# ORDINANCE TO ESTABLISH AND CONTROL RECREATIONAL CANNABIS LICENSES IN THE CITY OF CAMDEN

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"), N.J.S.A. 24:61-32 et seq., 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:

- a) Class I Cannabis Cultivator license, for facilities involved in growing and cultivating cannabis;
- b) 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;
- d) 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;
- e) Class 5 Cannabis Retailer license for locations at which cannabis items and related supplies are sold to consumers; and
- f) 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 purchases 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, on June 15, 2021, the City Council of the City of Camden approved an ordinance on first reading which amended Chapter 870 to prohibit the operation of any Class of cannabis business with the City's geographical boundaries; and

WHEREAS, on June 15, 2021, the City Council of the City of Camden referred the proposed amendments to Chapter 870 to the Planning Board for a report concerning this proposed action pursuant to N.J.S.A. 40:55D-26, and thereafter, the Planning Board issued a report recommending that the City of Camden amend Chapter 870 to prohibit any Class of cannabis business within the geographical boundaries of the City of Camden; and

WHEREAS, on July 13, 2021, with the recommendation of the Planning Board, the City Council of the City of Camden determined that, due to present uncertainties regarding the potential future impacts that allowing one or more classes of cannabis business might have on New Jersey municipalities in general, and on the City of Camden in particular, it was necessary and appropriate, and in the best interest of the health, safety and welfare of the City of Camden's

residents and members of the public who visit, travel, or conduct business in the City of Camden to amend the City of Camden's zoning regulations to prohibit all manner of cannabis-related land use and development within the geographic boundaries of the City of Camden; and

WHEREAS, the City also appointed an ad hoc committee to examine and make recommendations to the Administration and Council of the City of Camden as to whether the City of Camden should permit one or more of the categories of Class 1 through Class 5 licenses in the City of Camden and the extent as to whether one or more licenses in each class should be permitted and also determining what the scope of those services should be as well as the types and number of licenses that should be allowed for license categories for Class 1 through Class 5, in the City of Camden and during its review, this ad hoc committee examined such significant issues as to how best to educate the residents in the four (4) Wards as well as local businesses of the purpose and scope of the Act, including discussing such issues as: what the definitions are of each license in Classes 1 through 6 identified in the Act and their scope; discussing the requirements of those individuals who could eligible to apply for each such class of license; City locations that could be permitted for each class of license; the community impact of such licenses being issued, including those aspects involving, but not limited to, social responsibility, education, diversity, the impact on the medical and education communities and the impact on local businesses; and

WHEREAS, the Ad Hoc Committee submitted its report and recommendations to the Administration of the City of Camden and the City Council of the City; and

WHEREAS, on August 19, 2021, the Cannabis Regulatory Commission ("CRC") enacted regulations at N.J.A.C. 17:30 which adopted pursuant to the Act and whose provisions contained in both the Act and N.J.A.C. 17:30 are hereby incorporated in this chapter by reference and made a part hereof as fully as though it had been set forth at length herein.

WHEREAS, the Administration of the City of Camden now seeks to adopt land use regulations and other requirements for cannabis businesses that can promote the health, safety, and general welfare of the community; and

WHEREAS, the Administration of the City of Camden and City Council of the City of Camden have now determined to opt-in to the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act, N.J.S.A. 24:6I-32 et seq. but only as provided for herein in this Chapter, and therefore, the City of Camden now seeks to adopt land use regulations and other requirements for cannabis businesses in the City of Camden that can promote the health, safety, and general welfare of the community; and

WHEREAS, the Administration of the City of Camden now seeks to adopt land use regulations and other requirements for cannabis businesses that can promote the health, safety, and general welfare of the community; and

WHEREAS, the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq., delegates to municipalities the power to zone and regulate development within its borders by adopting or amending zoning ordinances relating to the nature and extent of the uses of land and structures thereon; and

WHEREAS, the Administration established a committee to review the recommendations of the Camden Ad Hoc Cannabis Committee for the purpose of drafting a proposed ordinance and this proposed ordinance was referred to the City Planning Board to ensure that the proposed ordinance which governed, among other things, the number of licensed cannabis businesses that will be permitted within the City as well as their location, manner, and times of operation; and

WHEREAS, the Planning Board, at its meeting of determined that the proposed ordinance was consistent with the City's Master Plan, and made certain other recommendations with respect to the Report and Recommendations which it determined was consistent with the City's Master Plan, and which are to be included herein.

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Camden as follows:

### Purpose:

Notwithstanding any Federal law to the contrary, this Chapter is enacted to regulate and govern the use of Cannabis and the number and types of permits issued in the City pursuant to the Act. The City is awaiting regulations for same by the Cannabis Regulatory Commission (CRC) and reserves the right to revise this Chapter pursuant to same.

# RECITALS INCORPORATED

The aforementioned recitals are incorporated herein as though fully set forth at length.

# GENERAL REQUIREMENTS

<u>Definitions</u>: the definitions and other provisions of the Act and N.J.A.C. 17:30 are hereby incorporated herein. Any amendments to the Act and N.J.A.C. 17:30-1.2 are also incorporated herein without the need to revise this Chapter.

- b) <u>State Licensure Required</u>: In order to locate within the City, a cannabis business must first obtain a license from the State Cannabis Commission. Such license must be in good standing during the entirety of the term of that business's operation within the City.
- c) The City, in determining zoning approval of a proposed location of a license applicant's cannabis businesses premises shall consider whether a cannabis business's premises conforms to zoning requirements based on the nature of the cannabis business's primary business operations. If zoning approval is granted, the City shall provide a letter or affidavit stating that the location will conform to zoning requirements allowing for activities related to the operations of the proposed cannabis business to be conducted at that location.
- d) <u>Municipal Preference</u>: Pursuant to N.J.A.C. 17:30-6.3, within twenty-eight (28) days of a receipt of a license application from the CRC, the City shall inform the CRC of its preference for the issuance of licenses to cannabis business and whether such license application complies with this Chapter.
- e) Evidence of City Support: In order to obtain a license from the Cannabis Regulatory Commission, a prospective licensee must provide evidence of support from the Administration and City Council of the City of Camden with respect to such application. As part of the City's review, the prospective licensee and the City shall discuss in good faith what community and social justice initiatives may be appropriate for the prospective licensee to undertake. Pursuant to N.J.A.C. 17:30-5.1 (g), the City shall demonstrate proof of local support for the suitability of the cannabis business's proposed location by indicating that the intended location is appropriately located and otherwise suitable for activities related to the operations of the proposed cannabis business by the adoption of a resolution by City Council.
- f) <u>Quality of Life Task Force</u>: All cannabis businesses shall be subject to health and safety review, inspection, and enforcement, including but not limited to an annual health and safety review and inspection, by the City.

# AMENDMENT TO CHAPTER 870

# 870-38—PERMITTED USES IN CERTAIN DISTRICTS - CANNABIS LICENSED BUSINESSES - ISSUANCE OF LICENSES AND PERMITS

- A. All applications for licenses and permits, all licenses and permits issued and all proceedings under this Article shall be in accordance with all applicable laws of the state.
- B. All licenses and permits required by this Article shall be issued by City Administration which shall also administer the provisions of this Article. Any business duly licensed by the State of New Jersey to conduct legal adult use

cannable operations, as defined by State law, may operate within the Specified Permitted Area so long as: (i) the entity maintains its State license in good standing; (ii) the entity maintains a City of Camden Business License in good standing; and (iii) the entity otherwise remains in full compliance with the laws and regulations established by the State of New Jersey and the City of Camden governing the licensed activity, as may be amended.

C. A Business License to operate within the City of Camden shall not be granted or renewed without such evidence as may be required by the Business Administrator to determine that the entity maintains all valid State and/or CRC licenses and approvals, and that all such licenses and/or approvals remain in good standing from the time of registration.

#### D. Licensing

- 1. Local licensing authority.
  - a. The Business Administrator of the City of Camden is hereby designated to act as the local licensing authority for the City for all cannabis establishments. The Business Administrator, in reviewing and rendering decisions on all cannabis licenses, shall be assisted by the following individuals: the Business Administrator, the City Attorney, the Director of Planning and Development, the Director of Code Enforcement and the Chief of the Camden County Police Department, Metro Division, or his/her designee. Under all circumstances in which State law requires communication to the City by the Cannabis Regulatory Commission or any other State agency with regard to the licensing of cannabis establishments by the State, or in which State law requires any review or approval by the City of any action taken by the State licensing authority, the exclusive authority for receiving such communications and granting such approvals shall be exercised by the Business Administrator.
  - b: Under no circumstances shall a local license for a cannabis establishment issued by the Business Administrator be effective until or unless the State has issued the requisite permits or licenses to operate such a facility. No cannabis establishment may lawfully operate in the City of Camden without the issuance of a State permit or license and full regulatory oversight of the cannabis establishment by the Cannabis Regulatory Commission or other state licensing authority as well as oversight and issuance of a license by the City.
  - c. Any permit 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.
  - d. The Business Administrator may, at his or her discretion, adjust the renewal date of the local permit to correlate with an applicant's State licensing and renewal schedule.
  - e. Renewal of any permit shall be governed by any code amendments, additional restrictions or changes in the Act and N.J.A.C. 17:30 et seq. adopted since the previous permit was issued or renewed.
  - f. A licensee shall comply with N.J.A.C. 17:30-6.8 governing limitations on license-holders, owners, principals and passive investors, etc.
  - g. A licensee shall comply with the provisions of N.J.A.C. 17:30-9.3 governing transfers of ownership Interest.
  - h. Transfer of a license or change of location or modification to expand a permitted premise shall be subject to the approval of the Administration, the Planning Board and City Council. A potential transfer of a license caused by the death of a spouse, domestic partner or adult child shall not be unreasonably denied.
  - i. Pursuant to N.J.A.C. 17:30-6.7 (d), a microbusiness holding an annual license shall not sell or transfer its license.

- j. Except where the Business Administrator 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 operate after the date of a license expiration.
- 2. Classification of licenses. The City, subject to State, Administration, Planning Board, Zoning Board of Adjustment, and City Council approval, may issue the following municipal licenses to operate a cannabis establishment:
  - a. Class 1 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;
  - d. 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;
  - c. Class 5 Cannabis Retailer license for locations at which cannabis items and related supplies are sold to consumers.
- 3. Maximum number of licenses. The City may issue a maximum of the following licenses:
  - a. A maximum of one (1) standard or micro-business license operating under Class 1 shall be permitted to operate within the City only in commercial zone area specified below. A micro-business cannabis cultivator shall have a total cannabis grow area that does not exceed 2,500 square feet, measured on a horizontal plane, and 24 feet, measured vertically above the plane and shall possess no more than 1,000 cannabis plants each month.
  - b. A maximum total of three (3) standard or micro-business cannabis licenses operating under Class 2 shall be permitted to operate within the City only in commercial zone areas specified below. A Micro-business operating under this license shall acquire no more than 1000 pounds of cannabis per month.
  - c. A maximum total of three (3) standard or micro-business cannabis licenses operating under Class 3 shall be permitted within the City only in commercial zone areas specified below. A Micro-business operating under this license shall acquire no more than 1000 pounds of dry cannabis or its equivalent per month.
  - d. A maximum total of three (3) standard or micro-business cannabis licenses operating under Class 4 shall be permitted within the City only in commercial zone areas specified below. A Micro-business operating under this license shall possess no more than 1000 cannabis plants per month, except during transportation.
  - e. A maximum of 20 standard or microbusiness retail cannabis business licenses operating under Class 5 shall be permitted within the City in the commercial zones specified below; with no more than four (4) per zone. A Micro-business shall not acquire for retail sale more than 1000 pounds of cannabis or its equivalent per month.
- 4. Location of Licenses: The following State classified cannabis classes are permitted in the corresponding zoning districts:
  - a. Class 1: Cultivator Commercial 3 and Light Industrial 2
  - b. Class 2; Manufacturer Light Industrial Zone LI-1
  - c. Class 3; Wholesale Light Industrial Zones, LI-1 and LI-2

- d. Class 4; Distributor Light Industrial Zone LI-1
- e. Class 5: Retail permitted in the following zones:
  - i. C-2 Zone Gateway/Waterfront South
  - ii. C-3 Zone Old Pathmark Area
  - iii. C-4 Zone Admiral Wilson Boulevard
  - iv. US Zone University Services
  - v. CC Zone Center City
- f. Class 6: Delivery In accordance with the Act, delivery of cannabis products within the City is authorized where permitted by State law.
- g. Any Delivery Service Provider seeking to establish a business in the City of Camden must comply with all applicable City of Camden Ordinances.

#### 5. Application Process

- a. Any license conditionally issued by the City is contingent upon the locally licensed entity's or individual's subsequent recipient of a State permit or license of the same class or type of regulated cannabis activity.
- b. Persons wishing to obtain any classification of cannabis license shall file a license application with the Business Administrator, on a standardized form established by the Business Administrator and available in the Business Administrator's office. The Business Administrator shall establish a reasonable application period and deadline for all applications. An application shall be deemed incomplete, and shall not be processed by the Business Administrator, until all documents and application fees are submitted. To be deemed complete, all applications shall be accompanied by the following:
- 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 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 the Business Administrator, proof of financial capability to open and operate the cannabis establishment for which the applicant is seeking a license. Standards for proof of financial capability shall be determined by the Business Administrator.
- g. The applicant and the application shall otherwise comply with any, and all qualification standards set forth by the State of New Jersey and City of Camden laws, regulations or ordinances.
- h. In the event there are multiple applicants for a license, the Business Administrator shall evaluate all applicants and issue a notification of award after consideration and evaluation of the following criteria:
  - Applicant's owners' or principals' qualifications and experience operating in highly regulated industries, including cannabis, healthcare, pharmaceutical manufacturing, and retail pharmacies, with preference to experience operating such

- businesses within the State of New Jersey and where the value of owners' experience shall outweigh the experience of nonowner principals; and
- Applicant's 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 and a summary of the applicant's plans for storage of products and currency, physical security, video surveillance, security personnel, and visitor management; and
- 3. Applicant's or its owners' experience conducting or supporting or plans to conduct institutional review board-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, whether the applicant has had any assurance accepted by the U.S. Department of Health & Human Services indicating the applicant's commitment to complying with 45 CFR Part 46, 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;
- 4. Applicant's or its owners' demonstrated commitment to the community and social responsibility; or sufficient evidence related to N.J.A.C. 17:30-30-7.10 (b)(18);
- 5. Summary of the applicant's environmental impact and sustainability plan; 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; and whether the applicant entity or its parent company holds any certification under international standards demonstrating 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;
- Applicant's ties to the host community, including, for Standard License applications, the Applicant's willingness to enter into a Community Benefit Agreement;
- Applicant's 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 Camden-owned Business, New Jersey MBE, WBE, DVBE, VBE or SBE;
- Social Equity Businesses, Diversely Owned Businesses and Impact Zone Businesses shall always have priority over other license applicants;
- Conditional license applicants shall always have priority over annual license applicants;
- Micro-Business license applicants shall always have priority over standard cannabis business license applicants;
- 11. Microbusinesses that are also Impact Zone businesses shall always have priority over other Micro-businesses; and
- 12. License applicants given bonus points pursuant to N.J.A.C. 17:30-6.1(d) shall have priority over license applicants with no bonus points.

- i. 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. No license to operate shall issue until the applicant has received a State permit and satisfied other prerequisites of municipal licensure. If the recipient of a notice of award and conditional license has not received a State permit or license within 12 months from issuance, the Administrator shall issue a new request for applications and evaluate all applicants for licensure under the above criteria.
- j. 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 3 years.
- k. Term of license and license renewals.
  - Any local 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 yearly in accordance with the provisions of this Chapter.
  - The Business Administrator may, at his/her discretion, adjust the renewal date of the local license to correlate with an applicant's State licensing and renewal schedule.
  - Renewal of any license shall be governed by any amendments to state law, regulations and/or the City of Camden Code.
  - Transfer of ownership of any local license or change of location of any license or modification to expand a licensed premise shall be subject to approval by the City Zoning Officer.
  - 5. Except where the Business Administrator 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, sell, distribute, transfer, transport, or otherwise remove cannabis or cannabis products from the premises of any license after the expiration date recorded on the face of the license.

#### E. Fees.

- 1. The following fees shall apply to all cannabis businesses:
  - a. Micro-Businesses:
    - 1. Application Fee \$2500.00
    - 2. Annual Renewal Fee \$2500.00
  - b. Standard Businesses [Non-Micro-Business]:
    - I. Application Fee \$5000.00
    - 2. Annual Renewal Fee \$5000.00
  - c. The above fees shall be submitted to the City at the time the cannabis business submits its Initial application or the renewal application to the City. If the cannabis business's application is denied, the City shall refund eighty percent (80%) of the Initial Application or Renewal Fee if the applicant is not approved for a cannabis license by the State of New Jersey.

F. Disciplinary Actions; Sanctions; Penalties

1. 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:

a. First offense:

Up to \$500 per violation per day;

b. Second offense:

Up to \$1000 per violation per day;

c. Third offense:

Up to \$2500 per violation per day;

- d. Fourth violation shall result in a summary suspension.
- 2. Summary suspension. Notwithstanding the foregoing section, when the Business Administrator has reasonable grounds to believe that a licensee has engaged in a willful violation of any applicable law, regulation or City of Camden Code provision, or that the public health, safety, and/or general welfare has been jeopardized and requires emergency action, the Business Administrator may enter a summary suspension order for the immediate suspension of such license pending further investigation.
  - a. The summary suspension order shall be in writing and shall State the reasons therefore. The licensee shall be afforded an opportunity for a hearing as outlined herein.
  - b. The Business Administrator shall convene a review panel consisting of the Business Administrator, a second administrative officer designated by the Mayor, and an officer designated by the Chief of Police. The hearing shall be scheduled within 30 days of the date of the order.
  - c. The review panel is authorized to impose any fines, conditions, restrictions, suspensions, or combination thereof authorized by the State of New Jersey. The City may issue fines up to, but not to exceed, \$2,500 per offense and/or suspension of license for a period not to exceed 6 months.
- 3. Inactive licenses. Following the commencement of retail sales of cannabis or cannabis products, the Business Administrator may suspend or revoke any license if the licensed premises have been inactive or unoccupied by the licensee for at least 6 months.
  - 4. State license. The Business Administrator may suspend or revoke any license if the corresponding State license or permit for the subject location is expired, surrendered, suspended, or revoked.

# G. SITE PLAN REVIEW REQUIREMENTS

 The City's Zoning Officer will review and determine whether any proposed Cannabis establishment requires approval from the Zoning Board of Adjustment and or Planning Board through the Zoning permit approval process.

# H. SIGNAGE AND DISPLAY OF PRODUCTS

- 1. Each business shall be permitted 2 signs.
- 2. Signs shall be limited to location identification/name of business.
- 3. Signs shall not promote consumption of any cannabis product.
- Signage design shall not include artistic or photographic renderings of cannabis plants or paraphernalia.
- 5. Neon signs shall be prohibited.
- The following words shall be prohibited from appearing on any sign: "pot" and "weed".
- Signage shall comply with the City's Signage Ordinance, as may be amended from time to time.
- 8. No cannabis products shall be displayed in any windows or doors.

# I. DISTANCE REQUIREMENTS

# 1. Cannabis Businesses: All Classes.

- a. In addition to any other requirements and limitations established by the Commission from time to time, no cannabis business, including an Alternative Treatment Center seeking Class 1 through Class 5 licenses herein shall be located within:
  - 1. Two hundred feet from any public or non-public school, licensed child-care facility, park, or playground, behavioral health facility as measured in a straight line from the nearest two (2) points of the property lines.
  - 2. Two hundred feet of the property line of any existing church or house of worship, as measured in a straight line from the nearest two (2) points of the property lines.
  - 3. Two hundred feet of any other retail cannabis business as measured in a straight line from the nearest two (2) points of the property lines.
  - b. In addition to any other requirements and limitations established by the Commission from time to time, no cannabis business, including an Alternative Treatment Center seeking Class 1 through Class 5 licenses herein shall be located in any residential zone.

# J. Requirements for Cannabis Businesses

#### 1. All Cannabis Businesses

- There shall be no on-site sales of alcohol or tobacco products, and no on-site consumption of food, alcohol, tobacco, or cannabis by patrons.
- b. For any licensed cultivation, processing, manufacturing, or similar operation, the facility shall provide an air treatment system with sufficient odor absorbing ventilation and exhaust systems such that any odors generated inside the facility are not detectable by a person of reasonable sensitivity anywhere on adjacent property, within public rights of way, or within any other unit located within the same building as the licensed facility if the use only occupies a portion of a building.
- c. For any licensed cultivation, processing, manufacturing, or similar operation, the facility shall provide for noise mitigation features designed to minimize disturbance from machinery, processing and/or packaging operations, loading, and other noise generating equipment or machinery. All licensed facilities must operate within applicable State decibel limitations.
- No outside storage of any cannabis, cannabis products, or cannabis paraphernalia shall be permitted.
- e. All licensed cannabis facilities shall have a round-the-clock video surveillance system, 365 days a year.
- f. Video surveillance shall be retained a minimum of seven (7) days or pursuant to State and Federal law, whichever is greater.
- g. All licensed facilities must provide the Camden County Police Department, Metro Division, with access to security footage immediately upon request by the Department.
- h. All licensed facilities must provide at least one licensed security guard (or more if required by the State) during all times the facility is open to the public.
- For any licensed cultivation operation, the facility must avoid lighting spillover into any residential neighborhoods, and must comply with all applicable State lighting limitations.
- As applicable and to the fullest extent possible, all licensed facilities must provide for adequate buffering as otherwise required by City of Camden Ordinance.

 All cannabis establishments shall conduct business and operations indoors.

# 2. Cannabis Retailers; Class 5.

- a. In addition to the above, Cannabis Retailers, including an Alternative Treatment Center seeking a Retail license herein must also meet the following requirements:
  - A cannabis retailer may operate between the hours of 9:00
     A.M. and 8:00 P.M. Monday through Saturday and between the hours of 10:00 A.M. and 5:00 P.M. on Sunday.
  - No more than one (1) ounce of cannabis or cannabis product may be sold to a specific customer at a given time.
  - Use or consumption of cannabis or cannabis products in any manner shall not be permitted within the Cannabis Retailer's facility, whether in the building or on its grounds or parking lots. Cannabis Consumption Areas are not permitted.
- All Cannabis Retailers shall be enclosed in heated/airconditioned permanent buildings, not trailers, outdoors, movable kiosks, etc.
- 5. Any Cannabis Retailer shall only have one (1) primary public access point, which shall be directly adjacent to the right-ofway or parking area of the building. Access should not be through common entrances with other uses.
  - Drive-through facilities are not permitted.
- 7. All cannabis retailers shall be secured in accordance with State of New Jersey statutes and regulations; shall have a round-the-clock video surveillance system, 365 days a year.
- 8. At least one (1) licensed security guard shall be onsite at all times during a retail cannabis business's hours of operation. All patrons must be screened by said security employee and patrons must demonstrate proof of minimum age (21 years old).
- Cannabis Retailers' interiors shall provide a secure location for storage of products with minimum products in any customer service area.
- 10. People shall not be permitted to congregate outside of a Cannabis Retailer, loiter or wait in line to access the Cannabis Retailer. The facility shall have a plan in place if interior capacity is exceeded, i.e., numbers are given and customers wait in their vehicles until called.
- 3. Cannabis Delivery License: Class 6. Any law enforcement officer of the Camden County Police Department or any officer of the City's Code Enforcement Department may request that cannabis business personnel performing a transport or delivery to present a Cannabis Business Identification Card or a copy of a transport order or delivery request.

#### K. PARKING AND LOADING

# 1. Retail:

a. Number of Parking Spaces: A retail cannabis business establishment shall be required to provide no less than 1 parking space per 250 square feet of gross floor area.

- b. <u>Regulations</u>: Retail cannabis businesses also shall follow the parking regulations set forth in the Camden City Code 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. Off-site Arrangements: Parking requirements may be satisfied through an off-site parking arrangement.

#### 2. All Other Cannabis Businesses:

- a. Number of Parking Spaces: All non-retail cannables businesses shall be required to provide no less than 1 space per 1000 square feet of gross floor area.
- b. Regulations: All non-retail cannabis businesses also shall follow the parking regulations set forth in the Camden City Code.

#### 3. Loading Requirements:

- a. Retail: A retail cannabis business establishment shall adhere to the Carnden City Code regarding required loading areas for commercial uses.
- All Other Cannabis Businesses: All non-retail cannabis businesses shall adhere to the Camden City Code regarding required loading areas for light industrial and warehouses.

#### L. ODOR MITIGATION/SMOKING

- All cannabis businesses must provide adequate HVAC air quality equipment.
- Cannabis odor must not permeate outside any cannabis business establishment.
- All cannabis businesses shall adhere to generally applicable City ordinances regulating odor emissions and environmental impacts.
- All retail cannabis businesses must follow the protocols set forth in the Clean Air Act.
- 5. All cannabis cultivators must provide a water mitigation plan.
- No smoking is permitted inside or outside of any cannabis business establishment.

#### M. NOISE MITIGATION

- 1.All cannabis businesses shall adhere to all generally applicable noise ordinances, nuisance ordinances, other Camden City Code requirements and all other state and federal requirements.
- 2.All non-retail cannabis businesses shall take such sound mitigation practices as may be necessary, including but not limited to the installation of insulation if appropriate.
- 3.All non-retail cannabis businesses shall adhere to the requirements of N.J.A.C.

#### N. HOURS OF OPERATION

- <u>Retail</u>: The maximum hours of operation for any retail cannabis business shall be as stated herein.
- All Other Cannabis Businesses: All non-retail cannabis businesses shall adhere
  to the generally applicable hours of operation for manufacturing and light
  industrial businesses within the City.

#### O. CAPACITY

- Retail: A maximum of 10 patrons per 250 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.
- 2. All Other Cannabis Businesses: The capacity of all non-retail cannabis businesses shall be governed by the generally applicable requirements for manufacturing and light industrial businesses within the City.

# P. CONSUMPTION, POSSESSION, NUISANCE AND UNREGULATED SALE

- Consumption of any cannabis products in any cannabis business establishment and in any
  other business establishment is prohibited.
- 2. Prohibition in Public Places No person shall consume, use, smoke, vape, aerosolize, imbibe or possess in any open container any cannabis or cannabis product in or upon public or quasi-public place.
- 3. Prohibition in Vehicles No person shall consume, use, smoke, vape, aerosolize, imbibe any cannabis or cannabis products in or upon any private vehicle while the vehicle is in motion or parked upon any such public or quasi-public place.
- 4. Other Prohibitions No person shall consume cannabis items through smoking, vaping or aerosolizing in any place that any other law prohibits the smoking of tobacco, including N.J.S.A. 2C:33-13 and the "New Jersey Smoke-Free Air Act," N.J.S.A. 26:3D-55 et seq.
- 5. Prohibition of Unregulated Sale of Cannabis
  - a. No person shall sell cannabis in the City of Camden without a state license and a valid City permit.
  - b. No person shall gift cannabis in the City of Camden as part of a sale of another item or items.
- 6. Nuisance It shall be deemed a nuisance if a person who is consuming, using, smoking, vaping, aerosolizing or imbibing cannabis shall permit excessive odor or other pollution to extend beyond the person's premises.

### Q. CONDITIONAL USES

- The following conditional uses may be permitted when authorized by the Planning Board and or Zoning Board of Adjustment as provided for by this Chapter:
  - a. Cultivation
  - b. Manufacture
  - c. Wholesale
  - d. Distribution
  - e. Cannabis Retailer

### R. Area and Yard Requirements.

- 1. Class 2, Class 3 & Class 4 shall have minimum lot area of 2.5 acres.
- Total building or structure coverage shall not exceed 50% of the lot coverage provided all parking and other yard requirements are met.
- Retailer Class 5 the minimum lot area shall have a range from 1,000 to 40,000 square feet as determined by the Zoning Officer.

## S. Transfer and User Tax

1. Purpose. - It is the purpose of this Article to implement the provisions of the New Jersey Cannabis Regulatory, Enforcement, Assistance and Marketplace Modernization Act which authorizes a municipality to impose Cannabis Transfer and User Taxes. The definitions and

other provisions of the Act and N.J.A.C. 17:30 are hereby incorporated herein. Any amendments to the Act and N.J.A.C. 17:30-1.2 are also incorporated herein without the need to revise this Chapter.

- a. Transfer Tax
  - 1. There shall be a transfer tax imposed on the receipts from the sale of cannabis and cannabis items from the following licensed person or entity located in this municipality:
    - a. From a cannabis cultivator to another cannabis cultivator; and
    - b. From one cannabis establishment to another cannabis establishment; and
    - c. From a cannabis retailer to retail consumers who are 21 years of age or older; and
    - d. By any combination thereof.
  - 2. The transfer tax rates imposed on the sales of cannabis shall not exceed 2% of the receipts from each sale by a cannabis cultivator; 2% of the receipts from each sale by a cannabis manufacturer; 1% of the receipts from each sale by a cannabis wholesaler; and 2% of the receipts from each sale by a cannabis retailer.
    - 3. The transfer tax shall be in addition to any other tax or fee imposed pursuant to statute or local ordinance or resolution by any governmental entity with regard to cannabis.
  - 4. Any transaction for which the transfer tax is imposed, is exempt from the tax imposed under the "Sales and Use Tax Act", except for those which generate receipts from the retail sales by cannabis retailers.
  - 5. The transfer 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 equivalent value of the transfer for the cannabis or cannabis item.
  - 6. The transfer tax shall not apply to transfers involving distributors for purposes of bulk transportation.
    - 7. The transfer tax shall not apply to delivery services to consumers.
- b. User Tax
- 1. There shall be a user tax imposed on any concurrent license holder operating more than one cannabis establishment.
- 2. The user tax rate shall be the same rate as the transfer tax above: The user tax rates imposed on the sales of cannabis shall not exceed 2% of the receipts from each sale by a cannabis cultivator; 2% of the receipts from each sale by a cannabis manufacturer; 1% of the receipts from each sale by a cannabis wholesaler; and 2% of the receipts from each sale by a cannabis retailer.
- 3. The user tax shall be imposed on the value of each transfer or use of cannabis or cannabis items not otherwise subject to the transfer tax imposed on the license holder's establishment that is located in the municipality to any of the other license holder's establishments, whether located in this municipality or any other municipality.
  - 4. The user tax shall be in addition to any other tax or fee imposed pursuant to statute or local ordinance or resolution by any governmental entity with regard to cannabis.
  - 5. Any transaction for which the user tax is imposed, is exempt from the tax imposed under the "Sales and Use Tax Act", except for those which generate receipts from the retail sales by cannabis retailers.
  - 6. The 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 equivalent value of the transfer for the cannabis or cannabis item.

- 1. In accordance with the provisions of N.J.S.A. 40:48I-1, section 40, every cannabis establishment required to collect the transfer and user taxes imposed by this Chapter shall be personally liable for the transfer and user tax imposed, collected, or required by this Chapter and under N.J.S.A. 40:48I-1, section 40.
- 2. Any cannabis establishment collecting a transfer tax or user tax shall have the same right with respect to collecting the tax from another cannabis establishment or the consumer as if the tax was a part of the sale and payable at the same time or with respect to non-payment of the transfer tax or user tax by the cannabis establishment or consumer, as if the tax was part of the purchase price of the cannabis or cannabis item and payable at the same time, provided that the Finance Director of the City of Camden which imposes the transfer tax and user tax is joined as a party in any action or proceeding brought to collect the transfer tax or user tax.
- 3. No cannabis establishment required to collect the transfer and user taxes imposed by this Chapter shall advertise or hold out to any person or to the public in general, in any manner, directly or indirectly, that the transfer tax or user tax will not be separately charged and stated to another cannabis establishment or the consumer or that the transfer tax or user tax will be refunded to the cannabis establishment or the consumer.
- 4. Each cannabis establishment collecting transfer and user taxes pursuant to this chapter shall be remitted to the Finance Director of the City of Camden on a monthly basis.
- 5. Delinquent taxes. If a Licensee is a Lessee of the parcel of the real property comprising the cannabis establishment premises, and the Licensee/Lessee becomes delinquent in submitting either the transfer or user taxes for more than 30 days, the City may refer the Licensee/Lessee to the Business Administrator [or Committee] to consider any actions to be taken, including but not limited to, penalties to be imposed, suspension of the license, disallowance of a license renewal or any other remedies allowed by law.
- 6. If the Licensee is the owner of the parcel of real property comprising the cannabis establishment premises, and if the transfer tax or user tax is not paid when due, the unpaid balance, and any interest accruing thereon, shall be a lien on the parcel of real property comprising the cannabis establishment's premises. The annual City license issued pursuant to this Chapter hall not be renewed for the cannabis establishment should any transfer or user tax pursuant to this Chapter be delinquent.
- 7. The lien shall be superior and paramount to the interest in the parcel of any owner, lessee, tenant, mortgagee, or other person, except the lien of municipal taxes, and shall be on a parity with and deemed equal to the municipal lien on the parcel for unpaid property taxes due and owing in the same year.
- 8. The City shall file with the Tax Collector, a statement showing the amount and due date of the unpaid balance of cannabis taxes and identifying the lot and block number of the parcel of real property that comprises the delinquent cannabis establishment's premises. The lien shall be enforced as a municipal lien in the same manner as all other municipal liens are enforced.

870-39 Restricted Uses. Same.

870-40 Conditional Uses. Same.

870-41 Uses Requiring Site Plan Approval. Same.

870-42 Area, yard and building requirements. Same.

870-43 Waiver of Site Plan and Subdivision Standards; Review. Same.

870-44 Issuance of Approvals and Relief from Provisions Requiring no Indebtedness to City; Installment Agreements. Same.

870-45 Residence in Trailers or Mobile Homes only in Trailer or Mobile Home Parks; Construction Trailers, Same.

870-46 Planning Board/Zoning Board Jurisdiction. Same

870-47 Bylaws. Same.

BE IT FURTHER ORDAINED that following introduction and prior to adoption, the Clerk shall cause a copy of this ordinance to be referred to the City of Camden Planning Board for review pursuant to N.J.S.A. 40:55D-26.

BE IT FURTHER ORDAINED that any portion of the City Code not herein amended and supplemented shall remain in full force and effect.

BE IT FURTHER ORDAINED that all ordinances or parts of ordinances inconsistent with the provisions of this ordinance are hereby repealed as to such inconsistency only.

BE IT FURTHER ORDAINED that if any provision of this ordinance is declared invalid, such invalidity shall not affect the other provisions of this ordinance. Furthermore, the other provisions of this ordinance are deemed to be severable and remain in full force and effect.

BE IT FURTHER ORDAINED that this ordinance shall take effect twenty (20) days after its final passage and publication as provided by law.

BE IT FURTHER ORDAINED that pursuant to N.J.S.A. 52:27BBB-23 and N.J.S.A. 40:69A-41, a true copy of this Ordinance shall be forwarded to the Mayor, who shall have ten (10) days from the receipt thereof to approve or veto this Ordinance. Additionally, pursuant to N.J.S.A. 52:27BBB-23, a true copy of this Ordinance shall be forwarded to the State Commissioner of Community Affairs, who shall have ten (10) days from the receipt thereof to veto this Ordinance, and the action by the Commissioner regarding this Ordinance shall supersede any action by the Mayor on the same Ordinance. All notices of approval and/or veto shall be filed in the Office of the Municipal Clerk.

Date of Introduction: January 11, 2022

The above has been reviewed and approved as to form.

MICHELLE BANKS-SPEARMAN

City Attorney

Angel Fuentes

President City Council

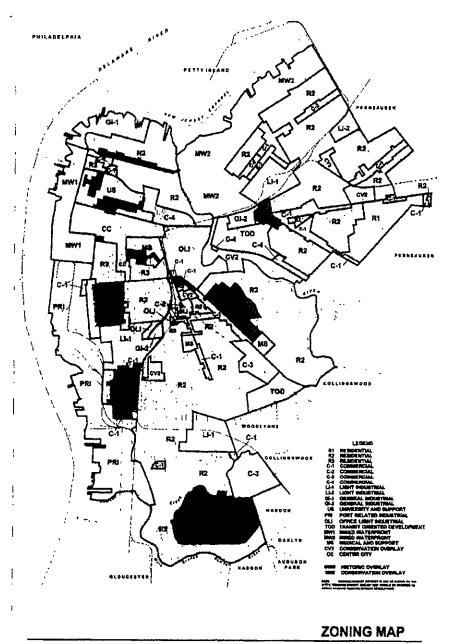
VICTOR CARSTARPHEN

Mayor

ATTEST:

LUIS PASTORIZA

Municipal Clerk



City of Camden

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Nohemi Saris-Perez Connolpero sost-Lagu

Laris Pastoriza, RMC, CMR Municipal Clock

Yenher E. Veldez Assauri Municipal Clerk

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Chris Collins Conneipers at, 2<sup>rd</sup> N and

Marilya Tarres Connedperson, 3º Ward

Feliaba Reyes-Morton Councilprison, 4th Ward

# MUNICIPAL CLERK CITY OF CAMDEN NEW JERSEY

PO Box 95120 Room 105, City Hall Camdon, NJ 08105
Tele: (856) 757-7223 / Pax: (856) 757-7220
Email: <u>clerk@cj.camden.mj.us</u> Website: <u>www.ci.camden.mj.us</u>

# MEMORANDUM

DATE:

February 10, 2022

TO:

Victor Carstarphen, Mayor

FROM:

Luis Pastoriza, Municipal Clerk

RE:

Ordinance Final Passage - (MC-5371)

# ORDINANCE TO ESTABLISH AND CONTROL RECREATIONAL CANNABIS LICENSES IN THE CITY OF CAMDEN

in accordance with Rule XIX of the Administrative Code of the City of Camden (Rules of Procedure governing the City Council), I am delivering to you the attached ordinance adopted by City Council at a Regular meeting held on 2-08-22. Said article provides that "each ordinance shall be returned by the Mayor to the Municipal Clerk after the Mayor has affixed his /her signature thereto or after the expiration of ten (10) days from the date of its delivery to the Mayor in any event."

OFFICE OF THE MAYOR		
Received by: Kayanis	welk	Date: 2-10-2-
Date of Approval:	2/22/22	