

TOWNSHIP OF READINGTON

YOU ARE HEREBY NOTIFIED THAT AN ORDINANCE ENTITLED:

***AN ORDINANCE OF THE TOWNSHIP OF READINGTON, HUNTERDON COUNTY
AND STATE OF NEW JERSEY REPEALING ORDINANCE #19-2021 WHICH
PROHIBITED ALL CLASSES OF CANNABIS BUSINESSES WITHIN THE
TOWNSHIP AND AMENDING CHAPTER 88 OF THE CODE OF THE TOWNSHIP
OF READINGTON ENTITLED “CANNABIS BUSINESSES” TO PERMIT CERTAIN
CLASSES OF CANNABIS BUSINESSES***

ORDINANCE #02-2022

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 twenty-one 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 twenty-one 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 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 one 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 in order 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

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 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 21, 2021) and that failure to adopt such prohibitions would result in the automatic permission for the growing, cultivating, manufacturing, selling and reselling of cannabis and cannabis items in all industrial zones, and the retail selling of cannabis items to consumers as a conditional use in all commercial and retail zones of the municipality for a period of five (5) years; and

WHEREAS, due to the above legislative requirements, the fact that at the time, no regulations had yet been adopted at the State level pertaining personal use cannabis and the uncertainties regarding the potential future impacts these businesses might have on New Jersey municipalities in general, and on Readington Township in particular, the Township Committee of Readington Township opted to adopt Ordinance #19-2021 on July 6, 2021 prohibiting all manner of cannabis-related businesses within the Township; and

WHEREAS, since the adoption of Ordinance #19-2021, the State of New Jersey enacted regulations concerning cannabis and medical cannabis establishments in the State and the Township has established a subcommittee to review the merits of permitting such establishments within the Township; and;

WHEREAS, there is a existing alternative treatment facility within the Township which cultivates and processes medical cannabis and has indicated to the Township that it wishes to pursue licenses to expand its operations to cultivate, manufacture, wholesale and distribute (but not sell at retail) personal use cannabis, in addition to medical cannabis, from its current location in the Township; and

WHEREAS, inquiries have been made by persons and companies that operate or seek to operate various types of cannabis establishments in New Jersey, particularly in Readington Township; and

WHEREAS, these companies have applied or will apply to the State of New Jersey for licensing and are awaiting review and approval of their applications for such license; and

WHEREAS, the current law and regulations recognize that municipalities play an important role in regulating the new cannabis industry and are thus permitted to enact restrictions on cannabis facilities that make sense for their communities, including controls regarding zoning

approval and designation, hours of operation, deciding the number and kinds of licenses to be permitted within their borders and enacting a 2 % transfer tax on sales; and

WHEREAS, the Township Committee has determined that the operation of cannabis businesses represents unique and on-going challenges and concerns and therefore should be regulated based on what is appropriate for the Township of Readington and its residents.

NOW THEREFORE, BE IT ORDAINED by the Township Committee of the Township of Readington, County of Hunterdon and State of New Jersey, as follows:

SECTION 1. Preamble incorporated. The preamble to this ordinance is hereby incorporated as if fully restated herein.

SECTION 2. Ordinance #19-2021 entitled “An Ordinance Amending the Code of the Township of Readington, County of Hunterdon and State of New Jersey to Include Provisions Prohibiting All Classes of Cannabis Businesses Within the Township” set forth in Chapter 88 of the Code of the Township of Readington is hereby repealed in its entirety and shall be replaced with the following:

A. New Chapter. The Code of the Township of Readington is hereby amended to provide a new Chapter 88 entitled “**Cannabis and Medical Cannabis**” as follows:

Subsection 88-1. Purpose of Chapter.

Notwithstanding any Federal law to the contrary, this Chapter is enacted to regulate and govern the use of Cannabis and Medical Cannabis and the number and types of permits issued in the Township pursuant to New Jersey’s Jake Honig Compassionate Use Medical Cannabis Act, N.J.S.A. 24:6I-1, et seq. (“Honig Act”), the New Jersey Cannabis Regulatory, Enforcement Assistance and Marketplace Modernization Act, N.J.S.A. 24:6I-32 et seq. (“CREAMMA”) (collectively “the Acts”) and the regulations adopted by the New Jersey Cannabis Regulatory Commission at N.J.A.C. 17-30, et seq.

Subsection 88-2. Definitions. For the purposes of this Chapter, the following definitions shall apply:

“ALTERNATIVE TREATMENT CENTER” means an organization issued a permit pursuant to the Jake Honig Compassionate Use Medical Cannabis Act,” P.L. 2009, c.307 (C.24:6I-1 et al) to operate as a medical cannabis cultivator, a medical cannabis manufacturer, a medical cannabis dispensary or clinical registrant, as well as any alternative treatment center deemed pursuant to section 7 of that act (C.24:6I-7) to concurrently hold a medical cannabis cultivator permit, a medical cannabis manufacturer permit and a medical cannabis dispensary permit.

“CANNABIS” means all parts of the plant Cannabis sativa L., including indica and any and all hybrids, 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 CREAMMA for use in cannabis products as set forth in that 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 Honig Act and N.J.S.A. 18A:40-12.22, et al; marijuana as defined in N.J.S.A. 2C:35-2 and applied to any offense set forth in chapters 35, 35A and 36 of Title 2C of the New Jersey Statutes, N.J.S.A. 2C:35B-1 et seq., or marijuana as defined in N.J.S.A. 24:21-2 and applied to any offense set forth in the “New Jersey Controlled Dangerous Substances Act” N.J.S.A. 24:2-1, et al; or hemp or a hemp product cultivated, handled, processed, transported or sold pursuant to the “New Jersey Hemp Farming Act” N.J.S.A. 4:28-6, et al.

“CANNABIS CULTIVATOR” means any person or entity holding a Class 1 Cannabis Cultivator license issued by the State of New Jersey that grows, cultivates, or produces cannabis in the State of New Jersey, 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 DELIVERY” means the transportation of cannabis items and related supplies to a consumer. “Cannabis delivery” also includes the use by a licensed cannabis retailer of any third party technology platform to receive, process, and fulfill orders by consumers, which third party shall not be required to be a licensed cannabis establishment, distributor, or delivery service, provided that any physical acts in connection with fulfilling the order and delivery shall be accomplished by a certified cannabis handler performing work for or on behalf of the licensed cannabis retailer, which includes a certified cannabis handler employed or otherwise working on behalf of a cannabis delivery service making off-premises deliveries of consumer purchases fulfilled by that cannabis retailer.

“CANNABIS DELIVERY SERVICE” means any person or entity holding a Class 6 Cannabis Delivery license issued by the State of New Jersey that provides courier services for consumer purchases of cannabis items and related supplies fulfilled by a cannabis retailer in order to make deliveries of the cannabis items and related supplies to that consumer, and which services include the ability of a consumer to purchase 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 DISTRIBUTOR” means any person or entity holding a Class 4 Cannabis Distributor license issued by the State of New Jersey that transports cannabis in bulk intrastate from one licensed cannabis cultivator to another licensed cannabis cultivator, or transports 40 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 ESTABLISHMENT” means, for the purposes of this ordinance, a cannabis cultivator, a cannabis manufacturer or a cannabis wholesaler, *as well as an expanded ATC*, but not a cannabis retailer, dispensary, clinical registrant or delivery service.

“CANNABIS ITEM” means any usable cannabis, cannabis product, cannabis extract, and any other cannabis resin. “Cannabis item” does not include: any form of medical cannabis dispensed to registered qualifying patients pursuant to the Honig Act and N.J.S.A. 18A:40-12.22, et al., or hemp or a hemp product cultivated, handled, processed, transported or sold pursuant to the “New Jersey Hemp Farming Act” N.J.S.A. 4:28-6, et al.

“CANNABIS MANUFACTURER” means any person or entity holding a Class 2 Cannabis Manufacturer license issued by the State of New Jersey, 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 RETAILER” means any person or entity holding a Class 5 Cannabis license issued by the State of New Jersey 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 WHOLESALER” means any person or entity holding a Class 3 Cannabis Wholesaler license issued by the State of New Jersey 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.

“COMMISSION” or “CRC” means the New Jersey Cannabis Regulatory Commission established pursuant to CREAMMA.

“EXPANDED ATC” means a permitted Alternative Treatment Center pursuant to P.L. 2019, c. 153 and N.J.A.C. 8:64 that is authorized to operate a cannabis business or businesses pursuant to CREAMMA and the regulations found at N.J.A.C. 17-30 et seq, in addition to its ATC operations.

“MANUFACTURE” for the purpose of this ordinance, means “manufacturing” as performed by a cannabis manufacturer or a medical cannabis manufacturer.

“MEDICAL CANNABIS” means cannabis dispensed to registered qualifying patients pursuant to the Honig Act and N.J.S.A. 18A:40-12.22 et al. “Medical cannabis” does not include any cannabis or cannabis item which is cultivated, produced, processed and consumed in accordance with CREAMMA.

“MEDICAL CANNABIS CULTIVATOR” means an organization holding a permit issued by the Cannabis Regulatory Commission that authorizes the organization to: possess or cultivate cannabis and deliver, transfer, transport, distribute, supply and sell medical cannabis and related supplies to other medical cannabis dispensaries, as well as to plant, cultivate, grow and harvest medical cannabis for research purposes. A medical cannabis cultivator permit shall not authorize the permit holder to manufacture, produce or otherwise create medical cannabis products or to deliver, transfer, transport, distribute, supply, sell or dispense medical cannabis, medical cannabis products, paraphernalia, or related supplies to qualifying patients, designated caregivers or institutional caregivers.

“MEDICAL CANNABIS DISPENSARY” means an organization that is issued a permit by the Cannabis Regulatory Commission authorizing the organization to: purchase or obtain medical cannabis and related supplies from medical cannabis cultivators, purchase or obtain medical cannabis products and related supplies from medical cannabis manufacturers; purchase or obtain medical cannabis, medical cannabis products, and related supplies and paraphernalia from other medical cannabis dispensaries and from clinical registrants; deliver, transfer, transport, distribute, supply and sell medical cannabis and medical cannabis products to other medical cannabis dispensaries; furnish medical cannabis, including medical cannabis products, to a medical cannabis handler for delivery to a registered qualifying patient, designated caregiver; or institutional caregiver consistent with the requirements of the Honig Act; and possess, display, transfer, transport, distribute, supply, sell and dispense medical cannabis, medical cannabis products, paraphernalia, and related supplies to qualifying patients, designated caregivers and institutional caregivers. A medical cannabis dispensary permit shall not authorize the permit holder to cultivate medical cannabis, to produce, manufacture or otherwise create medical cannabis products. **Medical cannabis dispensaries are prohibited in the Township.**

“MEDICAL CANNABIS ESTABLISHMENT” means a medical cannabis cultivator or a medical cannabis manufacturer but not a medical cannabis dispensary, retailer or delivery service. For the purposes of this ordinance, “alternative treatment centers” are also included within the definition of “medical cannabis establishment”.

“MEDICAL CANNABIS MANUFACTURER” means an organization that is issued a permit by the Cannabis Regulatory Commission authorizing the organization to: purchase or obtain medical cannabis and related supplies from a medical cannabis cultivator or a clinical registrant; purchase or obtain medical cannabis products from another medical cannabis manufacturer or a clinical registrant; produce, manufacture or otherwise create medical cannabis products; and possess, deliver, transfer, transport, distribute, supply and sell medical cannabis products and related supplies to other medical cannabis manufacturer and to medical dispensaries and clinical registrants. A medical cannabis manufacturer permit shall not authorize the permit holder to cultivate medical cannabis or to deliver, transfer, transport, distribute, supply, sell, or dispense medical cannabis, medical cannabis products, paraphernalia, or related supplies to registered qualifying patients, designated caregivers, or institutional caregivers.

“MICROBUSINESS” shall have the same meaning as defined in N.J.S.A. 24:6I-33 and operated in accordance with N.J.A.C. 17:30-6.7. Per statute, it means a person or entity licensed by the State as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service that may only, with respect to its business operations and capacity and quantity of product: (1) employ no more than 10 employees; (2) operate a cannabis establishment occupying an area of no more than 2,500 square feet, and in the case of a cannabis cultivator, grow cannabis on an area no more than 2,500 square feet measured on a horizontal plane and grow about that plane not higher than 24 feet; (3) possess no more than 1,000 cannabis plants each month, except that a cannabis distributor’s possession of cannabis plants for transportation shall not be subject to this limit; (4) acquire each month, in the case of a cannabis manufacturer, no more than 1,000 pounds of usable cannabis; (5) acquire for resale each month, in the case of a cannabis wholesaler, no more than 1,000 pounds of usable cannabis, or the equivalent amount in any form of manufactured cannabis product or cannabis resin, or any combination thereof; and (6)

acquire for retail sale each month, in the case of a cannabis retailer, no more than 1,000 pounds of usable cannabis, or the equivalent amount in any form of manufactured cannabis product or cannabis resin, or any combination thereof. **Cannabis microbusinesses are not permitted in the Township.**

“PUBLIC PLACE” or “QUASI-PUBLIC PLACE” means any place to which the public has access that is not privately owned; or any place to which the public has access where alcohol consumption is not allowed, including but not limited to: a public street, road, thoroughfare, school, sidewalk, bridge, alley, plaza, park, playground, swimming pool, shopping area, public transportation facility, vehicle used for public transportation, parking lot, public library or any other public building, structure or area.

Subsection 88-3. Cannabis, Microbusinesses and Medical Cannabis Establishments Generally Prohibited. Except for licensed establishments operating as cultivators, processors and/or manufacturers of cannabis and/or medical cannabis as specifically provided herein, pursuant to section 31b of the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act (*P.L. 2021, c. 16*)(the “Act”) and under the general police powers of the Township provided under N.J.S.A. 40:48-1 in order to protect the general health, safety and welfare of the public, all cannabis microbusinesses, medical cannabis and cannabis retailers, dispensaries and/or cannabis delivery services as said terms are defined in section 3 of the Act and within this Chapter are hereby prohibited from operating anywhere in the Township of Readington, except for the delivery of cannabis items and related supplies within the Township by a delivery service located outside of the Township

Subsection 88-4. Number of Permitted Licenses for Medical Cannabis and Cannabis Establishments. There shall hereby be made available within the Township of Readington no more than one (1) municipal license for a qualifying entity or individual for either one (1) of the following: (1) a cannabis establishment; (2) a medical cannabis establishment or (3) an organization operating as both a cannabis establishment and a medical cannabis establishment within the same facility and location within the Township. Multiple classes of licenses within the definitions of (1) and (2) above may be combined at the same facility and on the same property in the Township, provided there is no more than one (1) such establishment operating within the Township. Such municipal license shall constitute “written municipal approval” required pursuant to “CREAMMA”, N.J.S.A. 24:6I-36(b)(1)(c)(i) and 24:6I-5(c) or the Honig Act, N.J.S.A. 24:6I-7 and the regulations found at N.J.A.C. 17-30, et seq.

Subsection 88-5. Licensing and Application Requirements:

(a) No one may operate a cannabis establishment or medical establishment (“Establishment”), operate an expanded alternative treatment center, or otherwise convert from an alternative treatment center to a cannabis establishment, or combination thereof, in the Township without a municipal license. A license must be requested and obtained annually upon approval of the Township Committee for the Establishment prior to, and as a condition of, permit or license renewal pursuant to CREAMMA, the regulations at N.J.A.C. 17-30, et seq. and this Chapter 88. Only the municipal permit or license, annually renewed pursuant to the above-cited authority, shall constitute the annually required written municipal approval required for the Establishment pursuant to the regulations of the Cannabis Regulatory Commission (“CRC”). Other written statements, letters, resolutions or other

documents issued by the Township or any official, employee, or other representative shall not constitute annual or renewed “written municipal approval” for purposes of the CRC.

(b) In addition to a municipal license, in order to operate a cannabis establishment and/or medical cannabis establishment in the Township of Readington, the appropriate State licenses are required. A municipal license may be conditionally issued by the Township, but shall be contingent upon the locally licensed entity’s or individual’s subsequent receipt of a State permit or license of the same class or type of regulated cannabis activity issued by the Township, otherwise, it may be revoked. All applications for permits and licenses, all permits and licenses issued and all proceedings under this section shall be in accordance with all applicable laws of the state.

(c) In order to operate a cannabis establishment and/or medical cannabis establishment, the applicant shall be in possession of all applicable land use/zoning approvals and all construction permits and approvals from all municipal and State entities having jurisdiction over same.

(d) Persons seeking to obtain any classification of municipal cannabis license shall file an application with the Township Clerk on a standardized form established by the Township and available in the Township Clerk’s office. The Township Clerk shall establish a reasonable application period and deadline for all applications. An application shall be deemed incomplete, and shall not be processed by the Township until all documents and application fees are submitted. To be deemed complete, all applications shall be accompanied by the following:

(i) Name, address of owner, applicant, property location, including address and lot and block on the official tax map and zone identification.

(ii) 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, 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 applicant contingent upon applicant’s receipt of a license from the State of New Jersey.

(iii) The applicant and/or owner, as may be applicable, shall submit an affidavit and documentary proof of compliance with all state and local laws regarding affirmative action, anti-discrimination and fair employment practices. The applicant and /or owner, as may be applicable, shall also certify under oath that they will not discriminate based on race, color, religion (creed), gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations.

(iv) The location proposed for licensing by the applicant, shall comply with all applicable municipal zoning laws and the location restrictions set forth in the Land Development portion of the Code of Readington Township.

(v) The applicant, owner and its principals, as may be applicable, shall submit, to the satisfaction of the Township Committee, proof of financial capability to open and operate a cannabis and/or medical cannabis establishment for which the applicant is seeking a license. Standards of proof of financial capability shall be determined by the Township.

(vi) The applicant shall submit all required fees (non-refundable) for the application and license in accordance with the fee schedule established in *section 88-6* below.

(vii) Copy of application form sent to the State of New Jersey (the class or classes of licenses applied for at the municipality must match the class or classes of licenses issued by the State of New Jersey and the applicant's name and entity, as well as owner's and principals' names and entities must also match on both applications).

(viii) Proof of the attainment of all other permits/approvals required by the Township including land use and zoning, Construction Code and Board of Health. Proof may be established by a letter, resolution or permit issued by the applicable entity.

(ix) 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 (5) years.

(e) In the event there are multiple applicants for a license, the Township Clerk shall compile all applications submitted for review by the Township Committee and the Township Committee shall evaluate all applicants and issue a notification of award after consideration and evaluation of the following criteria:

(i) Applicant's and its owners' (if applicable) or principals' qualifications and experience operating in highly regulated industries, including cannabis, healthcare, pharmaceutical manufacturing, and/or retail pharmacies, with preference to experience operating such businesses within the State of New Jersey and where the value of such businesses within the State of New Jersey and where the value of owner's experience shall outweigh the experience of non-owner principals (fifteen percent, not to exceed 2,500 words);

(ii) Applicant's and its owners' (if applicable) or principals' qualifications and experience related to public safety and security, including any of the applicant's owners' or principals' experience in law enforcement and drug enforcement (five percent, not to exceed 1000 words), and a summary of applicant's plans for storage of products and currency, disposal of waste, plans for odor control, storage of any hazardous chemicals, physical security, video surveillance, security personnel and visitor management (ten percent, not to exceed 2,500 words);

(iii) Applicant's and its owners' (if applicable) or principals' experience conducting or supporting or plans to conduct institutional review board (IRB)-approved research involving human subjects that is related to medical cannabis or substance abuse, where the value of past or ongoing clinical research with IRB approval shall outweigh plans to conduct such research (five percent, not to exceed 2,500 words); whether the applicant has had any assurance accepted by the U.S. Department of Health and Human Services indicating the applicant's commitment to complying with 45 CFR Part 46 (five percent) and whether the applicant has a research collaboration or partnership agreement in effect with an accredited U.S. school of medicine or osteopathic medicine with experience conducting cannabis-related research (five percent);

(iv) Applicant's and its owners' (if applicable) or principals' demonstrated commitment or sufficient experience as responsible employers, defined as the applicant entity 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 or Medical Cannabis Establishment license, in an effort to create well-paying jobs with employee benefits in the municipality (twenty percent in total; five points for labor peace, full twenty points for collective bargaining agreement in effect for at least one year);

(v) Summary of the applicant's and its owners' (if applicable) environmental impact and sustainability plan (four percent, not to exceed 500 words); whether the applicant entity or its parent company has any recognitions from or registrations with federal or New Jersey State environmental regulators for innovation in sustainability (three percent); and whether the applicant entity or its parent company holds any certification under international standards demonstrating that the applicant has an effective environmental management system or has a designated sustainability officer to conduct internal audits to assess the effective implementation of an environmental management system (three percent);

(vi) Applicant's and its owners' (if applicable) or its principals' ties to the community, demonstrated by at least one shareholder's proof of residency in Readington Township for five or more years in the past ten years or at least one shareholder's continuous ownership of a business based in Readington Township for three or more years in the past five years (five percent); and

(vii) Applicant's and its owners' (if applicable) or its principals' demonstrated commitment to diversity in its ownership composition and hiring practices and whether the applicant entity or its parent company holds any certifications as a N.J. minority-owned, women-owned, or veteran-owned business (twenty percent in total; ten points for one certification and twenty points for two or more).

(f) Notwithstanding the foregoing competitive application process, a notification of award and conditional municipal license shall entitle the recipient applicant to pursue a State permit or license in the appropriate classification for up to 12 months, which may be extended *at the* Township Committee's discretion for an additional 6 months for good cause. No license to operate shall be issued until the applicant has received a State license and satisfied other prerequisites of municipal licensing. If the recipient of a notice of award and conditional license has not received a State permit or license within 12 months of the municipality's issuance, unless extended for good cause, the Township Committee shall issue a new request for applications and evaluate all applicants for licensure under the above criteria.

Subsection 88-6. Licensing Fees

(a) Cannabis Establishment License

- (i) Application and Year One: \$10,000
- (ii) Subsequent Annual Renewal Permit Fee: \$5,000

(b) Medical Cannabis Establishment License

- i) Application and Year One: \$10,000
- (ii) Subsequent Annual Renewal Permit Fee: \$5,000

Separate fees shall be due for each license applied for (ie. medical or adult use cannabis establishment), but classes may be combined under each type of establishment. (For example, if an adult use cannabis establishment holds Class I, II and IV licenses, then only one fee shall be charged for the adult use license).

If the Township must hire one or more consultants to evaluate a first-time or renewal application for a license, the Applicant will be responsible for the review fees of the Township's hired consultant(s).

Subsection 88-7. Terms of license and renewals.

(a) Any municipal license issued pursuant to this Chapter shall be valid for a period of one (1) year from the date of issuance and shall be renewed in accordance with the provisions of this Chapter.

(b) The Township Committee may, at its discretion, adjust the renewal date of the municipal license to correlate with an applicant's State licensing and renewal schedule.

(c) Renewal of any license shall be governed by code amendments, additional restrictions or changes in regulations adopted since the previous license was issued or renewed.

(d) Transfer of ownership of any municipal license or change of location of any license or modification to expand a licensed premises shall be subject to municipal approval pursuant to the same qualification requirements as in the originally-approved application. A change of location shall not be approved unless the location has been specifically permitted by the Township's land use ordinance.

(e) Except where the Township has received a complete renewal application along with the requisite fees, and has issued a license renewal, it shall be unlawful for any person to manufacture, cultivate, sell, distribute, transfer, transport or otherwise remove cannabis or cannabis products from the *premises* of any licensee after the expiration date recorded on the face of the license.

(f) Any suspension, revocation or non-renewal of the municipal permit or license pursuant to CREAMMA and/or the regulations promulgated thereto, as may be amended from time-to-time, or any suspension, revocation or non-renewal of a CRC-issued license or permit for the Establishment, or adjudication of felony criminal guilt by the Establishment or its principals shall constitute an automatic revocation of the municipal license for the Establishment, at which time operation of the Establishment must cease. With respect to a suspension, revocation or non-renewal of a Township or CRC-issued permit or license, the Establishment may not reinstate its municipal license until the Township and/or CRC permit or licenses are reinstated. A criminal adjudication voids and prohibits any future reinstatement of Township permits/licenses.

Subsection 88-8. Operating Requirements and Prohibitions.

(a) Hours of operation by licensees shall be from 8:00 a.m. to 8:00 p.m. only, with the exception of on-site security.

(b) Unless otherwise permitted by State labor laws, no persons under the age of twenty-one (21) shall be allowed in a Cannabis/Medical Cannabis Establishment unless accompanied by a parent or legal guardian.

(c) No cannabis shall be smoked, eaten or otherwise consumed or ingested on the premises of any Cannabis/Medical Cannabis Establishment. Smoking, consumption or ingestion of cannabis shall not be permitted at any public or quasi public place.

(d) A Cannabis/Medical Cannabis establishment shall be secured and have full-time security protocols in place subject to review and approval from the Readington Township Police Department which shall include at least a twenty-four (24) hour security video system with footage to be kept for at least thirty (30) days and a vault for storage of money when the Cannabis/Medical Cannabis Establishment is closed. Prior to the commencement of any operations, a Cannabis/Medical Cannabis Establishment must first obtain written approval of its protocols from the Readington Township Police Chief or the Chief's designee. The Readington Township Police Chief or Chief's designee, shall have the authority to require additional safety and security measures.

(e) Cannabis plants, products and paraphernalia shall not be visible from any exterior windows, nor shall the existence of cannabis within a building be perceptible from the exterior of the building as viewed from a street or residence.

(f) All operations related to the manufacturing, cultivation and processing of cannabis, including the disposal of cannabis waste, shall be performed in a fully-enclosed space within a building. Shipping and receiving may occur within exterior locations closely related to the building that are designated for shipping and receiving.

(g) Greenhouse lighting shall not be visible from the exterior of the building.

(h) The Licensee shall be in compliance with all Township regulations pertaining to odor control as contained within the Township's Land Development ordinances; specifically, any odors generated inside the facility shall not be detectable by a person of reasonable sensitivity anywhere on adjacent property or within adjacent public rights-of-way.

(i) A Cannabis/Medical Cannabis Establishment shall provide to the Readington Township Police Department and its Dispatch Office, Office of Emergency Management Coordinator, and the Fire Code Official with the name, email address and twenty-four hour phone number of the responsible staff person for the Cannabis/Medical Cannabis Establishment to notify in the event of suspicious activity or an emergency.

(j) In no event shall a Cannabis/Medical Cannabis Establishment in the Township of Readington be open to the public.

(k) Readington Township's Health Department, Police Department, Construction Code Official, Zoning Officer and/or Fire Code Official shall, from time to time, make an inspection of the Cannabis/Medical Cannabis Establishment for the purpose of determining whether the provisions of this section are being complied with. It shall be unlawful for a licensed Cannabis/Medical Cannabis Establishment to refuse to allow such inspection or to hinder such inspection.

(l) A Cannabis/Medical Cannabis Establishment shall furnish the Township with copies of any documents issued by any outside agencies (including, but not limited to County, State and/or Federal governmental agencies) having jurisdiction over same. These documents shall be provided to the Township within ten business days of their issuance and shall include, but are not limited to, inspection reports, operating permits, administrative approvals, administrative *orders*, and notices of violation.

Subsection 88-9. Disciplinary Actions; Sanctions; Penalties.

(a) **Disciplinary actions.** Procedures for investigation of license violations and for suspension, revocation or other licensing sanctions as a result of any such violation shall be as follows:

- (i) First offense: Up to \$1,000 per violation per day;
- (ii) Second offense: Up to \$2,500 per violation per day;
- (iii) Third violation shall result in a summary suspension.
- (iv) If a second offense is on-going for more than 10 days, a summary suspension may be imposed.
- (v) Each day a violation continues after notification that it exists shall constitute a separate offense.

(b) **Summary Suspension.** Notwithstanding the foregoing section, when the Township Committee, or its authorized representative or designee, has reasonable grounds to believe that a licensee has engaged in deliberate and willful violation of any applicable law or regulation, or that the public health, safety and/or general welfare has been jeopardized and requires emergency action, the Township Committee, or its authorized representative or designee, may enter a summary suspension order for the immediate suspension of such license pending further investigation.

(i) The summary suspension order shall be in writing and shall state the reason(s) therefore. The licensee shall be afforded an opportunity for an appeal process as outlined herein.

(ii) The Township Committee shall convene a review panel consisting of the Administrator, a second administrative officer designated by the Township Committee, and the Chief of Police. The matter shall be scheduled within 30 days of the date of the order.

(iii) For purposes of this section (b)“reasonable grounds” means one or more complaints that have been substantiated by a certified consultant designated by the Township, or other fault or instance of non-compliance found during an inspection conducted pursuant to Subsection 88-8(k) above.

(iv) The review panel is authorized to impose any fines, conditions, restrictions, suspensions or combination thereof authorized by the State of New Jersey. In the absence of State specified penalties, the Township may issue fines up to, but not to exceed, \$2,500 per separate offense per day, and/or suspension of license for a period not to exceed six (6) months.

Subsection 88-10. Revocation of Municipal License.

Any license issued under this Ordinance may be suspended or revoked for violation of any provisions of the Township Code or any applicable ordinance, statute or any of the rules or regulations promulgated by the CRC. Suspension or revocation of a license shall be in addition to any other penalty which may be imposed for a violation of Township Ordinances. No refund will be issued by the Township for any suspended or revoked license.

Subsection 88-11. State License. The Township Committee may suspend or revoke any license if the corresponding State license or permit for the subject location is expired, surrendered, suspended or revoked. In that event, operation must cease until the license(s) and municipal zoning permit are reinstated or reissued.

SECTION 3. Repealer. All ordinances and resolutions or parts thereof inconsistent with this ordinance are repealed.

SECTION 4. Severability. If any section, paragraph, subsection, clause or provision of this ordinance shall be adjudged by the courts to be invalid, such adjudication shall apply only to the section, paragraph, subsection, clause or provision so adjudged and the remainder of this ordinance shall be valid and enforceable.

SECTION 5. Renumbering. The sections, subsections and provisions of this ordinance may be renumbered as necessary or practical for codification purposes.

SECTION 6. Effective Date. This ordinance shall take effect upon passage and final publication as provided by law.

A TRUE COPY OF WHICH ORDINANCE IS PRINTED ABOVE WAS INTRODUCED AT THE MEETING OF THE TOWNSHIP COMMITTEE ON *JANUARY 18, 2022* AND THAT IT IS THE INTENTION OF THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF READINGTON TO CONSIDER PASSAGE OF SAID ORDINANCE AT THE REGULAR MEETING OF THE TOWNSHIP COMMITTEE TO BE HELD AT THE MUNICIPAL BUILDING, 509 ROUTE 523, WHITEHOUSE STATION, NEW JERSEY, ON *FEBRUARY 7, 2022* AT 7:45 P.M. AT WHICH TIME AND PLACE, OR AT ANY TIME OR PLACE TO WHICH THE MEETING SHALL BE FROM TIME TO TIME ADJOURNED AN OPPORTUNITY WILL BE GIVEN TO ALL PERSONS WHO MAY BE INTERESTED THEREIN TO BE HEARD CONCERNING SAID ORDINANCE.

KARIN M PARKER, *RMC*
MUNICIPAL CLERK