

ORDINANCE O:22-2023

AN ORDINANCE OF THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF MONROE TO AMEND SECTION 175-163.4 OF THE CODE OF THE TOWNSHIP OF MONROE, ENTITLED "CANNABIS"

WHEREAS, in 2020 New Jersey voters approved Public Question No. 1, which amended the New Jersey Constitution to allow for the legalization of a controlled form of marijuana called "cannabis" for adults at least 21 years of age; and

WHEREAS, on February 22, 2021, Governor Murphy signed into law P.L. 2021, c. 16, known as the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act" (the "Act"), which legalizes the recreational use of marijuana by adults 21 years of age or older, and establishes a comprehensive regulatory and licensing scheme for commercial recreational (adult use) cannabis operations, use and possession; and

WHEREAS, the Act establishes six marketplace classes of licensed businesses, including:

- Class 1 Cannabis Cultivator license, for facilities involved in growing and cultivating cannabis;
- Class 2 Cannabis Manufacturer license, for facilities involved in the manufacturing, preparation, and packaging of cannabis items;
- Class 3 Cannabis Wholesaler license, for facilities involved in obtaining and selling cannabis items for later resale by other licensees;
- Class 4 Cannabis Distributer license, for businesses involved in transporting cannabis plants in bulk from on licensed cultivator to another licensed cultivator, or cannabis items in bulk from any type of licensed cannabis business to another;
- Class 5 Cannabis Retailer license for locations at which cannabis items and related supplies are sold to consumers; and
- Class 6 Cannabis Delivery license, for businesses providing courier services for consumer purchases that are fulfilled by a licensed cannabis retailer to make deliveries of the purchased items to a consumer, and which service would include the ability of a consumer to make a purchase directly through the cannabis delivery service which would be presented by the delivery service for fulfillment by a retailer and then delivered to a consumer.

WHEREAS, section 31a of the Act authorizes municipalities by ordinance to adopt regulations governing the number of cannabis establishments (defined in section 3 of the Act as "a cannabis cultivator, a cannabis manufacturer, a cannabis wholesaler, or a cannabis retailer"), cannabis distributors or cannabis delivery services allowed to operate within their boundaries, as well as the location, manner, and times operation of such establishments, distributors or delivery services, and establishing civil penalties for the violation of any such regulations; and

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WHEREAS, section 31b of the Act authorizes municipalities by ordinance to prohibit the operation of any one or more classes of cannabis establishments, distributors, or delivery services anywhere in the municipality; and

WHEREAS, section 32 of the Act also authorizes municipalities by ordinance to regulate the operation of cannabis consumption areas,

WHEREAS, section 31b of the Act also stipulates, however, that any municipal regulation or prohibition must be adopted within 180 days of the effective date of the Act (*i.e.*, by August 22, 2021); and

WHEREAS, pursuant to section 31b of the Act, the failure to do so shall mean that for a period of five years thereafter, the growing, cultivating, manufacturing, selling, and reselling of cannabis and cannabis items shall be permitted uses in all industrial zones, and the retail selling of cannabis items to consumers shall be a conditional use in all commercial and retail zones; and

WHEREAS, at the conclusion of the initial and any subsequent five-year period following a failure to enact local regulations or prohibitions, the municipality shall again have 180 days to adopt an ordinance regulating or prohibiting cannabis businesses, but any such ordinance would be prospective only and would not apply to any cannabis business already operating within the municipality; and

WHEREAS, section 40 of the Act authorizes municipalities by ordinance to levy a transfer tax on the sale of cannabis items by a cannabis establishment located within the municipality; and

WHEREAS, the Act authorizes municipalities to establish a transfer tax for each of the following:

- Not to exceed 2 percent of the receipts from the sale of cannabis by a cannabis cultivator;
- Not to exceed 2 percent of the receipts from the sale of cannabis by a cannabis manufacturer;
- Not to exceed 1 percent of the receipts from the sale of cannabis by a cannabis wholesaler;
- Not to exceed 2 percent of the receipts from the sale of cannabis by a cannabis retailer;

WHEREAS, the Act authorizes municipalities that establish a transfer tax to also impose a user tax, at the equivalent transfer tax rates, on any concurrent license holder as permitted by section 33 of the Act, operating more than one cannabis establishment, and shall

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be imposed on the value of each transfer or use of cannabis items not otherwise subject to the transfer tax, from the license holder’s establishment that is located in the Township to any of the other license holder’s establishments, whether located in the Township or another municipality; and

WHEREAS, the State of New Jersey has previously permitted the use, sale, manufacturing, and cultivation of medical cannabis pursuant to Cannabis cultivated, manufactured, processed, or dispensed pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, 46 c.158 (C.18A:40-12.22 et al.); and

WHEREAS, the Township Council of Monroe Township recognizes the importance of fostering economic opportunities that provide jobs and ratable to the community, while ensuring that such uses can safely and seamlessly fit into the fabric of the community; and

WHEREAS, the Township Council of Monroe Township adopted Ordinance O:12-2021 on June 28, 2021 which amended Chapter 175, Land Management, of the Code of Monroe Township to regulate the sale, cultivation, and production of cannabis products.

NOW, THEREFORE, BE IT ORDAINED by the Township Council of the Township of Monroe that the Code of the Township of Monroe is hereby amended to include the amendments herein.

SECTION I. Chapter 175, entitled “Land Management” § 175-163.4 entitled “Cannabis” is hereby amended and supplemented as follows:

§ 175-163.4 Cannabis.

DELETE IN ITS ENTIRETY AND REPLACE WITH THE FOLLOWING:

A. Purpose.

The purpose of this chapter is to protect the public health, safety, and welfare of the residents, businesses and property in Monroe Township by prescribing the manner in which cannabis businesses can be conducted within its borders, regulating its cultivation, production, and distribution in a manner that is consistent with P.L. 2021, c. 16, known as the “New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act” and to minimize negative impacts on the community. It is intended to provide a means of cultivation, production, and wholesale distribution of cannabis to licensed businesses pursuant to the P.L. 2021, c. 16, known as the “New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act”, while protecting the public health and safety through reasonable limitations on business operations as they relate to noise, air, and water safety, as well as public safety. Furthermore, pursuant to the P.L. 2021, c. 16, known as the “New Jersey

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Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act", the Township is authorized to impose fees on the sales or equivalent transfers from cannabis-based businesses.

B. Definitions.

(1) As used in this section, the following terms shall have the meanings indicated:

CANNABIS

All parts of the plant Cannabis sativa L., whether growing or not, the seeds thereof, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds, except those containing resin extracted from the plant, which are cultivated and, when applicable, manufactured in accordance with P.L. 2021, c. 16, known as the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act" products as set forth in this act, but shall not include the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other product. "Cannabis" does not include: medical cannabis dispensed to registered qualifying patients pursuant to the "Jake Honig Compassionate Use Medical Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al.) and P.L.2015, c.158 (C.18A:40-12.22 et al.); marijuana as defined in N.J.S.2C:35-47 2 and applied to any offense set forth in chapters 35, 35A, and 36 of Title 2C of the New Jersey Statutes, or P.L.2001, c.114 (C.2C:35B-1 et seq.), or marihuana as defined in section 2 of P.L.1970, c.226 (C.24:21-2) and applied to any offense set forth in the "New Jersey Controlled Dangerous Substances Act," P.L.1970, c.226 (C.24:21-1 et al.); or hemp or a hemp product cultivated, handled, processed, transported, or sold pursuant to the "New Jersey Hemp Farming Act," P.L.2019, c.238 (C.4:28-6 et al.).

CANNABIS CULTIVATOR

Any licensed person or entity that grows, cultivates, or produces cannabis in this State, and sells, and may transport, this cannabis to other cannabis cultivators, or usable cannabis to cannabis manufacturers, cannabis wholesalers, or cannabis retailers, but not to consumers. Cannabis Cultivators refer to those uses that require possession of a Class 1 Cannabis Cultivator license under the P.L. 2021, c. 16, known as the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act."

CANNABIS DELIVERY SERVICE

Any licensed person or entity that provides courier services for consumer purchases of cannabis items and related supplies fulfilled by a cannabis retailer to make deliveries of the cannabis items and related supplies to that consumer, and which services include the ability of a consumer to purchase

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the cannabis items directly through the cannabis delivery service, which after presenting the purchase order to the cannabis retailer for fulfillment, is delivered to that consumer. Cannabis delivery services refer to those uses that require possession of a Class 6 Cannabis Delivery license.

CANNABIS DISTRIBUTOR

Any licensed person or entity that transports cannabis in bulk intrastate from one licensed cannabis cultivator to another licensed cannabis cultivator, or transports cannabis items in bulk intrastate from any one class of licensed cannabis establishment to another class of licensed cannabis establishment and may engage in the temporary storage of cannabis or cannabis items as necessary to carry out transportation activities. Cannabis distributors refer to those uses that require possession of a Class 4 Cannabis Distributor license under the P.L. 2021, c. 16, known as the “New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act.”

CANNABIS ESTABLISHMENT

A cannabis (grower) cultivator, also referred to as a cannabis cultivation facility, a cannabis (processor) manufacturer, also referred to as a cannabis product manufacturing facility, a cannabis wholesaler, or a cannabis retailer.

CANNABIS MANUFACTURER

Any licensed person or entity that processes cannabis items in this State by purchasing or otherwise obtaining usable cannabis, manufacturing, preparing, and packaging cannabis items, and selling, and optionally transporting, these items to other cannabis manufacturers, cannabis wholesalers, or cannabis retailers, but not to consumers. Cannabis manufacturers refer to those uses that require a Class 2 Cannabis Manufacturer license under the P.L. 2021, c. 16, known as the “New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act.”

CANNABIS RETAILER

Any licensed person or entity that purchases or otherwise obtains usable cannabis from cannabis cultivators and cannabis items from cannabis manufacturers or cannabis wholesalers, and sells these to consumers from a retail store, and may use a cannabis delivery service or a certified cannabis handler for the off-premises delivery of cannabis items and related supplies to consumers. A cannabis retailer shall also accept consumer purchases to be fulfilled from its retail store that are presented by a cannabis delivery service which will be delivered by the cannabis delivery service to that consumer. Cannabis retailers refer to those uses that require possession of a Class 5 Cannabis Retailer license under the P.L. 2021, c. 16, known as the

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CANNABIS WHOLESALER

Any licensed person or entity that purchases or otherwise obtains, stores,
sells or otherwise transfers, and may transport, cannabis items for the
purpose of resale or other transfer to either another cannabis wholesaler or
to a cannabis retailer, but not to consumers. Cannabis wholesalers refer to
those uses that require of a Class 3 Cannabis Wholesaler license under the
P.L. 2021, c. 16, known as the "New Jersey Cannabis Regulatory,
Enforcement Assistance, and Marketplace Modernization Act."

LICENSE

A license issued under relevant state law including a license that is
designated as either a:

- (a) Class 1 cannabis (grower) cultivator license.
- (b) Class 2 cannabis (processor) manufacturer license.
- (c) Class 3 cannabis wholesaler license.
- (d) Class 4 cannabis distributor class 5 cannabis retailer license.
- (e) Class 6 cannabis delivery license.

The term includes a conditional license for a designated class, except
when the context of the provisions of relevant state law otherwise
intend to only apply for a license and not a conditional license.

C. Municipal Licensing.

- (1) Laws applicable. All applications for licenses, all licenses issued and all proceedings
under this article shall be in accordance with the Act, rules, regulations, and all
other applicable laws of the State of New Jersey.
- (2) Issuing authority. All licenses required by this article shall be issued by the
Township Council, which shall also administer the provisions of this article.
- (3) License required. It shall be unlawful for any person, firm, or corporation to own or
operate within this municipality any recreational cannabis businesses for the
cultivation, manufacture, wholesale, and distribution of cannabis as well as its retail
sale and delivery without first having obtained a properly issued license that is
issued in accordance with the New Jersey Cannabis Regulatory, Enforcement
Assistance, and Marketplace Modernization Act (P.L. 2021, c. 16) and the
provisions of this article.
- (4) Application. Persons wishing to obtain any class cannabis license shall file a license
application with the Clerk's Office on a standardized form established by the

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Clerk's Office and available in the Clerk's Office. An application shall be deemed incomplete, and shall not be processed by the Administration, until all documents and application fees are submitted. To be deemed complete, all applications shall be accompanied by the following:

- (a) Persons wishing to obtain any class of cannabis license shall demonstrate commitment or sufficient experience as reasonable employers, defined as being a party to a labor peace agreement or the applicant entity or its parent company being a party to a collective bargaining agreement in the regulated cannabis industry for at least one year prior to application for a cannabis establishment license, in an effort to create well-paying jobs with employee benefits in the municipality. In the event of new construction or a remodel, the municipality will also require a Project Labor Agreement to be in place, in accordance with N.J.S.A. 34:11-56.25 et seq.
- (b) The facility must have a valid license to operate a cannabis establishment from the State of New Jersey.
- (c) The applicant shall submit proof that the applicant has or will have lawful possession of the premises proposed for the cannabis establishment, which proof may consist of a deed, a lease, a real estate contract contingent upon successful licensing, or a binding letter of intent by the owner of the premises indicating an intent to lease the premises to the entrant contingent upon successful licensing.
- (d) The applicant shall submit an affidavit and documentary proof of compliance with all state and local laws regarding affirmative action, antidiscrimination, and fair employment practices. The applicant shall also certify under oath that they will not and shall not discriminate based on race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations.
- (e) The location proposed for licensing by the applicant shall comply with all applicable municipal zoning laws and the location restrictions set forth in this Code.
- (f) The applicant shall submit to the satisfaction of Monroe Township proof of financial capability to open and operate the cannabis establishments for which the applicant is seeking a license. Standards for proof of financial capability shall be determined by the Township. Such proof may include tax returns, audited financials, or any other documents determined to be suitable by Monroe Township. Such proof and/or documents may be further outlined in the Township's application for licensing.

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- (g) The non-refundable application fee for the initial license and license renewal for Classes 1 through 6 licenses shall be as follows:**
- (i) Class 1 cannabis (grower) cultivator: \$500.**
 - (ii) Class 2 cannabis (processor) manufacturer: \$500.**
 - (iii) Class 3 cannabis wholesaler: \$500.**
 - (iv) Class 4 cannabis distributor: \$500.**
 - (v) Class 5 cannabis retailer: \$500.**
 - (vi) Class 6 cannabis deliverer: \$500.**
- (h) In addition to complying with any state requirement related to good character and criminal background, any person proposed to have an ownership interest in the license shall not have had any cannabis license or permit revoked for a violation affecting public safety in the State of New Jersey or a subdivision thereof within the preceding five years.**
- (i) The applicant and the application shall otherwise comply with any and all qualification standards set forth in the state and Township laws or regulations.**
- (5) Probate License fees. The annual license fees and maximum number of licenses for the cultivation, manufacture, wholesale, distribution, retail sale and delivery of cannabis shall be as follows:**
- (a) The initial license fee for Classes 1 through 6 licenses shall be as follows:**
- (i) Class 1 cannabis (grower) cultivator: \$10,000 per location.**
 - (ii) Class 2 cannabis (processor) manufacturer: \$10,000 per location.**
 - (iii) Class 3 cannabis wholesaler: \$10,000 per location.**
 - (iv) Class 4 cannabis distributor: \$10,000 per location.**
 - (v) Class 5 cannabis retailer: \$10,000 per location.**
 - (vi) Class 6 cannabis deliverer: \$10,000 per deliverer.**
- (b) The license renewal fee for Classes 1 through 6 licenses shall be as follows:**
- (i) Class 1 cannabis (grower) cultivator: \$2,500 per location.**
 - (ii) Class 2 cannabis (processor) manufacturer: \$2,500 per location.**
 - (iii) Class 3 cannabis wholesaler: \$2,500 per location.**
 - (iv) Class 4 cannabis distributor: \$2,500 per location.**
 - (v) Class 5 cannabis retailer: \$2,500 per location.**
 - (vi) Class 6 cannabis deliverer: \$2,500 per deliverer.**
- (c) The annual renewal applications for Classes 1 through 6 licenses shall be submitted between July 1st and August 1st of every year with all licenses expiring on August 31st of each year.**

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- (d) Cannabis establishments or cannabis deliverers that are operating without the applicable license under § 175A-3(C) prior to the passage of this Section shall be permitted to operate within the Township subject to a submission of a renewal application and the payment of the renewal license fee as set forth in § 175A-3(D)(2).
- (e) There shall be a maximum of eight Class 5 licenses issued, with no maximum limit on the number of licenses issued to Classes 1, 2, 3, 4, and 6.
- (6) Municipal License Fee Reductions. For all licensed cannabis business operations, the annual licensing renewal fees established within § 175A-3(D)(2) of the Township Code shall be reduced by the following amounts for the applicable year if the Code shall be reduced by the following amounts for the applicable year if the business entity can demonstrate the following:

 - (a) Any business that can provide proof that at least 1/3 of its employees are residents of the Township of Monroe shall be entitled to a 25% reduction of the licensure fee, or remaining fee if a reduction has already been applied under this section.

 - (i) In order to receive a reduction under this section, the business entity must provide adequate proof of employment and residency, in the form of payroll history (amounts redacted), providing proof of current residency and proof of at least nine months of employment.
 - (ii) The Township reserves the right to contact any employees referenced in order to verify employment and residency.

D. Zoning

The Township's Land Management Ordinance and any redevelopment plans inconsistent herewith are hereby amended as follows:

(1) Permitted Uses by Zone

- (a) Class 1: Cultivation – C, RD-A, RG-LI, RG-C, AG
- (b) Class 2: Manufacture – RG- LI, RG-C, AG
- (c) Class 3: Wholesale – RG- LI, RG-C, AG
- (d) Class 4: Distribution – RG- LI, RG-C, AG
- (e) Class 5: Retail – BP, C, RG-C

Class 6 Delivery Services shall be permitted in all zoning districts and shall meet all bulk requirements for the zone and all design standards applicable. The CCMWD & CR&D Overlay Zone Map has been repealed as of the adoption of this ordinance.

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(2) Conditional Uses

- (a) Class 5 retail cannabis businesses shall be a conditional permitted use in the Rural Development Agricultural District (RD-A) if all the requirements contained within §175-160C(2) are met.**
- (b) Class 5 retail cannabis businesses shall be a conditional permitted use in the Agricultural Production District (AG) if all the requirements contained within §175-160C(2) are met.**
- (c) Class 2 thru 4 facilities shall be a conditional permitted use in the Business Park District (BP) if all the requirements contained within §175-160D(2) are met.**
- (d) Class 5 retail cannabis businesses shall be a conditional permitted use in the Rural Development Commercial District (RD-C) if all the requirements contained within §175-160D(3) are met.**
- (e) Class 1 thru 4 facilities shall be a conditional permitted use in the Rural Development Commercial District (RD-C) if all requirements within §175-160D(2) and/or §175-160D(4) are met.**

(3) Bulk Requirements

(a) Non-Pinelands Zones

i. Class 1 thru 4

- 1. Minimum lot area: 40,000 square feet**
- 2. Minimum lot width: 150 feet**
- 3. Minimum front yard setback: 75 feet**
- 4. Minimum side yard setback: 50 feet**
- 5. Minimum rear yard setback: 65 feet**
- 6. Maximum lot coverage: 70%**
- 7. Maximum building height: 35 feet**

ii. Class 5 & 6

- 1. Minimum lot area: 20,000 square feet**
- 2. Minimum lot width: 100 feet**
- 3. Minimum front yard setback: 50 feet**
- 4. Minimum side yard setback: 20 feet**
- 5. Minimum rear yard setback: 50 feet**
- 6. Maximum lot coverage: 70%**

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(b) Pinelands Zones

i. Class 1 thru 4

- 1. Minimum lot area: 40,000 square feet**
- 2. Minimum lot width: 100 feet**
- 3. Minimum front yard setback: 75 feet**
- 4. Minimum side yard setback: 50 feet**
- 5. Minimum rear yard setback: 65 feet**
- 6. Maximum lot coverage: 70%**
- 7. Maximum building height: 35 feet**

ii. Class 5 & 6

- 1. Minimum lot area: 20,000 square feet**
- 2. Minimum lot width: 100 feet**
- 3. Minimum front yard setback: 50 feet**
- 4. Minimum side yard setback: 20 feet**
- 5. Minimum rear yard setback: 50 feet**
- 6. Maximum lot coverage: 70%**

(4) Site Plan Approval

(a) Site plan approval shall be required of all cannabis related development.

(b) As part of the site plan approval requirements, the following shall be submitted by all cannabis businesses:

- i. A safety and security plan**
- ii. Emergency services access plan**
- iii. Hazardous materials inventory**
- iv. Environmental impact statement**
- v. Waste control plan**

(c) The Township may, at the time of site plan approval or amendment, impose any condition related to the proposed use that is reasonably necessary to protect the public health, safety, or welfare, not inconsistent with the permitting authority requirements, including, but not limited to the following:

- i. Additional security requirements**
- ii. Limits and requirements on parking and traffic flows**
- iii. Requirements for walls, doors, windows, locks, and fences**
- iv. Requirements and limits on ventilation and lighting**
- v. Limits on hours of operations**
- vi. Requirements for vegetative screening**

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(d) As a condition of approval for all site plan applications, the applicant shall supply the Board with current local and state licenses to operate the facility. The Township shall not sign any site plans until both licenses have been received.

(5) Maximum Number of Facilities

(a) A maximum of eight (8) retail cannabis business establishments, operating under Class 5, shall be permitted within the Township.

(b) There shall be no limit on the number of Class 1,2,3,4 or 6 facilities that are permitted within the Township.

E. Design Standards

(1) Distance Requirements

(a) Any cannabis related building, signage, or other site amenity relating to cannabis shall not be located within 1,000 feet to a property line for any public or private elementary, vocational, or secondary school that houses children. Distance shall be measured from the nearest point of the building, signage, or other site amenity relating to cannabis. This restriction should not apply to offices or educational admin buildings which do not house children.

(2) Buffer Requirements

(a) All buffers shall comply with the requirements set forth under Ch. 175, Land Management.

(3) Parking and Loading

(a) Parking requirements for retail cannabis businesses

i. A retail cannabis business establishment shall be required to provide the greater of 15 stalls plus one (1) stall per employee on the maximum employee shift or one (1) space per 150 square feet of gross floor area.

ii. Retail cannabis businesses shall also follow the parking regulations set forth in §175-123 of the Township's Land Management Ordinance, unless such establishments are located within an area governed by a redevelopment plan, in which case the parking standards set forth in the redevelopment plan shall control.

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(b) Parking requirements for all other cannabis businesses

- i. All non-retail cannabis business establishments shall be required to provide no less than one (1) space per 1,000 square feet of gross floor area plus one stall per employee on the maximum employee shift.**
- ii. All non-retail cannabis businesses shall also follow the parking regulations set forth in §175-123 of the Township's Land Management Ordinance, unless such establishments are located within an area governed by a redevelopment plan, in which case the parking standards set forth in the redevelopment plan shall control.**

(c) Loading Requirements

- i. Retail and non-retail cannabis business establishments shall adhere to §175-123I regarding required loading areas.**

(4) Signage and Display of Products

- (a) All retail and non-retail business establishments shall adhere to §175-135C regarding signage requirements.**
- (b) In addition to the standards outlined within §175-135C, the following requirements shall apply to both retail and non-retail establishments:**
 - i. The following words shall be prohibited from appearing on any sign: "cannabis", "marijuana", "pot", "weed" and any other commonly known nickname of cannabis.**
 - ii. No cannabis products shall be displayed in any windows or doors.**

(5) Operational Requirements

- (a) Public consumption of cannabis products is prohibited, except that consumption lounges are permitted as specifically set forth herein. "Consumption Lounges" are defined as the public consumption of cannabis products purchased from the Class 5 retail cannabis business onsite and attached to that Consumption Lounge, which complies with the following:**
 - i. Consumption of cannabis products not purchased from the onsite retail cannabis business is prohibited.**
 - ii. The entire perimeter of the Consumption Lounge shall be enclosed and secure and only accessible internally via the cannabis retail business principal building, except for emergency exits.**

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- (b) All cannabis businesses shall be subject to health and safety review, inspection, and enforcement.**
- (c) All cannabis businesses shall abide by N.J.A.C. Subchapter 17: Monitoring, enforcement actions, and appeal rights.**
- (d) Any cannabis business conducting deliveries to a residential dwelling shall adhere to N.J.A.C. 17:30-12.8.**
- (e) A cannabis business operations manual is required for any cannabis business as outlined in N.J.A.C. 17:30-9.6.**
- (f) Any cannabis microbusiness, as defined in the Cannabis Regulations shall comply with N.J.A.C. 17:30-6.7. A cannabis microbusiness shall be limited to 10 employees and premises no larger than 2,500 square feet.**
- (g) All cannabis businesses shall comply with the following regarding odor:**

 - i. A cannabis business shall provide an odor management plan, which shall contain details for air treatment and exhaust.**
 - ii. All cannabis businesses must provide adequate HVAC air quality equipment.**
 - iii. Cannabis odor must not permeate outside any cannabis business establishment. This must be demonstrated in the odor management plan.**
 - iv. All cannabis businesses shall adhere to generally applicable Township ordinances regulating odor emissions.**
 - v. All retail cannabis businesses must follow the protocols set forth in the Clean Air Act.**
- (h) All cannabis businesses shall comply with the following regarding noise:**

 - i. All cannabis businesses shall adhere to all generally applicable noise ordinances and regulations of the Township.**
 - ii. All non-retail cannabis businesses shall take such sound mitigation measures as may be necessary, including but not limited to the installation of insulation if appropriate.**
 - iii. All non-retail cannabis businesses shall adhere to the requirements of N.J.A.C. 7:29.**
- (i) All cannabis businesses shall comply with the following regarding hours of operation and security:**

 - i. All Class 5 Cannabis Facilities and Consumption Lounges shall only be permitted to operate from 10am-10pm.**

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- ii. At least one (1) licensed armed security guard shall be onsite at all times during a retail cannabis business's hour of operation.
 - iii. All patrons must be screened by said security employee and patrons must demonstrate proof of minimum age (21 years old).
 - iv. All non-retail cannabis businesses shall adhere to the generally applicable hours of operation for manufacturing and light industrial businesses within the Township.
 - v. Security alarm system installation must follow the requirements as proscribed in N.J.A.C. 17:30-9.10.
- (j) All cannabis businesses shall comply with the following capacity restrictions:
- i. A maximum of 30 patrons per 1,500 square feet of gross floor area shall be permitted in any retail cannabis business establishment. By way of clarification, floor area which is not accessible to customers (e.g., storage) shall not be included in the gross floor area for purposes of this calculation. The business's security employees shall monitor patron capacity and restrict entry if necessary.
- (k) Exterior loitering and security. People shall not be permitted to congregate outside of a dispensary, loiter or wait in line to access the dispensary.
- (l) All retail cannabis facilities shall implement an electronic messaging system to notify customers when they are permitted to enter the facility at times when capacity is exceeded.
- (m) All cannabis retail businesses shall adhere to N.J.A.C. 17:30-12.4 with regard to curbside retail sales.
- (n) All cannabis businesses shall adhere to N.J.A.C. 17:30-9.12 regarding storage. All cannabis retail businesses shall adhere to N.J.A.C. 17:30.12.7 regarding storage.
- (o) All cannabis businesses shall follow inventory regulations as set forth in N.J.A.C. 17:30-9.13

(6) General Provisions

- (a) All cultivation operations shall occur within the principal building.
- (b) Cannabis businesses shall not be located within a building which contains a residence, or within a mixed-use development that includes residential uses.
- (c) Cannabis businesses shall comply with all respective signage regulations in Chapter 175 entitled "Land Management." External signage shall be

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limited to text and business logo, so long as it does not include a cannabis plant leaf or outward glorification of cannabis consumption.

(d) Cannabis businesses shall have security systems in place, along with a continuous recording system that records for a minimum thirty-day archive. This system shall be shared with the Monroe Township Police Department via web browser.

(e) Cannabis businesses shall provide the Monroe Township Police Department with the name and phone number of a staff person to notify during suspicious activity during or after operating hours.

(f) Cannabis businesses shall have security staff on the premises during all hours of operation.

(g) Access to cannabis businesses shall be limited to authorized persons only.

(h) Businesses shall properly dispose of all materials and other substances in a safe and sanitary manner in accordance with state regulations.

(i) Cannabis businesses shall be equipped with ventilation systems sufficient in type and capacity to eliminate cannabis odors emanating from the interior to the exterior of the premises discernible by reasonable persons. The ventilation system must be inspected and approved by the Construction Official.

F. Consumption Areas.

(1) No public consumption areas of cannabis are permitted other than that authorized in Township licensed Consumption Lounges. This section shall not be construed to prohibit the private consumption of cannabis products on private property as permitted by law.

G. Local Cannabis Tax.

(1) Section 40 of the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act (P.L. 2021, c. 16), authorizes Monroe Township to adopt an ordinance imposing the following transfer and user taxes on all cannabis businesses within its borders:

(a) 2 percent of all receipts from the sale of cannabis by a cannabis cultivator

(b) 2 percent of all receipts from the sale of cannabis by a cannabis manufacturer

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- (c) 1 percent of all receipts from the sale of cannabis by a cannabis wholesaler
- (d) For any concurrent license holder operating more than one cannabis establishment, a user tax, at the equivalent transfer tax rates on the value of each transfer or use of cannabis items not otherwise subject to the transfer tax shall apply, from the license holder's establishment located within the Township to any of the other license holder's establishments.
- (2) Such transfer and user taxes imposed shall be in addition to any other tax imposed bylaw.
- (3) The transfer tax or user tax shall be collected or paid and remitted to the Township by the cannabis business from the cannabis business purchasing or receiving the cannabis. The transfer tax or user tax shall be stated, charged, and shown separately on any sales slip, invoice, receipt, or other statement or memorandum of the price paid or payable, or the equivalent value of the transfer for the cannabis. Each person required to collect the tax herein imposed shall be personally liable for the tax imposed, collected or required to be collected hereunder.
- (4) All revenues collected from a transfer and user tax shall be remitted to the Township's Chief Financial Officer in a manner prescribed by the municipality.
- (5) Enforcement of the payment of delinquent taxes or transfer fees shall follow (same manner for municipal real estate taxes)

H. Violations and Penalties.

Any person(s) or entity(ies) found to be in violation of any of the aforementioned Sections shall be subject to the penalties under Article XV of this Chapter.

I. Regulation of Medical Cannabis.

Nothing in this Ordinance shall regulate or apply to Medical Cannabis.

SECTION II. All prior Ordinances or parts of Ordinances inconsistent with the provisions of the provisions of this Ordinance are hereby repealed to the extent of such inconsistency.

SECTION III. If any word, phrase, clause, section or provision in this Ordinance shall be found by any Court of competent jurisdiction to be unenforceable, illegal, or unconstitutional, such word phrase, clause, section or provision shall be severable from the balance of the Ordinance and the remainder of the Ordinance shall remain in full force and effect.

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AN ORDINANCE OF THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF MONROE TO AMEND SECTION 175-163.4 OF THE CODE OF THE TOWNSHIP OF MONROE, ENTITLED "CANNABIS"

SECTION IV. This Ordinance shall take place upon twenty (20) days after final passage and publication as required by law.

TOWNSHIP OF MONROE

CNCL. PRES., CAROLANN FOX

ATTEST:

**Twp. Clerk, Aileen Chiselko, RMC
or Deputy Clerk, Jennifer Harbison, RMC**

CERTIFICATION OF CLERK

The foregoing Ordinance was introduced at a meeting of the Township Council of the Township of Monroe held on the 8th day of May, 2023, and will be considered for final passage and adoption at a meeting of the Township Council of the Township of Monroe to be held on 22nd day of May, 2023 at the Municipal Building, 125 Virginia Avenue, Williamstown, New Jersey 08094, at which time any person interested therein will be given an opportunity to be heard.

**Twp. Clerk, Aileen Chiselko, RMC
or Deputy Clerk, Jennifer Harbison, RMC**

ROLL CALL VOTE

1st Reading

	AYES	NAYS	ABSTAIN	ABSENT
Cncl. Adams				
Cncl. Garbowski				
Cncl. Heverly				
Cncl. McKinney				
Cncl. O'Reilly				
Cncl. Valcourt				
Cncl. Pres. Fox				
Tally:				

2nd Reading

	AYES	NAYS	ABSTAIN	ABSENT
Cncl. Adams				
Cncl. Garbowski				
Cncl. Heverly				
Cncl. McKinney				
Cncl. O'Reilly				
Cncl. Valcourt				
Cncl. Pres. Fox				
Tally:				

ORDINANCE O:22-2023

**AN ORDINANCE OF THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF MONROE
TO AMEND SECTION 175-163.4 OF THE CODE OF THE TOWNSHIP OF MONROE,
ENTITLED "CANNABIS"**

The foregoing ordinance was hereby approved by the Mayor of the Township of Monroe
on this _____ day of _____, 2023.

MAYOR GREGORY A. WOLFE