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From: Suzanne Schumann
Sent: Thursday, March 18, 2021 1:44 PM
To: C Sabo; Peter Burke; John Francis
Subject: FW: Cannabis Briefing, PowerPoint Attached
Attachments: Cannabis Law Legislative Briefing 031821.pdf

From: NJLM Legislation <legislation@njlm.org>
Sent: Thursday, March 18, 2021 1:40 PM
To: Michael F. Cerra <mcerra@njlm.org>
Subject: Cannabis Briefing, PowerPoint Attached

Today's presentation is attached as a PDF. The video is being edited and will be posted online shortly.

Michael F. Cerra
Executive Director
NJLM

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Cannabis Cultivator (Class 1 License)

- **Cannabis grower**
 - Grows, cultivates, or produces cannabis in New Jersey, and sells.
 - Sells and may transport to other cannabis growers, processors, wholesalers or retailers, but not consumers.

Cannabis Wholesaler

(Class 3 License)

- **Cannabis wholesaler**
 - Purchases or otherwise obtains, stores, sells, or otherwise transfers.
 - 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.

Cannabis Retailer

(Class 5 License)

- **Cannabis retailer**
 - Purchases or otherwise obtains usable cannabis from cannabis cultivators and cannabis items from cannabis manufacture or cannabis wholesalers, and sells these to consumers from a retail store.
 - May use a cannabis delivery service or a certified cannabis handler for the off-premises delivery of cannabis items and related supplies to consumers.
 - Must accept consumer purchases to be fulfilled from its retailer store that are presented by a cannabis delivery services to be delivered to the consumer.

Local Cannabis Tax

- By ordinance
- Cannot exceed:
 - 2% cannabis cultivator
 - 2% cannabis manufacture
 - 1% cannabis wholesaler
 - 2% cannabis retailer
- Percentage based on receipts on each sale

License Applicant

- An applicant must:
 - Have at least 1 significantly involved person who lives in NJ for at least 2 years at the date of the application, and provide proof they are 21 or older.
 - Must meet the requirements of any rule or regulations adopted the Commission.
 - The owner, unless they hold less than 5%, any director, any officer, and employee undergo a criminal history record background check.

Applications

- Must include, amongst others items:
 - Quality control & quality assurance.
 - Recall plans.
 - Water management & waste disposal plans.
 - Odor mitigation practices.
 - Safety & Security plan.
 - Community Impact, Social Responsibility & Research Statement.

License Process

- Municipality must inform the Commission whether the application complies with local restrictions on times of operation, location, manner, and the number of cannabis businesses.
- Commission must approve a license that meets the requirements of this law.
 - Unless they find by clear and convincing evidence that the applicant would be manifestly unsuitable to perform the activities for the license class sought.

Cannabis Regulatory Commission

- Members:
 - Dianna Houenou, Commission Chair
 - Krista Nash
 - Maria Del Cid
 - William Wallace
 - Sam Delgado
- Determines date on which retailers can begin retail sales.
- Adopt rules and regulations
 - Initial rules within 180 days (August 22, 2021)

Municipal Regulations & Ordinances

- May enact ordinances that:
 - Govern times of operation, location, manner, & number of type of cannabis businesses.
 - Establish civil penalties for ordinance violation.
 - Permit consumption areas for retail licenses with municipal endorsement.
- Cannot prohibit cannabis delivery services (Class 6 Licenses).
- Nulls and voids any ordinance previously enacted ordinances prohibiting cannabis related activities.

Limitations of Locations

- Grocery stores
- Delis
- Indoor food markets
- Other stores engaging in retail food
- Premises licensed for retail sales of alcoholic beverages

Microbusinesses

Microbusiness

- Person or entity licensed.
- Cannabis grower, processor, wholesaler, distributor, retailer, or delivery service.
- Has no more than 10 employees.
- Operate in space of no more than 2,500 square feet area.
 - Except a grower can operate in space of no more than 2,500 square feet measured on a horizontal plane and grow no higher than 24 feet above that plan.
- Process no more than 1,000 cannabis plants each month.
 - Except a distributor's possession for transportation.
- Cannabis cultivator cannot acquire and process more than 1,000 pounds of cannabis in dried form each month.
- Cannabis wholesaler cannot acquire for resale more than 1,000 pounds each month.
Cannabis retailer cannot acquire for sale more than 1,000 pounds each month.

Municipal Regulations & Ordinances

- Repeals statute N.J.S.A. 40:48-1.2
 - Effectively prohibits municipalities from adopting an ordinance prohibiting underage consumption of alcohol & cannabis on private property.

Underage possession or consumption

- Under legal age:
 - Not capable of giving lawful consent to search to determine possession or consumption violation.
- Police officer not permitted to request a consent to search.
- Odor would not constitute:
 - Reasonable articulable suspicion to initiate an investigatory stop.
 - probable cause to initiate search of person or their personal property.
- Plain sight would not constitute probable cause to initiate search of person or their personal property.

Questions

March 18, 2021

NJLM Legislative Briefing: Marijuana Legalization