# **TREASURY-GENERAL**

# NEW JERSEY CANNABIS REGULATORY COMMISSION

## Personal Use Cannabis Rules

## Proposed Amendments: N.J.A.C. 17:30-11.3, 11.56, 11.11, 11.12, and 16.3

Authorized By: New Jersey Cannabis Regulatory Commission, Dianna Houenou, Chair.

Authority: N.J.S.A. 24:6I-31 et seq.

Calendar Reference: See Summary below for explanation of exception to calendar

requirement.

Proposal Number: PRN 2023-099.

Submit written comments by December 15, 2023, electronically at: <u>www.nj.gov/cannabis/resources/cannabis-laws/</u>. Each comment should identify the commenter's name and affiliation. Alternatively, comments may be submitted by regular mail postmarked by December 15, 2023, to:

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New Jersey Cannabis Regulatory Commission

225 East State Street, 2nd Floor

Trenton, NJ 08608

The agency proposal follows:

# Summary

As the New Jersey Cannabis Regulatory Commission (Commission) has provided a 60-day comment period on this notice of proposal, it is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5. The personal-use cannabis market was established through a series of State laws and rules. On December 16, 2019, the New Jersey State Legislature passed a resolution placing a constitutional amendment on the New Jersey Statewide ballot that, if ratified, would legalize the growth, cultivation, processing, manufacturing, preparing, packaging, transferring, and retail purchasing and consumption of cannabis, or products created from or which include cannabis, for persons 21 years of age and older. In accordance with the Constitutional Amendment, the New Jersey Cannabis Regulatory Commission would oversee the new personal-use cannabis market. The Commission was originally established in 2019 pursuant to the Jake Honig Compassionate Use Medical Cannabis Act, N.J.S.A. 24:6I-1 et seq., to oversee the State's medical cannabis program.

On November 3, 2020, 67 percent of voters in New Jersey voted yes to ratify the legislatively referred Constitutional Amendment.

Governor Philip D. Murphy signed and made effective the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act (Act), N.J.S.A. 24:6I-31 et seq., on February 2, 2021. The Act authorized for the first time, the sale and personal use of products that contain useable cannabis or cannabis resin in New Jersey by persons 21 years of age or older and further directed the Commission to oversee the development, regulation, and enforcement of activities associated with the personal use of cannabis. To achieve this, the Act directed the Commission to "adopt rules and regulations prepared by the [C]ommission necessary or proper to enable it to carry out the [C]ommission's duties, functions, and powers with respect to overseeing the

development, regulation, and enforcement of activities associated with the personal use of cannabis ..." (See N.J.S.A. 24:6I-34.d(1)(a)).

As a result, in accordance with N.J.S.A. 24:6I-34.d(1)(b), the Commission adopted the Personal Use Cannabis Rules at N.J.A.C. 17:30, effective August 19, 2021. On March 6, 2023, the Commission readopted its rules with amendments at 55 N.J.R. 402(a).

The Commission is now proposing to add new rules allowing additional ingestible forms of cannabis. These proposed rules reflect consultation with the New Jersey Office of the Attorney General, as well as other individuals who provided input to the Commission regarding the rules. The Commission's current rules allow cannabis manufacturers to produce certain ingestible forms, such as syrups, pills, tablets, capsules, oral suspensions, and chewable forms. This rulemaking provides cannabis manufacturers the ability to produce additional ingestible forms, such as single-serve beverages and other foods items described below and prescribes additional requirements for production. A summary of the proposed rulemaking follows.

The Commission proposes amending N.J.A.C. 17:30-11.12(a)5 to clarify that a manufacturer must maintain "good manufacturing practices" pursuant to 21 CFR Parts 110 and 210, as applicable. The Commission proposes adding N.J.A.C. 17:30-11.12(d) to require employees involved in the manufacturing of ingestible products to undergo food safety training. The Commission proposes adding N.J.A.C. 17:30-11.3(f) to require that equipment used in the manufacturing of ingestible products comply with kitchen-related health and safety standards of the local jurisdiction and the New Jersey Department of Health as set forth at N.J.A.C. 8:24. The Commission proposes amending N.J.A.C. 17:30-11.5(c)1 to provide clarity regarding cannabis concentrates. The Commission proposes

amending N.J.A.C. 17:30-11.5(c)2iv because the Commission is adding additional ingestible forms other than those initially listed pursuant to the regulation. The Commission proposes amending N.J.A.C. 17:30-11.5(d)1 and 2 to reorganize the sentences for clarity. The Commission proposes amending N.J.A.C. 17:30-11.5(d)3 and (d)3i to incorporate active THC limits for newly authorized single serve beverages. The Commission proposes amending N.J.A.C. 17:30-11.5(d)3i to add that beverages shall have a cannabinoid concentration that is within 90 to 110 percent of the specified milligram serving size claimed for that cannabis product. The Commission proposes amending N.J.A.C. 17:30-11.5(d)4 by adding that it is permissible for ingestible products to be in the shape of a cannabis leaf. The Commission proposes adding N.J.A.C. 17:30-11.5(d)7 to require ingestible products to be a "non-TCS food," or "shelf stable food," which means a food that does not require time and/or temperature control for safety to limit pathogenic microorganism growth or toxin formation. The Commission proposes adding N.J.A.C. 17:30-11.5(e) and (f) to set forth the types of authorized ingestible forms of cannabis. The Commission proposes adding N.J.A.C. 17:30-11.5(g) to ensure all ingestible products have a uniform disbursement of cannabinoids. The Commission proposes amending N.J.A.C. 17:30-11.6(b) to add reference to Generally Recognized as Safe (GRAS) substances pursuant to the Federal Food, Drug and Cosmetic Act for ingestible items. The Commission proposes amending N.J.A.C. 17:30-11.11(a)1 because the manufacturing of additional ingestible forms of cannabis requires additional health and safety standards. Thus, the Commission proposes to incorporate 29 CFR Parts 1903, 1904, 1910, 1915, 1917, 1918, 1926, 1928, and 1977 by reference, as applicable, to all cannabis manufacturers. 29 CFR Part 1903 sets forth the process for inspections,

citations, and proposed penalties. 29 CFR Part 1904 sets forth the requirements for recording and reporting occupational injuries and illnesses. 29 CFR Part 1910 sets forth the requirements for occupational safety and health standards. 29 CFR Parts 1915, 1917, and 1918 set forth the requirements for occupational safety and health standards. 29 CFR Parts 1915, 1917, and 1918 set forth the requirements for occupational safety and health standards for shipyard employment, marine terminals, and safety and health regulations for longshoring, respectively, to the extent a cannabis business engages in shipping materials needed for manufacturing equipment. 29 CFR Part 1926 sets forth the requirements for occupational safety and health standards for agriculture. 29 CFR Part 1977 sets forth the requirements pertaining to discrimination against employees exercising rights under the Williams Steiger Occupational Safety and Health Act of 1970.

The Commission proposes amending N.J.A.C. 17:30-16.3(b)6 and 7 to add labeling requirements for "non-TCS" products. The Commission proposes amending N.J.A.C. 17:30-16.3(b)8 to require labeling to include whether the product requires refrigeration after product opening or consumption within a specified number of days after opening. The Commission proposes amending N.J.A.C. 17:30-16.3(c)3 to add an additional warning label for ingestibles.

#### Social Impact

The Commission expects the rules on additional ingestible forms to have a beneficial social impact by allowing persons 21 years of age and older to safely enjoy the personal use of cannabis in more forms and providing safety requirements for the production of ingestible products.

The rules ensure that all cannabis ingestible purchases are restricted to adults 21 years of age or older. Additionally, the rules require employees involved in the manufacturing of ingestible products to undergo food safety training. The rules also require that equipment used in the manufacturing of ingestible products comply with kitchen-related health and safety standards and incorporate OSHA regulations by reference.

The Commission, additionally, anticipates the rules to have a positive social impact by promoting general public health. The rules would impose labeling requirements advising consumers of ingredients used in the production of ingestible products.

Finally, the Commission anticipates the rules on additional ingestible forms of cannabis to have a positive social benefit by allowing for the first time in New Jersey, the safe and legal personal use of cannabis in additional edible forms. As discussed in the Summary above, 67 percent of voters in New Jersey voted yes to ratify the constitutional amendment legalizing the personal use of cannabis products in New Jersey. With these new rules, residents of New Jersey may now consume cannabis in newly authorized forms.

#### **Economic Impact**

The rules on additional ingestible forms of cannabis would have an economic impact on cannabis businesses that manufacture and dispense ingestible products. Those cannabis businesses would potentially incur costs associated with procuring and installing additional equipment to manufacture newly authorized ingestibles. Cannabis businesses may also incur costs by hiring and training additional staff in the process of creating new ingestible products. Cannabis businesses may also incur initial and ongoing costs associated with security and safety requirements related to the manufacturing of ingestible forms of cannabis.

Further, the Commission anticipates that the new rules on ingestible forms of cannabis will result in an economic benefit for the residents of the State. The Commission expects the State to generate tax revenues on the retail sales of additional ingestible products.

The Commission anticipates it would incur costs associated with the establishment of additional ingestible products. The Commission anticipates that it may incur costs associated with hiring additional personnel needed to respond to consumer inquiries, and conduct compliance and enforcement of the newly authorized forms of production and sales. These costs could increase or decrease in subsequent years, depending on such factors as program demand, salary, staff changes, and benefit costs.

#### Federal Standards Analysis

The New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act (Act) obliges the New Jersey Cannabis Regulatory Commission to promulgate rules necessary or proper to enable it to carry out the Commission's duties, functions, and powers with respect to overseeing the development, regulation, and enforcement of activities associated with the personal use of cannabis pursuant to P.L. 2021, c. 16. These duties include the regulation of the purchase, sale, cultivation, production, manufacturing, transportation, and delivery of cannabis or cannabis items, in accordance with the provisions of the Act. Therefore, the Act requires the Commission to promulgate rules governing the regulated community's cultivation, possession, manufacture, sale, distribution, and use of cannabis.

The Controlled Substances Act, 21 U.S.C. §§ 801 et seq., prohibits the cultivation, distribution, and possession of marijuana or cannabis, for any reason, regardless of State law. 21 U.S.C. §§ 841 et seq. The proposed amendments anticipate that members of the regulated community would cultivate, distribute, and possess cannabis, and may engage in certain financial activities that are ancillary to cultivation, distribution, and possession of cannabis. These ancillary financial activities may constitute prohibited conduct pursuant to other Federal criminal and civil laws, such as the money laundering statutes, the unlicensed money transmitter statute, and the Bank Secrecy Act (BSA). 18 U.S.C. §§ 1956 through 1957, and 1960; and 31 U.S.C. § 5318.

Therefore, the rules on additional ingestible forms of cannabis will conflict with Federal law. Members of the regulated community who engage in activities contemplated by the Act might incur Federal civil and criminal liability. N.J.S.A. 24:6I-2.d notes that "States are not required to enforce [Federal] law or prosecute people for engaging in activities prohibited by [Federal] law; therefore, compliance with [the Act] does not put the State of New Jersey in violation of [Federal] law," and N.J.S.A. 24:6I-54 further directs law enforcement in New Jersey to not cooperate with Federal agencies enforcing the Controlled Substances Act for activities solely authorized by the Act.

Between October 2009 and late October 2014, the United States Department of Justice (Justice Department) issued a series of formal memoranda to United States Attorneys to guide their exercise of investigative and prosecutorial discretion in states enacting laws authorizing the cultivation, distribution, and possession of marijuana, for medicinal or personal use purposes. David W. Ogden, Deputy Attorney Gen., Memorandum for Selected United States Attorneys: Investigations and Prosecutions in

States Authorizing the Medical Use of Marijuana (October 19, 2009); James M. Cole, Deputy Attorney Gen., Memorandum for United States Attorneys: Guidance Regarding the Ogden Memo in Jurisdictions Seeking to Authorize Marijuana for Medical Use (June 29, 2011); James M. Cole, Deputy Attorney Gen., Memorandum for All United States Attorneys: Guidance Regarding Marijuana Enforcement (August 29, 2013); James M. Cole, Deputy Attorney Gen., Memorandum for All United States Attorneys: Guidance Regarding 32 Marijuana Related Financial Crimes (February 14, 2014); and Monty Wilkinson, Director of the Executive Office for United States Attorney's, Policy Statement Regarding Marijuana Issues in Indian Country (Oct. 28, 2014). While noting the Justice Department's commitment to enforcing the Controlled Substances Act, these guidance memoranda instructed United States Attorneys to focus on the following eight enforcement interests in prioritizing the prosecution of Federal laws criminalizing marijuana-related activity in states that have enacted laws authorizing marijuana-related conduct:

- 1. Preventing the distribution of marijuana to minors;
- Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels;
- Preventing the diversion of marijuana from states where it is legal in some form under statestate law to other states;
- Preventing state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
- Preventing violence and the use of firearms in the cultivation and distribution of marijuana;

- Preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;
- Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and
- Preventing marijuana possession or use on Federal property. Cole (August 29, 2013), *Id.*, at 1-2.

The memoranda encouraged United States Attorneys to continue to rely on states that have enacted laws authorizing marijuana-related conduct to address marijuana-related activity through enforcement of state controlled substances laws, if those states "provide the necessary resources and demonstrate the willingness to enforce their laws and regulations in a manner that ensures they do not undermine" the eight Federal enforcement priorities, *Id.*, at 2-3, and "implement clear, strong and effective regulatory and enforcement priorities. Cole (February 14, 2014), *Id.*, at 3. The memoranda noted that persons and entities engaged in marijuana-related activities "are more likely to risk entanglement with conduct that implicates the eight [Federal] enforcement priorities" in states that lack "clear and robust" regulatory schemes and enforcement systems. *Ibid.* 

In guidance issued concurrently with Deputy United States Attorney General Cole's February 14, 2014, memorandum on marijuana-related financial crime enforcement priorities, *Ibid.*, the Financial Crimes Enforcement Network (FinCEN) of the United States Department of the Treasury (Treasury Department) issued a companion guidance document that "clarifies how financial institutions can provide services to

marijuana-related businesses consistent with their Bank Secrecy Act (BSA) obligations, and aligns the information provided by financial institutions in BSA reports with [Federal] and statestate law enforcement priorities. This FinCEN guidance should enhance the availability of financial services for, and the financial transparency of, marijuana-related businesses." FinCEN, United States Department of the Treasury, Guidance FIN-2014-G001: BSA 34 Expectations Regarding Marijuana-Related Businesses (February 14, 2014) (FinCEN Guidance).

The FinCEN Guidance emphasizes that financial institutions' exercise of thorough due diligence is critical to their assessment of the risk of providing services to marijuanarelated businesses, and specifies tasks financial institutions should perform as part of their due diligence, noting that as "part of its customer due diligence, a financial institution should consider whether a marijuana-related business implicates one of the [eight Federal enforcement] priorities or violates State law." *Id.*, at 2-3. The FinCEN Guidance identifies the types of required "Suspicious Activity Report" and "Currency Transaction Report" filings that financial institutions are to make attendant to their engagement with marijuana-related businesses, and provides a non-exhaustive list of "red flags" or indicia that could give rise to a financial institution's suspicion, or actual or constructive knowledge, "that a marijuana-related business may be engaged in activity that implicates one of the [eight Federal enforcement] priorities or violates or violates state law," thereby triggering the financial institution's obligations to perform additional due diligence investigation and/or file a "Marijuana Priority" Suspicious Activity Report. *Id.*, at 3-7.

On January 4, 2018, the Justice Department issued a memorandum to all United States Attorneys, instructing them that, in "deciding which marijuana activities to

prosecute under [applicable Federal] laws with the [Justice] Department's finite resources, to follow the well-established principles that govern all [Federal] prosecutions as reflected in the United States Attorneys' Manual. These principles require [Federal] prosecutors deciding which cases to prosecute to weigh all relevant considerations, including [Federal] law enforcement priorities set by the Attorney General, the seriousness of the crime, the deterrent effect of criminal prosecution, and the cumulative impact of particular crimes on the community. Given the Department's well-established general principles, previous nationwide guidance specific to marijuana enforcement is unnecessary and is rescinded, effective immediately." Jefferson B. Sessions, III, Attorney Gen., Memorandum for All United States Attorneys: Marijuana Enforcement (January 4, 2018) (Sessions Memorandum) (specifically listing, at n.1, the 2009 through 2014 Justice Department Memoranda, discussed above, as rescinded). The Sessions Memorandum neither identified the "law enforcement priorities set by the Attorney General" that United States Attorneys were to consider instead of the eight Federal enforcement priorities announced in the rescinded Justice Department Memoranda, nor did it explain whether and how those sets of priorities might differ. However, the press release accompanying its issuance characterized the Sessions Memorandum as, "announcing a return to the rule of law," and quoted Attorney General Sessions as saying that the Sessions Memorandum, "simply directs all [United States] Attorneys to use previously established prosecutorial principles that provide them all the necessary tools to disrupt criminal organizations, tackle the growing drug crisis, and thwart violent crime across our country." Office of Public Affairs, Justice Department, Press Release No. 18-8: Justice Department Issues Memo on Marijuana Enforcement (January 4, 2018). The Treasury Department did not issue guidance, concurrent with the issuance of the Sessions Memoranda, or thereafter, rescinding its FinCEN Guidance. Therefore, the FinCEN Guidance appears to remain extant.

While there has been no new guidance released from the Justice Department since the Sessions Memorandum, Attorney General Merrick Garland twice provided testimony to Congress in 2021, in which he reiterated the spirit of the Cole memorandum and its commitment to deprioritizing Federal enforcement against persons and entities complying with State law in a State with a well-regulated cannabis program. He stated: "I do not think it the best use of the [Justice] Department's limited resources to pursue prosecutions of those who are complying with the laws in states that have legalized and are13ffecttively regulating marijuana." He stated: "I do not think it the best use of the [Justice] Department's limited resources to pursue prosecutions of those who are complying with the laws in states that have legalized and are13ffecttively regulating marijuana." Senate Committee on the Judiciary, Responses to Questions for the Record to Judge Merrick Garland, Nominee to be United States Attorney General (February 28, 2021); Senate Committee on the Judiciary, Hearing on the Nomination of the Honorable Merrick Brian garland to be Attorney General of the United States (February 22, 2021); House Appropriations Subcommittee on Commerce, Justice, Science, and Related Agencies, Hearing on the Fiscal Year 2022 Budget Request for the Department of Justice (May 4, 2021).

Additionally, existing Federal budget laws protect and safeguard Stateadministered legal medicinal marijuana programs. The Blumenauer amendment (previously known as the Rohrabacher-Farr amendment), most recently sponsored by

United States Representative Earl Blumenauer (D-OR), prevents the Justice Department from using Federal funds to prosecute State-compliant medical marijuana operators in states that have legal cannabis programs. It was first approved in 2014 and has been approved or renewed by Congress more than 29 times since.

The rules on additional ingestible forms of cannabis adhere to the standards outlined in the Cole memorandum. The rules require stringent health and safety standards for cannabis businesses by incorporating OSHA regulations by reference, adding requirements to comply with GRAS substances pursuant to the Federal Food, Drug and Cosmetic Act, and requiring food safety training for employees involved in the manufacturing of ingestible products. The Commission certifies that this analysis permits the public to understand accurately and plainly the purposes and expected consequences of the rule.

#### Jobs Impact

The Commission evaluated this rulemaking to determine the impact of the rules on additional ingestible forms of cannabis in the generation or loss of jobs in the State. The Commission anticipates that authorizing new ingestible forms of cannabis would most likely lead to either no change or the creation of jobs as cannabis businesses that manufacture and dispense ingestible products may require additional staff to appropriately ensure consumer safety. The Commission is unable to estimate the number of positions cannabis businesses would need to fill to perform these functions as this will depend on the process and equipment to be used by cannabis businesses for the production of newly authorized forms of cannabis.

## Agricultural Industry Impact

Pursuant to N.J.S.A. 52:14B-4, the Commission has evaluated this rulemaking to determine the nature and extent of the impact of the new rules on additional ingestible forms of cannabis on the agricultural industry. The Commission anticipates that the rules on additional ingestible forms of cannabis will have an impact on the agriculture industry in New Jersey in that it may create additional demand for personnel to cultivate and process cannabis and agricultural supplies and equipment. The extent of the impact on the agriculture industry in New Jersey, however, will depend on factors, such as, the type and amount of products cannabis businesses will create.

## **Regulatory Flexibility Analysis**

As required pursuant to the New Jersey Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., the Commission has evaluated the reporting, recordkeeping, and other compliance requirements that the rules on additional ingestible forms of cannabis impose upon small businesses. The Regulatory Flexibility Act defines the term "small business" as "any business which is a resident in this State, independently owned and operated and not dominant in its field, and which employs fewer than 100 full-time employees."

The Commission expects that the rules will affect small businesses only to the extent that a new small business that has received a cannabis business license seeks to manufacture newly authorized ingestible products. Existing businesses manufacturing or dispensing cannabis items would not be impacted by the rulemaking unless they voluntarily seek to produce or dispense ingestible cannabis items pursuant to this rulemaking. The rules establish food safety training requirements applicable to cannabis businesses seeking manufacture additional ingestible forms of cannabis. These businesses could qualify as small businesses within the meaning of the Regulatory

Flexibility Act. The Commission is unable at this time, however, to estimate the number of businesses who desire to manufacture the newly authorized ingestible products and is unable to estimate how many of these would be small businesses within the meaning of the Regulatory Flexibility Act. Any reporting, recordkeeping, and/or compliance requirements are set forth in the Summary above.

## Housing Affordability Impact Analysis

In accordance with N.J.S.A. 52:14B-4, the Commission has evaluated the proposed amendments to determine their impact, if any, on the affordability of housing. The rules on additional ingestible forms of cannabis relate to activities associated with the personal use of cannabis and neither impose requirements on, nor confer direct benefits to, homeowners, builders, or other providers of housing, making it unlikely that they will have an impact on the affordability of housing units or result in a change in the average costs of housing.

#### Smart Growth Development Impact Analysis

In accordance with N.J.S.A. 52:14B-4, the Commission has evaluated the rules on additional ingestible forms of cannabis to determine their impact, if any, on housing production in Planning Areas 1 or 2, or within designated centers, pursuant to the State Development and Redevelopment Plan. The rules on additional ingestible forms of cannabis relate to activities associated with the personal use of cannabis, making it unlikely that they will evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, pursuant to the State Development and Redevelopment Plan.

#### Racial and Ethnic Community Criminal Justice and Public Safety Impact

The Commission has determined that the proposed rules on additional ingestible forms of cannabis would not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults or juveniles in the State. Accordingly, no further analysis is required.

**Full text** of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 11. CANNABIS MANUFACTURER AUTHORIZED CONDUCT

17:30-11.3 Cannabis manufacturer equipment

(a) - (e) (No change.)

(f) Equipment used in manufacturing ingestible products shall comply with kitchen-related health and safety standards of the local jurisdiction and the New Jersey Department of Health standards at N.J.A.C. 8:24, as applicable. Additionally, a manufacturer that manufactures ingestible products shall obtain all necessary Food Protection Manager Certifications consistent with the requirements of the New Jersey Department of Health at

https://www.nj.gov/health/ceohs/phfpp/retailfood/index.shtml.

17:30-11.5 Prohibited manufacturing; authorized forms; authorized amounts

(a) - (b) (No change.)

(c) A cannabis manufacturer is authorized to manufacture the following forms:

1. A cannabis concentrate, either in solid form[, including] or liquid form. This includes "wax," [and] "shatter," [or in liquid form as] oil, [either as] and cannabis extracts [or as] and resins [extracted] produced using non-chemical processes[;]. This also includes oil for use in an electronic smoking device;

2. A cannabis-infused product, either in solid form or liquid form, containing either usable cannabis or cannabis concentrate along with an additional ingredient that includes, but is not limited to:

3. - iii. (No changes.)

iv. Ingestible forms[, which shall only include syrups, pills, tablets,

capsules, oral suspensions, and chewable forms] that meet the requirements of this subchapter;

v. – vi. (No change.)

3. (No change.)

(d) A cannabis manufacturer shall manufacture cannabis products such that:

1. [Each] **For inhalable products, each** package of finished cannabis product shall[, for inhalable products,] contain no more than <sup>1</sup>/<sub>4</sub> ounce or 7.09 grams of usable cannabis or equivalent weight dependent on form;

2. [Each] **For ingestible products, each** package of finished cannabis product shall[, for ingestible products,] contain no more than 100 mg of active THC;

3. Each single serving of a cannabis product shall contain no more than 10 mg of active THC, or the equivalent weight, as best determined based on THC potency, dependent on form, except that each single serving beverage shall contain no more than five mg of active THC. Each single serving of a cannabis product shall

contain no more than 10 mg of active THC, or the equivalent weight, as best determined based on THC potency, dependent on form, **except that each single serving beverage shall contain no more than five mg of active THC**.

i. Each single serving of a cannabis product **or beverage** shall have a cannabinoid concentration that is within 90 to 110 percent of the specified milligram serving size claimed for that cannabis product.

ii. (No change.)

4. No ingestible product shall be in the shape of, or a shape bearing the likeness or containing characteristics of, a realistic or fictional human, animal, or fruit, or part thereof, including artistic, caricature, or cartoon renderings. However, this provision does not prohibit cannabis products from including fruit or vegetable flavors, provided the manufacturer is compliant with the regulations for active and inactive ingredients pursuant to N.J.A.C. 17:30-11.6(d)[;]. **The shape of a cannabis leaf is permissible.** 

5. – 6. (No change.)

7. The manufacturing of all ingestible products shall be limited to packaged "non-TCS food" or "shelf stable food." "Non-TCS food" or "shelf stable food" means food that is able to be safely stored at room temperature in a sealed container without the need for time or temperature control methods in order to limit pathogenic microorganism growth or toxin formation.

(e) Ingestible products shall only be in the following forms:

1. Syrups or single-serve beverages;

2. Pills, capsules, or tablets;

3. Oral suspensions; and

4. A non-TCS food item, such as chocolates, gummies, baked goods, butters, jams, and jellies.

(f) Ingestible products shall not:

1. Be an alcoholic beverage, as defined at N.J.S.A. 33:1-1;

2. Contain tobacco or nicotine;

3. Require cooking or baking by the consumer;

4. Require storage in sterile conditions by the consumer; or

5. Contain any controlled dangerous substance, as defined at N.J.S.A.

24:2I-2.

(g) All ingestible products shall have active ingredient homogeneity to ensure uniform disbursement of cannabinoids.

17:30-11.6 Ingredients in cannabis products

(a) (No change.)

(b) All ingredients used to manufacture cannabis products shall be United States Pharmacopeia–National Formulary (USP–NF), analytical reagent (AR), certified American Chemical Society (ACS), or Food Chemicals Codex (FCC) grade substances, or for ingestible products, be Generally Recognized as Safe (GRAS) pursuant to sections 201(s) and 409 of the Federal Food, Drug and Cosmetic Act. If a USP-NF, AR, ACS, or FCC grade [substance] or FDA GRAS ingredient is not available, as applicable, the cannabis manufacturer shall establish the purity and safety of the ingredient by reasonable means, which may include lot analysis, manufacturer reputation, or reliability of source study. (c) - (h) (No change.)

17:30-11.11 Health and safety standards

(a) A cannabis manufacturer shall:

1. Enter into an on-site consultation agreement with the New Jersey Department of Labor and Workforce Development, Division of Public Safety and Occupational Safety and Health, Occupational Safety and Health On-Site Consultation Program (Consultation Program) established pursuant to 29 CFR Part 1908 and in accordance with the Consultation Program's procedures identified on its website at [http://lwd.dol.state.nj.us/labor/lsse/employer/Occupational Safety and Health Onsite Consultation Program.html;

<u>nj.gov/lsse/employer/Occupational Safety and Health Onsite Consultation Pro</u> <u>gram.html</u>. All current, future, and updated regulations and references at 29 CFR Parts 1903, 1904, 1910, 1915, 1917, 1918, 1926, 1928, and 1977 are incorporated herein by reference, and applicable to all cannabis manufacturers;

2. – 5. (No change.)

(b)-(c) (No change.)

17:30-11.12 Manufacturing personnel: manufacturing supervisor

(a) A cannabis manufacturer shall designate a manufacturing supervisor who will be responsible for ensuring compliance with this subchapter, including ensuring that:

1. – 4. (No change.)

5. Cannabis products are manufactured with acceptable strength, quality, and purity, are packaged with appropriate packaging and labeling, and are prepared in accordance with good manufacturing practices **pursuant to 21 CFR Parts 110 and** 

## 210, as applicable;

6. – 10. (No change.)

(b) Personnel employed by the cannabis manufacturer shall have appropriate education [and/or] **or** experience to assume responsibility for positions that would affect compliance with this subchapter.

(c) (No change.)

(d) Employees involved in the manufacturing of ingestible products shall, in addition to any trainings required pursuant to N.J.A.C. 17:30-9.8, undergo food safety training, prior to engaging in the manufacturing process, that includes:

1. The causes and prevention of foodborne illnesses;

2. Prevention of common foodborne illnesses according to the Centers for Disease Control and Prevention; and

3. Safe food handling practices, including handling of major food allergens as defined at N.J.A.C. 8:24.

(e) The license holder shall provide the training in a manner consistent with N.J.A.C. 17:30-9.8(c) and shall maintain records of the training provided pursuant to this subsection, in accordance with the requirements at N.J.A.C. 17:30-9.7(i) and 9.8.

# SUBCHAPTER 16. RELEASE FOR DISTRIBUTION; PACKAGING AND LABELING OF CANNABIS ITEMS

17:30-16.3 Cannabis item labeling requirements

(a) (No change.)

(b) Direct printing on the package of, or labels affixed to, unusable cannabis packaged for the purposes of manufacturing of cannabis items shall include the following consumer safety and product information:

1. – 5. (No change.)

6. A list of any other inactive or excipient ingredients besides unusable or usable cannabis or cannabis concentrate used to manufacture a cannabis product or contained within the package; for non-TCS food items, this includes a list of ingredients in descending order of predominance by weight or volume, as applicable, and a nutritional label;

7. A list of all potential allergens **and major food allergens** contained within the cannabis product;

8. Whether the cannabis item requires refrigeration, refrigeration after product opening, or consumption within a specified number of days after opening;

9. – 15. (No change.)

(c) Labels affixed to cannabis items shall contain the following consumer warnings, as applicable, in no less than six-point font, unless otherwise noted:

1 – 2. (No change.)

3. For ingestible products:

i. "The intoxicating effects of this product may be delayed by two or more hours" printed in no less than 10-point font. For products manufactured such that the product's effects are intended to be felt in less than 20 minutes, "The intoxicating effects of this product usually occur in less than 20 minutes but may be delayed by two or more hours."

4. – 5. (No change.)

(d) (No change.)