

# SAFETY DIRECTOR BULLETIN

## NEW JERSEY RECREATIONAL CANNABIS GUIDE

The following update on the legalization of recreational cannabis in New Jersey was prepared by the Safety Director's Office in response to inquiries from municipal and county representatives. *Please consult your local attorney for further guidance on this subject.*

1. The *New Jersey Cannabis Regulatory, Enforcement, Assistance, and Marketplace Modernization Act*, also known as *CREAMM Act*, was passed on December 27, 2020. New Jersey is one of 18 states to legalize recreational marijuana; however cannabis is still classified as a "*Schedule 1 Controlled Substance*," and therefore, remains illegal on the federal level.
2. The **medical use** of marijuana was legalized in New Jersey in 2010.
3. Governor Murphy stated that one of the important factors in passing the *CREAMM Act* was to decriminalize the use of cannabis and thus to enhance social justice measures. For example, the smell of marijuana is no longer acceptable grounds for law enforcement personnel to search individuals. However, individuals may not drive under the influence, smoke on public property or grow their own plants. The State Attorney General previously issued guidelines for law enforcement officers.
4. Use of cannabis can no longer be a "determining" factor in hiring, or firing employees. However, employers do have the right to establish and maintain a drug and alcohol-free workplace.
5. One of the key components of the *CREAMM Act* was the creation of the *New Jersey Cannabis Regulatory Commission (CRC)*, which was granted broad licensing and regulatory authority under the law.
6. There are seven types of licenses that may be granted by the NJ Cannabis Regulatory Commission as shown below; however, **no licenses have been issued yet.**
  - a. Cultivators - (Limited to 27 licenses up until 3/15/2022) CRC began accepting applications on 12/15/2021
  - b. Manufacturers - CRC began accepting applications on 12/15/2021
  - c. Wholesalers - CRC not yet accepting licenses, no timeframe set
  - d. Distributors - CRC not yet accepting licenses, no timeframe set
  - e. Retailers - CRC to begin accepting licenses on 3/15/2022
  - f. Delivery - CRC not yet accepting licenses, no timeframe set.
  - g. Conditional (i.e., temporary/interim licenses for up to 120 days)
7. A key element of the *CREAMM Act* was also the expungement of people's past marijuana-related offenses, and from 7/1/2021 to date, over 360,000 cases were expunged from the NJ Court system.

8. Municipalities/Counties have the legal right to authorize and regulate licensed cannabis operations within their boundaries. The CRC cannot issue or approve a license that does not comport with local ordinances. ***However, all municipalities had only until August 21, 2021, to ban adult-use cannabis businesses (across all licensing categories) through the adoption of an appropriate ordinance, and 71% of the municipalities in the State of NJ (about 400) took that action.*** Under the provisions of the ***CREAMM Act***, municipalities who “opted in” by allowing cannabis businesses cannot change their stance for five (5) years. However, municipalities who “opted out,” may change their ordinance to permit cannabis-related businesses at any time. Municipalities/Counties who permit cannabis businesses to operate may charge a ***2% tax on retail sales and 1% tax*** on wholesale sales.
9. Sales of recreational marijuana in New Jersey will be taxed under the general state sales rate of 6.625 percent. In addition, New Jersey will levy a so-called excise fee. This fee (or tax) will take effect at a rate depending on retail prices in the preceding year. The levels are:
  - up to \$10 per ounce if the average retail price of an ounce was \$350 or more;
  - up to \$30 per ounce if the average retail price of an ounce was less than \$350 but at least \$250;
  - up to \$40 per ounce if the average retail price of an ounce was less than \$250 but at least \$200; and
  - up to \$60 per ounce if the average retail price of an ounce was less than \$200.
10. The ***Model CDL and NON-CDL Driver policies*** on the NJCE.org website address the use of cannabis as well, and the link to those policies is shown below:
  - a. [https://njce.org/safety/checklists/model\\_policies](https://njce.org/safety/checklists/model_policies)
11. Further information and guidance is available on the ***NJ Cannabis Regulatory Commission (CRC)*** website at the link shown below:
  - a. <https://www.nj.gov/cannabis/>

**Please consult your local attorney for further guidance on this subject.**