

New Jersey Becomes 14th State to Legalize Recreational Cannabis

On Monday February 23, 2021, Governor Phil Murphy signed three bills into law that establish a recreational cannabis program in New Jersey for adults who are at least 21 years old.

A21 (The New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act) legalized recreational cannabis for use by adults who are 21 years old and older and authorizes its regulation. A separate bill, A1897, decriminalizes the possession of cannabis and hashish. A third bill, S3454, provides for penalties for minors younger than 21 years old who use or possess cannabis.

New Jersey's recreational cannabis program will establish a licensing system with six classes of licenses to cultivate and distribute recreational cannabis. It will be regulated by the Cannabis Regulatory Commission, the same state agency that oversees its medicinal cannabis program. At least 70 percent of the tax revenues from cannabis sales will be allocated to impact zones, which are primarily minority communities in New Jersey that have been disproportionately affected by the criminalization of cannabis. By legalizing recreational cannabis and creating less stringent consequences for minors caught with cannabis, the legislature hopes to reduce the number of arrests among people of color and minorities for cannabis-related crimes, which will free up resources to pursue more serious criminal activity and divert funds from cannabis going to illegal enterprises.

This legislation was initiated by popular demand after New Jersey voters voted overwhelmingly in favor of legalizing recreational cannabis through a state ballot measure in November 2020. There were delays in finalizing the parameters of the use of recreational cannabis in the state. Governor Murphy declined to sign prior versions of the legislation into law over concerns about how to treat individuals who are younger than 21 years old who were caught with cannabis, and whether to impose civil or monetary penalties upon them. [The history of the legislation is discussed here.](#) Due to his concerns about the treatment of minors, S3454 was passed to ease penalties for minors. Under this legislation, people who are between 18 and under 21 years old who knowingly possess or use cannabis, hashish, or any cannabis item are subject to a fine of up to \$50, upon a showing of probable cause by the citing officer at a summary hearing, and, possibly, a community service requirement. People under 18 years old who knowingly use cannabis, hashish, or any cannabis item are subject to a minimum fine, with a process for first, second, and third warnings and notice of the violation to be provided to the individuals' legal guardians.

Sales of recreational cannabis are expected to begin in New Jersey over the next several months. New Jersey is expected to have one of the largest recreational cannabis markets in the United States, with annual state revenue estimated at more than \$100 million.



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Industry Sectors

- Cannabis