



Module I

Introduction to Cannabis Laws

By Seth Tipton

Topics for Today

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General Laws

- Federal Laws
- State Laws

The Start of the NJ MMP

- History of CUMMA - CUMMCA
- EO6
- A20

Cannabis Laws

- **Adult Use cannabis**
- **Medical cannabis**
- **Hemp is cannabis with effectively no THC (less than 0.3%)**
- **Otherwise categorized as marijuana (CSA)**



Cannabis vs. Marijuana



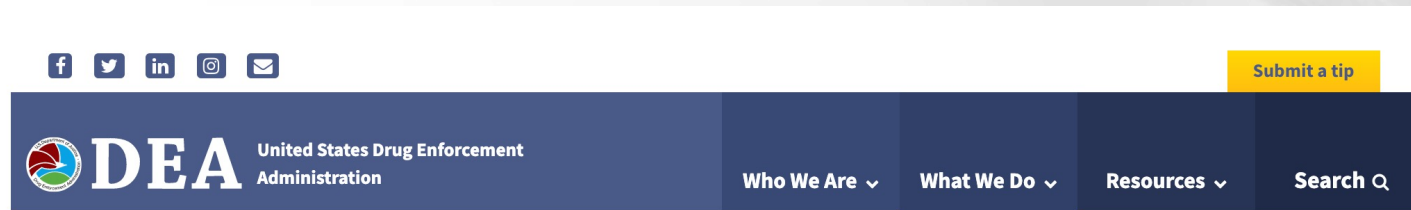
Use the word Cannabis

The History of Federal Prohibition

- 1910's – Cannabis and hemp was legal to grow and use in all states.
- 1937 Marijuana Tax Act – Enacted by Congress to distinguish, and placed a substantial tax on, “marihuana” but excluded the non-psychoactive hemp. The tax effectively stopped cultivation, selling and using marijuana.
- 1970 Controlled Substances Act (CSA) 21 U.S.C. § 801 et seq. – Under the CSA, marijuana is classified as a Schedule I drug. The CSA makes “manufacturing, possession, sale or use of marijuana” a crime.



Schedule I Status



[What We Do](#) / [Drug Information](#) / Drug Scheduling

Drug Scheduling

Drug Schedules

Drugs, substances, and certain chemicals used to make drugs are classified into five (5) distinct categories or schedules depending upon the drug's acceptable medical use and the drug's abuse or dependency potential. The abuse rate is a determinate factor in the scheduling of the drug; for example, Schedule I drugs have a high potential for abuse and the potential to create severe psychological and/or physical dependence. As the drug schedule changes-- Schedule II, Schedule III, etc., so does the abuse potential-- Schedule V drugs represents the least potential for abuse. A Listing of drugs and their schedule are located at Controlled Substance Act (CSA) Scheduling or CSA Scheduling by Alphabetical Order. These lists describes the basic or parent chemical and do not necessarily describe the salts, isomers and salts of isomers, esters, ethers and derivatives which may also be classified as controlled substances. These lists are intended as general references and are not comprehensive listings of all controlled substances.

- Schedules are ratings of a drugs medicinal value.
- Five schedules of narcotics that are updated semiannually.
- Schedule I is the most strictly regulated.

Schedule I is defined as:

High potential for abuse.



No currently accepted medical use in treatment in the United States.

Lack of accepted safety for use of the drug.

2018 Farm Bill Removes Hemp from CSA

Hemp Industry Celebrates as Farm Bill Passes

STATELINE UPDATE December 13, 2018 By: [Sophie Quinton](#) Topics: [Economy](#) & [Federal Impact](#) Read time: 3 min

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[n/search?topic=Federal Impact](#) der Mitch McConnell, Republican of Kentucky, examines pieces taken from a bale

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<https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2018/12/13/hemp-industry-celebrates-as-farm-bill-passes>

- Removes hemp from the definition of marijuana under the CSA.
- Hemp = 0.3% THC limit.
- Allows commercial cultivation, research, development of hemp in all states.
- Each state must enact rules that the Secretary of USDA must approve.
- Allows possession of CBD derived from legally-grown hemp.

Federal Prohibition Causes Banking Issues





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Business Analysis

May 12, 2020

SAFE Banking Act Included in COVID-19 Legislation

By Aaron G. Biros  2 Comments

A BILL
Making emergency supplemental appropriations for the fiscal year ending September 30, 2020, and for other purposes.
1 Be it enacted by the Senate and House of Representatives,
2 of the United States of America in Congress assembled,
3 SHORT TITLE
4 SECTION 1.
5 This act may be cited as the "Health and Economic
6 Recovery Omnibus Emergency Solutions Act" or the
7 "HEROES Act."

The HEROES Act, the newest COVID-19 relief legislation making its way through Congress, includes an exciting new addition: the SAFE Banking Act, which would ensure access to financial services for cannabis businesses. If passed, this piece of legislation would provide a major breakthrough for the cannabis

https://cannabisindustryjournal.com/news_article/safe-banking-act-included-in-covid-19-legislation/

- Cannabis is still illegal Federally and most banks are Federally insured. This prevents cannabis companies from banking, or with very high fees.
- Section 280E of the Internal Revenue Code prevents businesses that “traffic” a controlled substance from deducting otherwise ordinary business expenses.
- Secure and Fair Enforcement Banking Act (SAFE Banking Act) – would permit and protect banks that serve cannabis business that are authorized under state law.

Protections for Legal State Programs?

- **2013 Cole Memo – Encouraged U.S. Attorneys to take hands-off approach to state legal cannabis enforcement.**

Rescinded by Attorney General Jeff Sessions under President Trump.

- **2014 Rohrabacher-Farr Amendment – Prohibits the Justice Department from spending money enforcing Federal law on state authorized medical cannabis programs.**

Trump Says He Can Ignore Medical Marijuana Protections Passed By Congress



Tom Angell Contributor @
Policy

I cover the politics and policy of cannabis here and at Marijuana Moment.

f In a statement attached to a large-scale funding bill he signed into law on Friday, President Trump said in effect that he reserves the right to ignore a congressionally approved provision that seeks to protect state medical marijuana laws from federal interference.



<https://www.forbes.com/>

Recent Federal Law Developments

- **CSA** continues to trump state law *Gonzalez v. Raich*, 545 U.S. 1 (2005), and makes leasing property to or otherwise aiding illegal activities relating to cannabis cultivation, processing and sales all federal crimes.
- **June 25, 2018** – **FDA** approves the first prescription drug of highly purified, plant-derived cannabidiol (**CBD**) cannabinoid to treat epileptic disorders. Epidiolex. Listed as a **Schedule V** drug, meaning it has low potential for abuse and proven medical use.
- **December 20, 2018** – **The Farm Bill** passes.
- **2019** – **AG William Barr** states in confirmation hearing that he will not target state legal marijuana businesses for prosecution, but points to the need for **Congressional** action on the subject.
- **June 20, 2019** – **House** passes broader version of Rohrabacher-Farr amendment for **FY 2020** appropriations bill aimed at preventing interference with adult use states. **Senate** declines to take up the new amendment.
- **November 20, 2019** – **House Judiciary Committee** approves bill legalizing marijuana and removing it from **Schedule I** of the **CSA**. Adds **5% federal tax** and leaves discretion to states in enacting policies. **Senate** note expected to take up the bill.

Recent Federal Law Developments



MORE Act – December 4, 2020 - The House of Representatives votes to repeal the federal ban on cannabis.

- Removes it from Schedule I of the CSA
- Adds 5% federal tax, increasing to 6%, 7% and 8%
- Automatic expungement of federal marijuana offenses

Strengthening the Tenth Amendment Through Entrusting States Act (STATES Act) – would allow states to determine their own cannabis policies without fear of federal intervention.

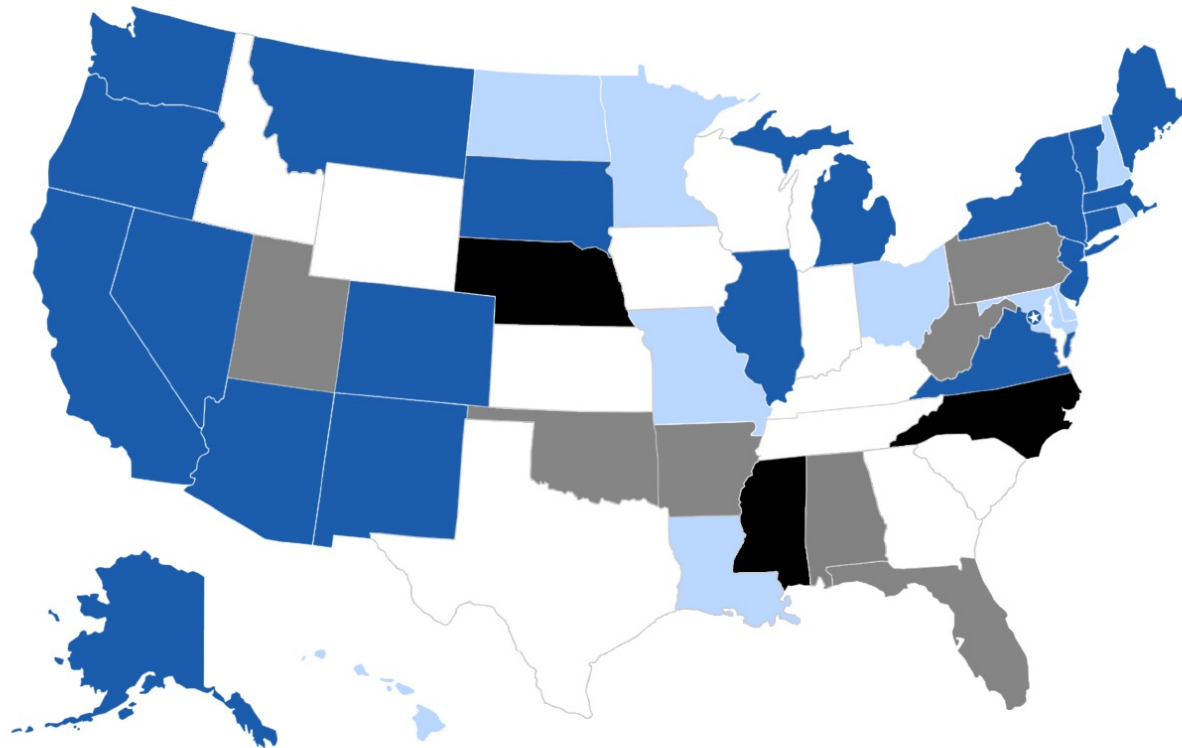
Draft of **Cannabis Administration and Opportunity Act** – Introduced July 14, 2021 – US Senate

- Calls for Federal decriminalization
- Allows State to determine what, if any programs to allow

State Cannabis Laws



Cannabis Policy in the United States



States that have legalized and regulated marijuana for adults 21+

States that both have a medical cannabis law and have removed jail time for possessing small amount of cannabis

D.C. legalized possession and cultivation for adults but does not have legal sales.

States that have removed jail time for possessing small amounts of cannabis

States with medical cannabis laws

- Federal laws – Cannabis is illegal (CSA).
- State laws - Every state has different laws.
- Local Laws.

Local Laws

- **NJ Drug Free School Zone Law N.J.S.A. 2C:35-7** - Prohibits drug possession within 1,000 feet of elementary and secondary schools.
- **NJ Park Zone** prohibits possession of drugs within 500 feet of public parks or buildings.
- **Legal cannabis** no longer fits within these definitions.



Medical cannabis is not a permitted use in many towns, need to obtain zoning permission from the municipality.

Status of State Laws Across the US

- **1996 – California passes Prop 215, legalizing medical use of cannabis.**
- **1996 – 2009 – Fourteen states legalize medical use of cannabis.**
- **2009 – Oakland, California becomes the first city to tax cannabis.**
- **2009 – “Ogden Memo” issued from Department of Justice to federal prosecutors in 14 states.**
- **Between 2009 – 2013, seven more states (including New Jersey), Washington D.C. legalize medical cannabis, and Colorado legalizes adult use in 2012.**
- **Between 2013 – 2017, twelve states enact legal medicinal cannabis laws bringing the nationwide total to 34.**

Status of Laws Across the US Today

- 37 states have legal medical cannabis programs
- 18 states + Washington DC have legalized adult consumption of cannabis. (Alaska, Arizona, California, Connecticut, Colorado, Illinois, Maine, Massachusetts, Michigan, Montana, Nevada, New Jersey, New York, Oregon, South Dakota, Vermont, Virginia, Washington, as well as Washington, D.C.).

Recreational Marijuana Legalized by New Jersey Voters

Voters approved a constitutional amendment to legalize cannabis in New Jersey, putting pressure on neighboring states like New York.

Connecticut Gov. Ned Lamont (D) said during his State of the State speech that he will work with lawmakers to legalize marijuana this year.

- "Let's not surrender these opportunities to out-of-state markets or, even worse, underground markets."





- **NY, NJ, PA, DE, CT all have independent medical marijuana and/or adult use programs.**
- **Each program operates differently.**

Reciprocity?

If a person has obtained cannabis legally in one state, it cannot leave that state or cross state lines.

Laws that recognize an individuals' medical cannabis status in another state.

New Jersey MMP patients cannot transport their medicine outside of the State.

History of The New Jersey Compassionate Use Medical Marijuana Act

News

N.J. medical marijuana law is signed

Updated Apr 01, 2019; Posted Jan 19, 2010



By [Claire Heininger/Statehouse Bureau](#)

TRENTON -- Gov. Jon Corzine tonight signed a measure making New Jersey the 14th state to legalize marijuana for medicinal purposes, part of a flurry of bills the Democrat penned in his last full day on the job.

Passed in 2009.

Signed by Governor Corzine on January 18, 2010.

New Jersey was the 14th State in the US to legalize medical marijuana.

“Compassion dictates” that medical marijuana be treated differently than non-medical marijuana to protect patients with certain medical conditions from prosecution.”

Medical marijuana was limited to “debilitating medical conditions”

- If “resistant to medical conventional medical therapy”
- Seizure disorder and epilepsy, intractable skeletal muscular spasticity, post-traumatic stress disorder, glaucoma
- HIV, AIDS or cancer *if they result in: Severe or chronic pain, severe nausea or vomiting, or wasting syndrome*
- ALS, multiple sclerosis, terminal cancer, muscular dystrophy, inflammatory bowel disease and Crohn’s disease
- Terminal illness where patient’s prognosis is less than 12 months
- Other medical conditions approved by the Department of Health by regulation. [Formerly N.J.S.A 24:61-3]

Murphy Starts to Expand Access to Medical Marijuana in New Jersey



Gov. Philip D. Murphy at his inauguration on Jan. 16 in Trenton. Although he campaigned on full marijuana legalization in New Jersey, objections from state legislators have raised questions about its future. Rick Loomis for The New York Times

<https://www.nytimes.com/2018/01/23/nyregion/new-jersey-medical-marijuana.html?auth=login-email&login=email>

- Create endorsement system for licensing businesses (no longer only vertical licensing).
- Remove requirement for psychiatric evaluation for minor patients.

Executive Order 6 - January 2019

Ordered the Department of Health to review the program within 60 days “with a focus on ways to expand access to marijuana for medical purposes.”

Administrative Changes Take Effect in 2019

- Reduced registration fees from \$200 to \$100. Or \$20 if you qualify.
- Added one additional (now 2) qualifying caregivers.
- Added seven eligible conditions, including: PTSD, anxiety, chronic pain of visceral origin, chronic pain related to musculoskeletal disorders, migraines, Tourette syndrome, opioid use disorder.
- Permit physicians to opt out of public list of participating physicians.
- Expanded forms of medical marijuana to include oil-based formulations, like vape cartridges.

DOH Recommendations for Statutory Change

- **Allow edibles for all patients, instead of just minors.**
- **Permit patients to register with more than one ATC.**
- **Make medical marijuana a first-line treatment.**
- **Allow unlimited supply for hospice patients**
- **Increase monthly limit for other patients from two ounces to four ounces**
- **Remove nonprofit requirement for original six ATC's**

Medicinal Marijuana Program Now Serves Over 100,000 Patients

Following the addition of new qualifying medical conditions as well as lowered patient and caregiver fees, the Medicinal Marijuana Program has seen the number of patients in the program more than quadruple since the day Governor Murphy took office in January. 104,253 patients are in the program. 1,259 doctors and 3,930 caregivers also participate.

Infrastructure for Adult Use

In New Jersey - Adult use legislation (Bill S2703) did not pass in the Spring of 2019.

New York also failed to pass adult use in 2019.

BUT,

**July 2019 – NJ passes A20 –
aka Jake Honig’s Law -
expanding the existing
medical program.**



<https://www.nj.com/>

A20 created the same infrastructure that the Adult Use law would have – mainly the CRC.

A20 is signed into law, July 2019

Statutory changes to the Medical Program

21

Jake Honig Compassionate Use Medical Cannabis Act (CUMCA)

Notable A20 Changes

- Prohibits schools from refusing to enroll based solely on the person's status as a registrant.
- Prohibits housing discrimination against patients.
- Prohibits adverse action in connection with, any license, certification, or permit issued pursuant to State law solely on the person's status as a registrant
- Expands ATC licensing to make cannabis more accessible to patients.
- **Creates the CRC.**
- Allows for home delivery.
- Added qualifying conditions, and other aspects that make it easier to be a patient in the program.
- Regulates the number and application process for Alternative Treatment Centers (ATC's).
- Establishes the Cannabis Regulatory Commission (CRC).
- Eventually transfers regulatory functions from the Department of Health to the CRC.
- Allows CRC to require specific training before working in the industry.

2020 Constitutional Amendment

Amends Article IV, Section VII

13. 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.24:61-5.1 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.





Thank You