SENATE, No. 3686 STATE OF NEW JERSEY 218th LEGISLATURE

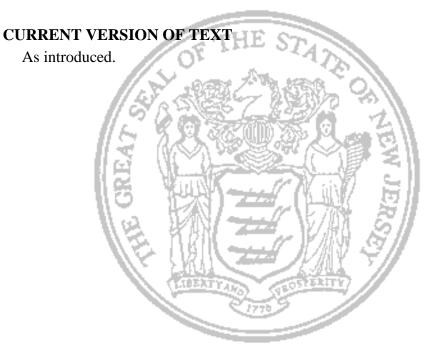
INTRODUCED MAY 13, 2019

Sponsored by: Senator STEPHEN M. SWEENEY District 3 (Cumberland, Gloucester and Salem) Senator STEVEN V. OROHO District 24 (Morris, Sussex and Warren) Senator JAMES BEACH District 6 (Burlington and Camden) Senator BOB ANDRZEJCZAK District 1 (Atlantic, Cape May and Cumberland)

Co-Sponsored by: Senators Turner, Cardinale and O'Scanlon

SYNOPSIS

Establishes program for cultivation, handling, processing, transport, and sale of hemp; repeals New Jersey Industrial Hemp Pilot Program.



(Sponsorship Updated As Of: 6/18/2019)

1 AN ACT concerning the cultivation, handling, processing, transport, 2 and sale of hemp, supplementing Title 4 and 24 of the Revised 3 Statutes, amending various parts of the statutory law, and 4 repealing P.L.2018, c.139. 5 6 **BE IT ENACTED** by the Senate and General Assembly of the State 7 of New Jersey: 8 9 1. (New section) Sections 1 through 9 of P.L., c. (C.) 10 (pending before the Legislature as this bill) shall be known and may be cited as the "New Jersey Hemp Farming Act." 11 12 13 2. (New section) The Legislature finds and declares that hemp 14 is a viable agricultural crop and a potentially valuable agricultural 15 commodity in the State, and that hemp should be cultivated, 16 handled, processed, transported, and sold in the State to the 17 maximum extent permitted by federal law. It is the purpose of 18 P.L. , c. (C.) (pending before the Legislature as this bill) to: 19 promote the cultivation and processing of hemp; develop new 20 commercial markets for farmers and businesses through the sale of 21 hemp products; promote the expansion of the State's hemp industry 22 to the maximum extent permitted by federal law; allow farmers and 23 businesses to cultivate, handle, and process hemp, and to sell hemp 24 products for commercial purposes; and to move the State and its 25 citizens to the forefront of the hemp industry. 26 27 3. (New section) As used in sections 1 through 9 of) (pending before the Legislature as this bill), 28 P.L., c. (C. 29 unless the context otherwise requires: 30 "Agent" means an employee or contractor of a hemp producer. 31 "Applicant" means a person, or for a business entity, any person 32 authorized to act on behalf of the business entity, who applies to the department to be a hemp producer in the State. 33 34 "Commercial sale" means the sale of a product in the stream of commerce at retail, at wholesale, or on the Internet. 35 "Cultivate" means to plant, water, grow, or harvest a plant or 36 37 crop. 38 "Department" means the New Jersey Department of Agriculture. 39 "Federally defined THC level for hemp" means a delta-9 40 tetrahydrocannabinol concentration of not more than 0.3 percent on 41 a dry weight basis for hemp or in a hemp product. 42 "Handle" means to possess or store a hemp plant on premises 43 owned, operated, or controlled by a hemp producer for any period 44 of time or in a vehicle for any period of time other than during the 45 actual transport of the plant between premises owned, operated, or

Matter underlined <u>thus</u> is new matter.

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

controlled by hemp producers or persons or entities authorized to
 produce hemp pursuant to 7 U.S.C. s.16390 et seq. and any state
 law or rule or regulation adopted pursuant thereto. "Handle" does
 not mean possession or storage of finished hemp products.

5 "Hemp" means the plant Cannabis sativa L. and any part of that 6 plant, including the seeds of the plant and all derivatives, extracts, 7 cannabinoids, isomers, acids, salts, and salts of isomers, whether 8 growing or not, with a delta-9 tetrahydrocannabinol concentration 9 of not more than 0.3 percent on a dry weight basis. Hemp and 10 hemp-derived cannabinoids, including cannabidiol, shall be 11 considered an agricultural commodity and not a controlled 12 substance.

13 "Hemp producer" means a person or business entity authorized14 by the department to cultivate, handle, or process hemp in the State.

15 "Hemp product" means a finished product with a delta-9 16 tetrahydrocannabinol concentration of not more than 0.3 percent 17 that is derived from or made by processing a hemp plant or plant 18 part and prepared in a form available for commercial sale. The term 19 includes cosmetics, personal care products, food intended for 20 human or animal consumption, cloth, cordage, fiber, fuel, paint, paper, particleboard, plastics, and any product containing one or 21 22 more hemp-derived cannabinoids such as cannabidiol. Hemp 23 products shall not be considered controlled substances.

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

25 "Secretary" means the Secretary of the New Jersey Department26 of Agriculture.

27 "Transport" means the movement or shipment of hemp by a 28 hemp producer, a person or entity authorized to produce hemp 29 pursuant to 7 U.S.C. s.16390 et seq. and any state law or rule or 30 regulation adopted pursuant thereto, or a hemp producer's or 31 authorized entity's third-party carrier or agent. "Transport" shall 32 not mean the movement or shipment of hemp products.

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34 4. (New section) a. Notwithstanding any other provision of 35 law, or rule or regulation adopted pursuant thereto to the contrary, it 36 is lawful for a hemp producer or its agent to cultivate, handle, or 37 process hemp or hemp products in the State. Nothing in 38 P.L., c. (C.) (pending before the Legislature as this bill) 39 authorizes any person to violate a federal or State law, or rule or 40 regulation adopted pursuant thereto. Notwithstanding any other 41 provision of law, or rule or regulation adopted pursuant thereto to 42 the contrary, it is lawful to possess, transport, sell, and purchase 43 legally-produced hemp products in the State.

b. It is unlawful for a person or entity that is not a hemp
producer or an agent of a hemp producer to cultivate, handle, or
process living hemp plants or viable seeds, leaf materials, or floral
materials derived from hemp. A person or entity that is not a hemp
producer or an agent of a hemp producer, but who cultivates,

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handles, or processes living hemp plants or viable seeds, leaf
 materials, or floral materials derived from hemp, shall be subject to
 the same penalties as those related to marijuana.

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5 5. (New section) a. Pursuant to 7 U.S.C. s.1639p, and to 6 designate itself as the primary regulatory authority over the 7 production of hemp in the State, the department, in consultation 8 with the Governor and the Attorney General, shall promulgate 9 regulations for submission, along with P.L., c. (C.) 10 (pending before the Legislature as this bill), to the Secretary of the 11 United States Department of Agriculture, as a plan under which the 12 State monitors and regulates hemp production.

13 b. No later than 90 days after the effective date of 14) (pending before the Legislature as this bill) P.L. . c. (C. 15 and notwithstanding the provisions of the "Administrative 16 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the 17 contrary, the department, after consultation with the Governor and 18 Attorney General shall, immediately upon filing proper notice with 19 the Office of Administrative Law, adopt interim rules and 20 regulations to implement P.L., c. (C.) (pending before the 21 Legislature as this bill) and to meet the requirements for federal 22 approval as a state plan pursuant to 7 U.S.C. s.16390 et seq. The 23 regulations shall be effective as regulations immediately upon filing with the Office of Administrative Law and shall be in effect for a 24 25 period not to exceed 18 months, and shall, thereafter, be amended, 26 adopted, or readopted by the department in accordance with the 27 provisions of the "Administrative Procedure Act." The rules and 28 regulations adopted pursuant to this section shall include the 29 following:

30 (1) a procedure to maintain relevant information regarding land,
31 fields, greenhouses, or any other location where hemp is produced
32 in the State, including a legal description of the land and global
33 positioning system coordinates, for a period of at least three
34 calendar years;

(2) a procedure for testing, including by third parties, using 35 post-decarboxylation or another similarly reliable method, that the 36 37 delta-9 tetrahydrocannabinol concentration of hemp produced in the 38 State does not exceed the federally defined THC level for hemp, 39 and that hemp products do not exceed the federally defined THC 40 level for hemp when made available to the public. A hemp 41 producer shall begin harvesting any hemp within 30 days of 42 sampling;

43 (3) a procedure for the effective disposal of hemp plants,
44 whether growing or not, that are produced in violation of 7 U.S.C.
45 s.16390 et seq., and products derived from those plants;

46 (4) a procedure to comply with the enforcement procedures in47 section 7 of P.L., c. (C.) (pending before the Legislature as

this bill), pursuant to 7 U.S.C. s.1639p, and to provide due processfor hemp producers;

3 (5) a procedure for conducting annual inspections of, at a
4 minimum, a random sample of hemp producers to verify that hemp
5 is not produced in violation of 7 U.S.C. s.16390 et seq.;

6 (6) a procedure for submitting the information described in 7

U.S.C. s.1639q, as applicable, to the Secretary of the United States
Department of Agriculture not later than 30 days after the date the
information is received; and

10 Upon adoption of rules and regulations pursuant to c. 11 subsection b. of this section, subsection c. of section 6, and (C. 12 subsection c. of section 7 of P.L., c.) (pending before 13 the Legislature as this bill), the department, after consultation with 14 the Governor and the Attorney General, shall submit the rules and 15 regulations, along with P.L., c. (C.) (pending before the 16 Legislature as this bill), for approval to the Secretary of the United 17 States Department of Agriculture as a state plan for monitoring and 18 regulating the production of hemp in the State pursuant to 7 U.S.C. 19 s.16390 et seq.

d. (1) If the plan submitted by the department is disapproved by
the Secretary of the United States Department of Agriculture, the
department, after consultation with the Governor and the Attorney
General, shall amend the rules promulgated pursuant to
P.L., c. (C.) (pending before the Legislature as this bill) as
needed to obtain approval and shall thereafter submit an amended
plan.

(2) The department shall, as necessary, consult with and seek
technical assistance from the Secretary of the United States
Department of Agriculture in crafting a satisfactory state plan
pursuant to 7 U.S.C. s.16390 et seq.

31 (3) If a plan submitted by the department is disapproved by the 32 Secretary of the United States Department of Agriculture, nothing (C. 33) (pending before the Legislature as this bill) in P.L., c. 34 shall prohibit the production of hemp in the State pursuant to 7 35 U.S.C. s1639q or any other federal law, or rule or regulation 36 adopted pursuant thereto, if the production of hemp is not otherwise 37 prohibited by the State.

(4) As part of the State plan adopted pursuant to subsection b. of
this section, the department shall also submit a certification that the
State has the resources and personnel to implement the practices
and procedures as provided in P.L., c. (C.) (pending before
the Legislature as this bill), pursuant to 7 U.S.C. s.1639p.

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6. (New section) a. Except as otherwise provided,
P.L., c. (C.) (pending before the Legislature as this bill)
does not apply to the possession, transportation, or sale of hemp
products or extracts, including those containing one or more hempderived cannabinoids, including cannabidiol.

1 b. In adopting rules and regulations pursuant to 2) (pending before the Legislature as this bill), P.L., c. (C. 3 the department shall consult with relevant public agencies as well as 4 private, nonprofit associations in the hemp industry that promote 5 standards, best practices, and self-regulation in the production of 6 hemp.

7 c. In addition to the rules and regulations required for a state 8 plan consistent with the requirements of 7 U.S.C. s.16390 et seq. 9 and section 5 of P.L. , c. (C.) (pending before the 10 Legislature as this bill), no later than 90 days after the effective date 11 of P.L., c. (C.) (pending before the Legislature as this bill) 12 and notwithstanding the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the 13 14 contrary, the department, after consultation with the Governor and 15 Attorney General, shall immediately upon filing proper notice with 16 the Office of Administrative Law, adopt interim rules and 17 regulations to promote the cultivating and processing of hemp and 18 the commercial sale of hemp products, while regulating hemp 19 production in the State pursuant to 7 U.S.C. s.16390 et seq. and 20 P.L., c. (C.) (pending before the Legislature as this bill). 21 The rules and regulations shall be effective immediately upon filing 22 with the Office of Administrative Law and shall be in effect for a 23 period not to exceed 18 months, and shall, thereafter, be amended, 24 adopted, or readopted by the department in accordance with the 25 provisions of the "Administrative Procedure Act." The rules and 26 regulations shall:

(1) establish requirements by which the department authorizes
an applicant to be a hemp producer to cultivate, handle, or process
or any combination thereof, hemp;

30 (2) provide due process, including an appeal process with
31 retesting, to ensure that hemp producers are not subject to the
32 consequences of inaccurate test results;

33 (3) establish procedures for the department, not more than 30 34 days after receiving and compiling the following information, to 35 provide the information to the United States Secretary of 36 Agriculture: (a) the hemp producer's name, telephone number, 37 email address, residential address, mailing address, or another form 38 of contact information; (b) the legal description and global 39 positioning system coordinates for each field, facility, or other place 40 where hemp is to be cultivated, processed, or handled; and (c) 41 whether the hemp producer is in compliance with the rules and 42 regulations for the production of hemp in the State. The department 43 shall provide updates to this information as needed;

44 (4) define classes or categories of hemp products that are45 eligible for sale, transfer, or distribution to members of the public;

46 (5) establish non-refundable application, licensure, and renewal
47 fees in amounts that are reasonable and necessary to cover the costs
48 of administering and enforcing the State hemp program, which shall

be deposited in the State hemp program account pursuant to section
 8 of P.L., c. (C.) (pending before the Legislature as this
 bill); and

4 (6) establish procedures governing hemp shipment within the 5 State and across state lines by third-party transporters who are not The regulations shall include a 6 authorized hemp producers. 7 requirement that all shipments need only be accompanied by a proof 8 of authorization to engage in the commercial sale of hemp, either 9 under a state plan pursuant to 7 U.S.C. s.1639p or the United States 10 Department of Agriculture plan pursuant to 7 U.S.C. 1639q in a 11 state where a state plan has not been approved from the producer of 12 hemp, as well as a travel manifest that lists the origin, destination, 13 product description, and date of transport. In no case shall the 14 department require third-party carriers to be authorized hemp 15 producers in order to transport hemp.

16 d. Except as provided by section 9 of P.L., c. (C.) 17 (pending before the Legislature as this bill), a person or business 18 entity may not cultivate, handle, or process hemp, or cause an agent 19 to cultivate, handle or process, in this State or transport, or cause an 20 agent to transport, hemp outside of this State unless that person or 21 business entity is authorized by the department to participate in the 22 State hemp program as a hemp producer. All applicants must apply 23 to the department on a form and in the manner prescribed by the 24 department as described in P.L., c. (C.) (pending before the 25 Legislature as this bill). Upon approval of the State plan by the 26 United States Department of Agriculture, the department shall begin 27 authorizing participation in the State hemp program established 28 pursuant to P.L., c. (C.) (pending before the Legislature as 29 this bill).

30 (1) In addition to any other information deemed necessary by31 the department, an application shall include:

32 (a) a legal description and the global positioning system
33 coordinates for each location where an applicant intends to cultivate
34 or process hemp;

35 (b) written consent allowing the department, the Department of 36 Law and Public Safety, and any other State or local law 37 enforcement agency to enter onto all premises where hemp is 38 cultivated, handled, or processed to conduct a physical inspection or 39 to ensure compliance with P.L., c. (C.) (pending before the 40 Legislature as this bill) and rules and regulation adopted pursuant to 41 P.L., c. (C.) (pending before the Legislature as this bill);

(c) the payment of any fees required by the department;

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43 (d) a criminal history record background check on all applicants44 at the applicant's expense; and

45 (e) any other information required pursuant to rules and46 regulations adopted by the department.

47 (2) If the department determines that an applicant meets the48 State hemp program participation requirements, the department

shall authorize the applicant to participate in the program as a hemp
 producer.

3 (3) An applicant who materially falsifies any information
4 contained in an application submitted to the department may not
5 participate in the State hemp program as a hemp producer.

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7 7. (New section) a. If the department determines that a hemp 8 producer negligently violated P.L., c. (C.) (pending before 9 the Legislature as this bill) or any rule or regulation adopted 10 pursuant thereto, the department shall enforce the violation in the 11 manner provided by 7 U.S.C. s.1639p as follows:

(1) The hemp producer shall not be subject to a civil or criminal
penalty under subsection a. of this section. A hemp producer shall
be required to implement a corrective action plan if the department
determines that the person or business entity negligently violated
State hemp laws or regulations, including by negligently:

17 (a) Failing to disclose, or provide required information about, a18 site where hemp is cultivated, handled, or processed;

(b) Failing to obtain a necessary license from the department or
a necessary authorization from the State or a federal agency other
than those required to be a hemp producer; or

(c) Producing Cannabis sativa L. with more than the federallydefined THC level for hemp.

24 (2) A corrective action plan required pursuant to paragraph (1)25 of this subsection shall include:

26 (a) A reasonable date by which a hemp producer shall correct27 the negligent violation; and

(b) A requirement for periodic reports from the hemp producer
to the department about the hemp producer's compliance with the
corrective action plan, statutes, and any rules or regulations adopted
pursuant thereto, for a period of at least two years from the date of
the corrective action plan.

(3) A hemp producer that negligently violates any law or any
rule or regulation adopted pursuant thereto, governing that person's
or business entity's participation in the hemp program shall not be
subject to a criminal or civil enforcement action by the State or a
local government other than an enforcement action authorized
pursuant to this section.

(4) A person or business entity found by the department to have
negligently violated any law, or rule or regulation governing the
person's or business entity's participation in the hemp program
three times in a five year period shall be ineligible to participate in
the State hemp program as a hemp producer for a period of five
years beginning on the date of the third violation.

b. If the department determines that a hemp producer has
violated P.L., c. (C.) (pending before the Legislature as
this bill) or a rule or regulation adopted pursuant thereto with a
culpable mental state greater than negligence, subsection a. of this

section shall not apply and the department shall report the hemp producer immediately to the United States Attorney General and the Attorney General of the State, who may, on behalf of the department, investigate the violation and institute proceedings for injunctive or other appropriate relief or report the matter to an appropriate law enforcement agency.

7 In addition to the rules and regulations adopted pursuant to c. 8 sections 5 and 6 of P.L., c. (C.) (pending before the 9 Legislature as this bill), no later than 90 days after the effective date 10 of P.L., c. (C.) (pending before the Legislature as this bill) 11 and notwithstanding the provisions of the "Administrative 12 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the 13 contrary, the department, after consulting with the Governor and the 14 Attorney General, shall immediately upon filing proper notice with 15 the Office of Administrative Law, adopt interim rules and 16 regulations establishing a schedule of penalties for violations of 17 P.L., c. (C.) (pending before the Legislature as this bill) or 18 a rule or regulation adopted pursuant thereto that do not conflict 19 with 7 U.S.C. s.16390 et seq. The regulations shall be effective as 20 regulations immediately upon filing with the Office of 21 Administrative Law and shall be in effect for a period not to exceed 22 18 months, and shall, thereafter, be amended, adopted, or readopted 23 by the department in accordance with the provisions of the 24 "Administrative Procedure Act." Any penalty collected pursuant to 25 P.L., c.) (pending before the Legislature as this bill) (C. 26 shall be deposited in the "New Jersey Hemp Farming Fund" 27 established pursuant to section 8 P.L., c. (C.) (pending 28 before the Legislature as this bill).

29 d. A person who is or has been convicted of an offense relating 30 to a controlled substance under State or federal law may not 31 participate in the State hemp program established pursuant to 32 P.L., c. (C.) (pending before the Legislature as this bill) or 33 produce hemp in the State under any other law for a period of at 34 least 10 years following the date of the person's conviction. This 35 prohibition shall not apply to any person growing hemp lawfully with a license, registration, or authorization under a pilot program 36 37 authorized pursuant to 7 U.S.C. s.5940 before the date of enactment 38 of P.L., c. (C.) (pending before the Legislature as this bill). 39

8. (New section) a. There is established in the Department of
Agriculture a special nonlapsing fund to be known as the "New
Jersey Hemp Farming Fund." Moneys in the fund shall be used for
the administration and enforcement of P.L. , c. (C.)
(pending before the Legislature as this bill).

45 b. The fund shall be credited with:

46 (1) penalties and fees collected by the department pursuant to
47 P.L., c. (C.) (pending before the Legislature as this bill);
48 (2) moneys as are appropriated by the Legislature;

1 (3) moneys made available to the department for the purposes of 2 P.L., c.) (pending before the Legislature as this bill), (C. 3 including federal funds; and

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(4) any return on investment of moneys deposited in the fund.

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6 9. (New section) a. A State agency may not prohibit a person 7 or business entity that processes or manufactures a product 8 regulated by the agency from applying for or obtaining a permit or 9 other authorization to process or manufacture the product solely on 10 the basis that the person or business entity intends to process or 11 manufacture the product with hemp.

12 b. Notwithstanding any other law, or rule or regulation adopted pursuant thereto to the contrary, derivatives of hemp, including 13 14 hemp-derived cannabidiol, may be added to cosmetics, personal 15 care products, and products intended for human or animal 16 consumption to the maximum extent permitted by federal law.

17 c. The provisions of P.L., c. (C.) (pending before the 18 Legislature as this bill) applicable to hemp producers shall not 19 apply to the possession, handling, transport, or sale of hemp 20 products, including those containing one or more hemp-derived 21 cannabinoids, including cannabidiol. Notwithstanding any other 22 law, a person or business entity may possess, transport, sell, and 23 purchase legally produced hemp products in this State. As part of 24 the rules and regulations adopted pursuant to P.L., c. (C. 25

(pending before the Legislature as this bill), the Department of 26 Agriculture shall provide to a retailer of hemp products notice of a 27 potential violation concerning hemp products sold by the retailer 28 and shall provide an opportunity to cure a violation committed 29 unintentionally or negligently.

30 The Department of Agriculture, in consultation with the d. 31 Department of Health, may adopt rules and regulations only to 32 regulate the sale of hemp products that provide that:

33 (1) hemp-derived cannabinoids, including cannabidiol, are not 34 considered controlled substances or adulterants; and

35 (2) products containing one or more hemp-derived 36 cannabinoids, such as cannabidiol, intended for ingestion are to be 37 considered foods, not controlled substances or adulterated products 38 to the maximum extent permitted by federal law.

39 Retail sales of hemp products processed outside the State e. 40 may be conducted in the State when the products and the hemp used 41 in the products were processed and cultivated legally in another 42 state or jurisdiction that has the same or substantially similar 43 requirements for processing hemp products or cultivating hemp as 44 provided by P.L., c. (C.) (pending before the Legislature as 45 this bill).

46 f. Hemp products may be legally transported across State lines 47 and exported to foreign countries in a manner that is consistent with 48 federal law and the laws of respective foreign countries.

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

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

3 "Administer" means the direct application of a controlled 4 dangerous substance or controlled substance analog, whether by 5 injection, inhalation, ingestion, or any other means, to the body of a 6 patient or research subject by: (1) a practitioner (or, in his 7 presence, by his lawfully authorized agent), or (2) the patient or 8 research subject at the lawful direction and in the presence of the 9 practitioner.

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

14 "Controlled dangerous substance" means a drug, substance, or 15 immediate precursor in Schedules I through V, any substance the 16 distribution of which is specifically prohibited in N.J.S.2C:35-3, in 17 section 3 of P.L.1997, c.194 (C.2C:35-5.2), in section 5 of 18 P.L.1997, c.194 (C.2C:35-5.3), in section 2 of P.L.2011, c.120 19 (C.2C:35-5.3a), or in section 2 of P.L.2013, c.35 (C.2C:35-5.3b), 20 and any drug or substance which, when ingested, is metabolized or 21 otherwise becomes a controlled dangerous substance in the human 22 body. When any statute refers to controlled dangerous substances, 23 or to a specific controlled dangerous substance, it shall also be 24 deemed to refer to any drug or substance which, when ingested, is 25 metabolized or otherwise becomes a controlled dangerous substance 26 or the specific controlled dangerous substance, and to any substance 27 that is an immediate precursor of a controlled dangerous substance 28 or the specific controlled dangerous substance. The term shall not 29 include distilled spirits, wine, malt beverages, as those terms are 30 defined or used in R.S.33:1-1 et seq., or tobacco and tobacco 31 products. The term, wherever it appears in any law or 32 administrative regulation of this State, shall include controlled 33 substance analogs.

34 "Controlled substance analog" means a substance that has a 35 chemical structure substantially similar to that of a controlled 36 dangerous substance and that was specifically designed to produce 37 an effect substantially similar to that of a controlled dangerous substance. The term shall not include a substance manufactured or 38 39 distributed in conformance with the provisions of an approved new 40 drug application or an exemption for investigational use within the meaning of section 505 of the "Federal Food, Drug and Cosmetic 41 42 Act," 52 Stat. 1052 (21 U.S.C. s.355).

43 "Counterfeit substance" means a controlled dangerous substance 44 or controlled substance analog which, or the container or labeling of 45 which, without authorization, bears the trademark, trade name, or 46 other identifying mark, imprint, number, or device, or any likeness 47 thereof, of a manufacturer, distributor, or dispenser other than the 48 person or persons who in fact manufactured, distributed, or dispensed the substance and which thereby falsely purports or is
 represented to be the product of, or to have been distributed by,
 such other manufacturer, distributor, or dispenser.

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

8 "Dispense" means to deliver a controlled dangerous substance or 9 controlled substance analog to an ultimate user or research subject 10 by or pursuant to the lawful order of a practitioner, including the 11 prescribing, administering, packaging, labeling, or compounding 12 necessary to prepare the substance for that delivery. "Dispenser" 13 means a practitioner who dispenses.

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

17 "Drugs" means (a) substances recognized in the official United 18 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the 19 United States, or official National Formulary, or any supplement to 20 any of them; and (b) substances intended for use in the diagnosis, 21 cure, mitigation, treatment, or prevention of disease in man or other 22 animals; and (c) substances (other than food) intended to affect the 23 structure or any function of the body of man or other animals; and 24 (d) substances intended for use as a component of any article 25 specified in subsections (a), (b), and (c) of this section; but does not 26 include devices or their components, parts, or accessories.

27 "Drug or alcohol dependent person" means a person who as a 28 result of using a controlled dangerous substance or controlled 29 substance analog or alcohol has been in a state of psychic or 30 physical dependence, or both, arising from the use of that controlled 31 dangerous substance or controlled substance analog or alcohol on a continuous or repetitive basis. Drug or alcohol dependence is 32 33 characterized by behavioral and other responses, including but not 34 limited to a strong compulsion to take the substance on a recurring 35 basis in order to experience its psychic effects, or to avoid the 36 discomfort of its absence.

37 "Hashish" means the resin extracted from any part of the plant Genus Cannabis L. and any compound, manufacture, salt, 38 39 derivative, mixture, or preparation of such resin. "Hashish" shall not mean [industrial] hemp or a hemp product cultivated , handled, 40 41 processed, transported, or sold pursuant to the [New Jersey 42 Industrial Hemp Pilot Program established by P.L.2018, c.139 43 (C.4:28-1 et al.) <u>"New Jersey Hemp Farming Act,"</u> 44 P.L., c. (C.) (pending before the Legislature as this bill).

45 "Manufacture" means the production, preparation, propagation,
46 compounding, conversion, or processing of a controlled dangerous
47 substance or controlled substance analog, either directly or by
48 extraction from substances of natural origin, or independently by

1 means of chemical synthesis, or by a combination of extraction and 2 chemical synthesis, and includes any packaging or repackaging of 3 the substance or labeling or relabeling of its container, except that 4 this term does not include the preparation or compounding of a 5 controlled dangerous substance or controlled substance analog by 6 an individual for his own use or the preparation, compounding, 7 packaging, or labeling of a controlled dangerous substance: (1) by 8 a practitioner as an incident to his administering or dispensing of a 9 controlled dangerous substance or controlled substance analog in 10 the course of his professional practice, or (2) by a practitioner (or 11 under his supervision) for the purpose of, or as an incident to, 12 research, teaching, or chemical analysis and not for sale.

13 "Marijuana" means all parts of the plant Genus Cannabis L., 14 whether growing or not; the seeds thereof, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or 15 16 its seeds, except those containing resin extracted from the plant; but 17 shall not include the mature stalks of the plant, fiber produced from 18 the stalks, oil, or cake made from the seeds of the plant, any other 19 compound, manufacture, salt, derivative, mixture, or preparation of 20 mature stalks, fiber, oil, or cake, or the sterilized seed of the plant 21 which is incapable of germination. "Marijuana" shall not mean 22 [industrial] hemp or a hemp product cultivated , handled, 23 processed, transported, or sold pursuant to the [New Jersey 24 Industrial Hemp Pilot Program established by P.L.2018, c.139 "New Jersey Hemp Farming Act," 25 (C.4:28-1 et al.) 26 P.L., c. (C.) (pending before the Legislature as this bill).

"Narcotic drug" means any of the following, whether produced
directly or indirectly by extraction from substances of vegetable
origin, or independently by means of chemical synthesis, or by a
combination of extraction and chemical synthesis:

31 (a) Opium, coca leaves, and opiates;

32 (b) A compound, manufacture, salt, derivative, or preparation of33 opium, coca leaves, or opiates;

34 (c) A substance (and any compound, manufacture, salt,
35 derivative, or preparation thereof) which is chemically identical
36 with any of the substances referred to in subsections (a) and (b),
37 except that the words "narcotic drug" as used in this act shall not
38 include decocainized coca leaves or extracts of coca leaves, which
39 extracts do not contain cocaine or ecogine.

40 "Opiate" means any dangerous substance having an addictionforming or addiction-sustaining liability similar to morphine or 41 42 being capable of conversion into a drug having such addiction-43 forming or addiction-sustaining liability. It does not include, unless 44 specifically designated as controlled pursuant to the provisions of 45 section 3 of P.L.1970, c.226 (C.24:21-3), the dextrorotatory isomer 46 of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). 47 It does include its racemic and levorotatory forms.

"Opium poppy" means the plant of the species Papaver
 somniferum L., except the seeds thereof.

3 "Person" means any corporation, association, partnership, trust,4 other institution or entity, or one or more individuals.

5 "Plant" means an organism having leaves and a readily 6 observable root formation, including, but not limited to, a cutting 7 having roots, a rootball or root hairs.

8 "Poppy straw" means all parts, except the seeds, of the opium9 poppy, after mowing.

"Practitioner" means a physician, dentist, veterinarian, scientific
investigator, laboratory, pharmacy, hospital, or other person
licensed, registered, or otherwise permitted to distribute, dispense,
conduct research with respect to, or administer a controlled
dangerous substance or controlled substance analog in the course of
professional practice or research in this State.

(a) "Physician" means a physician authorized by law to practice
medicine in this or any other state and any other person authorized
by law to treat sick and injured human beings in this or any other
state.

(b) "Veterinarian" means a veterinarian authorized by law topractice veterinary medicine in this State.

(c) "Dentist" means a dentist authorized by law to practicedentistry in this State.

(d) "Hospital" means any federal institution, or any institution
for the care and treatment of the sick and injured, operated or
approved by the appropriate State department as proper to be
entrusted with the custody and professional use of controlled
dangerous substances or controlled substance analogs.

(e) "Laboratory" means a laboratory to be entrusted with the
custody of narcotic drugs and the use of controlled dangerous
substances or controlled substance analogs for scientific,
experimental, and medical purposes and for purposes of instruction
approved by the Department of Health.

34 "Production" includes the manufacture, planting, cultivation,
35 growing, or harvesting of a controlled dangerous substance or
36 controlled substance analog.

37 "Immediate precursor" means a substance which the Division of Consumer Affairs in the Department of Law and Public Safety has 38 39 found to be and by regulation designates as being the principal 40 compound commonly used or produced primarily for use, and which is an immediate chemical intermediary used or likely to be 41 42 used in the manufacture of a controlled dangerous substance or 43 controlled substance analog, the control of which is necessary to 44 prevent, curtail, or limit such manufacture.

45 "Residential treatment facility" means any facility licensed and
46 approved by the Department of Human Services and which is
47 approved by any county probation department for the inpatient
48 treatment and rehabilitation of drug or alcohol dependent persons.

1 "Schedules I, II, III, IV, and V" are the schedules set forth in 2 sections 5 through 8 of P.L.1970, c.226 (C.24:21-5 through 24:21-3 8) and in section 4 of P.L.1971, c.3 (C.24:21-8.1) and as modified by any regulations issued by the Director of the Division of 4 5 Consumer Affairs in the Department of Law and Public Safety pursuant to the director's authority as provided in section 3 of 6 7 P.L.1970, c.226 (C.24:21-3). 8 "State" means the State of New Jersey. 9 "Ultimate user" means a person who lawfully possesses a 10 controlled dangerous substance or controlled substance analog for 11 his own use or for the use of a member of his household or for 12 administration to an animal owned by him or by a member of his 13 household. 14 "Prescription legend drug" means any drug which under federal 15 or State law requires dispensing by prescription or order of a 16 licensed physician, veterinarian, or dentist and is required to bear 17 the statement "Rx only" or similar wording indicating that such 18 drug may be sold or dispensed only upon the prescription of a 19 licensed medical practitioner and is not a controlled dangerous 20 substance or stramonium preparation. 21 "Stramonium preparation" means a substance prepared from any 22 part of the stramonium plant in the form of a powder, pipe mixture, 23 cigarette, or any other form with or without other ingredients. 24 "Stramonium plant" means the plant Datura Stramonium Linne, 25 including Datura Tatula Linne. 26 (cf: P.L.2018, c.139, s.6) 27 11. Section 2 of P.L.1970, c.226 (C.24:21-2) is amended to read 28 29 as follows: 30 2. As used in [this act] P.L.1970, c.226 (C.24:21-1 et seq.) : 31 "Administer" means the direct application of a controlled 32 dangerous substance, whether by injection, inhalation, ingestion, or 33 any other means, to the body of a patient or research subject by: (1) 34 a practitioner (or, in the practitioner's presence, by the practitioner's lawfully authorized agent), or (2) the patient or 35 36 research subject at the lawful direction and in the presence of the 37 practitioner. 38 "Agent" means an authorized person who acts on behalf of or at 39 the direction of a manufacturer, distributor, or dispenser but does 40 not include a common or contract carrier, public warehouseman, or 41 employee thereof. 42 "Commissioner" means the Commissioner of Health. 43 "Controlled dangerous substance" means a drug, substance, or immediate precursor in Schedules I through V of article 2 of 44 45 P.L.1970, c.226 (C.24:21-1 et seq.). The term shall not include 46 distilled spirits, wine, malt beverages, as those terms are defined or 47 used in R.S.33:1-1 et seq., or tobacco and tobacco products.

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1 "Counterfeit substance" means a controlled dangerous substance 2 which, or the container or labeling of which, without authorization, 3 bears the trademark, trade name, or other identifying mark, imprint, 4 number or device, or any likeness thereof, of a manufacturer, 5 distributor, or dispenser other than the person or persons who in fact 6 manufactured, distributed, or dispensed such substance and which 7 thereby falsely purports or is represented to be the product of, or to 8 have been distributed by, such other manufacturer, distributor, or 9 dispenser. 10 "Deliver" or "delivery" means the actual, constructive, or 11 attempted transfer from one person to another of a controlled 12 dangerous substance, whether or not there is an agency relationship. "Director" means the Director of the Division of Consumer 13 14 Affairs in the Department of Law and Public Safety. 15 "Dispense" means to deliver a controlled dangerous substance to 16 an ultimate user or research subject by or pursuant to the lawful 17 order of a practitioner, including the prescribing, administering, 18 packaging, labeling, or compounding necessary to prepare the 19 substance for that delivery. 20 "Dispenser" means a practitioner who dispenses. 21 "Distribute" means to deliver other than by administering or 22 dispensing a controlled dangerous substance. 23 "Distributor" means a person who distributes. 24 "Division" means the Division of Consumer Affairs in the 25 Department of Law and Public Safety. 26 Enforcement Administration" "Drug means the Drug 27 Enforcement Administration in the United States Department of 28 Justice. 29 "Drugs" means (a) substances recognized in the official United 30 States Pharmacopoeia, official Homeopathic Pharmacopoeia of the 31 United States, or official National Formulary, or any supplement to 32 any of them; and (b) substances intended for use in the diagnosis, 33 cure, mitigation, treatment, or prevention of disease in man or other 34 animals; and (c) substances (other than food) intended to affect the 35 structure or any function of the body of man or other animals; and (d) substances intended for use as a component of any article 36 37 specified in subsections (a), (b), and (c) of this section; but does not 38 include devices or their components, parts or accessories. "Drugs" shall not mean [industrial] hemp or a hemp product cultivated , 39 40 handled, processed, transported, or sold pursuant to the New 41 Jersey Industrial Hemp Pilot Program established by P.L.2018, 42 c.139 (C.4:28-1 et al.)] "New Jersey Hemp Farming Act," 43 P.L., c. (C.) (pending before the Legislature as this bill). 44 "Hashish" means the resin extracted from any part of the plant 45 genus Cannabis and any compound, manufacture, salt, derivative, 46 mixture, or preparation of such resin. "Hashish" shall not mean 47 [industrial] hemp or a hemp product cultivated , handled,

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1 processed, transported, or sold pursuant to the [New Jersey 2 Industrial Hemp Pilot Program established by P.L.2018, c.139 "New Jersey Hemp Farming Act," 3 (C.4:28-1 et al.)) (pending before the Legislature as this bill). 4 P.L. (C. , c. 5 "Marihuana" means all parts of the plant genus Cannabis, 6 whether growing or not; the seeds thereof; and every compound, 7 manufacture, salt, derivative, mixture, or preparation of the plant or 8 its seeds, except those containing resin extracted from the plant; but 9 shall not include the mature stalks of the plant, fiber produced from 10 the stalks, oil or cake made from the seeds of the plant, any other 11 compound, manufacture, salt, derivative, mixture, or preparation of 12 such mature stalks, fiber, oil, or cake, or the sterilized seed of the 13 plant which is incapable of germination. "Marihuana" shall not 14 mean [industrial] hemp or a hemp product cultivated , handled, processed, transported, or sold pursuant to the [New Jersey 15 16 Industrial Hemp Pilot Program established by P.L.2018, c.139 17 (C.4:28-1 et al.)] "New Jersey Hemp Farming Act," 18 <u>P.L.</u>, c. (C.) (pending before the Legislature as this bill). 19 "Manufacture" means the production, preparation, propagation, 20 compounding, conversion, or processing of a controlled dangerous 21 substance, either directly or by extraction from substances of 22 natural origin, or independently by means of chemical synthesis, or 23 by a combination of extraction and chemical synthesis, and includes 24 any packaging or repackaging of the substance or labeling or 25 relabeling of its container, except that this term does not include the 26 preparation or compounding of a controlled dangerous substance by 27 an individual for the individual's own use or the preparation, 28 compounding, packaging, or labeling of a controlled dangerous 29 substance: (1) by a practitioner as an incident to the practitioner's 30 administering or dispensing of a controlled dangerous substance in 31 the course of the practitioner's professional practice, or (2) by a 32 practitioner (or under the practitioner's supervision) for the purpose 33 of, or as an incident to, research, teaching, or chemical analysis and 34 not for sale. 35 "Narcotic drug" means any of the following, whether produced 36 directly or indirectly by extraction from substances of vegetable 37 origin, or independently by means of chemical synthesis, or by a 38 combination of extraction and chemical synthesis: 39 (a) Opium, coca leaves, and opiates; 40 (b) A compound, manufacture, salt, derivative, or preparation of 41 opium, coca leaves, or opiates; 42 (c) A substance (and any compound, manufacture, salt, 43 derivative, or preparation thereof) which is chemically identical 44 with any of the substances referred to in subsections (a) and (b), 45 except that the words "narcotic drug" as used in [this act] 46 P.L.1970, c.226 (C.24:21-1 et seq.) shall not include decocainized

1 coca leaves or extracts of coca leaves, which extracts do not contain 2 cocaine or ecgonine. 3 "Official written order" means an order written on a form provided for that purpose by the Attorney General of the United 4 5 States or his delegate, under any laws of the United States making provisions therefor, if such order forms are authorized and required 6 7 by the federal law, and if no such form is provided, then on an 8 official form provided for that purpose by the division. If 9 authorized by the Attorney General of the United States or the 10 division, the term shall also include an order transmitted by 11 electronic means. "Opiate" means any dangerous substance having an addiction-12 forming or addiction-sustaining liability similar to morphine or 13 being capable of conversion into a drug having such addiction-14 15 forming or addiction-sustaining liability. It does not include, unless 16 specifically designated as controlled under section 3 of [this act] 17 P.L.1970, c.226 (C.24:21-1 et seq.), the dextrorotatory isomer of 3-18 methoxy-n-methylmorphinan and its salts (dextromethorphan). It 19 does include its racemic and levorotatory forms. "Opium poppy" means the plant of the species Papaver 20 21 somniferum L., except the seeds thereof. 22 "Person" means any corporation, association, partnership, trust, 23 other institution or entity, or one or more individuals. 24 "Pharmacist" means a registered pharmacist of this State. "Pharmacy owner" means the owner of a store or other place of 25 26 business where controlled dangerous substances are compounded or 27 dispensed by a registered pharmacist; but nothing in this chapter 28 contained shall be construed as conferring on a person who is not 29 registered or licensed as a pharmacist any authority, right, or 30 privilege that is not granted to the person by the pharmacy laws of 31 this State. 32 "Poppy straw" means all parts, except the seeds, of the opium 33 poppy, after mowing. "Practitioner" means a physician, dentist, veterinarian, scientific 34 investigator, laboratory, pharmacy, hospital, or other person 35 licensed, registered, or otherwise permitted to distribute, dispense, 36 37 conduct research with respect to, or administer a controlled 38 dangerous substance in the course of professional practice or 39 research in this State. 40 (a) "Physician" means a physician authorized by law to practice 41 medicine in this or any other state. 42 (b) "Veterinarian" means a veterinarian authorized by law to 43 practice veterinary medicine in this State. 44 (c) "Dentist" means a dentist authorized by law to practice 45 dentistry in this State. 46 (d) "Hospital" means any federal institution, or any institution 47 for the care and treatment of the sick and injured, operated or approved by the appropriate State department as proper to be 48

1 entrusted with the custody and professional use of controlled 2 dangerous substances. (e) "Laboratory" means a laboratory to be entrusted with the 3 custody of narcotic drugs and the use of controlled dangerous 4 5 substances for scientific, experimental, and medical purposes and for purposes of instruction approved by the Department of Health. 6 7 "Production" includes the manufacture, planting, cultivation, 8 growing, or harvesting of a controlled dangerous substance. 9 "Immediate precursor" means a substance which the division has 10 found to be and by regulation designates as being the principal 11 compound commonly used or produced primarily for use, and 12 which is an immediate chemical intermediary used or likely to be used in the manufacture of a controlled dangerous substance, the 13 14 control of which is necessary to prevent, curtail, or limit such 15 manufacture. 16 "Substance use disorder involving drugs" means taking or using 17 a drug or controlled dangerous substance, as defined in this chapter, in association with a state of psychic or physical dependence, or 18 19 both, arising from the use of that drug or controlled dangerous 20 substance on a continuous basis. A substance use disorder is 21 characterized by behavioral and other responses, including, but not 22 limited to, a strong compulsion to take the substance on a recurring 23 basis in order to experience its psychic effects, or to avoid the 24 discomfort of its absence. 25 "Ultimate user" means a person who lawfully possesses a 26 controlled dangerous substance for the person's own use or for the 27 use of a member of the person's household or for administration to an animal owned by the person or by a member of the person's 28 29 household. 30 (cf: P.L.2018, c.138, s.7) 31 32 12. Section 5 of P.L.1970, c.226 (C.24:21-5) is amended to read 33 as follows: 34 5. Schedule I. Tests. The director shall place a substance in Schedule I if he 35 a. finds that the substance: (1) has high potential for abuse; and (2) 36 37 has no accepted medical use in treatment in the United States; or lacks accepted safety for use in treatment under medical 38 39 supervision. 40 The controlled dangerous substances listed in this section are b. 41 included in Schedule I, subject to any revision and republishing by 42 the director pursuant to subsection d. of section 3 of P.L.1970, 43 c.226 (C.24:21-3), and except to the extent provided in any other 44 schedule. 45 c. Any of the following opiates, including their isomers, esters, 46 and ethers, unless specifically excepted, whenever the existence of 47 such isomers, esters, ethers and salts is possible within the specific

48 chemical designation:

- 1 (1) Acetylmethadol
- 2 (2) Allylprodine
- 3 (3) Alphacetylmethadol
- 4 (4) Alphameprodine
- 5 (5) Alphamethadol
- 6 (6) Benzethidine
- 7 (7) Betacetylmethadol
- 8 (8) Betameprodine
- 9 (9) Betamethadol
- 10 (10) Betaprodine
- 11 (11) Clonitazene
- 12 (12) Dextromoramide
- 13 (13) Dextrorphan
- 14 (14) Diampromide
- 15 (15) Diethylthiambutene
- 16 (16) Dimenoxadol
- 17 (17) Dimepheptanol
- 18 (18) Dimethylthiambutene
- 19 (19) Dioxaphetyl butyrate
- 20 (20) Dipipanone
- 21 (21) Ethylmethylthiambutene
- 22 (22) Etonitazene
- 23 (23) Etoxeridine
- 24 (24) Furethidine
- 25 (25) Hydroxypethidine
- 26 (26) Ketobemidone
- 27 (27) Levomoramide
- 28 (28) Levophenacylmorphan
- 29 (29) Morpheridine
- 30 (30) Noracymethadol
- 31 (31) Norlevorphanol
- 32 (32) Normethadone
- 33 (33) Norpipanone
- 34 (34) Phenadoxone
- 35 (35) Phenampromide
- 36 (36) Phenomorphan
- 37 (37) Phenoperidine
- 38 (38) Piritramide
- 39 (39) Proheptazine
- 40 (40) Properidine
- 41 (41) Racemoramide
- 42 (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:

- 47 (1) Acetorphine
- 48 (2) Acetylcodone

- 1 (3) Acetyldihydrocodeine
- 2 (4) Benzylmorphine
- 3 (5) Codeine methylbromide
- 4 (6) Codeine-N-Oxide
- 5 (7) Cyprenorphine
- 6 (8) Desomorphine
- 7 (9) Dihydromorphine
- 8 (10) Etorphine
- 9 (11) Heroin
- 10 (12) Hydromorphinol
- 11 (13) Methyldesorphine
- 12 (14) Methylhydromorphine
- 13 (15) Morphine methylbromide
- 14 (16) Morphine methylsulfonate
- 15 (17) Morphine-N-Oxide
- 16 (18) Myrophine
- 17 (19) Nicocodeine
- 18 (20) Nicomorphine
- 19 (21) Normorphine
- 20 (22) Phoclodine
- 21 (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:
- 27 (1) 3,4-methylenedioxy amphetamine
- 28 (2) 5-methoxy-3,4-methylenedioxy amphetamine
- 29 (3) 3,4,5-trimethoxy amphetamine
- 30 (4) Bufotenine
- 31 (5) Diethyltryptamine
- 32 (6) Dimethyltryptamine
- 33 (7) 4-methyl-2,5-dimethoxylamphetamine
- 34 (8) Ibogaine
- 35 (9) Lysergic acid diethylamide
- 36 (10) Marihuana
- 37 (11) Mescaline
- 38 (12) Peyote
- 39 (13) N-ethyl-3-piperidyl benzilate
- 40 (14) N-methyl-3-piperidyl benzilate
- 41 (15) Psilocybin
- 42 (16) Psilocyn
- 43 (17) Tetrahydrocannabinols, except when found in [industrial]
- 44 hemp <u>or a hemp product</u> cultivated <u>, handled, processed</u>,
- 45 <u>transported, or sold</u> pursuant to the [New Jersey Industrial Hemp
- 46 Pilot Program established by P.L.2018, c.139 (C.4:28-1 et al.)]

1	"New Jersey Hemp Farming Act," P.L., c. (C.) (pending
2	before the Legislature as this bill).
3	(cf: P.L.2018, c.139, s.8)
4	
5	13. Section 1 of P.L.1939, c.248 (C.26:2-81) is amended to read
6	as follows:
7	1. In order to protect the health, morals and welfare of the State
8	of New Jersey, whenever the county prosecutor of any county of the
9	State of New Jersey receives credible information that wild,
10	cultivated, or hidden growth or beds of alleged Marihuana weed are
11	located anywhere within the county, the county prosecutor shall
12	immediately communicate such information to the Department of
13	Health. The Department of Health, upon receipt of such
14	information, shall immediately dispatch one of its agents to the
15	location who shall make an examination and determination of the
16	alleged Marihuana weed so as to determine the existence or
17	nonexistence of Marihuana weed at the location, and the
18	Department of Health shall immediately communicate by writing its
19	determination to the aforesaid county prosecutor and the
20	Department of Agriculture . "Marihuana" shall not mean
21	[industrial] hemp or a hemp product cultivated , handled,
22	processed, transported, or sold pursuant to the [New Jersey
23	Industrial Hemp Pilot Program established by P.L.2018, c.139
24	(C.4:28-1 et al.) <u>"New Jersey Hemp Farming</u>
25	Act," P.L., c. (C.) (pending before the Legislature as this
26	<u>bill)</u> .
27	(cf: P.L.2018, c.139, s.9)
28	
29	14. Section 2 of P.L.1939, c.248 (C.26:2-82) is amended to read
30	as follows:
31	2. Upon certification by the Department of Health of the
32	existence of Marihuana weed at the location examined by the
33	Department of Health, then the county prosecutor is hereby
34	empowered to dispatch one of the prosecutor's agents to the
35	location so certified and the agent shall destroy the Marihuana weed
36	and the county prosecutor or the agent shall not be civilly
37	responsible in any manner whatsoever for destruction of the
38	Marihuana weed. "Marihuana" shall not mean [industrial] hemp or
39	<u>a hemp product</u> cultivated <u>, handled</u> , processed, transported, and
40	sold pursuant to the [New Jersey Industrial Hemp Pilot Program
41	established by P.L.2018, c.139 (C.4:28-1 et al.)] "New Jersey
42	Hemp Farming Act," P.L., c. (C.) (pending before the

43 <u>Legislature as this bill)</u>.

44 (cf: P.L.2018, c.139, s.10)

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46 15. Sections 1 through 5 of P.L.2018, c.139 (C.4:28-1 through
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47 C.4:28-5) are repealed.

16. This act shall take effect immediately.

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STATEMENT

This bill would establish a program for the cultivation, handling,
processing, transport, and sale of hemp and hemp products in the
State in accordance with federal law.

9 The federal "Agricultural Improvement Act of 2018" (commonly 10 known as the 2018 Farm Bill) was enacted in December 2018 and 11 contains changes to the regulation of the production of hemp by the 12 federal government. The 2018 Farm Bill significantly expands the 13 states' ability to regulate hemp production, and provides an eventual repeal of the section of the 2014 Farm Bill that allowed for 14 15 hemp pilot programs in the states. As New Jersey's law 16 establishing a hemp pilot program was consistent with the provision 17 of the 2014 Farm Bill that will eventually be repealed, an update to 18 State law is required to ensure the production of hemp in the State.

19 The bill would repeal New Jersey's hemp pilot program, and 20 replace it with a permanent program, administered by the 21 Department of Agriculture (department), that complies with federal 22 law. The bill would define "hemp" as the plant Cannabis sativa L., 23 any part of the plant, and all derivatives thereof with a delta-9 24 tetrahydrocannabinol concentration of not more than 0.3 percent, 25 consistent with federal law. The bill would define hemp producer 26 as a person or business entity authorized by the department to 27 cultivate, handle, or process hemp in the State. The bill would 28 define "hemp product" as a finished product with a delta-9 29 tetrahydrocannabinol concentration of not more than 0.3 percent 30 that is derived from or made by processing a hemp plant or plant 31 part and prepared in a form available for commercial sale, and 32 would include cannabidiol.

The bill would make it lawful for a hemp producer to cultivate, handle, or process hemp or hemp products in the State, and for any person to possess, transport, sell, and purchase legally-produced hemp products in the State. Any unauthorized person who cultivates, handles, or processes hemp would be subject to the same penalties as those related to marijuana.

39 The bill would require the department to adopt regulations and 40 submit a state plan for the regulation of hemp consistent with 41 federal requirements. The regulations would include: maintaining 42 information about hemp producers; an inspection, testing and of noncompliant hemp program; provisions 43 disposal for 44 enforcement of the bill; information sharing as required by federal 45 law; and a certification that the department has the resources to 46 implement the program. If the United States Department of Agriculture disapproves the State plan, the department would be 47 48 required to amend the State plan and resubmit it to gain federal 1 approval. The bill would not prevent any person from participating

2 in a federally-administered hemp program if the State does not have

3 an approved State plan.

4 Additionally, the department would be required to adopt rules 5 and regulations to: establish requirements to be a hemp producer, 6 establish an appeal process with retesting, to collect and share 7 information about hemp producers pursuant to federal law, to define 8 classes hemp products that are eligible for sale, establish a licensing 9 fee structure, and establish procedures governing hemp shipment 10 within the State. The regulations would include a requirement that 11 all shipments need only be accompanied by the originating hemp 12 producer's proof of authorization to engage in the commercial sale of hemp, as well as a travel manifest that lists the origin, 13 14 destination, product description, and date of transport. In no case 15 shall the department require third-party carriers to be authorized 16 hemp producers in order to transport hemp.

17 If a hemp producer negligently violates the bill or any rules or 18 regulations adopted pursuant thereto, the producer would be subject 19 to a corrective action plan designed to bring the producer into 20 compliance with the hemp program. Three negligent violations in a 21 five year period would result in a five year ban from participating in 22 the hemp program. Any intentional violations would be referred to 23 the Attorney General, and the United States Attorney General. The 24 department would be required to adopt rules and regulations 25 establishing a penalty fee structure for violations of the act.

The bill would establish a separate fund called the "New Jersey Hemp Farming Fund" to collect all license fees, penalties collected by the department, donations, and sums appropriated by the Legislature to implement the hemp program.

30 The bill would provide that a person may possess, transport, buy, 31 and sell hemp products in the State, including products containing 32 cannabidiol derived from hemp, to the maximum extent permitted 33 by federal law. The department, in consultation with the 34 Department of Health, would be permitted to adopt rules and 35 regulations only to regulate the sale of hemp products that provide 36 that hemp-derived cannabinoids, including cannabidiol, are not 37 considered controlled substances or adulterants. Retail sales of 38 hemp products processed outside the State may be conducted in the 39 State when the products and the hemp used in the products were 40 processed and cultivated legally in another state or jurisdiction that 41 has substantially similar requirements for processing hemp products 42 or cultivating hemp as the bill.

The bill would also amend various sections of statutory law to
remove references to the New Jersey Industrial Hemp Pilot
Program, and replace them with the New Jersey Hemp Farming Act.