

TOWNSHIP OF MOUNT LAUREL

ORDINANCE 2023-8

AN ORDINANCE AMENDING CHAPTER 95A "LICENSING" TO STRENGTHEN SECURITY STANDARDS, LIMIT AVAILABLE LICENSES AND INCREASE SECURITY STANDARDS AS A CONDITION TO RENEW LICENSES

WHEREAS, the Township Police Department made recommendations to the Township Manager concerning the licensing of cannabis facilities and the Township Council seeks to adopt those recommendations;

NOW, THEREFORE, BE IT ORDAINED AND ENACTED, by the Township Council of the Township of Mount Laurel, County of Burlington, State of New Jersey that Article III of Chapter 95A of the Township Code be and is hereby amended and supplemented to read as follows:

ARTICLE III CANNABIS

§ 95A-24 Permitted uses.

Mount Laurel Township shall only permit and license cannabis cultivators, manufacturers, wholesalers, distributors, retailers and delivery services as set forth in Chapter 154 Zoning and in conformance with the licensing standards in this Chapter.

§ 95A-25. Local cannabis license; classification and number of local cannabis licenses.

- A. Local cannabis license required. No person shall operate a cannabis cultivators, manufacturers, wholesalers, distributors, retailers and delivery service at any time or from any location within the Township unless the Township has issued a currently effective local cannabis license for that person at that licensed premises under the provisions of this chapter.
- B. Classification and number of local cannabis licenses. The Township, subject to State licensure, may issue the following local cannabis licenses:

Class	Maximum number
Class 1 - Cannabis cultivator	5
Class 2 - Cannabis manufacturer	5
Class 3 - Cannabis wholesaler	No maximum
Class 4 - Cannabis distributor	No maximum
Class 5 - Cannabis retailer	6
Class 6 - Cannabis delivery	No maximum
Cannabis testing facility	No maximum
- C. Dual local cannabis licenses. The licensure and dual operation in multiple classes of local cannabis licenses is permitted so long as all licenses are held by the same local cannabis licensee, all applicable state and local licenses have been issued, such licenses remain valid, active and in compliance with all applicable state and municipal requirements.
- D. Conditional approval for local cannabis license. The provision of this section shall not limit the number of conditional approvals for local cannabis licenses.
- E. Medical cannabis dispensaries. Mount laurel shall not require a local cannabis license to operate a medical cannabis dispensary within the Township.

§ 95A-26. Local cannabis licensing authority.

The Township Council designates the Township Manager to act as the local licensing authority for the Township for all local cannabis licenses. Under all circumstances in which state law requires communication to the Township by the Cannabis Regulatory Commission or any other state agency with regard to cannabis licensing by the state, or in which state law requires any review or approval by the Township 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 Township Manager.

§ 95A-27. Application requirements.

An application for a local cannabis license shall be submitted on current forms provided by the Township with an application fee pursuant to § 95A-30. At least one controlling beneficial owner shall sign all applications. However, other owners with day-to-day management authority may be required to sign authorizations, requests to release information and other forms required by licensing authority staff. Applications shall be complete and accurate and must include all attachments, checklists, verifications and supporting documents required by the Township's current application forms before the application will be accepted or considered. The Township may refuse to accept an incomplete application.

§ 95-28. Procedures and requirements for approval.

- A. Application review. The Township shall refer all applications for a local cannabis license to the Mount Laurel Police Department, the Director of Economic Development and Township Solicitor for the purpose of reviewing the application and discussing the applicant's compliance with this chapter. Combined, these offices shall serve as the Review Committee. The Review Committee may provide the applicant with an opportunity to make a presentation and answer any questions if so requested. The Review Committee shall report their findings to the Township Manager
- B. Local licensing authority considerations. The local licensing authority may consider the facts and evidence adduced from its application review, as well as any other facts pertinent to the type of license sought by the applicant. Such facts include, but are not limited to, the number, type, and availability of cannabis establishments located in or near the premises under consideration; proposed security measures as detailed in Paragraph C; and other pertinent matters affecting the qualification of the applicant for the conduct of the type of business proposed, including, but not limited to, the applicant possessing a minority, women's, or disabled veterans' business certification provided to the applicant by the Office of Minority, Disabled Veterans, and Women Cannabis Business Development pursuant to N.J.S.A. 24:6I-25.
- C. Minimum Security.
 - 1. Cannabis Retail Location Minimum Security Measures. Each cannabis retail license shall meet the below minimum security standards as approved the Township Police Department.
 - (a) Each cannabis business shall provide effective controls and procedures to guard against unauthorized access to the premises or the business's electronic systems; theft, and diversion of cannabis. Such controls may include but are not limited to systems to protect against electronic records tampering.
 - (b) At minimum, each cannabis business shall:
 - i. Install, maintain in good working order and operate a safety and security alarm system at its premises that will provide suitable protection against theft and diversion and that provides, at a minimum:
 - a. Immediate automatic or electronic notification to alert cannabis business personnel and State or local police agencies to an unauthorized breach of security or an alarm or system failure at the cannabis business; and
 - b. A backup system that activates immediately and automatically upon a loss of electrical support and that immediately issues either automatic

or electronic notification to State or local police agencies of the loss of electrical support;

- ii. Implement appropriate security and safety measures to deter and prevent the unauthorized entrance into areas containing cannabis and the theft of cannabis;
- iii. Implement security measures that protect the premises, consumers and cannabis business personnel;
- iv. Establish a protocol for testing and maintenance of the security alarm system;
- v. Conduct maintenance inspections and tests of the security alarm system at the cannabis business's authorized location at intervals not to exceed 30 days from the previous inspection and test and promptly implement all necessary repairs to ensure the proper operation of the alarm system;
- vi. In the event of a failure of the security alarm system due to a loss of electrical support or mechanical malfunction that is expected to last longer than eight hours:
 - a. Notify the Commission pursuant to N.J.A.C. 17:30-9.11; and
 - b. Provide alternative security measures approved by the Commission or close the authorized physical addresses impacted by the failure or malfunction until the security alarm system is restored to full operation.
- vii. Keep access from outside the premises to a minimum and ensure that access is well controlled;
- viii. Limit entry into areas where cannabis is held to authorized personnel;
- ix. Equip interior and exterior premises with electronic monitoring, video cameras, and panic buttons.
 - a. A video surveillance system shall be installed and operated to clearly monitor all critical control activities of the cannabis business and shall be in working order and operating at all times. The cannabis business shall provide access for remote viewing by the Commission. This system shall be approved by the Commission prior to license issuance.
 - b. The original tapes or digital pictures produced by this system shall be stored in a safe place with a 30-day archive.
- x. Keep the outside areas of the premises and its perimeter well lighted.
 - a. Exterior lighting must be sufficient to deter nuisance and criminal activity and facilitate surveillance and must make reasonable efforts to not disturb surrounding businesses or neighbors; and
 - b. The video surveillance system shall be supported by adequate security lighting, which shall illuminate all entrances and exits, and which may be modified as necessary to include motion control sensors to protect cultivation light-dark cycles, as applicable; and
- xi. Provide law enforcement and neighbors within 100 feet of the cannabis business with the name and phone number of a staff member to notify during and after operating hours to whom they can report problems with the establishment.

xii. The security alarm system and video surveillance system pursuant to this section shall be continuously monitored, 24 hours a day, seven days a week.

a. Monitoring of the security alarm system and video surveillance system may be conducted off-site.

xiii. If, in the opinion of the Mount Laurel Police Department based upon the department's training and experience, the location combined with security measures established are not deemed adequate, the Mount Laurel Police Department may require that the licensee hire and maintain armed security to protect the visitors and employees of the establishment. Any activity such as a robbery shall automatically require the use of armed security for the remainder of the licensing period.

2. Other Cannabis Business. The Police Department shall review non-retail classes of cannabis licensing applications using the standards in Section C(1) but may amend, alter or waive security provisions for each facility based upon the class of license.

D. Conditional approval. After review and consideration by the Review Committee, the local licensing authority may grant a conditional approval if concluded that the applicant has met the requirements set forth in this chapter. A conditional approval shall entitle the applicant to pursue a state license in the appropriate classification for up to 18 months. A conditional approval shall not grant the applicant any right or privilege to a local cannabis license. A conditional approval may identify specific conditions or prerequisites for obtaining a local cannabis license.

E. Limitation on number of licenses. The number of local cannabis licenses for each class of license are limited pursuant to § 95A-25(B). The Township will not issue a local cannabis license to an applicant that has obtained a conditional approval if the Township has already issued the maximum number of local cannabis licenses for the same class. The Township considers all applications on a first come – first reviewed basis.

F. Denial of conditional approval. The Township shall deny a conditional approval to any applicant who fails to provide information, documentation and assurances as required by this chapter or as requested by the Township, or who fails to reveal any material fact to qualification, or who supplies information that is untrue or misleading as to a material fact pertaining to the qualification criteria for licensure. The Township shall grant a conditional approval upon a determination that the applicant has met the requirements of this chapter unless the Township finds by clear and convincing evidence that the applicant would be manifestly unsuitable to perform the activities for the applicable license class for which conditional approval is sought. A written decision with findings supporting the denial of the conditional approval shall be sent in writing, electronic or otherwise to the applicant at the address shown in the application.

G. Termination of conditional approval. A conditional approval shall be valid for 18 months from the date of approval unless otherwise revoked.

§ 95A-29. Procedures and requirements for issuance of local cannabis license.

A. Prerequisites. No local cannabis license shall be issued until the following prerequisites have been met:

(1) The applicant has received a state license;

(2) The applicant has submitted a security plan reviewed and approved by the local cannabis licensing authority and the Mount Laurel Township Police Department pursuant to the chapter and maintain such standards throughout the conditional approval process; and,

(3) The applicant has satisfied other specific conditions or prerequisites of the conditional approval.

- B. Notice to Township. An applicant shall notify the Township upon meeting all conditions of the conditional approval. The notice shall include a copy of the state license, a copy of the full application submitted to the State of New Jersey and a statement affirming that the applicant has not made any material changes to the original application.
- C. Issuance of local cannabis license. The Township shall issue a local cannabis license once satisfied that the applicant met and maintains all conditions of the conditional approval.
- D. License duration. Unless revoked or suspended, local licenses shall run concurrently with state licenses. This means that once a local cannabis license is issued, such license will not expire, unless otherwise revoked as provided for herein, on the same date as the current state license. If the licensed facility ceases and amends operation, the licensee shall inform the local licensing authority in writing.

§ 95A-30. Application fee.

- A. At the time of application, each applicant shall pay a nonrefundable application fee to defray the costs associated with the processing of the application. The application fee shall be in addition to, and not in lieu of, any other licensing and permitting requirements imposed by any other federal, state or Township law or ordinance, including, by way of example, the annual licensing fee pursuant to § 95A-31.
- B. The Condition Application fee shall be \$1,000.
- C. The Renewal Application fee shall be \$750.
- D. Transfer Application fee shall be \$1,000.

§ 95A-31. Annual licensing fee.

- A. At the time of renewal, the local cannabis licensee shall pay a renewal licensing fee for each license held as follows:
 - 1. Class 1 - Cultivator - \$7,500.
 - 2. Class 2 - Manufacturer - \$10,000
 - 3. Class 3 - Wholesaler - \$5,000
 - 4. Class 4 - Distributor - \$3,000
 - 5. Class 5 - Retailer - \$5,000
 - 6. Class 6 - Delivery - \$5,000
 - 7. Testing Lab - \$4,000
- B. Except for late fees described herein, fees for licensees established as microbusinesses shall be limited to \$1,000 regardless of the class of license.
- C. Payment date. Annual licensing fee(s) shall be due and payable on the date the Township issues a local cannabis license and shall be payable annually thereafter on the yearly anniversary of the issuance of the license.
- D. Late fees. The failure of a local cannabis licensee to pay the annual licensing fee when due, will result in the assessment of a late fee as follows:
 - (1) One to seven days late, a late fee equivalent to 2% of the annual licensing fee.
 - (2) Eight to 15 days late, a late fee equivalent to 5% of the annual licensing fee.
 - (3) Sixteen to 30 days late, a late fee equivalent to 10% of the annual licensing fee.

(4) If fee not paid after expiration of 30 days, the local cannabis licensee shall cease operations.

§ 95A-32. Local cannabis license renewals.

- A. Timing of renewal application. A licensee shall file an application for renewal of a local cannabis license at least 60 calendar days prior to the expiration date of the current license.
- B. Renewal application procedures. The renewal application shall contain all the information required for new applications. The applicant shall pay a fee pursuant to § 95A-30 to cover the costs of processing the renewal permit application. An application for renewal of a local cannabis license may be rejected if any of the following exists:
- (1) The licensee files the application less than 60 days before its expiration.
 - (2) The local cannabis license is suspended or revoked at the time of the application.
 - (3) The local cannabis licensee has not been in regular and continuous operation in the four months prior to the renewal application.
 - (4) The local cannabis licensee has failed to conform to the requirements of this chapter, or of any regulations adopted pursuant to this chapter.
 - (5) The local cannabis licensee fails or is unable to renew its State of New Jersey license.
 - (6) If the Township or state has determined, based on substantial evidence, that the local cannabis licensee is in violation of the requirements of this chapter, or of the state rules and regulations, and the Township or state has determined that the violation is grounds for termination or revocation of the local cannabis license.
- C. Conditions of renewal. The Township Council authorizes the local licensing authority to make all decisions concerning the issuance of a renewal license. In making the decision, the local licensing authority may impose additional conditions to a renewal license, if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety or welfare. Appeals from the decision of the cannabis review determination shall be appealable to the Township Council pursuant to § 95A-35.

§ 95A-33. Transfer of local cannabis license.

- A. Nontransferable. A local cannabis licensee shall not transfer ownership or control of the local cannabis license to another person or entity unless and until the transferee obtains an amendment to the license from the local licensing authority stating that the transferee is now the licensee. Such an amendment may be obtained only if the transferee files an application in accordance with all provisions of this chapter (as though the transferee were applying for an original local cannabis license). The proposed transferee's application shall be accompanied by an application fee pursuant to § 95A-30. No local cannabis license may be transferred when the local licensing authority has notified the licensee that the permit has been or may be suspended or revoked.
- B. Change in ownership. Changes in ownership of a local cannabis licensee's business structure or a substantial change in the ownership of a local cannabis licensee's business entity (i.e., changes that result in a change of more than 51% of the original ownership) must be approved by the local licensing authority through the transfer process contained in Subsection A of this section. Failure to comply with this provision is grounds for license revocation.

- C. Any attempt to transfer a local cannabis license either directly or indirectly in violation of this section is hereby declared void, and such a purported transfer shall be deemed a ground for revocation of the permit.

§ 95A-34. Suspension of license.

- A. The local licensing authority may revoke, suspend, or decline to renew any local cannabis license issued under this chapter, or for any violation of any law and/or any rule, regulation policy, procedure or regulation in this chapter. Grounds for revocation, suspension or nonrenewal of a license or permit shall include the following:
 - (1) The failure of the local cannabis licensee to comply with the provisions of this chapter or any other law pertaining to commercial cannabis establishments;
 - (2) The giving of false or misleading information by the local cannabis licensee in making application for a local cannabis license or in connection with an investigation conducted by the Township or any other state, local or federal agency;
 - (3) Any cause for denying an original local cannabis license as set forth in this chapter;
 - (4) The revocation, suspension, or nonrenewal of associated state licenses/permits, which revocation, suspension or nonrenewal the local cannabis licensee shall disclose immediately to the local licensing authority;
 - (5) The failure of the local cannabis licensee to diligently initiate business operations or to continue to carry on business operations in a manner substantially as set forth in the business plan, safety and security plan and application submitted in support of the local cannabis licensee's original or renewal application to operate.
- B. The determination of the local licensing authority to suspend, revoke or decline to renew a local cannabis license shall be made in writing and mailed or delivered to the local cannabis licensee's registered agent. The determination of the local licensing authority shall become effective 10 days following the date of the notice of that determination. The local cannabis licensee may, during such ten-day period, appeal the determination of the local licensing authority to the Township Council. If the local cannabis license fails to file the notice of appeal within such ten-day period, the determination of the local licensing authority shall be final and conclusive. If a written notice of appeal is filed with the Township clerk during such ten-day period, the determination of the local licensing authority shall be stayed pending the Township Council's hearing and decision on the appeal.

§ 95A-36. Liability and indemnification.

- A. By accepting a local cannabis license issued pursuant to this chapter, the local cannabis licensee waives and releases the Township, its officers, elected officials, and employees from any liability for injuries, damages or liabilities of any kind that result from any arrest or prosecution of local cannabis licensee's owners, operators, employees, clients or customers for a violation of state or federal laws, rules or regulations.
- B. By accepting a local cannabis license issued pursuant to this chapter, the local cannabis licensee agrees to indemnify, defend and hold harmless the Township, its officers, elected officials, employees, and insurers, against all liability, claims or demands arising on account of bodily injury, sickness, disease, death, property loss or damage or any other loss of any kind, including but not limited to, any claim of diminution of property value by a property owner whose property is located in proximity to a licensed property, arising out of, claimed to have arisen out of, or in any manner connected with the operation of a cannabis establishment or use of a cannabis product that is subject to the local cannabis license, or any claim based on an alleged injury to business or property by reason of a

claimed violation of the federal Racketeer Influenced and Corrupt Organizations Act (RICO), 18 U.S.C. Section 1964(c) or any other alleged violation of the law.

- C. By accepting a local cannabis license issued pursuant to this chapter, a local cannabis licensee agrees to indemnify, defend and hold harmless the Township, its officers, elected officials, employees and insurers, against all liability, claims, penalties, or demands arising on account of any alleged violation of any existing law including the federal Controlled Substances Act, 21 U.S.C. Section 801 et seq.

§ 95A-36. Local cannabis license as revocable privilege.

- A. Conditional approval and local cannabis license granted by this chapter are a revocable privilege granted by the Township and are not a property right. Granting a license does not create or vest any right, title, franchise, or other property interest. Each local cannabis license is exclusive to the local cannabis licensee, and a local cannabis licensee or any other person must apply for and receive the Township's approval before a local cannabis license is transferred, sold, or purchased. A local cannabis licensee or any other person shall not lease, pledge, or borrow or loan money against a license. The attempted transfer, sale, or other conveyance of an interest in a local cannabis license without prior state and local approval is grounds for suspension or revocation of the local cannabis license or for other sanction considered appropriate by the Township.

Repealer, Severability and Effective Date.

- A. Repealer. Any and all Ordinances inconsistent with the terms of this Ordinance are hereby repealed to the extent of any such inconsistencies.
- B. Severability. In the event that any clause, section, paragraph or sentence of this Ordinance is deemed to be invalid or unenforceable for any reason, then the Township Council hereby declares its intent that the balance of the Ordinance not affected by said invalidity shall remain in full force and effect to the extent that it allows the Township to meet the goals of the Ordinance.
- C. This Ordinance shall take effect upon passage and publication according to law.

Introduction Date: June 13, 2023

	MOTION	AYE	NAY	ABSTAINED	ABSENT	TRANSMITTED
Cohen		✓				
Janjua	1	✓				
Moustakas		✓				
Pritchett	2	✓				
Steglik		✓				

Publication Date: June 23, 2023

Public Hearing Date: July 11, 2023

	MOTION	AYE	NAY	ABSTAINED	ABSENT	TRANSMITTED
Cohen		✓				Cohen/Celle
Janjua	1	✓				Tony Danny
Moustakas		✓				John W. J. J. J.
Pritchett	2	✓				Police
Steglik		✓				

TOWNSHIP OF MOUNT LAUREL

BY: Stephen Stęglik
Stephen Stęglik, Mayor

ATTEST: Meredith Ricuffy
Meredith Ricuffy, Township Clerk
4893-3817-3503, v. 1