SENATE COMMITTEE SUBSTITUTE FOR
SENATE, Nos. 10 and 2426

STATE OF NEW JERSEY

Sponsored by Senators VITALE, SCUTARI, and O'SCANLON

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

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

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

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

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

2. The Legislature finds and declares that:

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

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

c. Although federal law currently prohibits the use of **[**marijuana**]** cannabis, the laws of Alaska, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Illinois, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nevada, New Hampshire, New Mexico, New York, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, Vermont, **[**and**]** Washington, West Virginia, and the District of Columbia permit the use of

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

Matter underlined thus is new matter.

⟦marijuana⟧ cannabis for medical purposes, and in Arizona doctors are permitted to prescribe ⟦marijuana⟧ cannabis. New Jersey joins this effort for the health and welfare of its citizens ⟦;⟧ .

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

e. Compassion dictates that a distinction be made between medical and non-medical uses of ⟦marijuana⟧ cannabis. Hence, the purpose of this act is to protect from arrest, prosecution, property forfeiture, and criminal and other penalties, those patients who use ⟦marijuana⟧ cannabis to alleviate suffering from ⟦debilitating⟧ qualifying medical conditions, as well as their ⟦physicians⟧ health care practitioners, ⟦primary⟧ designated caregivers, institutional caregivers, and those who are authorized to produce ⟦marijuana⟧ cannabis for medical purposes.
(cf: P.L.2009, c.307, s.2)

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

3. As used in ⟦this act⟧ P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-12.22 et al.), and P.L. , c. (C.) (pending before the Legislature as this bill):

"Academic medical center" means an entity located in New Jersey that, on the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), has an addiction medicine faculty practice; has a pain management faculty practice; has graduate medical training programs accredited by the Accreditation Council for Graduate Medical Education or the American Osteopathic Association in primary care, family medicine, internal medicine, and medical specialties; is the principal teaching affiliate of a medical school based in the State; and has the ability to conduct research related to medical cannabis. If the entity is part of a system of health care facilities, the entity shall not qualify as an academic medical center unless the health care system is principally located within the State.

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

"Bona fide ⟦physician-patient⟧ practitioner-patient relationship" means a relationship in which the ⟦physician⟧ health care practitioner has ongoing responsibility for the assessment, care, and treatment of a patient's ⟦debilitating⟧ qualifying medical condition.

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

["Certification" means a statement signed by a physician with whom a qualifying patient has a bona fide physician-patient relationship, which attests to the physician's authorization for the patient to apply for registration for the medical use of marijuana.**]**

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

“Commission” means the Cannabis Regulatory Commission established pursuant to section 7 of P.L. , c. (C.) (pending before the Legislature as Senate Bill No. 2703).

"Commissioner" means the Commissioner of Health.

["Debilitating medical condition" means:

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

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

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

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

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

“Common ownership or control” means:

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

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

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

"Department" means the Department of Health.

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

(1) is at least 18 years old;

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

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

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

(5) has been designated as designated caregiver on the qualifying patient's application or renewal for a registry identification card or in other written notification to the commission.

“Executive director” means the executive director of the Cannabis Regulatory Commission established pursuant to section 7 of P.L. , c. (C.) (pending before the Legislature as Senate Bill No. 2703).

“Health care facility” means a general acute care hospital, nursing home, long term care facility, hospice care facility, or rehabilitation center.

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

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

(2) has a bona fide practitioner-patient relationship with the patient; and

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

“Immediate family” means the spouse, civil union partner, child, sibling, or parent of an individual, and shall include the siblings and parents of the individual’s spouse or civil union partner, and the

spouses or civil union partners of the individual's siblings and children.

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

(1) is at least 18 years old;

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

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

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

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

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

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

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

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

"Medical 【marijuana】 cannabis alternative treatment center" or "alternative treatment center" means an organization 【approved】 issued a permit by the 【department】 commission to 【perform activities necessary to provide registered qualifying patients with usable marijuana and related paraphernalia in accordance with the provisions of this act】 operate as a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant. This term shall include the organization's officers, directors, board members, and employees.

"Medical cannabis cultivator" means an organization holding a permit issued by the commission that authorizes the organization to: possess and cultivate cannabis and deliver, transfer, transport, distribute, supply, and sell medical cannabis and related supplies to other medical cannabis cultivators and to medical cannabis manufacturers and medical cannabis dispensaries, as well as to plant, cultivate, grow, and harvest medical cannabis for research purposes. A medical cannabis cultivator permit shall not authorize the permit holder to manufacture, produce, or otherwise create medical cannabis products, or to deliver, transfer, transport, distribute, supply, sell, or dispense medical cannabis, medical cannabis products, paraphernalia, or related supplies to qualifying patients, designated caregivers, or institutional caregivers.

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

"Medical cannabis manufacturer" means an organization issued a permit by the commission that authorizes the organization to: purchase or obtain medical cannabis and related supplies from a medical cannabis cultivator; purchase or obtain medical cannabis products from another medical cannabis manufacturer; produce, manufacture, or otherwise create medical cannabis products; and possess, deliver, transfer, transport, distribute, supply, and sell medical cannabis products and related supplies to other medical

cannabis manufacturers and to medical cannabis dispensaries. A medical cannabis dispensary permit shall not authorize the permit holder to cultivate medical cannabis or to deliver, transfer, transport, distribute, supply, sell, or dispense medical cannabis, medical cannabis products, paraphernalia, or related supplies to qualifying patients, designated caregivers, or institutional caregivers.

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

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

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

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

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

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

a. is at least 18 years old;

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

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

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

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

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

"Qualifying patient" or "patient" means a resident of the State who has been ⟦provided with a certification⟧ authorized for the medical use of cannabis by a ⟦physician⟧ health care practitioner pursuant to a bona fide ⟦physician-patient⟧ practitioner-patient relationship.

"Registry identification card" means a document issued by the ⟦department⟧ commission that identifies a person as a registered qualifying patient ⟦or primary⟧, designated caregiver, or institutional caregiver.

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

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

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

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

4. a. The ⟦department⟧ commission shall establish a registry of qualifying patients and their ⟦primary⟧ designated caregivers, and shall issue a registry identification card, which shall be valid for two years, to a qualifying patient and ⟦primary⟧ each designated caregiver for the patient, if applicable, who submits the following, in accordance with regulations adopted by the ⟦department⟧ commission:

(1) ⟦a certification that meets the requirements of section 5 of this act⟧ documentation of a health care practitioner's authorization for the medical use of cannabis;

(2) an application or renewal fee, which may be based on a sliding scale as determined by the ⟦commissioner⟧ executive director;

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

(4) the name, address, and telephone number of the patient's ⟦physician⟧ health care practitioner.

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

The commission shall establish a registry of institutional caregivers and shall issue a registry identification card, which shall be valid for one year, to an institutional caregiver who submits the name, address, and telephone number of the institutional caregiver and of the health care facility at which the individual will be serving as institutional caregiver and a certification that meets the requirements of subsection h. of this section. The application or renewal fee for the institutional caregiver shall be paid by the health care facility at which the institutional caregiver will be serving as institutional caregiver. An institutional caregiver shall not be limited in the number of qualifying patients for whom the institutional caregiver may serve as institutional caregiver at one time, provided that each qualifying patient served by the institutional caregiver is a current patient or resident at the health care facility at which the institutional caregiver is authorized to serve as institutional caregiver, and the number of qualifying patients served by the institutional caregiver is commensurate with the institutional caregiver's ability to fully meet the treatment and related needs of each qualifying patient and attend to the institutional caregiver's other professional duties at the health care facility without jeopardizing the health or safety of any patient or resident at the facility.

b. Before issuing a registry identification card, the ⟦department⟧ commission shall verify the information contained in the application or renewal form submitted pursuant to this section. In the case of a ⟦primary⟧ designated or institutional caregiver, the ⟦department⟧ commission shall provisionally approve an application pending the results of a criminal history record background check, if the caregiver otherwise meets the requirements of ⟦this act⟧ P.L.2009, c.307 (C.24:6I-1 et al.). The ⟦department⟧ commission shall approve or deny an application or renewal within 30 days of receipt of the completed application or renewal, and shall issue a registry identification card within five days of approving the application or renewal. The ⟦department⟧ commission may deny an application or renewal only if the applicant fails to provide the information required pursuant to this section, or if the ⟦department⟧ commission determines that the information was incorrect or falsified or does not meet the requirements of ⟦this act⟧ P.L.2009, c.307 (C.24:6I-1 et al.).

Denial of an application shall be a final agency decision, subject to review by the Superior Court, Appellate Division.

c. (1) The ⟦commissioner⟧ executive director shall require each applicant seeking to serve as a ⟦primary⟧ designated or institutional caregiver to undergo a criminal history record background check; except that no criminal history record background check shall be required for an applicant seeking to serve as a designated caregiver if the applicant is an immediate family member of the patient, and no criminal history record background check shall be required for an applicant seeking to serve as an institutional caregiver if the applicant completed a criminal history record background check as a condition of professional licensure or certification. The ⟦commissioner⟧ executive director 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 ⟦commissioner⟧ executive director in a timely manner when requested pursuant to the provisions of this section.

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

(2) The ⟦commissioner⟧ executive director shall not approve an applicant seeking to serve as a ⟦primary⟧ designated or institutional caregiver who is required to complete a criminal history record background check pursuant to this section if the criminal history record background information of the applicant reveals a disqualifying conviction. For the purposes of this section, a disqualifying conviction shall mean a conviction of a crime involving any controlled dangerous substance or controlled substance analog as set forth in chapter 35 of Title 2C of the New Jersey Statutes except paragraph (4) of subsection a. of

N.J.S.2C:35-10, or any similar law of the United States or of any other state.

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

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

(4) The Division of State Police shall promptly notify the ⟦commissioner⟧ executive director 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 ⟦commissioner⟧ executive director shall make a determination regarding the continued eligibility of the applicant to serve as a ⟦primary⟧ designated or institutional caregiver.

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

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

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

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

(d) the date of the crime or offense;

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

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

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

(h) any evidence of rehabilitation, including good conduct in prison or in the community, counseling or psychiatric treatment received, acquisition of additional academic or vocational schooling, successful participation in correctional work-release

programs, or the recommendation of those who have had the individual under their supervision.

d. A registry identification card shall contain the following information:

(1) (a) in the case of a registry identification card for a patient or designated caregiver, the name, address, and date of birth of the patient and [primary] each designated caregiver, if applicable; and

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

(2) the expiration date of the registry identification card;

(3) photo identification of the cardholder; and

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

e. (1) A patient who has been issued a registry identification card shall notify the [department] commission of any change in the patient's name, address, or [physician] health care practitioner or change in status of the patient's [debilitating] qualifying medical condition, within 10 days of such change, or the registry identification card shall be deemed null and void.

(2) A [primary] designated caregiver who has been issued a registry identification card shall notify the [department] commission of any change in the caregiver's name or address within 10 days of such change, or the registry identification card shall be deemed null and void.

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

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

(1) authorized employees of the [department] commission and the Division of Consumer Affairs in the Department of Law and

Public Safety as necessary to perform official duties of the ⟦department⟧ commission and the division, as applicable; and

(2) authorized employees of State or local law enforcement agencies, only as necessary to verify that a person who is engaged in the suspected or alleged medical use of ⟦marijuana⟧ cannabis is lawfully in possession of a registry identification card.

g. Applying for or receiving a registry card does not constitute a waiver of the qualifying patient's ⟦patient-physician⟧ practitioner-patient privilege.

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

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

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

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

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

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

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

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

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

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

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

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

b. When authorizing a qualifying patient who is a minor for the medical use of cannabis, if the treating health care practitioner is not a pediatric specialist, the treating health care practitioner shall, prior to authorizing the patient for the medical use of cannabis, obtain written confirmation from a health care practitioner who is a pediatric specialist establishing, in that health care practitioner's professional opinion, and following an examination of the minor patient or review of the minor patient's medical record, that the minor patient is likely to receive therapeutic or palliative benefits from the medical use of cannabis to treat or alleviate symptoms associated with the patient's qualifying medical condition. If the treating health care practitioner is a pediatric specialist, no additional written confirmation from any other health care practitioner shall be required as a condition of authorizing the patient for the medical use of cannabis.

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

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

access to medical cannabis pursuant to this subsection as shall be necessary to protect against fraud, abuse, and diversion.

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

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

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

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

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

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

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

card and a valid photo identification card issued by the other state or jurisdiction. During the six month period, the individual shall be authorized to possess and use medical cannabis and engage in such other conduct related to medical cannabis in New Jersey as is consistent with the requirements of P.L.2009, c.307 (C.24:6I-1 et al.) and the laws of the state or jurisdiction that issued the patient's registry card, except that medical cannabis shall not be dispensed to the individual unless a health care practitioner licensed in New Jersey issues written instructions for the individual that meet the requirements of section 10 of P.L.2009, c.307 (C.24:6I-10). No individual shall be authorized to acquire, possess, use, or engage in other conduct in connection with medical cannabis in New Jersey pursuant to a medical cannabis registration from another State or jurisdiction for more than six months unless the individual registers with the commission as a qualifying patient pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4).

b. An individual who is registered as a designated caregiver in another state or jurisdiction within the United States that authorizes the medical use of cannabis shall be considered a designated caregiver for the purposes of P.L.2009, c.307 (C.24:6I-1 et al.) for a period of up to six months, provided that the individual is in possession of both a valid registry card and a valid photo identification card issued by the other state or jurisdiction. During the six month period, the individual shall be authorized to assist a registered qualifying patient with the medical use of cannabis and engage in such other conduct in connection with medical cannabis in New Jersey as is consistent with the requirements of P.L.2009, c.307 (C.24:6I-1 et al.) and the laws of the state or jurisdiction that issued the caregiver's registry card, except that medical cannabis shall not be dispensed to the individual on behalf of a registered qualifying patient unless a health care practitioner licensed in New Jersey issues written instructions for the registered qualifying patient that meet the requirements of section 10 of P.L.2009, c.307 (C.24:6I-10). No individual shall be authorized to assist a registered qualifying patient with the medical use of cannabis or engage in other conduct in connection with medical cannabis in New Jersey pursuant to a medical cannabis registration from another State or jurisdiction for more than six months unless the individual registers with the commission as a designated caregiver pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4).

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

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

6. a. The provisions of N.J.S.2C:35-18 shall apply to any qualifying patient, **[**primary**]** <u>designated</u> caregiver, **[**alternative

treatment center, physician] institutional caregiver, health care facility, medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, health care practitioner, academic medical center, clinical registrant, testing laboratory, or any other person acting in accordance with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) [or] , P.L.2015, c.158 (C.18A:40-12.22 et al.), or P.L. , c. (C.) (pending before the Legislature as this bill).

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

c. Possession of, or application for, a registry identification card shall not alone constitute probable cause to search the person or the property of the person possessing or applying for the registry identification card, or otherwise subject the person or [his] the person's property to inspection by any governmental agency.

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

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

f. No custodial parent, guardian, or person who has legal custody of a qualifying patient who is a minor shall be subject to arrest or prosecution for constructive possession, conspiracy, or any other offense for assisting the minor in the medical use of

【marijuana】 cannabis as authorized under P.L.2009, c.307 (C.24:6I-1 et al.) 【or】 , P.L.2015, c.158 (C.18A:40-12.22 et al.), or P.L. , c. (C.) (pending before the Legislature as this bill).

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

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

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

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

k. (1) Unless failing to do so would result in the health care facility losing a monetary or licensing-related benefit granted pursuant to federal law, a health care facility that employs or maintains a professional affiliation with a health care practitioner shall not take adverse employment action against the health care practitioner or otherwise limit, restrict, or terminate a professional affiliation with the health care practitioner solely based on the health care practitioner engaging in conduct authorized under P.L.2009, c.307 (C.24:6I-1 et al.) and P.L. , c. (C.) (pending

before the Legislature as this bill), including, but not limited to, authorizing patients for the medical use of cannabis, issuing written instructions pursuant to section 10 of P.L.2009, c.307 (C.24:6I-10), and consulting with patients regarding the use of medical cannabis to treat the patient's qualifying medical condition.

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

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

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

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

9. (New section) a. Unless an employer establishes by a preponderance of the evidence that the lawful use of medical cannabis has impaired the employee's ability to perform the employee's job responsibilities, it shall be unlawful to take any adverse employment action against an employee who is a registered qualifying patient based solely on either: (1) the employee's status as a registry identification cardholder; or (2) the employee's positive drug test for cannabis components or metabolites.

For the purposes of this section, an employer may consider an employee's ability to perform the employee's job responsibilities to be impaired when the employee manifests specific articulable symptoms while working that decrease or lessen the employee's performance of the duties or tasks of the employee's job position.

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

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

c. Nothing in this section shall be deemed to:

(1) restrict an employer's ability to prohibit, or take adverse employment action for, the possession or use of intoxicating substances during work hours; or

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

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

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

7. a. <u>(1)</u> The **[**department**]** <u>commission</u> shall accept applications from entities for permits to operate as **[**alternative treatment centers and may charge a reasonable fee for the issuance of a permit under this section**]** <u>medical cannabis cultivators, medical cannabis manufacturers, and medical cannabis dispensaries</u>.

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

<u>(i) an applicant may concurrently hold a medical cannabis cultivator permit and a medical cannabis manufacturer permit, but shall not be authorized to hold a medical cannabis dispensary permit; and</u>

(ii) an applicant who holds a medical cannabis dispensary permit shall not be authorized to concurrently hold a medical cannabis cultivator permit or a medical cannabis manufacturer permit.

(b) Commencing 18 months after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), a permit holder shall be authorized to concurrently hold a medical cannabis cultivator permit, a medical cannabis manufacturer permit, and a medical cannabis dispensary permit, provided that no permit holder shall be authorized to concurrently hold more than one permit of each type. The permit holder may submit an application for a permit of any type that the permit holder does not currently hold prior to the expiration of the 18 month period described in subparagraph (a) of this paragraph, provided that no permit shall be awarded to the permit holder during the 18 month period if issuance of the permit would violate the restrictions set forth in subparagraph (a) of this paragraph concerning the types of permits that may be concurrently held during the 18 month period.

(c) The provisions of subparagraph (a) of this paragraph shall not apply to any alternative treatment center that was issued a permit prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) or that was issued a permit after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) pursuant to an application submitted prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), which shall be deemed to concurrently hold a medical cannabis cultivator permit, a medical cannabis manufacturer permit, and a medical cannabis dispensary permit, and shall be authorized to engage in any conduct authorized pursuant to those permits in relation to the cultivation, manufacturing, and dispensing of medical cannabis. In addition, an alternative treatment center that was issued a permit prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) or that was issued a permit after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) pursuant to an application submitted prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall, upon the effective date of P.L. , c. (C.) (pending before the Legislature as Senate Bill No. 2703), be deemed to concurrently hold a Class 1 Cannabis Grower license, a Class 2 Cannabis Processor License, a Class 3 Cannabis Wholesaler license, and a Class 4 Cannabis Retail license, plus an additional Class 4 Cannabis Retail license for each satellite dispensary that was approved pursuant to an application submitted prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill). The alternative treatment center shall be authorized to use the same premises for all activities authorized under P.L.2009, c.307 (C.24:6I-1 et al.) and P.L. , c. (C.) (pending before the Legislature as Senate Bill No. 2703) 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 adult use cannabis, provided that the alternative treatment center shall be required to certify to the commission that the alternative treatment center has sufficient quantities of medical cannabis and medical cannabis products available to meet the reasonably anticipated treatment needs of registered qualifying patients as a condition of selling adult use cannabis at retail.

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

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

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

⟦An alternative treatment center⟧

(4) The commission shall periodically evaluate whether the number of medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits issued are

sufficient to meet the needs of qualifying patients in the State, and shall make requests for applications and issue such additional permits as shall be necessary to meet those needs. The types of permits requested and issued, and the locations of any additional permits that are authorized, shall be in the discretion of the executive director based on the needs of qualifying patients in the State.

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

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

(c) A medical cannabis dispensary shall be authorized to: purchase or acquire medical cannabis from any medical cannabis cultivator, medical cannabis dispensary, or clinical registrant in the State and medical cannabis products and related supplies from any medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant in the State; purchase or acquire paraphernalia from any legal source; and distribute, supply, sell, or dispense medical cannabis, medical cannabis products, paraphernalia, and related supplies to qualifying patients or their ⟦primary⟧ designated or institutional caregivers who are registered with the ⟦department⟧ commission pursuant to section 4 of ⟦this act⟧ P.L.2009, c.307 (C.24:6I-4). ⟦An alternative treatment center⟧

(6) A medical cannabis cultivator shall not be limited in the number of strains of medical ⟦marijuana⟧ cannabis cultivated, and a medical cannabis manufacturer shall not be limited in the number or type of medical cannabis products manufactured, produced, or created. A medical cannabis manufacturer may package, and a

medical cannabis dispensary may directly dispense ⟦marijuana⟧ medical cannabis and medical cannabis products to qualifying patients and their designated and institutional caregivers in any authorized form. Authorized forms shall include dried form, oral lozenges, topical formulations, transdermal form, sublingual form, tincture form, or edible form, or any other form as authorized by the ⟦commissioner⟧ executive director. Edible form shall include tablets, capsules, drops or syrups, oils, and any other form as authorized by the ⟦commissioner⟧ executive director. ⟦Edible forms shall be available only to qualifying patients who are minors.

Applicants for authorization as nonprofit alternative treatment centers shall be subject to all applicable State laws governing nonprofit entities, but⟧

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

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

c. A person who has been convicted of a crime of the first, second, or third degree under New Jersey law or of a crime involving any controlled dangerous substance or controlled substance analog as set forth in chapter 35 of Title 2C of the New Jersey Statutes except paragraph (4) of subsection a. of N.J.S.2C:35-10, or any similar law of the United States or any other state shall not be issued a permit to operate as ⟦an alternative treatment center⟧ a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant or be a director, officer, or employee of ⟦an alternative treatment center⟧ a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant, unless such conviction occurred after the effective date of ⟦this act⟧ P.L.2009, c.307 (C.24:6I-1 et al.) and was for a violation of federal law relating to possession or sale of ⟦marijuana⟧ cannabis for conduct that is authorized under ⟦this act⟧ P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-12.22 et al.), or P.L. , c. (C.) (pending before the Legislature as this bill).

d. (1) The ⟦commissioner⟧ executive director shall require each applicant seeking a permit to operate as ⟦an alternative treatment center⟧ a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant to undergo a criminal history record background check, except that no criminal history record background check shall be required for an applicant who holds less than a five percent investment interest in

the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant or who is a member of a group that holds less than a 20 percent investment interest in the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant where no member of the group holds more than a five percent interest in the total group investment interest, and the applicant lacks the authority to make controlling decisions regarding medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant operations.

In the event that an individual who is exempt from the criminal history record background check requirement of this section subsequently acquires an investment interest of five percent or more in the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant, or a group that is exempt from the criminal history record background check requirement of this section subsequently acquires an investment interest of 20 percent or more in the medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant or any member of the group acquires more than a five percent interest in the total group investment interest, or the individual or group gains the authority to make controlling decisions regarding medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant operations, the individual or the members of the group, as applicable, shall notify the commission and shall complete a criminal history record background check no later than 30 days after the date that such change occurs, or any permit issued to the individual or group shall be revoked and the individual or group shall be deemed ineligible to hold any ownership or investment interest in a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant for a period of two years, commencing from the date of revocation.

For purposes of this section, the term "applicant" shall include any owner, director, officer, or employee of ⟦an alternative treatment center⟧ a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant. The ⟦commissioner⟧ executive director 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 ⟦commissioner⟧ executive director in a timely manner when requested pursuant to the provisions of this section.

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

(2) The ⟦commissioner⟧ executive director shall not approve an applicant for a permit to operate, or authorization to be employed at, ⟦an alternative treatment center⟧ a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant if the criminal history record background information of the applicant reveals a disqualifying conviction as set forth in subsection c. of this section.

(3) Upon receipt of the criminal history record background information from the Division of State Police and the Federal Bureau of Investigation, the ⟦commissioner⟧ executive director shall provide written notification to the applicant of ⟦his⟧ the applicant's qualification for or disqualification for a permit to operate or be a director, officer, or employee of ⟦an alternative treatment center⟧ a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant.

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

(4) The Division of State Police shall promptly notify the ⟦commissioner⟧ executive director 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 ⟦commissioner⟧ executive director shall make a determination regarding the continued eligibility to operate or be a director, officer, or employee of ⟦an alternative treatment center⟧ a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant.

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

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

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

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

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

(d) the date of the crime or offense;

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

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

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

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

e. The ⟦department⟧ commission shall issue a permit to ⟦a person to⟧ operate ⟦as an alternative treatment center⟧ or be an owner, director, officer, or employee of a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary if the ⟦department⟧ commission finds that issuing such a permit would be consistent with the purposes of ⟦this act⟧

P.L.2009, c.307 (C.24:6I-1 et al.) and the requirements of this section and section 11 of P.L. , c. (C.) (pending before the Legislature as this bill) are met [and the department has verified the information contained in the application. The department shall approve or deny an application within 60 days after receipt of a completed application]. The denial of an application shall be considered a final agency decision, subject to review by the Appellate Division of the Superior Court. [The department may suspend or revoke a permit to operate as an alternative treatment center for cause, which shall be subject to review by the Appellate Division of the Superior Court] An initial permit to operate a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary issued on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall be valid for three years. Medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits shall be renewable biennially.

f. A person who has been issued a permit pursuant to this section , a conditional permit pursuant to section 11 of P.L. , c. (C.) (pending before the Legislature as this bill), or a clinical registrant permit pursuant to section 13 of P.L. , c. (C.) (pending before the Legislature as this bill) shall display the permit or conditional permit at the front entrance to the premises of the [alternative treatment center] permitted facility at all times when the facility is engaged in conduct authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) involving medical cannabis, including, but not limited to, the cultivating, manufacturing, or dispensing of medical cannabis [marijuana is being produced, or dispensed to a registered qualifying patient or the patient's primary caregiver].

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

h. [An alternative treatment center may charge a registered qualifying patient or primary caregiver for the reasonable costs associated with the production and distribution of marijuana for the cardholder] (1) Each medical cannabis cultivator shall maintain and make available through its Internet website, if any, a standard price list that shall apply to all medical cannabis sold by the medical cannabis cultivator to other medical cannabis cultivators and to medical cannabis manufacturers, medical cannabis dispensaries, and clinical registrants, which prices shall be reasonable and consistent with the actual costs incurred by the medical cannabis cultivator in connection with cultivating the medical cannabis. The prices charged by the medical cannabis

cultivator shall not deviate from the prices indicated on the facility's current price list.

(2) Each medical cannabis manufacturer shall maintain and make available through its Internet website, if any, a standard price list that shall apply to all medical cannabis products sold by the medical cannabis manufacturer to other medical cannabis manufacturers and to medical cannabis dispensaries and clinical registrants, which prices shall be reasonable and consistent with the actual costs incurred by the medical cannabis manufacturer in connection with producing the medical cannabis product. The prices charged by the medical cannabis manufacturer shall not deviate from the prices indicated on the facility's current price list.

(3) Each clinical registrant shall maintain and make available through its Internet website, if any, a standard price list that shall apply to all medical cannabis sold by the clinical registrant to other clinical registrants and to medical cannabis cultivators, medical cannabis manufacturers, and medical cannabis dispensaries and to all medical cannabis products sold by the clinical registrant to other clinical registrants and to medical cannabis manufacturers and medical cannabis dispensaries, which prices shall be reasonable and consistent with the actual costs incurred by the clinical registrant in connection with cultivating the medical cannabis or producing the medical cannabis product. The prices charged by the clinical registrant shall not deviate from the prices indicated on the clinical registrant's current price list. Any prices a clinical registrant charges to a qualifying patient, designated caregiver, or institutional caregiver for medical cannabis, medical cannabis products, and related supplies and paraphernalia shall be reasonable and consistent with the actual costs incurred by the medical cannabis dispensary in connection with cultivating, producing, acquiring, or dispensing the medical cannabis or medical cannabis product and related supplies and paraphernalia. A clinical registrant may establish a written policy for making medical cannabis available at a reduced price or without charge to qualifying patients who have a demonstrated financial hardship, as that term shall be defined by the commission by regulation.

(4) Any prices a medical cannabis dispensary charges to another medical cannabis dispensary or to a clinical registrant, qualifying patient, designated caregiver, or institutional caregiver for medical cannabis, medical cannabis products, and related supplies and paraphernalia shall be reasonable and consistent with the actual costs incurred by the medical cannabis dispensary in connection with acquiring and selling, transferring, or dispensing the medical cannabis or medical cannabis product and related supplies and paraphernalia. A medical cannabis dispensary may establish a written policy for making medical cannabis available at a reduced price or without charge to qualifying patients who have a

demonstrated financial hardship, as that term shall be defined by the commission by regulation.

(5) A price list required under paragraphs (1), (2), or (3) of this subsection may be revised no more than once per month, and each medical cannabis cultivator, medical cannabis manufacturer, and clinical registrant shall be responsible for ensuring that the commission has a copy of the facility's current price list. A medical cannabis cultivator, medical cannabis manufacturer, or clinical registrant shall be liable to a civil penalty of $1,000 for each sale that occurs at a price that deviates from the entity's current price list, and to a civil penalty of $10,000 for each week during which the entity's current price list is not on file with the commission. Any civil penalties collected by the commission pursuant to this section shall be used by the commission for the purposes of administering the State medical cannabis program.

i. The ⟦commissioner⟧ executive director shall adopt regulations to:

(1) require such written documentation of each delivery of cannabis to, and pickup of cannabis for, a registered qualifying patient, including the date and amount dispensed, to be maintained in the records of the ⟦alternative treatment center⟧ medical cannabis dispensary or clinical registrant, as the ⟦commissioner⟧ executive director determines necessary to ensure effective documentation of the operations of each ⟦alternative treatment center⟧ medical cannabis dispensary or clinical registrant;

(2) monitor, oversee, and investigate all activities performed by ⟦an alternative treatment center⟧ medical cannabis cultivators, medical cannabis manufacturers, medical cannabis dispensaries, and clinical registrants; ⟦and⟧

(3) ensure adequate security of all facilities 24 hours per day ⟦, including production and retail locations,⟧ and security of all delivery methods to registered qualifying patients; and

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

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

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

k. (1) A medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary may apply to the commission for approval to sell or transfer its permit to another entity. The commission shall not approve the sale or transfer of a permit until each applicant at the entity applying to purchase or receive the transfer of the permit undergoes a criminal history record background check pursuant to subsection d. of this section and the commission finds that the sale or transfer of the permit would be consistent with the purposes of P.L.2009, c.307 (C.24:6I-1 et al.). The denial of an application to sell or transfer a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary permit shall be considered a final agency decision, subject to review by the Appellate Division of the Superior Court.

(2) If a nonprofit medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary proposes to sell or transfer its permit to a for-profit entity, its board of directors may proceed with the sale or transfer upon receiving approval for the sale or transfer from the commission pursuant to paragraph (1) of this subsection. In the case of a nonprofit alternative treatment center that was issued a permit prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) or that was issued a permit after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) pursuant to an application submitted prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), any such transfer shall not be subject to the requirements of the "New Jersey Nonprofit Corporation Act," N.J.S.15A:1-1 et seq., provided that, prior to or at the time of the sale or transfer, all debts and obligations of the nonprofit entity are either paid in full or assumed by the for-profit entity purchasing or acquiring the permit, or a reserve fund is established for the purpose of paying in full the debts and obligations of the nonprofit entity.

l. No employee of any department, division, agency, board, or other State, county, or local government entity involved in the process of reviewing, processing, or making determinations with regard to medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit applications shall have any direct or indirect financial

interest in the cultivating, manufacturing, or dispensing of medical cannabis or related paraphernalia, or otherwise receive anything of value from an applicant for a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit in exchange for reviewing, processing, or making any recommendations with respect to a permit application.

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

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

11. (New section) The commission shall, no later than 90 days after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) or upon adoption of rules and regulations as provided in subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-16), whichever occurs first, begin accepting and processing applications for new medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits. The commission may establish nonrefundable application fees for permit applications and permit fees for successful applicants.

The commission shall make a determination as to any permit application no later than 90 days after receiving the application, which may include a determination that the commission reasonably requires more time to adequately review the application. The commission may issue a conditional permit to an applicant pending the commission's final determination on the applicant's permit application, provided the applicant submits a sworn statement attesting that no person named in the permit application has been convicted of any disqualifying conviction pursuant to subsection c. of section 7 of P.L.2009, c.307 (C.24:6I-7) or that, if a person named in the application has been convicted of a disqualifying conviction, the person has or will submit evidence of rehabilitation. The commission shall determine by regulation which permit requirements are necessary for the issuance of a conditional permit pursuant to this section and the scope of conduct authorized under a

conditional permit, and shall establish the terms, conditions, and restrictions for such conditional permit as may be necessary and appropriate.

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

12. (New section) a. Each application for an initial three-year medical cannabis cultivator permit, medical cannabis manufacturer permit, and medical cannabis dispensary permit, and each application for biennial renewal of such permit, shall be submitted to the commission. A full, separate application shall be required for each initial permit requested by the applicant and for each location at which an applicant seeks to operate, regardless of whether the applicant was previously issued, or currently holds, a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant permit. Renewal applications shall be submitted to the commission on a form and in a manner as shall be specified by the commission no later than 90 days before the date the current permit will expire.

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

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

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

(a) State-authorized cultivation of medical cannabis;

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

(c) quality control and quality assurance;

(d) recall plans;

(e) packaging and labeling;

(f) inventory control and tracking software or systems for the production of medical cannabis;

(g) analytical chemistry and testing of medical cannabis;

(h) water management practices;

(i) odor mitigation practices;

(j) onsite and offsite recordkeeping;

(k) strain variety and plant genetics;

(l) pest control and disease management practices, including plans for the use of pesticides, nutrients, and additives;

(m) waste disposal plans; and

(n) compliance with applicable laws and regulations.

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

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

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

(c) quality control and quality assurance;

(d) recall plans;

(e) packaging and labeling;

(f) inventory control and tracking software or systems for the production of medical cannabis;

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

(h) water management practices;

(i) odor mitigation practices;

(j) onsite and offsite recordkeeping;

(k) a list of product formulations or products proposed to be manufactured with estimated cannabinoid profiles, if known, including varieties with high cannabidiol content;

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

(m) waste disposal plans; and

(n) compliance with applicable laws and regulations.

(3) In the case of an applicant for a medical cannabis dispensary permit, the operating plan summary shall include a written

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

(a) State-authorized dispensation of medical cannabis to qualifying patients;

(b) healthcare, medicine, and treatment of patients with qualifying medical conditions;

(c) medical cannabis product evaluation procedures;

(d) recall plans;

(e) packaging and labeling;

(f) inventory control and point-of-sale software or systems for the sale of medical cannabis;

(g) patient counseling procedures;

(h) the routes of administration, strains, varieties, and cannabinoid profiles of medical cannabis and medical cannabis products;

(i) odor mitigation practices;

(j) onsite and offsite recordkeeping;

(k) compliance with State and federal patient privacy rules;

(l) waste disposal plans; and

(m) compliance with applicable laws and regulations.

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

(1) The applicant's environmental impact plan.

(2) A summary of the applicant's safety and security plans and procedures, which shall include descriptions of the following:

(a) plans for the use of security personnel, including contractors;

(b) the experience or qualifications of security personnel and proposed contractors;

(c) security and surveillance features, including descriptions of any alarm systems, video surveillance systems, and access and visitor management systems, along with drawings identifying the proposed locations for surveillance cameras and other security features;

(d) plans for the storage of medical cannabis and medical cannabis products, including any safes, vaults, and climate control systems that will be utilized for this purpose;

(e) a diversion prevention plan;

(f) an emergency management plan;

(g) procedures for screening, monitoring, and performing criminal history record background checks of employees;

(h) cybersecurity procedures, including, in the case of an applicant for a medical cannabis dispensary permit, procedures for collecting, processing, and storing patient data, and the applicant's familiarity with State and federal privacy laws;

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

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

(k) procedures for reporting adverse events; and

(l) a sanitation practices plan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In evaluating the information submitted pursuant to subparagraphs (b) and (c) of this paragraph, the commission shall afford the greatest weight to 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.

(6) A workforce development and job creation plan, which may include, but shall not be limited to a description of the applicant's workforce development and job creation plan, which may include information on the applicant's history of job creation and planned

job creation at the proposed facility; education, training, and resources to be made available for employees; any relevant certifications; and an optional diversity plan.

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

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

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

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

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

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

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

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

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

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

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

e. In addition to the information to be submitted pursuant to subsections c. and d. of this section, the commission shall require all permit applicants, other than applicants issued a conditional license, 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 shall be an ongoing material condition of maintaining a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary permit. The submission of an attestation and maintenance of a labor peace agreement with a bona fide labor organization by an applicant issued a conditional permit pursuant to section 11 of P.L. , c. (C.) (pending before the Legislature as this bill) shall be a requirement for final approval for a permit; failure to enter into a collective bargaining agreement within 200 days of the opening of a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary shall result in the suspension or revocation of such permit or conditional permit. In reviewing initial permit applications, the commission shall give priority to the following:

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

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

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

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

f. In reviewing an initial permit application, unless the information is otherwise solicited by the commission in a specific application question, the commission's evaluation of the application shall be limited to the experience and qualifications of the applicant's organization, including any entities with common ownership or control of the applicant's organization, controlling owners or interest holders in the applicant's organization, 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 section 7 of P.L.2009, c.307 (C.24:6I-7), 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.

g. The commission shall develop policies and procedures to promote and encourage full participation in the medical cannabis industry by individuals from communities that have historically experienced disproportionate harm under the State's cannabis prohibition and enforcement laws, and to have a positive effect on those communities. The commission shall conduct a disparity study to determine whether race-based measures should be considered when issuing permits pursuant to this section, and shall require that at least 25 percent of the total number of new medical cannabis cultivator permits, medical cannabis manufacturer permits, and medical cannabis dispensary permits issued on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) are issued to a qualified applicant that:

(1) has been certified as a minority business or as a women's business pursuant to P.L.1986, c.195 (C.52:27H-21.18 et seq.);

(2) has been certified as a veteran-owned business pursuant to P.L.2011, c.147 (C.52:32-49 et seq.);

(3) is a disabled-veterans' business, as defined in section 2 of P.L.2015, c.116 (C.52:32-31.2); or

(4) has been certified by the United States Small Business Administration or other issuing agency of the federal government as a minority-owned business, women-owned business, or service-disabled veteran-owned business.

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

h. The commission shall give special consideration to any applicant that has entered into an agreement with an institution of higher education to create an integrated curriculum involving the cultivation, manufacturing, and dispensing of medical cannabis, 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 IC permit holder fails to maintain or continue the integrated curriculum. In the event that, because of circumstances outside an IC permit holder's control, the IC permit holder will no longer be able to continue an integrated curriculum, the IC permit holder shall notify the commission and shall make reasonable efforts to establish a new integrated curriculum with an institution of higher education,

subject to approval by the commission and the Department of Education. If the IC permit holder is unable to establish a new integrated curriculum within six months after the date the current integrated curriculum arrangement ends, the commission shall revoke the entity's IC permit, unless the commission finds there are extraordinary circumstances that justify allowing the permit holder to retain the permit without an integrated curriculum and the commission finds that allowing the permit holder to retain the permit would be consistent with the purposes of P.L.2009, c.307 (C.24:6I-1 et al.), in which case the IC permit shall convert to a regular permit of the same type. The commission may revise the application and permit fees or other conditions for an IC permit as may be necessary to encourage applications for IC permits.

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

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

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

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

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

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

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

b. The commission shall, no later than 90 days after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) or upon adoption of rules and regulations as provided in subsection c. of section 18 of P.L.2009, c.307 (C.24:6I-16), whichever occurs first, begin accepting and processing applications for four clinical registrant permits. Thereafter, the commission shall accept applications for and issue such additional clinical registrant permits as it determines to be necessary and consistent with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) and P.L. , c. (C.) (pending before the Legislature as this bill). The commission shall make a determination as to a clinical registrant permit application no later than 90 days after receiving the application, which may include a determination that the commission reasonably requires more time to adequately review the application.

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

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

e. A clinical registrant issued a permit pursuant to this section may apply to the commission for a Class 1 Cannabis Grower license, a Class 2 Cannabis Processor License, a Class 3 Cannabis Wholesaler license, and a Class 4 Cannabis Retail license, and shall be authorized to concurrently hold one of each license type and engage in any activities authorized pursuant to the license. The

clinical registrant shall be authorized to use the same premises for all activities authorized under P.L.2009, c.307 (C.24:6I-1 et al.) and P.L. , c. (C.) (pending before the Legislature as Senate Bill No. 2703) 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 adult use cannabis, provided that the clinical registrant shall be required to certify to the commission that the clinical registrant has sufficient quantities of medical cannabis and medical cannabis products available to meet the reasonably anticipated treatment needs of registered qualifying patients as a condition of selling adult use cannabis at retail.

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

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

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

g. A clinical registrant permit shall not be sold or transferred to any other entity unless the commission finds that the sale or transfer of the permit is necessary to continue essential clinical research or the commission finds that the sale or transfer is otherwise consistent with the purposes of P.L.2009, c.307 (C.24:6I-1 et al.) and P.L. , c. (C.) (pending before the Legislature as this bill). No sale or transfer of a clinical registrant permit shall be approved until each applicant at the entity applying to purchase or receive the transfer of the permit undergoes a criminal history record background check pursuant to subsection d. of section 7 of P.L.2009, c.307 (C.24:6I-7).

h. Clinical registrant permits shall be valid for the term of the contractual relationship between the academic medical center and

the clinical registrant. The commission may renew a clinical registrant permit to correspond to any renewal of the contractual relationship between the academic medical center and the clinical registrant.

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

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

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

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

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

(4) The commission shall submit a report of its findings and conclusions to the Governor and, pursuant to section 2 of P.L.1991,

c.164 (C.52:14-19), to the Legislature, within 90 days following the conclusion of each feasibility study.

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

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

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

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

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

16. (New section) a. (1) An organization issued a permit to operate a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant shall not be eligible for a State or local economic incentive.

(2) The issuance of a permit to operate a medical cannabis cultivator, medical cannabis manufacturer, cannabis dispensary, or clinical registrant to an organization that has been awarded a State or local economic incentive shall invalidate the right of the organization to benefit from the economic incentive as of the date of issuance of the permit, except that an academic medical center that has entered into a contractual relationship with a clinical registrant shall not have any right to benefit from an economic incentive invalidated pursuant to this paragraph on the basis of that contractual relationship.

b. (1) A property owner, developer, or operator of a project to be used, in whole or in part, as a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant shall not be eligible for a State or local economic incentive during the period of time that the economic incentive is in effect.

(2) The issuance of a permit to operate a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant at a location that is the subject of a State or local economic incentive shall invalidate the right of a property owner, developer, or operator to benefit from the economic incentive as of the date of issuance of the permit, except that an academic medical center that has entered into a contractual relationship with a clinical registrant shall not have any right to benefit from an economic incentive invalidated pursuant to this paragraph on the basis of that contractual relationship.

c. As used in this section:

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

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

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

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

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

. 8. The provisions of ⟦this act⟧ P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-12.22 et al.), and P.L. , c. (C.)

(pending before the Legislature as this bill) shall not be construed to permit a person to:

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

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

A person who commits an act as provided in this section shall be subject to such penalties as are provided by law.
(cf: P.L.2009, c.307, c.8)

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

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

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

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

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

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

c. A registered qualifying patient or ⟦his primary⟧ the patient's designated caregiver, or an institutional caregiver acting on behalf of a qualifying patient, shall present the patient's or caregiver's registry identification card, as applicable, and these written

instructions to ⟦the alternative treatment center⟧ any medical cannabis dispensary or clinical registrant, which shall verify and log the documentation presented. An institutional caregiver shall additionally present an authorization executed by the patient certifying that the institutional caregiver is authorized to obtain medical cannabis on behalf of the patient. A ⟦physician⟧ health care practitioner may provide a copy of a written instruction by electronic or other means, as determined by the ⟦commissioner⟧ executive director, directly to ⟦an alternative treatment center⟧ a medical cannabis dispensary or a clinical registrant on behalf of a registered qualifying patient. The dispensation of ⟦marijuana⟧ medical cannabis pursuant to any written instructions shall occur within one month of the date that the instructions were written or become eligible for dispensing, whichever is later, or the instructions are void.

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

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

f. (1) Except as provided in paragraph (2) of this subsection, the maximum amount of usable cannabis that a patient may be dispensed, in weight, in a 30-day period, shall be:

(a) until January 1, 2019, two ounces in dried form or the equivalent amount in any other form;

(b) on or after January 1, 2019 and continuing until July 1, 2019, two and one-half ounces in dried form or the equivalent amount in any other form; and

(c) on or after July 1, 2019, three ounces in dried form or the equivalent amount in any other form.

(2) The monthly limits set forth in paragraph (1) of this subsection shall not apply to patients who are terminally ill or who are currently receiving hospice care through a licensed hospice, which patients may be dispensed an unlimited amount of medical cannabis. Qualifying patients who are not receiving hospice care or who are not terminally ill may petition the commission, on a form and in a manner as the commission shall require by regulation, for

an exemption from the monthly limits set forth in paragraph (1) of this paragraph, which petition the commission shall approve if the commission finds that granting the exemption is necessary to meet the patient's treatment needs and is consistent with the provisions of P.L.2009, c.307 (C.24:6I-1 et al.).

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

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

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

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

Commencing July 1, 2022, the amount of the sales tax that may be imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) on medical cannabis dispensed by a medical cannabis dispensary or clinical registrant shall not exceed three percent.

Commencing July 1, 2023, the amount of the sales tax that may be imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) on medical cannabis dispensed by a medical cannabis dispensary or clinical registrant shall not exceed one percent.

Commencing July 1, 2024, medical cannabis dispensed by a medical cannabis dispensary or clinical registrant shall not be subject to any tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

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

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

13. a. The ⟦commissioner⟧ executive director may accept from any governmental department or agency, public or private body or any other source grants or contributions to be used in carrying out the purposes of ⟦this act⟧ P.L.2009, c.307 (C.24:6I-1 et al.) and P.L. , c. (C.) (pending before the Legislature as this bill).

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

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

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

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

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

(2) annually thereafter on the number of applications for registry identification cards, the number of qualifying patients registered, the number of ⟦primary⟧ designated and institutional caregivers registered, the nature of the ⟦debilitating⟧ qualifying medical conditions of the patients, the number of registry identification cards revoked, the number of ⟦alternative treatment center⟧ medical cannabis cultivator, medical cannabis manufacturer, and medical cannabis dispensary permits issued and revoked, the number and type of integrated curricula approved, established, and maintained in connection with an IC permit, the number of testing laboratories licensed, the number of clinical registrant permits issued and the nature of the clinical research conducted by each clinical registrant, any incidents of diversion of medical cannabis, information concerning racial, ethnic, and gender diversity in the individuals issued and currently holding permits issued by the commission, statistics concerning arrests for drug offenses throughout the State and in areas where medical cannabis dispensaries are located, including information concerning racial disparities in arrest rates

for drug offenses generally and cannabis offenses in particular, and the number of ⟦physicians providing certifications for⟧ health care practitioners authorizing patients for the medical use of cannabis, including the types of license or certification held by those practitioners.

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

c. Within two years after the effective date of ⟦this act⟧ P.L.2009, c.307 (C.24:6I-1 et al.) and every two years thereafter, the commissioner or, after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), the executive director, shall: evaluate whether there are sufficient numbers of ⟦alternative treatment centers⟧ medical cannabis cultivators, medical cannabis manufacturers, medical cannabis dispensaries, and clinical registrants to meet the needs of registered qualifying patients throughout the State; evaluate whether the maximum amount of medical ⟦marijuana⟧ cannabis allowed pursuant to ⟦this act⟧ P.L.2009, c.307 (C.24:6I-1 et al.) is sufficient to meet the medical needs of qualifying patients; and determine whether any ⟦alternative treatment center⟧ medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant has charged excessive prices ⟦for marijuana⟧ in connection with medical cannabis ⟦that the center dispensed⟧.

The commissioner or, after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), the executive director, shall report his findings no later than two years after the effective date of ⟦this act⟧ P.L.2009, c.307 (C.24:6I-1 et al.), and every two years thereafter, to the Governor, and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1).
(cf: P.L.2009, c.307, s.14)

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

15. a. The ⟦Department of Health⟧ Cannabis Regulatory Commission is authorized to exchange fingerprint data with, and receive information from, the Division of State Police in the Department of Law and Public Safety and the Federal Bureau of Investigation for use in reviewing applications for individuals ⟦seeking⟧ who are required to complete a criminal history record background check in connection with applications to serve as ⟦primary⟧ designated caregivers or institutional caregivers pursuant to section 4 of P.L.2009, c.307 (C.24:6I-4), for licenses to operate as, or to be a director, officer, or employee of, medical cannabis testing laboratories pursuant to section 25 of P.L. , c. (C.) (pending before the Legislature as this bill), for permits to operate as, or to be a director, officer, or employee of clinical registrants

pursuant to section 13 of P.L. , c. (C.) (pending before the Legislature as this bill), and for permits to operate as, or to be a director, officer, or employee of, ⟦alternative treatment centers⟧ medical cannabis cultivators, medical cannabis manufacturers, and medical cannabis dispensaries pursuant to section 7 of P.L.2009, c.307 (C.24:6I-7).

b. The Division of State Police shall promptly notify the ⟦Department of Health⟧ Cannabis Regulatory Commission in the event an applicant seeking to serve as a ⟦primary⟧ designated or institutional caregiver, an applicant for a license to operate as, or to be a director, officer, or employee of, a medical cannabis testing laboratory, an applicant for a license to operate as, or to be a director, officer, or employee of, a clinical registrant, or an applicant for a permit to operate as, or to be a director, officer, or employee of, ⟦an alternative treatment center⟧ a medical cannabis cultivator, medical cannabis manufacturer, or medical cannabis dispensary, who was the subject of a criminal history record background check conducted pursuant to subsection a. of this section, is convicted of a crime involving possession or sale of a controlled dangerous substance.
(cf: P.L.2012, c.17, s.91)

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

16. Nothing in ⟦this act⟧ P.L.2009, c.307 (C.24:6I-1 et al.), P.L.2015, c.158 (C.18A:40-12 et al.), or P.L. , c. (C.) (pending before the Legislature as this bill) shall be construed to require a government medical assistance program or private health insurer to reimburse a person for costs associated with the medical use of ⟦marijuana, or an employer to accommodate the medical use of marijuana in any workplace⟧ cannabis, or to restrict or otherwise affect the distribution, sale, prescribing, and dispensing of any product that has been approved for marketing as a prescription drug or device by the federal Food and Drug Administration.
(cf: P.L.2009, c.307, s.16)

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

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

b. Notwithstanding any provision of P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the commissioner shall adopt,

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

c. No later than 90 days after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), the executive director shall promulgate rules and regulations to effectuate the purposes of P.L. , c. (C.) (pending before the Legislature as this bill). Rules and regulations adopted pursuant to this subsection shall, at a minimum:

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

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

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

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

b. The requirements of subsection a. of this section shall take effect at such time as the executive director certifies that a sufficient number of laboratories have been licensed pursuant to section 25 of P.L. , c. (C.) (pending before the Legislature

as this bill) to ensure that all medical cannabis and medical cannabis products can be promptly tested and labeled without disrupting patient access to medical cannabis.

25. (New section) a. A laboratory that performs testing services pursuant to section 24 of P.L. , c. (C.) (pending before the Legislature as this bill) shall be licensed by the commission and may be subject to inspection by the commission to determine the condition and calibration of any equipment used for testing purposes and to ensure that testing is being performed in accordance with the requirements of section 26 of P.L. , c. (C.) (pending before the Legislature as this bill).

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

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

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

For purposes of this section, the term "applicant" shall include any owner, director, officer, or employee of a medical cannabis testing laboratory. The executive director 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 executive director in a timely manner when requested pursuant to the provisions of this section.

An applicant who is required to undergo a criminal history record background check pursuant to this section shall submit to being fingerprinted in accordance with applicable State and federal laws, rules, and regulations. No check of criminal history record background information shall be performed pursuant to this section unless the applicant has furnished the applicant’s written consent to

that check. An applicant who is required to undergo a criminal history record background check pursuant to this section who refuses to consent to, or cooperate in, the securing of a check of criminal history record background information shall not be considered for a license to operate, or authorization to be employed at, a medical cannabis testing laboratory. An applicant shall bear the cost for the criminal history record background check, including all costs of administering and processing the check.

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

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

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

(4) The Division of State Police shall promptly notify the executive director 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 executive director shall make a determination regarding the continued eligibility to operate or be a director, officer, or employee of a medical cannabis testing laboratory.

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

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

rehabilitation has been demonstrated, the following factors shall be considered:

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

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

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

(d) the date of the crime or offense;

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

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

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

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

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

b. Any test performed on medical cannabis or on a medical cannabis product shall include, at a minimum, liquid chromatography analysis to determine chemical composition and potency, and screening for contamination by biologic contaminants, foreign material, residual pesticides, and other agricultural residue and residual solvents.

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

d. Equipment used by a licensed laboratory for testing purposes shall be routinely inspected, calibrated, and maintained in accordance with national standards or, if national standards are not available, with the manufacturer’s specifications. Calibration procedures shall include specific directions and limits for accuracy and precision, and provisions for remedial action when these limits are not met. Each licensed laboratory shall maintain records of all inspection, calibration, and maintenance activities, which shall be made available to the commission upon request.

e. Until such time as the commission establishes the standards required by this section, a licensed laboratory may utilize testing standards established by any other state with a medical cannabis program.

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

28. (New section) All powers, duties, and responsibilities with regard to the regulation and oversight of activities authorized pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) and P.L. , c. (C.) (pending before the Legislature as this bill) shall be transferred from the Department of Health to the Cannabis Regulatory Commission established pursuant to section 7 of P.L. , c. (C.) (pending before the Legislature as Senate Bill No. 2703) at such time as the members of the Cannabis Regulatory Commission are appointed and the commission first organizes. Any reference to the Department of Health or the Commissioner of Health in any statute or regulation pertaining to the provisions of P.L.2009, c.307 (C.24:6I-1 et al.) or P.L. , c. (C.) (pending before the Legislature as this bill) shall be deemed to refer to the Cannabis Regulatory Commission and the Executive Director of the Cannabis Regulatory Commission, respectively. The provisions of this section shall be carried out in accordance with the "State Agency Transfer Act," P.L.1971, c.375 (C.52:14D-1 et seq.).

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

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

2C:35-18. Exemption; Burden of Proof. a. If conduct is authorized by the provisions of P.L.1970, c.226 (C.24:21-1 et seq.), P.L.2009, c.307 (C.24:6I-1 et al.), **[**or**]** P.L.2015, c.158 (C.18A:40-12.22 et al.), or P.L. , c. (C.) (pending before the Legislature as this bill), that authorization shall, subject to the provisions of this

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

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

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

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

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

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

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

(3) expressly authorize parents, guardians, and **[**primary**]** designated caregivers of students who have been authorized for the medical use of **[**marijuana**]** cannabis to administer medical **[**marijuana**]** cannabis to the student while the student is on school

grounds, aboard a school bus, or attending a school-sponsored event;

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

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

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

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

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

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

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

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

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

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

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

c. Medical ⟦marijuana⟧ cannabis may be administered to a person receiving services for persons with developmental

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

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

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

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

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

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

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

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

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

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

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

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

procedures or services that are provided for the treatment of severe mental illness, severe emotional disorder, or any drug or alcohol use disorder.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) Prescribing the use of patient restraints; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) the physician assistant complies with the requirements for issuing written instructions for medical cannabis established pursuant to P.L.2009, c.307 (C.24:6I-1 et al.) and P.L. , c. (C.) (pending before the Legislature as this bill).

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

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

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

(1) initiating laboratory and other diagnostic tests;

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

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

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

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

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

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

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

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

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

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

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

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

(2) the prescription is written in accordance with standing orders or joint protocols developed in agreement between a collaborating

physician and the advanced practice nurse, or pursuant to the specific direction of a physician;

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

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

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

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

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

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

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

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

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

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

(1) the collaborating physician and advanced practice nurse shall address in the joint protocols whether prior consultation with the collaborating physician is required to authorize a qualifying

patient for the medical use of cannabis or issue written instructions for medical cannabis;

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

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

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

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

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

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

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

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

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

39. This act shall take effect immediately.

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