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STATE OF NEW JERSEY
221st LEGISLATURE

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Sponsored by:
Senator M. TERESA RUIZ
District 29 (Essex and Hudson)
Senator PAUL D. MORIARTY
District 4 (Atlantic, Camden and Gloucester)

SYNOPSIS
Regulates production and sale of certain intoxicating hemp products.

CURRENT VERSION OF TEXT
As reported by the Senate Budget and Appropriations Committee on June 26, 2024, with amendments.

AN ACT concerning intoxicating hemp products, supplementing Title 24 of the New Jersey Statutes, and amending various sections of statutory law.

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

1. Section 3 of P.L.2019, c.238 (C.4:28-8) is amended to read as follows:

3. As used in sections 1 through 9 of P.L.2019, c.238 (C.4:28-6 et al.), unless the context otherwise requires:

"Agent" means an employee or contractor of a hemp producer.

"Applicant" means a person, or for a business entity, any person authorized to act on behalf of the business entity, who applies to the department to be a hemp producer in the State.

"Commercial sale" means the sale of a product in the stream of commerce at retail, at wholesale, or on the Internet.

"Cultivate" means to plant, water, grow, or harvest a plant or crop.

"Department" means the New Jersey Department of Agriculture.

"Federally defined THC level for hemp" means a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis for hemp or in a hemp product.

"Handle" means to possess or store a hemp plant on premises owned, operated, or controlled by a hemp producer for any period of time or in a vehicle for any period of time other than during the actual transport of the plant between premises owned, operated, or controlled by hemp producers or persons or entities authorized to produce hemp pursuant to 7 U.S.C. s.1639o et seq. and any state law or rule or regulation adopted pursuant thereto. "Handle" does not mean possession or storage of finished hemp products.

"Hemp" means the plant *Cannabis sativa* L. and any part of that plant, including the seeds of the plant and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a **[delta-9] total** tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis. Hemp and hemp-derived cannabinoids, including cannabidiol, shall be considered an agricultural commodity and not a controlled substance due to the presence of hemp or hemp-derived cannabinoids.

"Hemp producer" means a person or business entity authorized by the department to cultivate, handle, or process hemp in the State.

"Hemp product" means a finished product with a **[delta-9] total** tetrahydrocannabinol concentration of not more than 0.3 percent, and not more than 0.5 milligrams of total THC per serving and 2.5 milligrams of total THC per package, that is derived from or made

by processing a hemp plant or plant part and prepared in a form available for commercial sale. The term includes cosmetics, personal care products, food intended for human or animal consumption, cloth, cordage, fiber, fuel, paint, paper, particleboard, plastics, and any product containing one or more hemp-derived cannabinoids such as cannabidiol. Hemp products shall not be considered controlled substances due to the presence of hemp or hemp-derived cannabinoids. "Hemp product" shall not mean a cannabinoid product that is not derived from naturally occurring biologically active chemical constituents and shall not mean an intoxicating hemp product as defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Process" means to convert hemp into a marketable form.

"Secretary" means the Secretary of the New Jersey Department of Agriculture.

"Transport" means the movement or shipment of hemp by a hemp producer, a person or entity authorized to produce hemp pursuant to 7 U.S.C. s.1639o et seq. and any state law or rule or regulation adopted pursuant thereto, or a hemp producer's or authorized entity's third-party carrier or agent. "Transport" shall not mean the movement or shipment of hemp products.

"Total THC" means the total concentration of all tetrahydrocannabinols in ¹[a cannabis item] hemp or a hemp product¹, including delta-8, delta-9, delta-10, tetrahydrocannabinolic acid and any other chemically similar compound, substance, derivative, or isomer of tetrahydrocannabinol, regardless of how derived or manufactured, and any other cannabinoid, other than cannabidiol, identified by the Cannabis Regulatory Commission, in consultation with the Department of Agriculture and the Attorney General, as causing intoxication.
(cf: P.L.2019, c.238, s.3)

2. Section 3 of P.L.2021, c.16 (C.24:6I-33) is amended to read as follows:

3. Definitions.

As used in P.L.2021, c.16 (C.24:6I-31 et al.) regarding the personal use of cannabis, unless the context otherwise requires:

"Alternative treatment center" means an organization issued a permit pursuant to the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) to operate as a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant, as well as any alternative treatment center deemed pursuant to section 7 of that act (C.24:6I-7) to concurrently hold a medical cannabis cultivator permit, a medical cannabis manufacturer permit, and a medical cannabis dispensary permit.

"Cannabis" means all parts of the plant *Cannabis sativa* L., whether growing or not, the seeds thereof, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds, except those containing resin extracted from the plant, which are cultivated and, when applicable, manufactured in accordance with P.L.2021, c.16 (C.24:6I-31 et al.) for use in cannabis products as set forth in this act, but shall not include the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other product. "Cannabis" does not include: medical cannabis dispensed to registered qualifying patients pursuant to the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); marijuana as defined in N.J.S.2C:35-2 and applied to any offense set forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or marihuana as defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense set forth in the "New Jersey Controlled Dangerous Substances Act," P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product cultivated, handled, processed, transported, or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

"Cannabis consumption area" means, as further described in section 28 of P.L.2019, c.153 (C.24:6I-21), a designated location operated by a licensed cannabis retailer or permit holder for dispensing medical cannabis, for which both a State and local endorsement has been obtained, that is either: (1) an indoor, structurally enclosed area of the cannabis retailer or permit holder that is separate from the area in which retail sales of cannabis items or the dispensing of medical cannabis occurs; or (2) an exterior structure on the same premises as the cannabis retailer or permit holder, either separate from or connected to the cannabis retailer or permit holder, at which cannabis items or medical cannabis either obtained from the retailer or permit holder, or brought by a person to the consumption area, may be consumed.

"Cannabis cultivator" means any licensed person or entity that grows, cultivates, or produces cannabis in this State, and sells, and may transport, this cannabis to other cannabis cultivators, or usable cannabis to cannabis manufacturers, cannabis wholesalers, or cannabis retailers, but not to consumers. This person or entity shall hold a Class 1 Cannabis Cultivator license.

"Cannabis delivery service" means any licensed person or entity that provides courier services for consumer purchases of cannabis items and related supplies fulfilled by a cannabis retailer in order to make deliveries of the cannabis items and related supplies to that consumer, and which services include the ability

of a consumer to purchase the cannabis items directly through the cannabis delivery service, which after presenting the purchase order to the cannabis retailer for fulfillment, is delivered to that consumer. This person or entity shall hold a Class 6 Cannabis Delivery license.

"Cannabis distributor" means any licensed person or entity that transports cannabis in bulk intrastate from one licensed cannabis cultivator to another licensed cannabis cultivator, or transports cannabis items in bulk intrastate from any one class of licensed cannabis establishment to another class of licensed cannabis establishment, and may engage in the temporary storage of cannabis or cannabis items as necessary to carry out transportation activities. This person or entity shall hold a Class 4 Cannabis Distributor license.

"Cannabis establishment" means a cannabis cultivator, a cannabis manufacturer, a cannabis wholesaler, or a cannabis retailer.

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

"Cannabis flower" means the flower of the plant *Cannabis sativa* L. within the plant family Cannabaceae.

"Cannabis item" means any usable cannabis, cannabis product, cannabis extract, intoxicating hemp product, and any other cannabis resin. "Cannabis item" does not include: any form of medical cannabis dispensed to registered qualifying patients pursuant to the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); or hemp or a hemp product cultivated, handled, processed, transported, or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

"Cannabis leaf" means the leaf of the plant *Cannabis sativa* L. within the plant family Cannabaceae.

"Cannabis manufacturer" means any licensed person or entity that processes cannabis items in this State by purchasing or otherwise obtaining usable cannabis, manufacturing, preparing, and packaging cannabis items, and selling, and optionally transporting, these items to other cannabis manufacturers, cannabis wholesalers, or cannabis retailers, but not to consumers. This person or entity shall hold a Class 2 Cannabis Manufacturer license."

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

"Cannabis product" means a product containing usable cannabis, cannabis extract, or any other cannabis resin and other ingredients intended for human consumption or use, including a product intended to be applied to the skin or hair, edible cannabis products, ointments, and tinctures. "Cannabis product" does not include: (1) usable cannabis by itself; or (2) cannabis extract by itself; or (3) any other cannabis resin by itself.

"Cannabis resin" means the resin extracted from any part of the plant *Cannabis sativa* L., including cannabis extract and resin extracted using non-chemical processes, processed and used in accordance with P.L.2021, c.16 (C.24:6I-31 et al.). "Cannabis resin" does not include: any form of medical cannabis dispensed to registered qualifying patients pursuant to the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); hashish as defined in N.J.S.2C:35-2 and applied to any offense set forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or as defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense of the "New Jersey Controlled Dangerous Substances Act," P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product cultivated, handled, processed, transported, or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

"Cannabis retailer" means any licensed person or entity that purchases or otherwise obtains usable cannabis from cannabis cultivators and cannabis items from cannabis manufacturers or cannabis wholesalers, and sells these to consumers from a retail store, and may use a cannabis delivery service or a certified cannabis handler for the off-premises delivery of cannabis items and related supplies to consumers. A cannabis retailer shall also accept consumer purchases to be fulfilled from its retail store that are presented by a cannabis delivery service which will be delivered by the cannabis delivery service to that consumer. This person or entity shall hold a Class 5 Cannabis Retailer license.

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

"Cannabis wholesaler" means any licensed person or entity that purchases or otherwise obtains, stores, sells or otherwise transfers, and may transport, cannabis items for the purpose of resale or other transfer to either another cannabis wholesaler or to a cannabis retailer, but not to consumers. This person or entity shall hold a Class 3 Cannabis Wholesaler license.

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

"Conditional license" means a temporary license designated as either a Class 1 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer license, a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis Distributor license, a Class 5 Cannabis Retailer license, or a Class 6 Cannabis Delivery license that allows the holder to lawfully act as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service as the case may be, which is issued pursuant to an abbreviated application process, after which the conditional license holder shall have a limited period of time in which to become fully licensed by satisfying all of the remaining conditions for licensure which were not required for the issuance of the conditional license.

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

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

"Delivery" means the transportation of cannabis items and related supplies to a consumer. "Delivery" also includes the use by a licensed cannabis retailer of any third party technology platform to receive, process, and fulfill orders by consumers, which third party shall not be required to be a licensed cannabis establishment, distributor, or delivery service, provided that any physical acts in connection with fulfilling the order and delivery shall be accomplished by a certified cannabis handler performing work for or on behalf of the licensed cannabis retailer, which includes a certified cannabis handler employed or otherwise working on behalf of a cannabis delivery service making off-premises deliveries of consumer purchases fulfilled by that cannabis retailer.

"Department" means the Department of Health.

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

"Executive director" means the executive director of the Cannabis Regulatory Commission.

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

"Immature cannabis plant" means a cannabis plant that is not flowering.

"Impact zone" means any municipality, based on past criminal marijuana enterprises contributing to higher concentrations of law enforcement activity, unemployment, and poverty, or any combination thereof, within parts of or throughout the municipality, that:

(1) has a population of 120,000 or more according to the most recently compiled federal decennial census as of the effective date of P.L.2021, c.16 (C.24:6I-31 et al.);

(2) based upon data for calendar year 2019, ranks in the top 40 percent of municipalities in the State for marijuana- or hashish-related arrests for violation of paragraph (4) of subsection a. of N.J.S.2C:35-10; has a crime index total of 825 or higher based upon the indexes listed in the annual Uniform Crime Report by the Division of State Police; and has a local average annual unemployment rate that ranks in the top 15 percent of all municipalities, based upon average annual unemployment rates estimated for the relevant calendar year by the Office of Research and Information in the Department of Labor and Workforce Development;

(3) is a municipality located in a county of the third class, based upon the county's population according to the most recently compiled federal decennial census as of the effective date of P.L.2021, c.16 (C.24:6I-31 et al.), that meets all of the criteria set forth in paragraph (2) other than having a crime index total of 825 or higher; or

(4) is a municipality located in a county of the second class, based upon the county's population according to the most recently compiled federal decennial census as of the effective date of P.L.2021, c.16 (C.24:6I-31 et al.):

(a) with a population of less than 60,000 according to the most recently compiled federal decennial census, that for calendar year 2019 ranks in the top 40 percent of municipalities in the State for marijuana- or hashish-related arrests for violation of paragraph (4) of subsection a. of N.J.S.2C:35-10; has a crime index total of 1,000 or higher based upon the indexes listed in the

2019 annual Uniform Crime Report by the Division of State Police; but for calendar year 2019 does not have a local average annual unemployment rate that ranks in the top 15 percent of all municipalities, based upon average annual unemployment rates estimated for the relevant calendar year by the Office of Research and Information in the Department of Labor and Workforce Development; or

(b) with a population of not less than 60,000 or more than 80,000 according to the most recently compiled federal decennial census; has a crime index total of 650 or higher based upon the indexes listed in the 2019 annual Uniform Crime Report; and for calendar year 2019 has a local average annual unemployment rate of 3.0 percent or higher using the same estimated annual unemployment rates.

"Intoxicating hemp product" means any product cultivated, derived, or manufactured ³in this State³ from hemp regulated pursuant to the "Agricultural Improvement Act of 2018," Pub.L.115-334 or the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.) that is sold in this State that has a concentration of total THC greater than 0.5 milligrams per serving or 2.5 milligrams per package. "Intoxicating hemp product" shall not include a cannabinoid product that is not derived from naturally occurring biologically active chemical constituents and shall not include hemp products as defined in section 3 of P.L.2019, c.238 (C.4:28-8).

"License" means a license issued under P.L.2021, c.16 (C.24:6I-31 et al.), including a license that is designated as either a Class 1 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer license, a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis Distributor license, a Class 5 Cannabis Retailer license, or a Class 6 Cannabis Delivery license. The term includes a conditional license for a designated class, except when the context of the provisions of P.L.2021, c.16 (C.24:6I-31 et al.) otherwise intend to only apply to a license and not a conditional license.

"Licensee" means a person or entity that holds a license issued under P.L.2021, c.16 (C.24:6I-31 et al.), including a license that is designated as either a Class 1 Cannabis Cultivator license, a Class 2 Cannabis Manufacturer license, a Class 3 Cannabis Wholesaler license, a Class 4 Cannabis Distributor license, a Class 5 Cannabis Retailer license, or a Class 6 Cannabis Delivery license, and includes a person or entity that holds a conditional license for a designated class, except when the context of the provisions of P.L.2021, c.16 (C.24:6I-31 et al.) otherwise intend to only apply to a person or entity that holds a license and not a conditional license.

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

"Manufacture" means the drying, processing, compounding, or conversion of usable cannabis into cannabis products or cannabis resins. "Manufacture" does not include packaging or labeling.

"Mature cannabis plant" means a cannabis plant that is not an immature cannabis plant.

"Medical cannabis" means cannabis dispensed to registered qualifying patients pursuant to the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.). "Medical cannabis" does not include any cannabis or cannabis item which is cultivated, produced, processed, and consumed in accordance with P.L.2021, c.16 (C.24:6I-31 et al.).

"Microbusiness" means a person or entity licensed under P.L.2021, c.16 (C.24:6I-31 et al.) as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service that may only, with respect to its business operations, and capacity and quantity of product: (1) employ no more than 10 employees; (2) operate a cannabis establishment occupying an area of no more than 2,500 square feet, and in the case of a cannabis cultivator, grow cannabis on an area no more than 2,500 square feet measured on a horizontal plane and grow above that plane not higher than 24 feet; (3) possess no more than 1,000 cannabis plants each month, except that a cannabis distributor's possession of cannabis plants for transportation shall not be subject to this limit; (4) acquire each month, in the case of a cannabis manufacturer, no more than 1,000 pounds of usable cannabis; (5) acquire for resale each month, in the case of a cannabis wholesaler, no more than 1,000 pounds of usable cannabis, or the equivalent amount in any form of manufactured cannabis product or cannabis resin, or any combination thereof; and (6) acquire for retail sale each month, in the case of a cannabis retailer, no more than 1,000 pounds of usable cannabis, or the equivalent amount in any form of manufactured cannabis product or cannabis resin, or any combination thereof.

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

"Premises" or "licensed premises" includes the following areas of a location licensed under P.L.2021, c.16 (C.24:6I-31 et al.): all public and private enclosed areas at the location that are used in the business operated at the location, including offices, kitchens, rest rooms, and storerooms; all areas outside a building that the Cannabis Regulatory Commission has specifically

licensed for the production, manufacturing, wholesaling, distributing, retail sale, or delivery of cannabis items; and, for a location that the commission has specifically licensed for the production of cannabis outside a building, the entire lot or parcel that the licensee owns, leases, or has a right to occupy.

"Produce" means the planting, cultivation, growing or harvesting of cannabis. "Produce" does not include the drying of cannabis by a cannabis manufacturer, if the cannabis manufacturer is not otherwise manufacturing cannabis.

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

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

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

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

"THC" means delta-9-tetrahydrocannabinol and its precursor, tetrahydrocannabinolic acid, the main psychoactive chemicals contained in the cannabis plant.

"Total THC" means the total concentration of all tetrahydrocannabinols in ¹[a cannabis item] hemp or a hemp product¹, including delta-8, delta-9, delta-10,

tetrahydrocannabinolic acid and any other chemically similar compound, substance, derivative, or isomer of tetrahydrocannabinol, regardless of how derived or manufactured, and any other cannabinoid, other than cannabidiol, identified by the Cannabis Regulatory Commission, in consultation with the Department of Agriculture and the Attorney General, as causing intoxication.

"Usable cannabis" means the dried leaves and flowers of the female plant *Cannabis sativa* L., and does not include the seedlings, seeds, stems, stalks, or roots of the plant.

(cf: P.L.2021, c.16, s.3)

3. Section 5 of P.L.1970, c.226 (C.24:21-5) is amended to read as follows:

5. a. Tests. The director shall place a substance in Schedule I if he finds that the substance: (1) has high potential for abuse; and (2) has no accepted medical use in treatment in the United States; or lacks accepted safety for use in treatment under medical supervision.

b. The controlled dangerous substances listed in this section are included in Schedule I, subject to any revision and republishing by the director pursuant to subsection d. of section 3 of P.L.1970, c.226 (C.24:21-3), and except to the extent provided in any other schedule.

c. Any of the following opiates, including their isomers, esters, and ethers, unless specifically excepted, whenever the existence of such isomers, esters, ethers and salts is possible within the specific chemical designation:

- (1) Acetylmethadol
- (2) Allylprodine
- (3) Alphacetylmethadol
- (4) Alphameprodine
- (5) Alphamethadol
- (6) Benzethidine
- (7) Betacetylmethadol
- (8) Betameprodine
- (9) Betamethadol
- (10) Betaprodine
- (11) Clonitazene
- (12) Dextromoramide
- (13) Dextrorphan
- (14) Diampromide
- (15) Diethylthiambutene
- (16) Dimenoxadol
- (17) Dimepheptanol
- (18) Dimethylthiambutene

- (19) Dioxaphetyl butyrate
- (20) Dipipanone
- (21) Ethylmethylthiambutene
- (22) Etonitazene
- (23) Etoxidine
- (24) Furethidine
- (25) Hydroxypethidine
- (26) Ketobemidone
- (27) Levomoramide
- (28) Levophenacymorphan
- (29) Morpheridine
- (30) Noracymethadol
- (31) Norlevorphanol
- (32) Normethadone
- (33) Norpipanone
- (34) Phenadoxone
- (35) Phenampromide
- (36) Phenomorphan
- (37) Phenoperidine
- (38) Piritramide
- (39) Proheptazine
- (40) Properidine
- (41) Racemoramide
- (42) Trimeperidine.

d. Any of the following narcotic substances, their salts, isomers and salts of isomers, unless specifically excepted, whenever the existence of such salts, isomers and salts of isomers is possible within the specific chemical designation:

- (1) Acetorphine
- (2) Acetylcodone
- (3) Acetyldihydrocodeine
- (4) Benzylmorphine
- (5) Codeine methylbromide
- (6) Codeine-N-Oxide
- (7) Cyprenorphine
- (8) Desomorphine
- (9) Dihydromorphine
- (10) Etorphine
- (11) Heroin
- (12) Hydromorphenol
- (13) Methyldesorphine
- (14) Methylhydromorphine
- (15) Morphine methylbromide
- (16) Morphine methylsulfonate
- (17) Morphine-N-Oxide
- (18) Myrophine

- (19) Nicocodeine
- (20) Nicomorphine
- (21) Normorphine
- (22) Phoclodine
- (23) Thebacon.

e. Any material, compound, mixture or preparation which contains any quantity of the following hallucinogenic substances, their salts, isomers and salts of isomers, unless specifically excepted, whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:

- (1) 3,4-methylenedioxy amphetamine
- (2) 5-methoxy-3,4-methylenedioxy amphetamine
- (3) 3,4,5-trimethoxy amphetamine
- (4) Bufotenine
- (5) Diethyltryptamine
- (6) Dimethyltryptamine
- (7) 4-methyl-2,5-dimethoxylamphetamine
- (8) Ibogaine
- (9) Lysergic acid diethylamide

(10) **[Marihuana]** Marijuana; except that on and after the effective date of the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.), **[marihuana]** marijuana shall no longer be included in Schedule I, and shall not be designated or rescheduled and included in any other schedule by the director pursuant to the director's designation and rescheduling authority set forth in section 3 of P.L.1970, c.226 (C.24:21-3).

- (11) Mescaline
- (12) Peyote
- (13) N-ethyl-3-piperidyl benzilate
- (14) N-methyl-3-piperidyl benzilate
- (15) Psilocybin
- (16) Psilocyn

(17) Tetrahydrocannabinols, including those produced by way of manufacture, except when found in hemp or a hemp product cultivated, handled, processed, transported, or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.), or cannabis or a cannabis item, as those terms are defined in section 3 of P.L.2021, c.16 (C.24:6I-33), that is grown, cultivated, produced, **[or]** manufactured, or sold in accordance with the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act," P.L.2021, c.16 (C.24:6I-31 et al.).

(cf: P.L.2021, c.16, s.44)

4. (New section) a. A person shall not sell or distribute any intoxicating hemp product unless:

(1) the person is licensed by the Cannabis Regulatory Commission in accordance with P.L.2021, c.16 (C.24:6I-31 et al.); ²or

(2) the person is a holder of any valid and unrevoked ³plenary wholesale license or ³plenary retail distribution license, as ³those terms are ³defined in ³R.S.33:1-11 and ³R.S.33:1-12, and is approved by the commission to sell intoxicating hemp beverages in accordance with section 5 of P.L. , c. (C.) (pending before the Legislature as this bill);² and

²[(2)] (3)² the product complies with the provisions of P.L.2021, c.16 (C.24:6I-31 et al.) and any ²[applicable commission regulations applicable to cannabis items] rules or regulations adopted pursuant thereto².

b. (1) It shall be unlawful to sell or distribute a hemp product or cannabis item that is not derived from naturally occurring biologically active chemical constituents.

(2) Except as otherwise provided by law, it shall be unlawful to sell or distribute a product intended for human consumption that contains tetrahydrocannabinol in any detectable amount to a person under 21 years of age.

c. In addition to any other penalty provided by law, any person licensed by the commission ², or any person approved by the commission to sell intoxicating hemp beverages pursuant to section 5 of P.L. , c. (C.) (pending before the Legislature as this bill);² who violates subsection a. or b. of this section shall be subject to any civil penalties or fines adopted by the commission in accordance with P.L.2021, c.16 (C.24:6I-31 et al.).

d. (1) Notwithstanding any provision of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), ²or subsection d. of section 5 of P.L. , c. (C.) (pending before the Legislature as this bill)² to the contrary, and in accordance with the authority established pursuant to section 18 of P.L.2021, c.16 (C.24:6I-35), the commission, in consultation with the Department of Agriculture and the Attorney General, and within 180 days of the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), is authorized to adopt immediately upon filing with the Office of Administrative Law rules and regulations necessary to implement this act.

(2) Following any rules or regulations established by the commission in accordance with subparagraph (1) of this subsection, the commission shall, in consultation the Department

of Agriculture and the Attorney General, and in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), adopt rules and regulations as necessary to implement the provisions of P.L. , c. (C.) (pending before the Legislature as this bill).

e. (1) Nothing in P.L. , c. (C.) (pending before the Legislature as this bill) shall be construed or interpreted to limit the enforceability or applicability of the "Agriculture Improvement Act of 2018," Pub.L.115-334 or the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

(2) ²The requirements of this section and section 5 of P.L. , c. (C.) (pending before the Legislature as this bill) shall apply to any online retail sale of an intoxicating hemp product sold in this State.

(3)² The imposition of any fine or other remedy under this act shall not preclude prosecution for a violation of the criminal laws of this State.

²5. (New section) a. (1) Notwithstanding P.L.2021, c.16 (C.24:6I-31 et al.), or any rule or regulation adopted pursuant thereto, the holder of any valid and unrevoked ³plenary wholesale license or³ plenary retail distribution license, as ³those terms are³ defined in ³R.S.33:1-11 and³ R.S.33:1-12, may sell or distribute intoxicating hemp beverages in accordance with this section and section 4 of P.L. , c. (C.) (pending before the Legislature as this bill) and the rules and regulations adopted by the Cannabis Regulatory Commission pursuant to subsection d. of this section.

(2) Any intoxicating hemp beverage sold or offered for sale pursuant to paragraph (1) of this section shall not be sold to any person under the age of 21, and shall be stored or displayed in a place that is not accessible to customers without the assistance of an employee of the establishment.

b. (1) Upon the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) the holder of any valid and unrevoked ³plenary wholesale license or³ plenary retail distribution license shall not sell any intoxicating hemp beverages.

(2) Upon the adoption of rules and regulations by the commission pursuant to subsection d. of this section, any holder of a valid and unrevoked ³plenary wholesale license or³ plenary retail distribution license may submit an application to the commission, in a form and manner as determined by the commission, for approval to sell intoxicating hemp beverages.

The commission may approve a valid holder of a ³plenary wholesale license or ³ plenary retail distribution license to sell intoxicating hemp beverages in accordance with P.L. _____, c. _____ (C. _____) (pending before the Legislature as this bill) and the rules and regulations adopted by the commission.

c. Any sale of an intoxicating hemp beverage by a holder of any valid and unrevoked ³plenary wholesale license or ³ plenary retail distribution license shall be subject to:

(1) the sales tax imposed on cannabis in accordance with the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.); and

(2) the same local cannabis transfer and user tax imposed on cannabis by a municipality pursuant to section 40 of P.L.2021, c.16 (C.40:48I-1).

All taxes, fees, penalties, and revenues collected pursuant to this section shall be deposited in accordance with section 41 of P.L.2021, c.16 (C.24:6I-50).

d. (1) Notwithstanding the rules and regulations adopted pursuant to subsection d. of section 4 of P.L. _____, c. _____ (C. _____) (pending before the Legislature as this bill), no later than 12 months after the effective date of this section, the commission, in consultation with the Division of Alcoholic Beverage Control shall adopt, immediately upon filing with the Office of Administrative Law, rules and regulations necessary to implement this section. The rules and regulations adopted pursuant to this section shall be effective for a period not to exceed 18 months following the date of filing and may thereafter be amended, adopted, or readopted by the ³[director] commission³ in accordance with the requirements of P.L.1968, c.410 (C.52:14B-1 et seq.).

(2) The rules and regulations adopted pursuant to this section shall include, but not be limited to, provisions concerning:

(a) packaging;

(b) labeling;

(c) product testing and safety standards;

(d) tetrahydrocannabinol amounts permitted in intoxicating hemp beverages;

(e) the number of intoxicating hemp beverages that may be sold to a customer at any given time; and

(f) a fee to be charged by the commission to cover the reasonable costs of administering this section.

For the purposes of this section, "intoxicating hemp beverage" means a beverage that is an intoxicating hemp product as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).²

²6. R.S.33:1-12 is amended to read as follows:

33:1-12. Class C licenses shall be subdivided and classified as follows:

Plenary retail consumption license. 1. The holder of this license shall be entitled, subject to rules and regulations, to sell any alcoholic beverages for consumption on the licensed premises by the glass or other open receptacle, and also to sell any alcoholic beverages in original containers for consumption off the licensed premises; but this license shall not be issued to permit the sale of alcoholic beverages in or upon any premises in which a grocery, delicatessen, drug store or other mercantile business is carried on, except as hereinafter provided. The holder of this license shall be permitted to conduct consumer wine, beer and spirits tasting events and samplings for a fee or on a complimentary basis pursuant to conditions established by rules and regulations of the Division of Alcoholic Beverage Control, provided however, that the holder of this license complies with the terms and conditions set forth in section 3 of P.L.2009, c.216 (C.33:1-12d). Subject to such rules and regulations established from time to time by the director, the holder of this license shall be permitted to sell alcoholic beverages in or upon the premises in which any of the following is carried on: the keeping of a hotel or restaurant including the sale of mercantile items incidental thereto as an accommodation to patrons; the sale, at an entertainment facility as defined in R.S.33:1-1, having a seating capacity for no less than 4,000 patrons, of mercantile items traditionally associated with the type of event or program held at the site; the sale of distillers', brewers' and vintners' packaged merchandise prepacked as a unit with other suitable objects as gift items to be sold only as a unit; the sale of novelty wearing apparel identified with the name of the establishment licensed under the provisions of this section; the sale of cigars, cigarettes, packaged crackers, chips, nuts and similar snacks and ice at retail as an accommodation to patrons, or the retail sale of nonalcoholic beverages as accessory beverages to alcoholic beverages; or, in commercial bowling establishments, the retail sale or rental of bowling accessories and the retail sale from vending machines of candy, ice cream and nonalcoholic beverages. The fee for this license shall be fixed by the governing board or body of the municipality in which the licensed premises are situated, by ordinance, at not less than \$250 and not more than \$2,500. No ordinance shall be enacted which shall raise or lower the fee to be charged for this license by more than 20% from that charged in the preceding license year or \$500.00, whichever is the lesser. The governing board or body of each municipality may, by ordinance, enact that no plenary retail consumption license shall be granted within its respective municipality.

The holder of this license shall be permitted to obtain a restricted brewery license issued pursuant to subsection 1c. of R.S.33:1-10 and to operate a restricted brewery immediately adjoining the licensed premises in accordance with the restrictions set forth in that subsection. All fees related to the issuance of both licenses shall be paid in accordance with statutory law.

Seasonal retail consumption license. 2. (1) The holder of this license shall be entitled, subject to rules and regulations, to sell any alcoholic beverages for consumption on the licensed premises by the glass or other open receptacle, and also to sell any alcoholic beverages in original containers for consumption off the licensed premises, during the summer season from May 1 until November 14, inclusive, or during the winter season from November 15 until April 30, inclusive.

(2) In addition, the director shall issue to the holder of this license, upon request by the licensee, one-day permits that shall entitle the license holder to sell alcoholic beverages for consumption on the licensed premises during the season when the license holder is not authorized to sell alcoholic beverages pursuant to subparagraph (1) of this subsection. The number of one-day permits issued to a licensee pursuant to this subsection shall not exceed an aggregate of 14 permits in one calendar year. A one-day permit issued pursuant to this subsection shall be valid for 24 consecutive hours. The fee for each one-day permit shall be \$500.

The governing body of the municipality in which the licensed premises is situated may place reasonable conditions upon a one-day permit for the purpose of maintaining public safety on the licensed premises and immediately surrounding area. The costs associated with the reasonable conditions placed on the one-day permit shall be assumed by the holder of this license.

(3) This license shall not be issued to permit the sale of alcoholic beverages in or upon any premises in which a grocery, delicatessen, drug store or other mercantile business is carried on, except as hereinafter provided. Subject to such rules and regulations established from time to time by the director, the holder of this license shall be permitted to sell alcoholic beverages in or upon the premises in which any of the following is carried on: the keeping of a hotel or restaurant including the sale of mercantile items incidental thereto as an accommodation to patrons; the sale of distillers', brewers' and vintners' packaged merchandise prepacked as a unit with other suitable objects as gift items to be sold only as a unit; the sale of novelty wearing apparel identified with the name of the establishment licensed under the provisions of this section; the sale of cigars, cigarettes, packaged crackers, chips, nuts and similar snacks and ice at retail as an accommodation to patrons; or the retail sale of nonalcoholic beverages as accessory beverages to alcoholic

beverages. The fee for this license shall be fixed by the governing board or body of the municipality in which the licensed premises are situated, by ordinance, at 75% of the fee fixed by said board or body for plenary retail consumption licenses. The governing board or body of each municipality may, by ordinance, enact that no seasonal retail consumption license shall be granted within its respective municipality.

Plenary retail distribution license. 3. a. The holder of this license shall be entitled, subject to rules and regulations, to sell any alcoholic beverages or intoxicating hemp beverages pursuant to section 5 of P.L. __, c. __ (C. __) (pending before the Legislature as this bill), for consumption off the licensed premises, but only in original containers; except that licensees shall be permitted to conduct consumer wine, beer, and spirits tasting events and samplings on a complimentary basis pursuant to conditions established by rules and regulations of the Division of Alcoholic Beverage Control, provided however, that the holder of this license complies with the terms and conditions set forth in section 3 of P.L.2009, c.216 (C.33:1-12d).

The governing board or body of each municipality may, by ordinance, enact that this license shall not be issued to permit the sale of alcoholic beverages in or upon any premises in which any other mercantile business is carried on, except that any such ordinance, heretofore or hereafter adopted, shall not prohibit the retail sale of distillers', brewers' and vintners' packaged merchandise prepacked as a unit with other suitable objects as gift items to be sold only as a unit; the sale of novelty wearing apparel identified with the name of the establishment licensed under the provisions of this act; cigars, cigarettes, packaged crackers, chips, nuts and similar snacks, ice, and nonalcoholic beverages as accessory beverages to alcoholic beverages. The fee for this license shall be fixed by the governing board or body of the municipality in which the licensed premises are situated, by ordinance, at not less than \$125 and not more than \$2,500. No ordinance shall be enacted which shall raise or lower the fee to be charged for this license by more than 20% from that charged in the preceding license year or \$500.00, whichever is the lesser. The governing board or body of each municipality may, by ordinance, enact that no plenary retail distribution license shall be granted within its respective municipality.

Limited retail distribution license. 3. b. The holder of this license shall be entitled, subject to rules and regulations, to sell any unchilled, brewed, malt alcoholic beverages in quantities of not less than 72 fluid ounces for consumption off the licensed premises, but only in original containers; provided, however, that this license shall be issued only for premises operated and conducted by the licensee

as a bona fide grocery store, meat market, meat and grocery store, delicatessen, or other type of bona fide food store at which groceries or other foodstuffs are sold at retail; and provided further that this license shall not be issued except for premises at which the sale of groceries or other foodstuffs is the primary and principal business and at which the sale of alcoholic beverages is merely incidental and subordinate thereto. The fee for this license shall be fixed by the governing body or board of the municipality in which the licensed premises are situated, by ordinance, at not less than \$31 and not more than \$63. The governing board or body of each municipality may, by ordinance, enact that no limited retail distribution license shall be granted within its respective municipality.

Plenary retail transit license. 4. The holder of this license shall be entitled, subject to rules and regulations, to sell any alcoholic beverages, for consumption only, on railroad trains, airplanes, limousines and boats, while in transit. The fee for this license for use by a railroad or air transport company shall be \$375, for use by the owners of limousines shall be \$31 per vehicle, and for use on a boat shall be \$63 on a boat 65 feet or less in length, \$125 on a boat more than 65 feet in length but not more than 110 feet in length, and \$375 on a boat more than 110 feet in length; such boat lengths shall be determined in the manner prescribed by the Bureau of Customs of the United States Government or any federal agency successor thereto for boat measurement in connection with issuance of marine documents. A license issued under this provision to a railroad or air transport company shall cover all railroad cars and planes operated by any such company within the State of New Jersey. A license for a boat or limousine issued under this provision shall apply only to the particular boat or limousine for which issued, and shall permit the purchase of alcoholic beverages for sale or service in a boat or limousine to be made from any Class A and B licensee or from any Class C licensee whose license privilege permits the sale of alcoholic beverages in original containers for off-premises consumption. An interest in a plenary retail transit license issued in accordance with this section shall be excluded in determining the maximum number of retail licenses permitted under P.L.1962, c.152 (C.33:1-12.31 et seq.).

Club license. 5. The holder of this license shall be entitled, subject to rules and regulations, to sell any alcoholic beverages but only for immediate consumption on the licensed premises and only to bona fide club members and their guests. The fee for this license shall be fixed by the governing board or body of the municipality in which the licensed premises are situated, by ordinance, at not less than \$63 and not more than \$188. The governing board or body of each municipality may, by ordinance, enact that no club licenses shall be granted within its respective municipality. Club licenses

may be issued only to such corporations, associations and organizations as are operated for benevolent, charitable, fraternal, social, religious, recreational, athletic, or similar purposes, and not for private gain, and which comply with all conditions which may be imposed by the Director of the Division of Alcoholic Beverage Control by rules and regulations.

The provisions of section 23 of P.L.2003, c.117 amendatory of this section shall apply to licenses issued or transferred on or after July 1, 2003, and to license renewals commencing on or after July 1, 2003.

Sporting facility license. 6. The holder of this license shall be entitled, subject to rules and regulations, to sell at retail or to serve any alcoholic beverages as the owner, operator, lessee, or concessionaire of a sporting facility by the glass or other receptacle or in original containers only on the premises of the sporting facility.

Notwithstanding any other provision of Title 33 of the Revised Statutes and subject to conditions established by the director, the holder of this license may share direction and control of the premises to be licensed and share proceeds and profits from the sale of alcoholic beverages with the owner, operator, concessionaire, or lessee of the facility. The holder of this license shall be permitted to conduct consumer wine, beer, and spirits tasting events and samplings for a fee or on a complimentary basis provided, however, the license holder complies with the provisions of section 3 of P.L.2009, c.216 (C.33:1-12d) and rules and regulations promulgated thereto. Notwithstanding any law, rule or regulation to the contrary, the holder of this license shall be entitled to establish an all-inclusive area within the licensed sporting facility, provided the all-inclusive area is limited to one area within the sporting facility for each game or event and the capacity of the all-inclusive area does not exceed 500 persons.

The fee for this license shall be \$2,500 for venues with a capacity of less than 7,500 persons; \$5,000 for venues with a capacity of not less than 7,500 persons but not more than 14,999 persons; \$7,500 for venues with a capacity of not less than 15,000 persons but not more than 22,499 persons; and \$10,000 for venues with a capacity of 22,500 persons or more.

For the purposes of this subsection:

"Sporting facility" means a stadium, arena, team training facility, or similar venue located on public property where alcoholic beverages are served or sold at retail for consumption on the premises by the glass or other open receptacle or in original containers.

"Team training facility" shall include team offices and team headquarters.²

(cf: P.L.2018, c.147, s.1)

²7. Section 41 of P.L.2021, c.16 (C.24:6I-50) is amended to read as follows:

41. Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund.

a. All fees and penalties collected by the commission, and all tax revenues on retail sales of cannabis items, and all tax revenues collected pursuant to the provisions of the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.), except for amounts credited to the Property Tax Reform Account in the Property Tax Relief Fund pursuant to paragraph 7 of Section I of Article VIII of the New Jersey Constitution, [as well as] all revenues, if any, collected for the Social Equity Excise Fee pursuant to section 39 of P.L.2021, c.16 (C.54:47F-1), ³[as well as]³ all tax revenues on the retail sale of intoxicating hemp beverages by any plenary retail distribution license holder ³, as well as any fees associated with the approval provided to any plenary wholesale license holder to sell intoxicating hemp beverages³, as defined pursuant to section 5 of P.L. , c. (C.) (pending before the Legislature as this bill), shall be deposited in a special nonlapsing fund which shall be known as the "Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund," with 15 percent of the monies deposited being placed into an account within the fund to be known as the "Underage Deterrence and Prevention Account."

b. Monies in the fund, other than any monies derived from the Social Equity Excise Fee to be appropriated annually in accordance with subsection d. of this section and the monies placed into the "Underage Deterrence and Prevention Account" within the fund for the commission to fund programs and services in accordance with subsection e. of this section, shall be appropriated annually as follows:

(1) at least 70 percent of all tax revenues on retail sales of cannabis items shall be appropriated for investments, including through grants, loans, reimbursements of expenses, and other financial assistance, in municipalities defined as an "impact zone" pursuant to section 3 of P.L.2021, c.16 (C.24:6I-33), as well as provide direct financial assistance to qualifying persons residing therein as recommended by the commission; and (2) the remainder of the monies in the fund shall be appropriated by the Legislature to include the following:

(a) to oversee the development, regulation, and enforcement of activities associated with the personal use of cannabis pursuant to P.L.2021, c.16 (C.24:6I-31 et al.), and assist with assuming responsibility from the Department of Health for the further

development and expansion, regulation, and enforcement of activities associated with the medical use of cannabis pursuant to the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.);

(b) to reimburse the expenses incurred by any county or municipality for the training costs associated with the attendance and participation of a police officer from its law enforcement unit, as those terms are defined in section 2 of P.L.1961, c.56 (C.52:17B-67), in a program provided by an approved school, also defined in that section, which trains and certifies the police officer, including a police officer with a working dog as that term is defined in section 1 of P.L.2006, c.88 (C.10:5-29.7), as a Drug Recognition Expert for detecting, identifying, and apprehending drug-impaired motor vehicle operators, and pay for the same training costs incurred by the Division of State Police in the Department of Law and Public Safety for the training of a State police officer or trooper, including an officer or trooper with a working dog, as a Drug Recognition Expert, as well as its costs in furnishing additional program instructors to provide Drug Recognition Expert training to police officers, troopers, and working dogs. A municipality or county seeking reimbursement shall apply to the commission, itemizing the costs, with appropriate proofs, for which reimbursement is requested and provide a copy of the certificate issued to the police officer to indicate the successful completion of the program by the police officer, and that officer's working dog, if applicable; and

(c) for further investments, including through grants, loans, reimbursements of expenses, and other financial assistance, in municipalities defined as an "impact zone" pursuant to section 3 of P.L.2021, c.16 (C.24:6I-33), as well as provide direct financial assistance to qualifying persons residing therein as recommended by the commission.

The monies appropriated pursuant to paragraph (1) of this subsection shall be offset by any revenue constitutionally dedicated to municipalities defined as an "impact zone" pursuant to section 3 of P.L.2021, c.16 (C.24:6I-33).

c. Any remaining available monies, after the appropriation of those monies in the fund in accordance with subsection b. of this section, shall be deposited in the State's General Fund.

d. (1) (a) Not less than 60 days prior to the first day of each State fiscal year, the commission shall consult and make recommendations to the Governor and Legislature for making social equity appropriations based upon the amount of any revenues collected during the current fiscal year for the Social Equity Excise Fee pursuant to section 39 of P.L.2021, c.16

(C.54:47F-1), or, if the commission has not imposed or adjusted the excise fee in the current fiscal year pursuant to that section, then appropriations to be made from the General Fund in an amount equal to the revenues that would have been collected had it imposed or adjusted the fee, in order to invest, through grants, loans, reimbursements of expenses, and other financial assistance, in private for-profit and non-profit organizations, public entities, including any municipality defined as an "impact zone" pursuant to section 3 of P.L.2021, c.16 (C.24:6I-33) as well as provide direct financial assistance to qualifying persons as determined by the commission, in order to create, expand, or promote educational and economic opportunities and activities, and the health and well-being of both communities and individuals.

(b) Not less than 30 days prior to submitting its recommendations to the Governor and Legislature pursuant to subparagraph (a) of this paragraph, the commission shall hold at least three regional public hearings throughout the State, with at least one hearing in the northern, central, and southern regions of the State, to solicit the public input on the social equity investments to be made as described in this section.

(2) The commission's recommendations to the Governor and Legislature may include, but are not limited to, recommending investments in the following categories of social equity programs:

(a) educational support, including literacy programs, extended learning time programs that endeavor to close the achievement gap and provide services for enrolled students after the traditional school day, GED application and preparedness assistance, tutoring programs, vocational programming, and financial literacy;

(b) economic development, including the encouragement and support of community activities so as to stimulate economic activity or increase or preserve residential amenities, and business marketing, and job skills and readiness training, specific employment training, and apprenticeships;

(c) social support services, including food assistance, mental health services, substance use disorders treatment and recovery, youth recreation and mentoring services, life skills support services, and reentry and other rehabilitative services for adults and juveniles being released from incarceration; and

(d) legal aid for civil and criminal cases, regardless of a party's citizenship or immigration status.

(3) The commission may also, subject to the annual appropriations act, recommend that it retain a portion of the Social Equity Excise Fee to administer startup grants, low-

interest loans, application fee assistance, and job training programs through the commission's Office of Minority, Disabled Veterans and Women Cannabis Business Development established by section 32 of P.L.2019, c.153 (24:6I-25).

(4) Prior to the first day of each fiscal year, the Legislature shall provide to the commission a statement which lists the investments, including the investment recipients and investment amount, to be made by appropriations as set forth in paragraph (1) of this subsection based upon recommendations presented to the Governor and Legislature pursuant to paragraphs (1) through (3) of this subsection, and how the investment is intended to support and advance social equity as described in this subsection.

e. The monies deposited in the "Underage Deterrence and Prevention Account" within the fund shall be used by the commission, based on the acceptance of applications submitted on a form and through an approval or denial process promulgated by the commission, to fund private for-profit and non-profit organizations, and county and municipal programs and services that offer social services, educational, recreational, and employment opportunities, and local economic development designed to encourage, improve, and support youthful community activities to divert and prevent persons under 18 years of age from activities associated with the consumption of cannabis items, or marijuana or hashish.²

(cf: P.L.2021, c.25, s.5)

²[5.] 8.² (New section) a. A person who sells, offers for sale, or distributes any intoxicating hemp product or a hemp product or cannabis item that is not derived from naturally occurring biologically active chemical constituents, in violation of section 4 of P.L. , c. (C.) (pending before the Legislature as this bill), shall be liable to a civil penalty of not less than \$100 for the first violation, not less than \$1,000 for the second violation, and not less than \$10,000 for the third and each subsequent violation. The penalty prescribed by this section shall be collected and enforced by summary proceedings under the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

b. An official authorized by statute or ordinance to enforce this act or the State or local health codes or consumer protection laws or a law enforcement officer having enforcement authority in that municipality may issue a summons for a violation of the provisions of section 4 of P.L. , c. (C.) (pending before the Legislature as this bill), and may serve and execute all process with respect to the enforcement of this section consistent with the Rules of Court.

c. A penalty recovered under the provisions of this section shall be recovered by and in the name of the State by the local health or

consumer protection agency or other authorized government entity, including but not limited to the Division of Consumer Affairs in the Department of Law and Public Safety and the Cannabis Regulatory Commission established pursuant to section 31 of P.L.2019, c.153 (C.24:6I-24). With respect to an enforcement action brought by a municipal official, half of any monetary penalty shall be paid into the treasury of the municipality in which the violation occurred for the general uses of the municipality, and half shall be deposited in the special nonlapsing fund known as the "Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund," established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-50). With respect to an enforcement action brought by any other government entity, any monetary penalty collected pursuant to P.L. , c. (C.) (pending before the Legislature as this bill) shall be deposited in the special nonlapsing fund known as the "Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Fund," established pursuant to section 41 of P.L.2021, c.16 (C.24:6I-50).

d. A law enforcement officer, local health official, or other government official from an agency authorized to enforce this section may confiscate any intoxicating hemp product, hemp product, or cannabis item that is sold, offered for sale, or distributed in violation of section 4 of P.L. , c. (C.) (pending before the Legislature as this bill).

e. In addition to the civil penalty authorized under subsection a. of this section, a business found to have committed more than two violations of section 4 of P.L. , c. (C.) (pending before the Legislature as this bill) or found to have committed a third or subsequent violation at any individual location within one year shall be deemed a public nuisance. Notwithstanding any other provision of law, a municipality shall have the power to impose restrictions on the operation, including closure, of any business determined to constitute a public nuisance pursuant to this subsection.

²f. The provisions of P.L. , c. (C.) (pending before the Legislature as this bill) shall not be construed to impose liability on news media that accept, publish, or both, advertising for products or services that fall within the scope of P.L. , c. (C.) (pending before the Legislature as this bill).²

²9. Section 40 of P.L.2021, c.16 (C.40:48I-1) is amended to read as follows:

40. Optional Local Cannabis Transfer Tax and User Tax.

a. (1) A municipality may adopt an ordinance imposing a transfer tax on the sale of cannabis or cannabis items by a cannabis establishment or a holder of a³plenary wholesale

license or³ plenary retail distribution license selling an intoxicating hemp beverage in accordance with section 5 of P.L. , c. (C.).(pending before the Legislature as this bill) that is located in the municipality. At the discretion of the municipality, the tax may be imposed on: receipts from the sale of cannabis by a cannabis cultivator to another cannabis cultivator; receipts from the sale of cannabis items from one cannabis establishment to another cannabis establishment; receipts from the retail sales of cannabis items or intoxicating hemp beverages by a cannabis retailer or a holder of a ³plenary wholesale license or³ plenary retail distribution license to retail consumers who are 21 years of age or older; or any combination thereof. Each municipality shall set its own rate or rates, but in no case shall a rate exceed: two percent of the receipts from each sale by a cannabis cultivator; two percent of the receipts from each sale by a cannabis manufacturer; one percent of the receipts from each sale by a cannabis wholesaler; and two percent of the receipts from each sale by a cannabis retailer or holder of a ³plenary wholesale license or³ plenary retail distribution license.

(2) A local tax ordinance adopted pursuant to paragraph (1) of this subsection shall also include provisions for imposing a user tax, at the equivalent transfer tax rates, on any concurrent license holder, as permitted by section 33 of P.L.2021, c.16 (C.24:6I-46), operating more than one cannabis establishment ,or on any concurrent holder of ³plenary wholesale licenses or³ plenary retail distribution licenses. The user tax shall be imposed on the value of each transfer or use of cannabis or cannabis items not otherwise subject to the transfer tax imposed pursuant to paragraph (1) of this subsection, from the license holder's establishment that is located in the municipality to any of the other license holder's establishments, whether located in the municipality or another municipality.

b. (1) A transfer tax or user tax imposed pursuant to this section shall be in addition to any other tax imposed by law. Any transaction for which the transfer tax or user tax is imposed, or could be imposed, pursuant to this section, other than those which generate receipts from the retail sales by cannabis retailers or a holder of a ³plenary wholesale license or³ plenary retail distribution license, shall be exempt from the tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.). The transfer tax or user tax shall be collected or paid, and remitted to the municipality by the cannabis establishment or the holder of the ³plenary wholesale license or³ plenary retail distributor license from the cannabis establishment ³, plenary

wholesale license holder,³ or plenary retail distributor purchasing or receiving the cannabis or cannabis item, or from the consumer at the point of sale, on behalf of the municipality by the cannabis retailer ³, plenary wholesale license holder,³ or plenary retail distributor selling the cannabis item to that consumer. The transfer tax or user tax shall be stated, charged, and shown separately on any sales slip, invoice, receipt, or other statement or memorandum of the price paid or payable, or equivalent value of the transfer, for the cannabis or cannabis item.

(2) Every cannabis establishment ³, plenary wholesale license holder,³ or plenary retail distributor required to collect a transfer tax or user tax imposed by ordinance pursuant to this section shall be personally liable for the transfer tax or user tax imposed, collected, or required to be collected under this section. Any cannabis establishment ³, plenary wholesale license holder,³ or plenary retail distributor shall have the same right with respect to collecting the transfer tax or user tax from another cannabis establishment plenary retail distributor ³, plenary whole license holder,³ or the consumer as if the transfer tax or user tax was a part of the sale and payable at the same time, or with respect to non-payment of the transfer tax or user tax by the cannabis establishment, plenary retail distributor ³, plenary whole license holder,³ or consumer, as if the transfer tax or user tax was a part of the purchase price of the cannabis or cannabis item, or equivalent value of the transfer of the cannabis or cannabis item, and payable at the same time; provided, however, that the chief fiscal officer of the municipality which imposes the transfer tax or user tax shall be joined as a party in any action or proceeding brought to collect the transfer tax or user tax.

(3) No cannabis establishment ³, plenary wholesale license holder,³ or plenary retail distributor required to collect a transfer tax or user tax imposed by ordinance pursuant to this section shall advertise or hold out to any person or to the public in general, in any manner, directly or indirectly, that the transfer tax or user tax will not be separately charged and stated to another cannabis establishment, plenary retail distributor, ³, plenary whole license holder,³ or the consumer, or that the transfer tax or user tax will be refunded to the cannabis establishment, plenary retail distributor, ³, plenary whole license holder,³ or the consumer.

c. (1) All revenues collected from a transfer tax or user tax imposed by ordinance pursuant to this section shall be remitted to the chief financial officer of the municipality in a manner

prescribed by the municipality. The chief financial officer shall collect and administer any transfer tax or user tax imposed by ordinance pursuant to this section. The municipality shall enforce the payment of delinquent taxes or transfer fees imposed by ordinance pursuant to this section in the same manner as provided for municipal real property taxes.

(2) (a) In the event that the transfer tax or user tax imposed by ordinance pursuant to this section is not paid as and when due by a cannabis establishment ³, plenary wholesale license holder,³ or plenary retail distributor, the unpaid balance, and any interest accruing thereon, shall be a lien on the parcel of real property comprising the cannabis establishment's ³, plenary wholesale license holder,³ or plenary retail distributor premises in the same manner as all other unpaid municipal taxes, fees, or other charges. The lien shall be superior and paramount to the interest in the parcel of any owner, lessee, tenant, mortgagee, or other person, except the lien of municipal taxes, and shall be on a parity with and deemed equal to the municipal lien on the parcel for unpaid property taxes due and owing in the same year.

(b) A municipality shall file in the office of its tax collector a statement showing the amount and due date of the unpaid balance and identifying the lot and block number of the parcel of real property that comprises the delinquent cannabis establishment's ³, plenary wholesale license holder,³ or plenary retail distributor premises. The lien shall be enforced as a municipal lien in the same manner as all other municipal liens are enforced.

d. As used in this section:

"Cannabis" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Cannabis cultivator" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Cannabis establishment" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Cannabis items" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Cannabis manufacturer" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Cannabis retailer" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Cannabis wholesaler" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Consumer" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).

"Premises" means the same as that term is defined in section 3 of P.L.2021, c.16 (C.24:6I-33).²

(cf: P.L.2021, c.16, s.40)

³10. R.S.33:1-11 is amended to read as follows:

33:1-11. Class B licenses shall be subdivided and classified as follows:

Plenary wholesale license. 1. The holder of this license shall be entitled, subject to rules and regulations, to sell and distribute alcoholic beverages or intoxicating hemp beverages, in accordance with section 5 of P.L. , c. (C.) (pending before the Legislature as this bill), to retailers and wholesalers licensed in accordance with this chapter, and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse and salesroom; provided, however, that the delivery of such alcoholic beverages by the holder of this license to retailers licensed under this Title shall be from inventory in a warehouse located in New Jersey which is operated under a plenary wholesale license. The fee for this license shall be \$8,750.

Limited wholesale license. 2a. The holder of this license shall be entitled, subject to rules and regulations, to sell and distribute brewed malt alcoholic beverages and naturally fermented wines to retailers and wholesalers licensed in accordance with this chapter, and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse and salesroom. The fee for this license shall be \$1,875.

Wine wholesale license. 2b. The holder of this license shall be entitled, subject to rules and regulations, to sell and distribute any naturally fermented, treated, blended, fortified and sparkling wines to retailers and wholesalers licensed in accordance with this chapter, and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse and salesroom; provided, however, that the delivery of such wines by the holder of this license to retailers licensed under this Title shall be from inventory in a warehouse located in New Jersey which is operated under a wine wholesale license. The fee for this license shall be \$3,750.

State beverage distributor's license. 2c.(1) The holder of this license shall be entitled, subject to rules and regulations, to sell and distribute unchilled, brewed, malt alcoholic beverages in original containers only, in quantities of not less than 144 fluid ounces and chilled draught malt alcoholic beverages in kegs, barrels or other similar containers of at least one fluid gallon in capacity, to retailers licensed in accordance with this chapter, and to sell and distribute without this State to any person pursuant to

the laws of the places of such sale and distribution, and to maintain a warehouse and salesroom. The holder of this license may sell unchilled, brewed, malt alcoholic beverages in original containers only, in quantities of not less than 144 fluid ounces and chilled draught malt alcoholic beverages in kegs, barrels or other similar containers of at least 7.75 fluid gallons in capacity, at retail; provided, however, that such sales shall be made only for consumption off the licensed premises. This license shall not be issued to any person holding a plenary or limited brewery license, nor shall it be issued to any person directly or indirectly interested in any brewery within or without this State. This license shall not be issued for premises in or upon which any retail business, except the sale of malt alcoholic beverages and nonalcoholic beverages, is carried on. The fee for this license shall be \$1,031.

(2) After the effective date of P.L.1995, c. 309 any license issued or transferred pursuant to this subsection for a premises located in a municipality in a county of the fifth or sixth class shall be limited to prohibit retail sales.

(3) The holder of a license issued pursuant to this subsection shall not be entitled to sell malt alcoholic beverages at retail as provided in paragraph (1) of this subsection, at hours of the day or on days of the week during which sales by holders of plenary retail distributors licenses are prohibited in the municipality in which the licensed premises is located or in a municipality which, in accordance with the provisions of this title, prohibits all retail sales of wine and malt alcoholic beverages in original bottle or can containers.

The provisions of section 22 of P.L.2003 , c.117 amendatory of this section shall apply to licenses issued or transferred on or after July 1, 2003, and to license renewals commencing on or after July 1, 2003.³
(cf: P.L.2003, c.117, s.22)

²[6.] ³[¹⁰.²] ¹¹.³ (New section) The Cannabis Regulatory Commission, in consultation with the Division of Consumer Affairs in the Department of Law and Public Safety ²[and] ,² the Business Action Center in the Department of State, ²and the Division of Alcoholic Beverage Control in the Department of Law and Public Safety² shall develop and implement a public education program to educate businesses across the State on the provisions of P.L. , c. (C.) (pending before the Legislature as this bill).

²[7.] ³[¹¹.²] ¹².³ ²[Paragraph (2) of subsection b. of section 4 and section 6 of this act shall take effect immediately. The

remainder of this act shall take effect 180 days after enactment, except that the Cannabis Regulatory Commission may take any anticipatory administrative action in advance as shall be necessary for the implementation of this act] This act shall take effect as follows:

a. Paragraph (2) of subsection b. of section 4 shall take effect immediately;.

b. The remainder of this act shall take effect 30 days after enactment, except that the Cannabis Regulatory Commission may take any anticipatory administrative action in advance as shall be necessary for the implementation of this act².