

A CONCURRENT RESOLUTION proposing to amend Article IV, Section VII, paragraph 13 of the New Jersey Constitution.

BE IT RESOLVED by the Senate of the State of New Jersey (the General Assembly concurring):

1. The following proposed amendment to the Constitution of the State of New Jersey is agreed to:

PROPOSED AMENDMENT

Amend Article IV, Section VII, paragraph 13 to read as follows:

13. a. The growth, cultivation, processing, manufacturing, preparing, packaging, transferring, and retail purchasing and consumption of cannabis, or products created from or which include cannabis, by persons 21 years of age or older, and not by persons under 21 years of age, shall be lawful and subject to regulation by the Cannabis Regulatory Commission created by P.L.2019, c.153 (C.24:6I-5.1 et al.), or any successor to that commission.

(1) The commission's or successor's regulatory authority concerning legalized cannabis shall be authorized by law enacted by the Legislature.

(2) The receipts from retail purchases of cannabis or products created from or which include cannabis shall only be subject to the tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et. seq.), as amended and supplemented, or any other subsequent law of similar effect; provided, however, that a municipality, subject to authorization by law enacted by the Legislature, may adopt an ordinance to impose an additional municipal tax on the sale, or any other form of transfer, of cannabis or products created from or which include cannabis by an authorized party located in a municipality. The municipal tax rate shall not exceed two percent of the receipts from each sale of cannabis or products created from or which include cannabis by an authorized party or the equivalent value from any other form of transfer by an authorized party.

As used in this paragraph:

"Cannabis" means all parts of the plant Genus Cannabis L., whether growing or not, the seeds thereof, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds. "Cannabis" does not include: cannabis dispensed and consumed for medical purposes pursuant to any law enacted by the Legislature; hemp or hemp products subject to regulation under the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.), or any successor enactment thereto; or unregulated cannabis, referred to as marijuana, and products created from or which include marijuana.

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

Matter underlined thus is new matter.

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b. (1) There is established the “Municipal Impact Zones Fund.” The fund shall be the repository of any State revenue not otherwise dedicated by this Constitution derived from the tax on receipts from retail sales of cannabis and products created from or which include cannabis as set forth in this paragraph, as well as any statutory or regulatory fees or penalties collected by the Cannabis Regulatory Commission or successor to that commission concerning the regulation of legalized cannabis as authorized by law enacted by the Legislature.

(2) All money in the fund shall be appropriated annually by the Legislature exclusively for the following purposes:

(a) investment in impact zones as defined in this paragraph and investment in residents of such impact zones; and

(b) direct aid to State, county, and municipal law enforcement entities, or to any State agency, State authority, county, municipality, or other political subdivision of the State, for law enforcement training, equipment, and support related to enforcement of laws and regulations enacted pursuant to this paragraph concerning cannabis.

(3) As used in this paragraph, “impact zone” means a municipality, or a portion of a municipality, as designated by law enacted by the Legislature. The designation shall be based on the existence of past criminal marijuana enterprises in the municipality that have contributed to higher concentrations of law enforcement activity, unemployment, and poverty within the municipality.

(cf: Article IV, Section VII, paragraph 13 added effective January 1, 2021)

2. When this proposed amendment to the Constitution is finally agreed to pursuant to Article IX, paragraph 1 of the Constitution, it shall be submitted to the people at the next general election occurring more than three months after the final agreement and shall be published at least once in at least one newspaper of each county designated by the President of the Senate, the Speaker of the General Assembly and the Secretary of State, not less than three months prior to the general election.

3. This proposed amendment to the Constitution shall be submitted to the people at that election in the following manner and form:

There shall be printed on each official ballot to be used at the general election, the following:

a. In every municipality in which voting machines are not used, a legend which shall immediately precede the question as follows:

If you favor the proposition printed below make a cross (X), plus (+), or check (✓) in the square opposite the word "Yes." If you are opposed thereto make a cross (X), plus (+) or check (✓) in the square opposite the word "No."

b. In every municipality the following question:

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| | YES | <p style="text-align: center;">CONSTITUTIONAL AMENDMENT TO INVEST CERTAIN MONEY FROM THE SALE OF LEGAL CANNABIS FOR “IMPACT ZONES” AND LAW ENFORCEMENT</p> <p>Do you approve amending the Constitution to set aside certain taxes and fees that the State receives from the sale of legal cannabis? The State would give the money to municipal “impact zones” and to law enforcement activities concerning legal cannabis.</p> |
| | | <p style="text-align: center;">INTERPRETIVE STATEMENT</p> <p>In November 2020, the voters passed an amendment to the Constitution that legalizes cannabis. The sale of cannabis and cannabis products will be subject to taxes and fees. This amendment requires that money received by the State from these taxes and fees would go into the Municipal Impact Zones Fund. The money in the fund would be spent in two ways: (1) Money would be invested in municipalities and parts of municipalities known as “impact zones.” (2) Money would be given to State, county, and municipal law enforcement organizations or to any State agency, county, municipality, or other State body. This money would be spent on training, equipment, and support for law enforcement to support the laws about legal cannabis.</p> <p>A law enacted by the Legislature would determine whether a municipality or a portion of a municipality is an impact zone. The decision would be based on whether past criminal marijuana enterprises contributed to higher concentrations of law enforcement activity, unemployment, and poverty in the municipality. The money would also be invested in residents of impact zones.</p> <p>A “yes” vote would require the State to set aside money from taxes and fees on cannabis. The State would invest this money in impact zones and on law enforcement in order to support the cannabis laws.</p> |

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| | NO | A “no” vote means that the Constitution would not specify how money received by the State from taxes and fees on cannabis would be used. |
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STATEMENT

Article IV, Section VII, paragraph 13 of the Constitution, approved by the voters on November 3, 2020 and effective December 3, 2020, legalizes the cultivation, manufacturing, and purchase of cannabis and cannabis products by persons 21 years of age and older. Under that constitutional amendment, cannabis and cannabis products will be regulated by the Cannabis Regulatory Commission created by P.L.2019, c.153 (C.24:6I-5.1 et al.), or any successor to that commission. Cannabis and cannabis products will be subject to taxes under the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et. seq.), as amended and supplemented, or any other subsequent law of similar effect. In addition, the constitutional amendment provides that, subject to authorization by law enacted by the Legislature, a municipality may adopt an ordinance to impose an additional municipal tax on the sale, or any other form of transfer, of cannabis or products created from or which include cannabis by an authorized party located in a municipality.

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This proposed constitutional amendment requires that all revenues not otherwise dedicated by the Constitution that are received by the State from the tax on receipts from retail sales of cannabis and cannabis products, as well as any statutory or regulatory fees or penalties collected by the Cannabis Regulatory Commission or successor to that commission, would be deposited in a new Municipal Impact Zones Fund. All money in the Municipal Impact Zones Fund would be appropriated annually by the Legislature exclusively for the following purposes:

- (1) investment in impact zones, as defined in the constitutional amendment, and in investment in residents of such impact zones; and
- (2) direct aid to State, county, and municipal law enforcement entities, or to any State agency, State authority, county, municipality, or other political subdivision of the State, for law enforcement training, equipment, and support related to enforcement of laws and regulations enacted pursuant to this constitutional amendment concerning cannabis and cannabis products.

The constitutional amendment defines an “impact zone” as a municipality, or a portion of a municipality, as designated by law enacted by the Legislature. The designation would be based on the existence of past criminal marijuana enterprises in the municipality that have contributed to higher concentrations of law enforcement activity, unemployment, and poverty within the municipality.



Requires that certain revenues from taxes and fees on cannabis and cannabis products be appropriated annually for investment in municipalities designated as “impact zones” and for law enforcement for training, equipment, and support related to enforcement of cannabis laws.

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