



# New Jersey Adult-Use Bill Summary

## Adult-Use Possession Limits

- A person who is 21 or older could possess, purchase, and share with another adult up to one ounce of cannabis, an equivalent amount of cannabis products, or five grams of resin.
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## Prohibitions

- The following would remain illegal: public consumption; impaired driving; consuming cannabis while driving or riding in a vehicle; and having an open container in a vehicle.
  - Home cultivation would remain illegal.
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## Business Licensing

- Charges the Cannabis Regulatory Commission with licensing and regulating growers, processors, wholesalers, testing facilities, distributors, delivery services, and retailers. The number of licenses would be based on demand, and could be increased if more are needed.
  - Retailers could have on-site consumption areas if allowed by the local government.
- The commission is responsible for writing regulations, making licensing decisions, and regulating businesses, including imposing penalties or revoking licenses for violations.
- ATCs (medical cannabis licensees) will be deemed licensed if the localities approve them. However, they must certify that they have sufficient quantities of cannabis to serve patients first.
- The commission would issue licenses based on a scored system that considers factors including security, qualifications, directly related experience, social responsibility, and workforce development plans. It would prioritize applications related to unionization and “impact zones.” Impact zones are cities with either a population of 120,000 or more or that have higher rates of cannabis arrests, crime, and unemployment. The commission would prioritize applicants with:
  - 1) at least one significantly involved person who is a multi-year resident of an impact zone, or
  - 2) a plan to employ at least 25% of staff from impact zones.
  - At least 25% of the licenses would go to microbusinesses, which have limits on the number of employees and amount of cannabis handled. They would pay lower fees and be subject to added residency requirements. Those licenses could not be transferred.
- Provides for at least 35% of the licenses in each category to be “conditional licenses,” which have income limits for applicants. Conditional licensees are given 120 days from approval to meet all conditions required for full licensure.
- All licensees except microbusinesses must maintain labor peace agreements.

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## Equity and Inclusion

- The Office of Minority, Disabled Veterans, and Women Cannabis Business Development would promote the participation of socially and economically disadvantaged communities in the cannabis industry.
  - The goal is to have at least 15% of new licenses be given to businesses certified as minority-owned and at least 15% certified as women- or disabled veteran-owned.
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## Regulations and Reporting

- The commission would issue comprehensive regulations, including:
    - requiring a warning label including the consequences of misuse or overuse, related to delayed effects, and related to pregnancy and breastfeeding;
    - establishing serving sizes of no more than 10 mg THC, requiring them to be clearly marked, and limiting THC per package to no more than 100 mg;
    - governing security and safety protocols, lab testing, sanitary requirements, home delivery, training requirements and programs, pesticides, and record-keeping;
    - requiring cannabis to be sold in opaque, child-resistant packaging, and prohibiting toys, characters, cartoon characters, and other depictions likely to appeal to minors;
    - banning ads designed to appeal to people under 21, ads where there is not reliable evidence that the vast majority of the audience is 21 and over, and advertising on TV between 6 a.m. and 10 p.m. or within 200 feet of a school; and
    - providing for rigorous audits, inspections, and monitoring.
  - Requires annual reporting from the commission on a number of things including licensed patients and caregivers, cannabis business licenses, diversity in permit holders and applications, the business development initiatives undertaken by the Office of Minority, Disabled Veterans, and Women Cannabis Business Development, and statistics on cannabis arrests and motor vehicle stops.
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## Local Control

- Local jurisdictions may regulate the time, place, manner, and number of businesses.
  - Localities may ban cannabis businesses — other than delivery services — within 180 days of the law's passage. Bans enacted prior to implementation of the law would not be operative. Absent a ban, businesses are allowed in appropriately zoned areas for the next five-year period.
  - Localities will be forwarded applications within their jurisdictions to determine whether they comply with local rules. They may require a local license or endorsement.
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## Taxes, Fees, and Revenue

- There is no statewide tax in the bill. The standard 6.625% sales tax will apply.

- Taxes and fees levied by the state would be used for regulatory costs and reimburse local governments for DRE training. Remaining funds would go to the General Fund.
  - Localities could levy taxes of up to 2% for growers, processors, and retailers, and 1% for wholesalers.
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## **Timeline**

- Initial regulations must be adopted within 180 days of enactment (unless the full commission hasn't been appointed for 45 days). Applications must be accepted within 30 days of then.
  - ATCs could begin sales once rules are issued and they have state and local approval.
  - Within 180 days of issuing regulations, retail sales from other licensees begin. All licensees and conditional licensees must be given 30 days' notice of the date.
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## **Underage Possession**

- Underage possession or use of cannabis at a school, in a motor vehicle, or in public would be punishable by a fine of at least \$250. If possessed in a vehicle, a six-month license suspension would also be imposed. Courts may require a drug abuse course.
  - Municipalities may punish underage cannabis possession on private property by a \$100 fine for a first offense, \$200 for a second offense, and \$350 for other offenses.
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## **Civil Protections and Limitations**

- Condos and apartments could prohibit all residents from smoking and vaping cannabis.
  - A person generally could not be penalized in relation to employment, housing, or enrollment in schooling for testing positive for cannabis metabolites or for most marijuana convictions, unless a federal grant or funding would require it or the job is in law enforcement or corrections. Mortgages also could not be denied for prior convictions.
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