or fraud on another. If a person used the personal identifying information of another to misrepresent the person's age for the purpose of illegally obtaining any cannabis item available for lawful consumption pursuant to the "New Jersey Cannabis Regulatory and Expungement Aid Modernization Act," P.L. , c. (C.) (pending before the Legislature as this bill), the person shall be subject to a civil penalty of \$50. The civil penalty provided for in this subsection shall be collected pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding before the municipal court having jurisdiction. A civil penalty recovered under the provisions of this subsection shall be recovered by and in the name of the State by the local municipality. The penalty shall be paid into the treasury of the municipality in which the violation occurred for the general use of the municipality.

d. A person who knowingly possesses a document or other writing which falsely purports to be a driver's license, birth certificate or other document issued by a governmental agency and which could be used as a means of verifying a person's identity or age or any other personal identifying information is guilty of a

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crime of the fourth degree. A violation of N.J.S.2C:28-7, constituting a disorderly persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15), R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case where the person uses the personal identifying information of another to illegally purchase an alcoholic beverage or for using the personal identifying information of another to misrepresent his age for the purpose of obtaining tobacco or other consumer product denied to persons under [18] 21 years of age shall not, except as otherwise set forth in this subsection, constitute an offense under this subsection if the actor received only that benefit or service and did not perpetrate or attempt to perpetrate any additional injury or fraud on another. If the personal identifying information of another is used to obtain any cannabis item available for lawful consumption pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill), the person shall be subject to a civil penalty of \$50. The penalty provided for in this subsection shall be collected pursuant to the “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding before the municipal court having jurisdiction. A penalty recovered under the provisions of this subsection shall be recovered by and in the name of the State by the local municipality. The penalty shall be paid into the treasury of the municipality in which the violation occurred for the general use of the municipality.

e. In addition to any other disposition authorized by this Title, the provisions of section 24 of P.L.1982, c.77 (C.2A:4A-43), or any other statute indicating the dispositions that may be ordered for an adjudication of delinquency, and, notwithstanding the provisions of subsection c. of N.J.S.2C:43-2, every person convicted of, or adjudicated delinquent or penalized for a violation of any offense defined in this section shall forthwith forfeit his right to operate a motor vehicle over the highways of this State for a period to be fixed by the court at not less than six months or more than two years which shall commence on the day the sentence is imposed. In the case of any person who at the time of the imposition of the sentence is less than 17 years of age, the period of the suspension of driving privileges authorized herein, including a suspension of the privilege of operating a motorized bicycle, shall commence on the day the sentence is imposed and shall run for a period as fixed by the court of not less than six months or more than two years after the day the person reaches the age of 17 years. If the driving privilege of any person is under revocation, suspension, or postponement for a violation of any provision of this Title or Title 39 of the Revised Statutes at the time of any conviction or adjudication of delinquency for a violation of any offense defined in this chapter or chapter 36 of this Title, the revocation, suspension, or postponement period imposed herein shall commence as of the

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date of termination of the existing revocation, suspension or postponement.

The court before whom any person is convicted of, or adjudicated delinquent or penalized for a violation of any offense defined in this section shall collect forthwith the New Jersey driver's license or licenses of that person and forward the license or licenses to the Chief Administrator of the New Jersey Motor Vehicle Commission along with a report indicating the first and last day of the suspension or postponement period imposed by the court pursuant to this section. If the court is for any reason unable to collect the license or licenses of the person, the court shall cause a report of the conviction or adjudication of delinquency to be filed with the director. The report shall include the complete name, address, date of birth, eye color and sex of the person and shall indicate the first and last day of the suspension or postponement period imposed by the court pursuant to this section. The court shall inform the person orally and in writing that if the person is convicted of personally operating a motor vehicle during the period of license suspension or postponement imposed pursuant to this section, the person shall, upon conviction, be subject to the penalties set forth in R.S.39:3-40. A person shall be required to acknowledge receipt of the written notice in writing. Failure to receive a written notice or failure to acknowledge in writing the receipt of a written notice shall not be a defense to a subsequent charge of a violation of R.S.39:3-40. If the person is the holder of a driver's license from another jurisdiction, the court shall not collect the license, but shall notify forthwith the director who shall notify the appropriate officials in that licensing jurisdiction. The court shall, however, in accordance with the provisions of this section, revoke the person's non-resident driving privileges in this State.

In addition to any other condition imposed, a court, in its discretion, may suspend, revoke or postpone the driving privileges of a person admitted to supervisory treatment under N.J.S.2C:36A-1 or N.J.S.2C:43-12 without a plea of guilty or finding of guilt.

(cf: P.L.2005, c.224, s.1)

65. N.J.S.2C:21-17 is amended to read as follows:

2C:21-17. Impersonation; Theft of identity; crime.

a. A person is guilty of a crime if the person engages in one or more of the following actions by any means including, but not limited to, the use of electronic communications or an Internet website:

(1) Impersonates another or assumes a false identity and does an act in such assumed character or false identity for the purpose of obtaining a benefit for himself or another or to injure or defraud another;

(2) Pretends to be a representative of some person or organization and does an act in such pretended capacity for the

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purpose of obtaining a benefit for himself or another or to injure or defraud another;

(3) Impersonates another, assumes a false identity or makes a false or misleading statement regarding the identity of any person, in an oral or written application for services, for the purpose of obtaining services;

(4) Obtains any personal identifying information pertaining to another person and uses that information, or assists another person in using the information, in order to assume the identity of or represent himself as another person, without that person's authorization and with the purpose to fraudulently obtain or attempt to obtain a benefit or services, or avoid the payment of debt or other legal obligation or avoid prosecution for a crime by using the name of the other person; or

(5) Impersonates another, assumes a false identity or makes a false or misleading statement, in the course of making an oral or written application for services, with the purpose of avoiding payment for prior services. Purpose to avoid payment for prior services may be presumed upon proof that the person has not made full payment for prior services and has impersonated another, assumed a false identity or made a false or misleading statement regarding the identity of any person in the course of making oral or written application for services.

As used in this section:

"Benefit" means, but is not limited to, any property, any pecuniary amount, any services, any pecuniary amount sought to be avoided or any injury or harm perpetrated on another where there is no pecuniary value.

b. (Deleted by amendment, P.L.2005, c.224).

c. A person who violates subsection a. of this section is guilty of a crime as follows:

(1) If the actor obtains a benefit or deprives another of a benefit in an amount less than \$500 and the offense involves the identity of one victim, the actor shall be guilty of a crime of the fourth degree except that a second or subsequent conviction for such an offense constitutes a crime of the third degree; or

(2) If the actor obtains a benefit or deprives another of a benefit in an amount of at least \$500 but less than \$75,000, or the offense involves the identity of at least two but less than five victims, the actor shall be guilty of a crime of the third degree; or

(3) If the actor obtains a benefit or deprives another of a benefit in the amount of \$75,000 or more, or the offense involves the identity of five or more victims, the actor shall be guilty of a crime of the second degree.

d. A violation of N.J.S.2C:28-7, constituting a disorderly persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15), R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case where the person uses the personal identifying information of

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another to illegally purchase an alcoholic beverage or for using the personal identifying information of another to misrepresent [his] the person's age for the purpose of obtaining tobacco or other consumer product denied to persons under [19] 21 years of age shall not, except as otherwise set forth in this subsection, constitute an offense under this section if the actor received only that benefit or service and did not perpetrate or attempt to perpetrate any additional injury or fraud on another. If a person used the personal identifying information of another to misrepresent the person's age for the purpose of illegally obtaining any cannabis item available for lawful consumption pursuant to the "New Jersey Cannabis Regulatory and Expungement Aid Modernization Act," P.L. _____, c. (C. _____) (pending before the Legislature as this bill), the person shall be subject to a civil penalty of \$50. The civil penalty provided for in this subsection shall be collected pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding before the municipal court having jurisdiction. A civil penalty recovered under the provisions of this subsection shall be recovered by and in the name of the State by the local municipality. The penalty shall be paid into the treasury of the municipality in which the violation occurred for the general use of the municipality.

e. The sentencing court shall issue such orders as are necessary to correct any public record or government document that contains false information as a result of a theft of identity. The sentencing court may provide restitution to the victim in accordance with the provisions of section 4 of P.L.2002, c.85 (C.2C:21-17.1).
(cf: P.L.2013, c.241, s.1)

66. Section 5 of P.L.2003, c.184 (C.2C:21-17.2) is amended to read as follows:

5. a. A person is guilty of a crime of the second degree if, in obtaining or attempting to obtain a driver's license, birth certificate or other document issued by a governmental agency which could be used as a means of verifying a person's identity, age or any other personal identifying information, that person knowingly exhibits, displays or utters a document or other writing which falsely purports to be a driver's license, birth certificate or other document issued by a governmental agency or which belongs or pertains to a person other than the person who possesses the document.

b. Notwithstanding the provisions of N.J.S.2C:1-8 or any other law, a conviction under this section shall not merge with a conviction of any other criminal offense, nor shall such other conviction merge with a conviction under this section, and the court shall impose separate sentences upon each violation of this section and any other criminal offense.

c. A violation of N.J.S.2C:28-7, constituting a disorderly persons offense, section 1 of P.L.1979, c.264 (C.2C:33-15),

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R.S.33:1-81 or section 6 of P.L.1968, c.313 (C.33:1-81.7) in a case where the person uses the personal identifying information of another to illegally purchase an alcoholic beverage or for using the personal identifying information of another to misrepresent his age for the purpose of obtaining tobacco or other consumer product denied to persons under [18] 21 years of age shall not, except as otherwise set forth in this subsection, constitute an offense under this section if the actor received only that benefit or service and did not perpetrate or attempt to perpetrate any additional injury or fraud on another. If the personal identifying information of another is used to obtain any cannabis item available for lawful consumption pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill), the person shall be subject to a civil penalty of \$50. The civil penalty provided for in this subsection shall be collected pursuant to the “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.), in a summary proceeding before the municipal court having jurisdiction. A civil penalty recovered under the provisions of this subsection shall be recovered by and in the name of the State by the local municipality. The penalty shall be paid into the treasury of the municipality in which the violation occurred for the general use of the municipality. (cf: P.L.2005, c.224, s.4)

67. The title of P.L.1968, c.313 is amended to read as follows:
AN ACT relating to the establishing of proof of age for purposes of purchasing alcoholic beverages or cannabis items in certain cases.
(cf: P.L.1968, c.313, title)

68. Section 6 of P.L.1968, c.313 (C.33:1-81.7) is amended to read as follows:

6. It shall be unlawful for the owner of an identification card, as defined by this act, to transfer said card to any other person for the purpose of aiding such person to secure alcoholic beverages or cannabis items available for lawful consumption pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill). Any person who shall transfer such identification card for the purpose of aiding such transferee to obtain alcoholic beverages shall be guilty of a [misdemeanor] disorderly persons offense and, upon conviction thereof, shall be sentenced to pay a fine of not more than \$300.00, or undergo imprisonment for not more than 60 days. Any person not entitled thereto who shall have unlawfully procured or have issued or transferred to him, as aforesaid, identification card or any person who shall make any false statement on any card required by subsection (c) hereof to be signed by him shall be guilty of a

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[misdemeanor] disorderly persons offense and, upon conviction thereof, shall be sentenced to pay a fine of not more than \$300.00, or undergo imprisonment for not more than 60 days.
(cf: P.L.1968, c.313, s.6)

69. The title of P.L.1991, c.169 is amended to read as follows:
AN ACT concerning the retail sale of alcoholic beverages or cannabis items, amending R.S.33:1-81 and P.L.1979, c.264 and supplementing chapter 1 of Title 33 of the Revised Statutes.
(cf: P.L.1991, c.169, title)

70. Section 3 of P.L.1991, c.169 (C.33:1-81.1a) is amended to read as follows:

3. A parent, guardian or other person having legal custody of a person under 18 years of age found in violation of R.S.33:1-81 or section 1 of P.L.1979, c.264 (C.2C:33-15) with respect to purchasing, possessing, or consuming any alcoholic beverage or cannabis item available for lawful consumption pursuant to the "New Jersey Cannabis Regulatory and Expungement Aid Modernization Act," P.L. _____, c. _____ (C. _____) (pending before the Legislature as this bill) shall be notified of the violation in writing. The parent, guardian or other person having legal custody of a person under 18 years of age shall be subject to a fine in the amount of \$500.00 upon any subsequent violation of R.S.33:1-81 or section 1 of P.L.1979, c.264 (C.2C:33-15) on the part of such person if it is shown that the parent, guardian or other person having legal custody failed or neglected to exercise reasonable supervision or control over the conduct of the person under 18 years of age.
(cf: P.L.1991, c.169, s.3)

71. Section 2 of P.L.1970, c.226 (C.24:21-2) is amended to read as follows:

2. As used in this act:

"Administer" means the direct application of a controlled dangerous substance, whether by injection, inhalation, ingestion, or any other means, to the body of a patient or research subject by: (1) a practitioner (or, in the practitioner's presence, by the practitioner's lawfully authorized agent), or (2) the patient or research subject at the lawful direction and in the presence of the practitioner.

"Agent" means an authorized person who acts on behalf of or at the direction of a manufacturer, distributor, or dispenser but does not include a common or contract carrier, public warehouseman, or employee thereof.

"Commissioner" means the Commissioner of Health.

"Controlled dangerous substance" means a drug, substance, or immediate precursor in Schedules I through V of article 2 of P.L.1970, c.226 (C.24:21-1 et seq.). The term shall not include

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distilled spirits, wine, malt beverages, as those terms are defined or used in R.S.33:1-1 et seq., or tobacco and tobacco products.

"Counterfeit substance" means a controlled dangerous substance which, or the container or labeling of which, without authorization, bears the trademark, trade name, or other identifying mark, imprint, number or device, or any likeness thereof, of a manufacturer, distributor, or dispenser other than the person or persons who in fact manufactured, distributed, or dispensed such substance and which thereby falsely purports or is represented to be the product of, or to have been distributed by, such other manufacturer, distributor, or dispenser.

"Deliver" or "delivery" means the actual, constructive, or attempted transfer from one person to another of a controlled dangerous substance, whether or not there is an agency relationship.

"Director" means the Director of the Division of Consumer Affairs in the Department of Law and Public Safety.

"Dispense" means to deliver a controlled dangerous substance to an ultimate user or research subject by or pursuant to the lawful order of a practitioner, including the prescribing, administering, packaging, labeling, or compounding necessary to prepare the substance for that delivery.

"Dispenser" means a practitioner who dispenses.

"Distribute" means to deliver other than by administering or dispensing a controlled dangerous substance.

"Distributor" means a person who distributes.

"Division" means the Division of Consumer Affairs in the Department of Law and Public Safety.

"Drug Enforcement Administration" means the Drug Enforcement Administration in the United States Department of Justice.

"Drugs" means (a) substances recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, or any supplement to any of them; and (b) substances intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals; and (c) substances (other than food) intended to affect the structure or any function of the body of man or other animals; and (d) substances intended for use as a component of any article specified in subsections (a), (b), and (c) of this section; but does not include devices or their components, parts or accessories.

"Hashish" means the resin extracted from any part of the plant [genus] Genus Cannabis L. and any compound, manufacture, salt, derivative, mixture, or preparation of such resin. "Hashish" does not include cannabis resin as defined in section 3 of P.L. _____, c. (C. _____) (pending before the Legislature as this bill) which is extracted in accordance with the "New Jersey Cannabis Regulatory and Expungement Aid Modernization Act," P.L. _____, c. (C. _____)

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(pending before the Legislature as this bill), for use in a cannabis item as defined in that section.

"Marihuana" means all parts of the plant [genus] Genus Cannabis L., whether growing or not; the seeds thereof; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds, except those containing resin extracted from the plant; but shall not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks, fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. "Marihuana" does not include cannabis as defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill) which is cultivated and processed in accordance with the "New Jersey Cannabis Regulatory and Expungement Aid Modernization Act," P.L. , c. (C.) (pending before the Legislature as this bill), for use in a cannabis item as defined in that section.

"Manufacture" means the production, preparation, propagation, compounding, conversion, or processing of a controlled dangerous substance, either directly or by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container, except that this term does not include the preparation or compounding of a controlled dangerous substance by an individual for the individual's own use or the preparation, compounding, packaging, or labeling of a controlled dangerous substance: (1) by a practitioner as an incident to the practitioner's administering or dispensing of a controlled dangerous substance in the course of the practitioner's professional practice, or (2) by a practitioner (or under the practitioner's supervision) for the purpose of, or as an incident to, research, teaching, or chemical analysis and not for sale.

"Narcotic drug" means any of the following, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis:

- (a) Opium, coca leaves, and opiates;
- (b) A compound, manufacture, salt, derivative, or preparation of opium, coca leaves, or opiates;
- (c) A substance (and any compound, manufacture, salt, derivative, or preparation thereof) which is chemically identical with any of the substances referred to in subsections (a) and (b), except that the words "narcotic drug" as used in this act shall not include decocainized coca leaves or extracts of coca leaves, which extracts do not contain cocaine or ecgonine.

"Official written order" means an order written on a form provided for that purpose by the Attorney General of the United

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States or his delegate, under any laws of the United States making provisions therefor, if such order forms are authorized and required by the federal law, and if no such form is provided, then on an official form provided for that purpose by the division. If authorized by the Attorney General of the United States or the division, the term shall also include an order transmitted by electronic means.

"Opiate" means any dangerous substance having an addiction-forming or addiction-sustaining liability similar to morphine or being capable of conversion into a drug having such addiction-forming or addiction-sustaining liability. It does not include, unless specifically designated as controlled under section 3 of this act, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). It does include its racemic and levorotatory forms.

"Opium poppy" means the plant of the species *Papaver somniferum* L., except the seeds thereof.

"Person" means any corporation, association, partnership, trust, other institution or entity, or one or more individuals.

"Pharmacist" means a registered pharmacist of this State.

"Pharmacy owner" means the owner of a store or other place of business where controlled dangerous substances are compounded or dispensed by a registered pharmacist; but nothing in this chapter contained shall be construed as conferring on a person who is not registered or licensed as a pharmacist any authority, right, or privilege that is not granted to the person by the pharmacy laws of this State.

"Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.

"Practitioner" means a physician, dentist, veterinarian, scientific investigator, laboratory, pharmacy, hospital, or other person licensed, registered, or otherwise permitted to distribute, dispense, conduct research with respect to, or administer a controlled dangerous substance in the course of professional practice or research in this State.

(a) "Physician" means a physician authorized by law to practice medicine in this or any other state.

(b) "Veterinarian" means a veterinarian authorized by law to practice veterinary medicine in this State.

(c) "Dentist" means a dentist authorized by law to practice dentistry in this State.

(d) "Hospital" means any federal institution, or any institution for the care and treatment of the sick and injured, operated or approved by the appropriate State department as proper to be entrusted with the custody and professional use of controlled dangerous substances.

(e) "Laboratory" means a laboratory to be entrusted with the custody of narcotic drugs and the use of controlled dangerous

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substances for scientific, experimental, and medical purposes and for purposes of instruction approved by the Department of Health.

"Production" includes the manufacture, planting, cultivation, growing, or harvesting of a controlled dangerous substance.

"Immediate precursor" means a substance which the division has found to be and by regulation designates as being the principal compound commonly used or produced primarily for use, and which is an immediate chemical intermediary used or likely to be used in the manufacture of a controlled dangerous substance, the control of which is necessary to prevent, curtail, or limit such manufacture.

"Substance use disorder involving drugs" means taking or using a drug or controlled dangerous substance, as defined in this chapter, in association with a state of psychic or physical dependence, or both, arising from the use of that drug or controlled dangerous substance on a continuous basis. A substance use disorder is characterized by behavioral and other responses, including, but not limited to, a strong compulsion to take the substance on a recurring basis in order to experience its psychic effects, or to avoid the discomfort of its absence.

"Ultimate user" means a person who lawfully possesses a controlled dangerous substance for the person's own use or for the use of a member of the person's household or for administration to an animal owned by the person or by a member of the person's household.

(cf: P.L.2017, c.131, s.65)

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

5. Schedule I.

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

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

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

- (1) Acetylmethadol
- (2) Allylprodine
- (3) Alphacetylmethadol
- (4) Alphameprodine
- (5) Alphamethadol
- (6) Benzethidine

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- (7) Betacetylmethadol
- (8) Betameprodine
- (9) Betamethadol
- (10) Betaprodine
- (11) Clonitazene
- (12) Dextromoramide
- (13) Dextrorphan
- (14) Diampromide
- (15) Diethylthiambutene
- (16) Dimenoxadol
- (17) Dimepheptanol
- (18) Dimethylthiambutene
- (19) Dioxaphetyl butyrate
- (20) Dipipanone
- (21) Ethylmethylthiambutene
- (22) Etonitazene
- (23) Etoxeridine
- (24) Furethidine
- (25) Hydroxypethidine
- (26) Ketobemidone
- (27) Levomoramide
- (28) Levophenacymorphan
- (29) Morpheridine
- (30) Noracymethadol
- (31) Norlevorphanol
- (32) Normethadone
- (33) Norpipanone
- (34) Phenadoxone
- (35) Phenampromide
- (36) Phenomorphan
- (37) Phenoperidine
- (38) Piritramide
- (39) Proheptazine
- (40) Properidine
- (41) Racemoramide
- (42) Trimeperidine.

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

- (1) Acetorphine
- (2) Acetylcodone
- (3) Acetyldihydrocodeine
- (4) Benzylmorphine
- (5) Codeine methylbromide
- (6) Codeine-N-Oxide
- (7) Cyprenorphine
- (8) Desomorphine

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- (9) Dihydromorphine
- (10) Etorphine
- (11) Heroin
- (12) Hydromorphanol
- (13) Methyldesorphine
- (14) Methylhydromorphine
- (15) Morphine methylbromide
- (16) Morphine methylsulfonate
- (17) Morphine-N-Oxide
- (18) Myrophine
- (19) Nicocodeine
- (20) Nicomorphine
- (21) Normorphine
- (22) Phoclo dine
- (23) Thebacon.

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

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

(10) Marihuana; however, on and after the effective date of the "New Jersey Cannabis Regulatory and Expungement Aid Modernization Act," P.L. _____, c. _____ (C. _____) (pending before the Legislature as this bill), marihuana shall no longer be included in Schedule I, and shall not be designated or rescheduled and included in any other schedule by the director pursuant to the director's designation and rescheduling authority set forth in section 3 of P.L.1970, c.226 (C.24:21-3).

- (11) Mescaline
- (12) Peyote
- (13) N-ethyl-3-piperidyl benzilate
- (14) N-methyl-3-piperidyl benzilate
- (15) Psilocybin
- (16) Psilocyn

(17) Tetrahydrocannabinols, except when found in industrial hemp cultivated pursuant to the New Jersey Industrial Hemp Pilot Program established by P.L.2018, c.139 (C.4:28-1 et al.).

(P.L.2018, c.139, s.8)

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73. R.S.24:5-18 is amended to read as follows:

24:5-18. For the purposes of this subtitle a drug or device shall also be deemed to be misbranded:

- a. If its labeling is false or misleading in any particular.
- b. If in package form unless it bears a label containing the name and place of business of the manufacturer, packer, or distributor.
- c. If any word, statement or other information required by or under authority of this subtitle to appear on the label or labeling is not prominently placed thereon with such conspicuousness (as compared with other words, statements or designs in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.
- d. If it is for use by man and contains any quantity of the narcotic or hypnotic substance alpha-eucaine, barbituric acid, beta-eucaine, bromal, cannabis other than as defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill), carbromal, chloral, coca, cocaine, codeine, heroin, marihuana, morphine, opium, paraldehyde, peyote, or sulphonmethane; or any chemical derivative of such substance, which derivative has been by the Department of Health of the State of New Jersey after investigation found to be, and by regulations under this subtitle designated as, habit forming; unless its label bears the name and quantity or proportion of such substance, or derivative and in juxtaposition therewith, the statement "Warning--May be habit forming."
- e. If it is a drug and is not designated solely by a name recognized in an official compendium, unless its label bears (1) the common or usual name of the drug, if such there be; and (2) in case it is fabricated from 2 or more ingredients, the common or usual name of each active ingredient, including the kind and quantity or proportion of any alcohol, and also including, whether active or not, the name and quantity or proportion of any bromides, ether, chloroform, acetanilid, acetphanetidin, amidopyrine, antipyrine, atropine, hyoscine, hyoscyamine, arsenic, digitalis, digitalis glusocides, mercury, ouabain, strophanthin, strychnine, thyroid, or any derivative or preparation of any such substances, contained therein; provided, that to the extent that compliance with the requirements of clause (2) of this paragraph is impracticable, exemptions may be established by regulations promulgated by the State department.
- f. Unless its labeling bears (1) adequate directions for use; and (2) such adequate warnings against use in those pathological conditions or by children where its use may be dangerous to health, or against unsafe dosage or methods or duration of administration or application, in such manner and form, as are necessary for the protection of users; provided, that where any requirement of clause

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(1) of this paragraph, as applied to any drug or device, is not necessary for the protection of the public health, the Department of Health of the State of New Jersey may promulgate regulations exempting such drug or device from such requirement.

g. If it purports to be a drug the name of which is recognized in an official compendium, unless it is packaged and labeled as prescribed therein; provided, that the method of packing may be modified with the consent of the State department. Whenever a drug is recognized in both the United States Pharmacopoeia and the Homeopathic Pharmacopoeia of the United States it shall be subject to the requirements of the United States Pharmacopoeia unless it is labeled and offered for sale as a homeopathic drug, in which case it shall be subject to the provisions of the Homeopathic Pharmacopoeia of the United States and not to those of the United States Pharmacopoeia.

h. If it has been found by the Department of Health of the State of New Jersey to be a drug liable to deterioration, unless it is packaged in such form and manner, and its label bears a statement of such precautions, as the Department of Health of the State of New Jersey may by regulations require as necessary for the protection of the public health. No such regulation shall be established for any drug recognized in an official compendium until the State department shall have informed the appropriate body charged with the revision of such compendium of the need for such packaging or labeling requirements and such body shall have failed within a reasonable time to prescribe such requirements.

i. (1) If it is a drug and its container is so made, formed or filled as to be misleading; or (2) if it is an imitation of another drug; or (3) if it is offered for sale under the name of another drug.

j. If it is dangerous to health when used in the dosage, or with the frequency or duration prescribed, recommended, or suggested in the labeling thereof.

k. If it is a depressant or stimulant drug as defined pursuant to law and not in the possession or control of a person specified by law as entitled to possession or control of such depressant or stimulant drug. Any depressant or stimulant drug misbranded under the preceding sentence shall be deemed dangerous or fraudulent for purposes of marking and detaining under the provisions of section 24:4-12 of this Title.

(cf: P.L.1966, c.314, s.8)

74. (New section) Consumer Protections.

a. Individuals and licensed cannabis establishments shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, including but not limited to civil liability or disciplinary action by a business, occupational, or professional licensing board or bureau, solely for conduct permitted under P.L. , c. (C.) (pending before the Legislature as this bill).

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b. The presence of cannabinoid metabolites in the bodily fluids of a person engaged in conduct permitted under P.L. , c. (C.) (pending before the Legislature as this bill):

(1) with respect to a student, employee, or tenant, shall not form the basis for refusal to enroll or employ or lease to or otherwise penalize that person, unless failing to do so would put the school, employer, or landlord in violation of a federal contract or cause it to lose federal funding;

(2) with respect to a patient shall not constitute the use of an illicit substance resulting in denial of medical care, including organ transplant, and a patient's use of cannabis items may only be considered with respect to evidence-based clinical criteria; and

(3) with respect to a parent or legal guardian of a child or newborn infant, or a pregnant woman shall not form the sole or primary basis for any action or proceeding by the Division of Child Protection and Permanency, or any successor agencies; provided, however, that nothing in this paragraph shall preclude any action or proceeding by the division based on harm or risk of harm to a child or the use of information on the presence of cannabinoid metabolites in the bodily fluids of any person in any action or proceeding.

75. (New section) Federal and Interstate Relations.

a. Law enforcement agencies in this State shall not cooperate with or provide assistance to the government of the United States or any agency thereof in enforcing the "Controlled Substances Act," 21 U.S.C. 801 et seq., solely for actions consistent with P.L. , c. (C.) (pending before the Legislature as this bill), except pursuant to a valid court order.

b. No agency or subdivision of an agency of this State may refuse to perform any duty under P.L. , c. (C.) (pending before the Legislature as this bill) on the basis that manufacturing, distributing, dispensing, possessing, or using any cannabis item or marijuana is prohibited by federal law.

c. The commission may not revoke or refuse to issue or renew a license pursuant to section 24, 26, 27 or 28 of P.L. , c. (C.) (pending before the Legislature as this bill) on the basis that manufacturing, distributing, dispensing, possessing, or using any cannabis item or marijuana is prohibited by federal law.

d. Nothing in this section shall be construed to limit the authority of an agency or subdivision of any agency of this State to cooperate with or assist the government of the United States or any agency thereof, or the government of another state or agency thereof, in matters pertaining to illegal interstate trafficking of marijuana, hashish, or cannabis items.

76. (New section) Contract Enforceability.

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No contract shall be unenforceable on the basis that manufacturing, distributing, dispensing, possessing, or using any cannabis item or marijuana is prohibited by federal law. No contract entered into by a licensee, its employees, or its agents as permitted pursuant to a valid license issued by the commission, or by those who allow property to be used by a licensee, its employees, or its agents as permitted pursuant to a valid license issued by the commission, shall be deemed unenforceable on the basis that the actions or conduct permitted pursuant to the license are prohibited by federal law.

77. (New section) Criminal Investigation.

a. None of the following shall, individually or collectively, constitute reasonable articulable suspicion of a crime, unless on property used for school purposes which is owned by a school or school board, or at any detention facility, adult correctional facility, or youth correction facility:

(1) The odor of cannabis or burnt cannabis;

(2) The possession of or the suspicion of possession of marijuana or hashish without evidence of quantity in excess of any amount that would exceed the amount of cannabis or cannabis resin which may be lawfully possessed pursuant to section 4 of P.L. , c. (C.) (pending before the Legislature as this bill), as the possession of that amount is presumed, pursuant to paragraph (4) of subsection a. of N.J.S.2C:35-10, to be the lawful possession of cannabis or cannabis resin in accordance with the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill); or

(3) The possession of marijuana or hashish without evidence of quantity in excess of any amount that would exceed the amount of cannabis or cannabis resin which may be lawfully possessed pursuant to section 4 of P.L. , c. (C.) (pending before the Legislature as this bill), in proximity to any amount of cash or currency, as the possession of that amount is presumed, pursuant to paragraph (4) of subsection a. of N.J.S.2C:35-10, to be the lawful possession of cannabis or cannabis resin in accordance with the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill).

b. Subsection a. of this section shall not apply when a law enforcement officer is investigating whether a person is driving under the influence of a cannabis item or marijuana or driving while impaired by a cannabis item or marijuana in violation of R.S.39:4-50, or section 5 of P.L.1990, c.103 (C.39:3-10.13) concerning operators of commercial motor vehicles.

78. Section 2 of P.L.1981, c.512 (C.39:4-50.4a) is amended to read as follows:

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2. a. Except as provided in subsection b. of this section, the municipal court shall revoke the right to operate a motor vehicle of any operator who, after being arrested for a violation of R.S.39:4-50 or section 1 of P.L.1992, c.189 (C.39:4-50.14), shall refuse to submit to a test provided for in section 2 of P.L.1966, c.142 (C.39:4-50.2) when requested to do so, for not less than seven months or more than one year unless the refusal was in connection with a second offense under this section, in which case the revocation period shall be for two years or unless the refusal was in connection with a third or subsequent offense under this section in which case the revocation shall be for ten years. A conviction or administrative determination of a violation of a law of a substantially similar nature in another jurisdiction, regardless of whether that jurisdiction is a signatory to the Interstate Driver License Compact pursuant to P.L.1966, c.73 (C.39:5D-1 et seq.), shall constitute a prior conviction under this section.

The municipal court shall determine by a preponderance of the evidence whether the arresting officer had probable cause to believe that the person had been driving or was in actual physical control of a motor vehicle on the public highways or quasi-public areas of this State while the person was under the influence of intoxicating liquor or a narcotic, hallucinogenic, or habit-producing drug, or cannabis item as defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill) or marijuana; whether the person was placed under arrest, if appropriate, and whether he refused to submit to the test upon request of the officer; and if these elements of the violation are not established, no conviction shall issue. In addition to any other requirements provided by law, a person whose operator's license is revoked for refusing to submit to a test shall be referred to an Intoxicated Driver Resource Center established by subsection (f) of R.S.39:4-50 and shall satisfy the same requirements of the center for refusal to submit to a test as provided for in section 2 of P.L.1966, c.142 (C.39:4-50.2) in connection with a first, second, third or subsequent offense under this section that must be satisfied by a person convicted of a commensurate violation of this section, or be subject to the same penalties as such a person for failure to do so. For a first offense, the revocation may be concurrent with or consecutive to any revocation imposed for a conviction under the provisions of R.S.39:4-50 arising out of the same incident. For a second or subsequent offense, the revocation shall be consecutive to any revocation imposed for a conviction under the provisions of R.S.39:4-50. In addition to issuing a revocation, except as provided in subsection b. of this section, the municipal court shall fine a person convicted under this section, a fine of not less than \$300 or more than \$500 for a first offense; a fine of not less than \$500 or more than \$1,000 for a second offense; and a fine of \$1,000 for a third or subsequent offense. The person also shall be required to

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install an ignition interlock device pursuant to the provisions of P.L.1999, c.417 (C.39:4-50.16 et al.).

b. For a first offense, the fine imposed upon the convicted person shall be not less than \$600 or more than \$1,000 and the period of license suspension shall be not less than one year or more than two years; for a second offense, a fine of not less than \$1,000 or more than \$2,000 and a license suspension for a period of four years; and for a third or subsequent offense, a fine of \$2,000 and a license suspension for a period of 20 years when a violation of this section occurs while:

(1) on any school property used for school purposes which is owned by or leased to any elementary or secondary school or school board, or within 1,000 feet of such school property;

(2) driving through a school crossing as defined in R.S.39:1-1 if the municipality, by ordinance or resolution, has designated the school crossing as such; or

(3) driving through a school crossing as defined in R.S.39:1-1 knowing that juveniles are present if the municipality has not designated the school crossing as such by ordinance or resolution.

A map or true copy of a map depicting the location and boundaries of the area on or within 1,000 feet of any property used for school purposes which is owned by or leased to any elementary or secondary school or school board produced pursuant to section 1 of P.L.1987, c.101 (C.2C:35-7) may be used in a prosecution under paragraph (1) of this subsection.

It shall not be relevant to the imposition of sentence pursuant to paragraph (1) or (2) of this subsection that the defendant was unaware that the prohibited conduct took place while on or within 1,000 feet of any school property or while driving through a school crossing. Nor shall it be relevant to the imposition of sentence that no juveniles were present on the school property or crossing zone at the time of the offense or that the school was not in session.

(cf: P.L.2009, c.201, s.5)

79. Section 1 of P.L.1983, c.307 (C.39:4-51a) is amended to read as follows:

1. a. A person shall not consume an alcoholic beverage or cannabis item as defined in section 3 of P.L. _____, c. _____ (C. _____) (pending before the Legislature as this bill) while operating a motor vehicle. A passenger in a motor vehicle shall not consume an alcoholic beverage or cannabis item while the motor vehicle is being operated. This subsection shall not apply, with respect to the consumption of an alcoholic beverage, to a passenger of a charter or special bus operated as defined under R.S.48:4-1 or a limousine service.

b. A person shall be presumed to have consumed an alcoholic beverage or cannabis item in violation of this section if an unsealed container or package of an alcoholic beverage or cannabis item is

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located in the passenger compartment of the motor vehicle, the contents of the alcoholic beverage or cannabis item have been partially consumed and the physical appearance or conduct of the operator of the motor vehicle or a passenger may be associated with the consumption of an alcoholic beverage or cannabis item. For the purposes of this section, the term "unsealed" shall mean a container or package with its original seal broken, or a container or package that is not the original container or package such as a glass [or] , cup , box, bag, or wrapping.

c. For the first offense, a person convicted of violating this section shall be fined [\$200.00] \$200 and shall be informed by the court of the penalties for a second or subsequent violation of this section. For a second or subsequent offense, a person convicted of violating this section shall be fined [\$250.00] \$250 or shall be ordered by the court to perform community service for a period of 10 days in such form and on such terms as the court shall deem appropriate under the circumstances.

(cf: P.L.1999, c.356, s.20)

80. Section 6 of P.L.2000, c.83 (C.39:4-51b) is amended to read as follows:

6. a. All occupants of a motor vehicle located on a public highway, or the right-of-way of a public highway, shall be prohibited from possessing any open or unsealed container or package of an alcoholic beverage [container] or cannabis item as defined in section 3 of P.L. , c. (C.) (pending before the Legislature as this bill). This subsection shall not apply, with respect to the possession of an alcoholic beverage, to a passenger of a charter or special bus operated as defined under R.S.48:4-1 or a limousine service.

b. A person shall not be deemed to be in possession of an opened or unsealed container or package of an alcoholic beverage [container] or cannabis item pursuant to this section if such container or package is located in the trunk of a motor vehicle, behind the last upright seat in a trunkless vehicle, or in the living quarters of a motor home or house trailer. For the purposes of this section, the term "open or unsealed" shall mean a container or package with its original seal broken, or a container or package that is not the original container or package such as a glass [or] , cup, box, bag, or wrapping.

c. For a first offense, a person convicted of violating this section shall be fined \$200 and shall be informed by the court of the penalties for a second or subsequent violation of this section. For a second or subsequent offense, a person convicted of violating this section shall be fined \$250 or shall be ordered by the court to perform community service for a period of 10 days in such form and on such terms as the court shall deem appropriate under the circumstances.

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(cf: P.L.2000, c.83, s.6)

81. (New section) Cannabis Regulatory and Expungement Aid Modernization Fund.

a. All fees and penalties collected by the commission, and all tax revenues collected by the Director of the Division of Taxation pursuant to the provisions of P.L. , c. (C.) (pending before the Legislature as this bill) and the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.), shall be deposited in a special nonlapsing fund which shall be known as the “Cannabis Regulatory and Expungement Aid Modernization Fund.”

b. Monies in the fund shall be used by the commission to:

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

(2) defray costs, in an amount determined by the Legislature in the annual appropriations act or any other act, associated with the filing and review of applications for persons seeking expedited expungement relief pursuant to section 47 of P.L. , c. (C.) (pending before the Legislature as this bill) for being charged with, convicted of, or adjudicated delinquent for offenses associated with marijuana or hashish as set forth in that section, which occurred prior to the effective date of the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill); and

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

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

82. (New section) Cannabis Consumption Area.

a. (1) A local governmental entity may authorize, through the enactment of an ordinance, the operation of locally endorsed cannabis consumption areas by cannabis retailers and alternative treatment centers within its jurisdiction, at which areas the on-premises consumption of personal use, medical use, or both personal use and medical use cannabis may occur.

(2) As further specified in subsection h. of this section, an endorsed cannabis consumption area shall be either: (a) an indoor, structurally enclosed area of a cannabis retailer or alternative treatment center that is separate from the area in which retail sales of cannabis items or the dispensing of medical cannabis occurs; or (b) an exterior structure on the same premises as the cannabis retailer or alternative treatment center, either separate from or connected to the retailer or center.

b. (1) If a local governmental entity authorizes the operation of cannabis consumption areas, it may adopt an approval requirement that complies with the requirements of P.L. , c. (C.) (pending before the Legislature as this bill).

(2) Notwithstanding the provisions of this subsection, a local governmental entity shall not allow a cannabis consumption area endorsement to a cannabis retailer or alternative treatment center that is within 1,000 feet of a boundary with an adjoining jurisdiction that does not permit retail cannabis establishments in its boundaries.

c. The commission may issue a cannabis consumption area endorsement only to a cannabis retailer or an alternative treatment center that has a permit to dispense medical cannabis to registered qualifying patients in accordance with the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), or is also deemed to have, pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7) one or more Class 4 Cannabis Retailer licenses, and has been issued a license by the commission following receipt of written approval of the local governmental entity for operation of a cannabis retailer pursuant to subparagraph (a) of paragraph (3) of subsection a. of section 30 of P.L. , c. (C.) (pending before the Legislature as this bill), or has otherwise been issued one or more such licenses by the commission pursuant to P.L. , c. (C.) (pending before the Legislature as this bill). An endorsement to a cannabis retailer shall only permit the consumption of personal use cannabis at the retailer's consumption area. An endorsement to an alternative treatment center shall only permit the consumption of medical cannabis at the center's consumption area, unless the alternative treatment center is also issued a Class 4 Cannabis Retailer license, in which case that

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alternative treatment center may permit the consumption of both personal use and medical use cannabis at the center's consumption area.

d. Applications for an endorsement pursuant to this section shall be made to the commission on forms prepared and furnished by the commission and shall set forth such information as the commission may require. Each application shall be verified by the oath or affirmation of such person or persons as the commission may prescribe. The endorsement is conditioned upon approval by a local governmental entity. An applicant is prohibited from operating a cannabis consumption area without State and local approval. If the applicant does not receive approval from the local governmental entity within one year from the date of State approval, the State endorsement expires and may not be renewed. If an application is denied by the local governmental entity or the approval of the local governmental entity is revoked, the commission shall revoke the State endorsement. Any person aggrieved by the local denial of an endorsement application may request a hearing in the Superior Court of the county in which the person's application was filed. The request for a hearing shall be filed within 30 days of the denial of the endorsement application. The person shall serve a copy of his request for a hearing upon the appropriate officer for the local governmental entity that denied the application. The hearing shall be held and a record made thereof within 30 days of the receipt of the application for a hearing. No formal pleading and no filing fee shall be required for the hearing.

e. (1) The commission shall deny a State endorsement if the premises on which the applicant proposes to conduct its business does not meet the requirements of P.L. , c. (C.) (pending before the Legislature as this bill) or the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), as applicable, or for reasons set forth in this section. The commission may revoke or deny an endorsement renewal, or reinstatement, or an initial endorsement for good cause.

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

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

(b) the endorsed licensee or applicant has failed to comply with any special terms or conditions that were placed on its endorsement pursuant to an order of the commission or local governmental entity; or

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

(3) Any commission decision made pursuant to this subsection shall be considered a final agency action for the purposes of the

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"Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) and shall be subject only to judicial review as provided in the Rules of Court.

f. The cannabis consumption area endorsement is valid for one year and may be renewed annually, subject to the approval of the commission and local governmental entity as set forth in this section, upon the renewal of the cannabis retail licensee's license or the alternative treatment center's permit or retail license. The commission shall establish by rule the amount of the application fee and renewal fee for the endorsement which shall not exceed the administrative cost for processing and reviewing the application.

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

h. A cannabis consumption area on the premises of a cannabis retailer or alternative treatment center may be indoors or outdoors, and shall be designated by conspicuous signage indicating whether it may be used for the on-premises consumption of personal use or medical use cannabis, or both.

(1) An indoor consumption area shall be a structurally enclosed area within a cannabis retailer or alternative treatment center that is separated by solid walls or windows from the area in which retail sales of cannabis or the dispensing of medical cannabis occurs, shall only be accessible through an interior door after first entering the retailer or center, and shall comply with all ventilation requirements applicable to cigar lounges, as that term is defined in section 3 of P.L.2005, c.383 (C.26:3D-57), in order to permit indoor smoking that is the equivalent of smoking tobacco not in violation of the "New Jersey Smoke-Free Air Act," P.L.2005, c.383 (C.26:3D-55 et seq.). Any consumption of cannabis items or medical cannabis shall not be visible from outside the cannabis retailer or alternative treatment center.

(2) An outdoor consumption area shall be an exterior structure on the same premises as the cannabis retailer or alternative treatment center, that is either separate from or connected to the retailer or center and that is not required to be completely enclosed, but shall have enough walls, fences, or other barriers to prevent any view of persons consuming personal use cannabis items or medical cannabis from any sidewalk or other pedestrian or non-motorist right-of-way, as the case may be, within the consumption area, and with respect to any consumption by smoking, the cannabis retailer or alternative treatment center operating the outdoor consumption area shall ensure that any smoking does not result in migration, seepage, or recirculation of smoke to any indoor public place or workplace, as those terms are defined in section 3 of P.L.2005, c.383 (C.26:3D-57).

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i. An endorsed cannabis retail licensee or alternative treatment center and its employees, subject to any regulations for cannabis consumption areas promulgated by the commission, may:

(1) permit a person to bring medical or retail cannabis, medical or retail cannabis concentrate, a medical cannabis-infused product, or a retail cannabis-infused product into a cannabis consumption area; and

(2) distribute free samples of medical or retail cannabis, medical or retail cannabis concentrate, medical cannabis-infused products, or retail cannabis-infused products in the consumption area.

An endorsed cannabis retail licensee or alternative treatment center and its employees shall not sell alcohol, including fermented malt beverages or malt, vinous, or spirituous liquor, sell tobacco or nicotine products, or allow the consumption of alcohol or tobacco or nicotine products on premises, or operate as a retail food establishment. An endorsed cannabis retail licensee or alternative treatment center shall also not allow on-duty employees of the establishment to consume any medical or retail cannabis, medical or retail cannabis concentrate, medical cannabis-infused products, or retail cannabis-infused products in the establishment.

j. A cannabis consumption area and its employees shall admit into the cannabis retailer or alternative treatment center only patrons who are at least 21 years of age, and shall require each patron to produce a form of government-issued identification that may be accepted, pursuant to subparagraph (a) of paragraph (6) of subsection a. of section 17 of P.L. , c. (C.) (pending before the Legislature as this bill), in order to enter and be sold or served cannabis items or medical cannabis.

k. (1) A cannabis retailer or alternative treatment center operating a cannabis consumption area shall limit a patron to no more than the sales limit set by the commission. A cannabis retailer or alternative treatment center operating a cannabis consumption area shall not engage in multiple sales transactions to the same patron during the same business day when the establishment's employee knows or reasonably should have known that the sales transaction would result in the patron possessing more than the sales limit established by the commission. A patron may leave the consumption area with any product that he does not consume.

(2) When a patron leaves a cannabis consumption area, the establishment shall destroy any remaining unconsumed retail cannabis, retail cannabis concentrate, retail cannabis-infused products, or medical cannabis that is not taken by a patron pursuant to paragraph (1) of this subsection.

l. A cannabis consumption area and its employees:

(1) shall operate the establishment in a decent, orderly, and respectable manner and shall not serve any patron who displays any visible signs of intoxication;

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(2) may remove an individual from the establishment for any reason, including a patron who displays any visible signs of intoxication;

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

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

m. A cannabis consumption area and all of its employees who work at the endorsed premises shall successfully complete any responsible vendor training program established in regulation by the commission.

n. A cannabis consumption area shall provide, if required by the commission, information regarding the safe consumption of cannabis at the point of sale to all patrons who make a purchase.

o. The information required by this section shall be maintained on the endorsed premises for inspection by State and local endorsing authorities and law enforcement.

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

83. (New section) Consuming, including by smoking, any cannabis item available for lawful consumption pursuant to the “New Jersey Cannabis Regulatory and Expungement Aid Modernization Act,” P.L. , c. (C.) (pending before the Legislature as this bill), is prohibited in any area of any building of, on the grounds of, or in any facility owned, leased, or controlled by, any public or private institution of higher education or a related entity thereof, regardless of whether the area or facility is an indoor place or is outdoors. As used in this subsection “related entity” includes, but is not limited to, the foundation, auxiliary services corporation, or alumni association, or any subsidiary thereof, of an institution of higher learning. Any penalties that may be assessed for the smoking of tobacco where prohibited under the “New Jersey Smoke-Free Air Act,” P.L.2005, c.383 (C.26:3D-55 et seq.), shall be applicable to the consumption of cannabis items where prohibited by this section.

84. (New section) Severability.

If any clause, sentence, paragraph, section, or part of P.L. , c. (C.) (pending before the Legislature as this bill) shall be adjudged by any court of competent jurisdiction to be unconstitutional or otherwise invalid, that judgment shall not affect,

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impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section, or part thereof directly involved in the controversy in which the judgment shall have been rendered.

85. This act shall take effect as follows:

a. Sections 1 through 3, 7 through 18, 22, 31 through 36, 39 through 53, 56 and 57, 60 through 63, 71 through 73, 77, 81 and 82, and 84 shall take effect immediately;

b. Sections 4 through 6, 19 through 21, 23 through 30, 37 and 38, 54 and 55, 58 and 59, 64 through 70, 74 through 76, 78 through 80, and 83 shall take effect immediately, but shall only become operative upon adoption of the commission's initial rules and regulations pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 8 of P.L. , c. (C.) (pending before the Legislature as this bill); and

c. The Attorney General, State Treasurer, Commissioner of Health, Commissioner of Banking and Insurance, and the Administrative Director of the Courts, and once constituted and organized, the Cannabis Regulatory Commission, may take such anticipatory administrative action as may be necessary to effectuate the provisions of P.L. , c. (C.) (pending before the Legislature as this bill).

“New Jersey Cannabis Regulatory and Expungement Aid Modernization Act”; legalizes personal use cannabis for adults; creates Cannabis Regulatory Commission to regulate personal use and medical cannabis; provides expungement relief for certain past marijuana offenses.

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