New Jersey Legislative Update

MAY 2019

Issues Update:

Medical Marijuana
Legislators are working on bills to expand the state’s medical marijuana program and potentially implement recreational marijuana, but the Murphy Administration already is a step ahead and has announced its own expansion plan. The New Jersey Department of Health announced it is seeking new applicants to operate up to 108 additional Alternative Treatment Centers (ATC) in the Garden State for cultivating, manufacturing and dispensing medical marijuana. Currently, there are six ATCs in operation and another six permits have been granted but those facilities are not yet up and running. Meanwhile, the Legislature is working on sending their own medical marijuana expansion legislation to Governor Murphy for his consideration. The bill would remove medical marijuana from the Department of Health’s jurisdiction and give it to a new five-member Cannabis Regulatory Commission in the Department of Treasury. The legislation, A-10/S-10, which has already passed the Assembly on May 23 by a vote of 65-5-6, was amended by the Senate on May 30 and passed that day by a vote of 33-4. Because of that amendment, the legislation needs to go back to the Assembly for a vote (which is scheduled for June 10) to concur with those amendments – then it will head to Governor Murphy.

The bill would prohibit employers from taking any adverse employment action against an employee based on the employee’s status as a registry identification cardholder. If an employer has a drug testing policy and an employee or job applicant tests positive for cannabis, the employee or job applicant is to be offered an opportunity to present a legitimate medical explanation for the positive test result or request a retest. Nothing in the bill will restrict an employer’s ability to prohibit or take adverse employment action for the possession or use of intoxicating substances during work hours or on workplace premises outside of work hours, or require an employer to commit any act that would violate federal law or result in the loss of a federal contract or federal funding. An opinion from the Office of Legislative Services has indicated that while an employee has to be given the opportunity to present information to show that the positive test result is due to the use of legal medical marijuana, even if it is shown, if the employer has a safety-based policy that does not permit drug use and that policy or the collective bargaining agreement permits the employee to be fired due to a positive test, then the positive test would be the basis for the firing and not “solely [due to] the employee’s status as a registrant.”

Millionaire’s Tax
Governor Murphy has unveiled details of a proposal to deliver $250 million in additional property tax relief directly to more than two million New Jersey tax filers. The additional relief, however, is contingent on passage of legislation increasing the rate on those earning more than $1 million per year, which would affect approximately 18,000 in-state residents and 19,000 non-state residents. The proposal would deliver the $150 million in relief in the form of a one-time refundable tax credit on 2019 Gross Income Tax returns. The credit would be in addition to other existing property tax relief programs (Homestead Benefit, Senior Freeze, Veterans’ Deduction, and the Increased Property Tax Deduction Cap). An estimated 2,013,049 New Jersey income tax filers are expected to benefit, which represents roughly 46 percent of all resident returns.

The proposal would raise the tax rate to 10.75 percent for every dollar earned above $1 million, which the Administration projects would earn roughly half a billion dollars for the State. Both Senate President Steve Sweeney and Assembly Speaker Craig Coughlin remain adamantly opposed to a millionaire’s tax. Democrats have also indicated that there are not enough votes to pass a millionaire’s tax in either house.

Questions?
Please contact Kirk Ives, Director of Government Affairs at 518-880-6376 or kives@nrla.org.

Take Action!
Sign up to be an NRLA Advocate by texting the word “NRLA” to 52886

It’s quick and easy, and will let you reach your legislators through email, phone, or social media with just a few simple clicks.

Did You Know?
NJBMDA members collect more than $67 million in sales tax revenue for the State.