

BOROUGH OF HIGHLAND PARK

ORDINANCE NO. 22-2044

AN ORDINANCE BY THE BOROUGH OF HIGHLAND PARK, MIDDLESEX COUNTY, NEW JERSEY AMENDING THE CODE OF THE BOROUGH OF HIGHLAND PARK REGARDING CLASS V RETAIL CANNABIS BUSINESSES, CLASS VI CANNABIS DELIVERY SERVICES, AND MEDICAL CANNABIS DISPENSARIES IN THE CBD AND C ZONING DISTRICTS, ESTABLISHING LICENSING, TAXATION, AND ZONING REQUIREMENTS IN CONNECTION THEREWITH, AND PROHIBITING ALL OTHER CLASSES OF CANNABIS BUSINESSES WITHIN THE GEOGRAPHICAL BOUNDARIES OF THE BOROUGH

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” (“CREAMMA”), 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, section 31a of CREAMMA authorizes municipalities by ordinance to adopt regulations:

- Establishing 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;
- Governing location, manner and times of operation of such establishments, distributors or delivery services;
- Establishing civil penalties for the violation of any such regulations; and
- Prohibiting the operation of any one or more classes of cannabis establishments, distributors, or delivery services anywhere in the municipality; and

WHEREAS, the Jake Honig Compassionate Use Medical Cannabis Act, N.J.S.A. 24:6I-1 et seq. (“CUMCA”) authorizes, among other things, the licensed operation of medical cannabis cultivators, medical cannabis manufacturers, medical cannabis dispensaries and clinical registrants as defined in the CUMCA; and

WHEREAS, in accordance with CREAMMA and CUMCA, on August 17, 2021, the Mayor and Council of the Borough of Highland Park adopted Ordinance #21-2027, which amended the Code of the Borough of Highland Park (“Code”) to:

- Permit Class 5 cannabis retailers and Class 6 cannabis delivery services to operate with the geographical boundaries of the Borough, and prohibit Class 1, Class 2, Class 3 and Class 4 licenses;
- Establish limitations on where and how these operations may take place;
- Establish licensing and taxation requirements in connection with same; and

WHEREAS, in accordance with CUMCA, Ordinance #21-2027, also amended the Code to:

- Allow medical cannabis dispensaries to operate with the geographical boundaries of the Borough;

- Establish limitations on where and how these operations may take place; and
- Establish licensing and taxation requirements in connection with same; and

WHEREAS, since the adoption of Ordinance #27-2021, the Borough has continued to research, study and analyze the constantly evolving landscape of CREAMMA and CUMCA; and

WHEREAS, based on its research and information now available from the Cannabis Regulatory Commission, the Borough finds that it is in the Borough's best interest to further amend the Code to clarify the regulations governing medical cannabis dispensaries, Class 5 cannabis retailers and Class 6 cannabis delivery services, and to further refine the licensing process and the criteria for evaluation of potential cannabis business owners within the Borough.

NOW THEREFORE, BE IT ORDAINED, by the Council of the Borough of Highland Park, in the County of Middlesex, State of New Jersey, as follows:

1. **Preamble.** The findings set forth in the preamble to this ordinance are hereby incorporated as if fully restated.

2. **General prohibition on all cannabis businesses other than Class 5 cannabis retailers and Class 6 cannabis delivery services.** As stated within ordinance #21-2027 and in accordance with the authority granted to municipalities by N. J. S.A. 24:61- 45, all other marketplace classes of cannabis businesses other than Class 5 cannabis retailers and Class 6 cannabis delivery services shall be prohibited from operating anywhere within the geographical boundaries of the Borough.

3. **Amendments to Borough land development regulations.** Chapter 230, entitled "1989 Land Development Ordinance of the Borough of Highland Park, New Jersey," of the Code of the Borough Highland Park ("Code"), is hereby revised by amending subsections 230-140(10) and subsections 230-141(8), and by creating new subsection 230-140(11) and 230-140(9) to clarify the permitted principal uses in connection with medical cannabis dispensaries and marketplace cannabis businesses in in the CBD Central Business District and the C commercial District, as follows (additions are underlined; deletions are in [brackets]):

§ 230-140. CBD Central Business District Zone.

B. Permitted principal uses.

(10) Medical cannabis dispensaries.[, Class 5 cannabis retailers and Class 6 cannabis delivery services, as said terms are defined in this Code, subject to the requirements set forth in Chapter 136 of this Code.]

(11) Class 5 cannabis retailers and Class 6 cannabis delivery services, as said terms are defined in this Code, subject to the requirements set forth in Chapter 136 of this Code.

§230-141. C Commercial Zone.

B. Permitted principal uses.

- (8) Medical cannabis dispensaries. [, Class 5 cannabis retailers and Class 6 cannabis delivery services, as said terms are defined in this Code, subject to the requirements set forth in Chapter 136 of this Code.]
- (9) Class 5 cannabis retailers and Class 6 cannabis delivery services, as said terms are defined in this Code, subject to the requirements set forth in Chapter 136 of this Code.

4. **Licensing requirements and general limitations for Class 5 cannabis retailers and Class 6 cannabis delivery services and Medical cannabis dispensaries.** Chapter 136 entitled "Cannabis," Part II, "General Legislation," of the Code of the Borough of Highland Park, is hereby amended and shall read as set forth in Exhibit "A" attached hereto.

5. **Taxation of Medical cannabis Dispensaries.** A new Article IV entitled "Local Medical Marijuana Transfer Tax" is hereby added to Chapter 374, "Taxation" of the Code of the Borough of Highland Park and shall read as set forth in Exhibit "C" attached hereto.

6. **Repealer.** Any article, section, paragraph, subsection, clause, or other provision of the Borough Code inconsistent with the provisions of this ordinance is hereby repealed to the extent of such inconsistency.

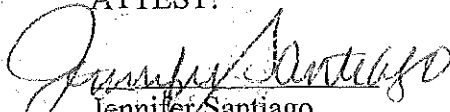
7. **Severability.** If any section, paragraph, subsection, clause, or provision of this ordinance shall be adjudged by a court of competent jurisdiction to be invalid, such adjudication shall apply only to the section, paragraph, subsection, clause, or provision so adjudged, and the remainder of this ordinance shall be deemed valid and effective.

8. **Effective date.** This ordinance shall take effect upon its passage and publication and filing with the County of Middlesex Planning Board, and as otherwise provided for by law.

Introduced on first reading by title: February 15, 2022

ADOPTED: March 15, 2022

ATTEST:


Jennifer Santiago
Borough Clerk

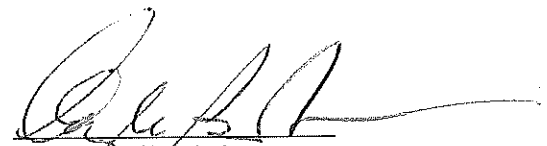

Gayle Brill Mittler
Mayor

EXHIBIT A

PART 1: Personal Use Cannabis

ARTICLE I General Provisions

§136-1. Purpose.

This article is enacted in accordance with the provisions of the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act ("CREAMMA"), *N.J.S.A. 24:61-32 et seq.*, the provisions of The Jake Honig Compassionate Use Medical Cannabis Act ("CUMCA"), P.L. 2009, c. 307 (approved January 18, 2010), amended by P.L. 2019, c. 153 (approved July 2, 2019), *N.J.S.A. 24:61-1 et seq.*, and the regulations promulgated by the Cannabis Regulatory Commission ("CRC"). The purpose of this chapter is to regulate the establishment and operation of cannabis businesses in the Borough of Highland Park ("Borough") and to specify the conditions and limitations applicable thereto.

§136-2. Definitions.

For the purpose of this chapter and all other applicable chapters of this Code, words and phrases herein shall have the meanings set forth in CREAMMA.

§ 136-3. Applicable laws.

All applications for licenses, all licenses issued and all proceedings under this chapter shall be in accordance with the Act, rules and regulations referred to in § 136- 1 above, and all other applicable laws of the State of New Jersey. The regulations set forth herein are subject to the enabling authority of the State of New Jersey, by and through the Cannabis Regulatory Commission, and are subject to compliance with all statutes and/or regulations promulgated and adopted by the State of New Jersey or its instrumentalities. If any provision of this chapter is inconsistent with the statutes and/or regulations of the State of New Jersey, the State statutes and/or regulations shall prevail.

§ 136-4. License required.

No cannabis facility may lawfully operate in the Borough without the issuance of a state permit or license and full regulatory oversight of the cannabis business by the Cannabis Regulatory Commission or other state licensing authority as well as oversight and issuance of a license by the Borough in accordance with the provisions of this chapter.

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§ 136-5. Conditions and limitations.

- A. Only the following marketplace classes of cannabis facilities shall be allowed to operate in the Borough, subject to the limitations and requirements set forth herein and elsewhere in this Code and all other classes shall be prohibited:

Class 5 Cannabis Retailer
Class 6 Cannabis Delivery Service

- B. Only an approval from the Borough Council [~~license issued pursuant to~~] in accordance with Article II, Sec. 136-7(B) below [this chapter] shall constitute "written municipal approval" pursuant to CREAMMA, N. J.S.A. 24:61- 36(b)(1)(c)(i) and 24:61-45(c). Other written statements, letters, resolutions, or other documents issued by the Borough or any official, employee, or other representative shall not constitute annual or renewed "written municipal approval" for purposes of the CRC.

- C. Cannabis retailers and delivery services ("facility") shall be permitted, pursuant to this chapter, only if in addition to all applicable land use regulations, the following requirements are met:

- (1) Land development regulations: The facility shall obtain all approvals required pursuant to the Borough's land development regulations set forth in Chapter 230 of this Code, which approval(s) shall be evidenced by the issuance of a zoning permit.
- (2) Hours of operation: The operating hours of the licensed facility shall be between 9:00 am and 10:00 pm daily. It shall be unlawful for any person to sell or dispense cannabis or cannabis products in any licensed facility at any time other than between these hours.

~~[(2)]~~(3) The licensed facility shall be accessible directly from a right-of- way through a separate entrance independent from any other retail ingress.

~~[(3)]~~(4) No cannabis product shall be visible from a public sidewalk, public street or right-of-way or any other public place.

~~[(4)]~~(5) All cannabis products shall be stored securely indoors and onsite.

~~[(5)]~~(6) ~~[Consumption of cannabis products, by any means of ingestion, shall not be permitted in the licensed facility or adjacent grounds.]~~ Consumption of cannabis products, by any means of ingestion, shall not be permitted in the licensed facility or adjacent grounds unless within an approved cannabis consumption area. Each retailer may only operate one cannabis consumption area. The cannabis consumption area shall be either (a) an indoor, structurally enclosed area of the licensed cannabis retailer's premise that is separate from the area in which retail sales of cannabis items occur or (b) an exterior structure on the same premise as the retailer, either separate from or connected to the retailer and likewise wholly

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enclosed. There shall be no outdoor cannabis consumption area. The cannabis consumption area shall be equipped to mitigate and contain odors from cannabis products and in compliance will all rules and regulations adopted by the CRC.

~~[(6)]~~(7) Outside generators and other mechanical equipment used for any kind of power supply, cooling or ventilation shall be enclosed and have appropriate baffles, mufflers, and/or other noise reduction systems to mitigate noise pollution.

~~[(7)]~~(8) All cannabis facilities 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 ~~[- shall have security fencing and gates around the perimeter of the premises;]~~ and shall be secured in accordance with applicable State law and regulation.

~~[(8)]~~(9) Signage design shall comply with the Borough's sign regulations at Section 230-115 of the Code.

~~[(9)]~~(10) With respect to stand-alone cannabis delivery services, cannabis items shall not be stored or housed at the office or dispatch without trained security personnel guarding the items. Cannabis items must not be left unattended in vehicles. Signage design shall not include artistic or photographic renderings of cannabis plants. Signage at the cannabis delivery service shall communicate that the facility is not open to the public. Signs and advertisements visible from the public right of way are prohibited.

~~[(10)]~~(11) No cannabis facility shall be housed in a vehicle or any movable or mobile structure.

~~[(11)]~~(12) Comply with all rules and regulations adopted by the New Jersey Cannabis Regulatory Commission.

~~[(12)] Consumption of cannabis products, by any means of ingestion or smoking shall not be permitted in the licensed facility or adjacent grounds unless within an approved cannabis consumption area. Each retailer may only operate one cannabis consumption area. The cannabis consumption area shall be either a) an indoor, structurally enclosed area of the licensed cannabis retailer's premise that is separate from the area in which retail sales of cannabis items occur or (b) an exterior structure on the same premise as the retailer, either separate from or connected to the retailer and likewise wholly enclosed. There shall be no outdoor cannabis consumption area. The cannabis consumption area shall be equipped to mitigate and contain odors from cannabis products which may be smoked. The cannabis consumption area shall be equipped with a ventilation system sufficient in type and capacity to mitigate cannabis odors emanating from the interior of the cannabis consumption area. The discharge of said ventilation system shall not discharge any odors that can be smelled by any adjacent property owner or within a right of way.]~~

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ARTICLE II

Licensing

§136-6. Issuing authority.

- A. All licenses required by this chapter shall be issued by the Borough Council, which shall also administer the provisions of this chapter.
- B. No license issued pursuant to this chapter shall be effective until or unless the State has issued the requisite permits or licenses to operate such a facility.
- C. Each license shall be effective from January 1 until December 31 and shall be annually renewed upon the submission of an application and renewal fee provided all conditions and requirements of applicable State law and this this chapter are met. The Borough may, at its discretion, adjust the renewal date of the local license to correlate with an applicant's State licensing and renewal schedule.

§ 136-7. [~~Application process.~~]Request for Applications.

- A. Within sixty (60) days of the passage of this chapter, the Borough will issue a request for applications for applicants seeking licensing. The application process will be open for thirty (30) days. Any submissions received after the 30 days expire will not be evaluated for a license. The scoring shall be on a scale of zero to one hundred (100) as set forth in the criteria established by the Borough within the application package. The highest scoring applicants shall be pre-approved for licensure with the Borough pursuant to obtaining a license from the State. Any applicant that receives scoring less than eighty (80) points out of one hundred (100) shall not be approved.

~~[A.]~~B. [~~Application.~~]Procedures. Persons wishing to obtain any classification of cannabis license shall [~~file a license application~~] submit a response to the application package that is to be available with the Borough Clerk, on a standardized form established by the Clerk. The Clerk shall establish a reasonable opening period and deadline for all applications. An application shall be deemed incomplete, and shall not be processed by the Clerk, until all documents and application fees are submitted.

~~B.C.~~ Completeness. To be deemed complete, all [~~applications~~] responses to the request for applications shall be accompanied by the following:

- (1) Nonrefundable application fee.
- (2) Registration fee, which shall be refunded in the event the applicant does not receive a license.

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- (3) Zoning permit demonstrating that the location proposed for licensing by the applicant complies with all applicable requirements of the Borough's land development regulations set forth in chapter 230 of this Code.
- (4) 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.
- (5) Affidavit and documentary proof of compliance with all state and local laws regarding affirmative action, anti-discrimination and fair employment practices. The applicant shall also certify under oath that they will not and shall not discriminate based on race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations.
- (6) Affidavit or other documentary proof that 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.

~~[C.]~~D. All applications upon being deemed complete shall be ~~[submitted to the Council for approval or denial. In evaluating the application(s), the Council shall establish a minimum percentage score required to be awarded a license using the criteria and percentage attributed to said criteria set forth herein below. In the event, however, there are multiple applicants for a license, the Council shall evaluate all applicants and issue a notification of award after consideration and evaluation of the following criteria:]~~ reviewed by the Borough Administrator or his or her designee(s) and scored based upon the evaluation criteria as listed within application package, including, but not be limited to, community benefits, local hiring process, promoting of diverse ownership structures, environmental sustainability and financial sustainability. The highest scoring applicants will then be referred to the Council for consideration to issue a "resolution of local support."

~~[D.]~~E. Notwithstanding the foregoing competitive application process, a notification of award and resolution of local support 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 in the Administrator's discretion for an additional 6 months for good cause. 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, unless extended for good cause, the Administrator shall issue a new request for proposals and evaluate all applicants for licensure under the above criteria.

F. Final approval from the Borough will be in the form of a local business license being issued. The local business license will not be issued from the Borough until a state issued

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license is presented to the Borough Clerk's office for presentment to the Council to authorize the Clerk's office to issue the license by way of Resolution.

- ~~{(1) 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 non-owner principals (twenty percent, not to exceed 2,500 words);~~
- ~~(2) 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 (five percent, not to exceed 1,000 words), and a summary of the applicant's plans for storage of products and currency, physical security, video surveillance, security personnel, and visitor management (five percent, not to exceed 2,500 words);~~
- ~~(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 (five percent, not to exceed 2,500 words), 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 (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);~~
- ~~(4) Applicant's or its owners' 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 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);~~
- ~~(5) Summary of the applicant's 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 the applicant has an effective environmental management system or has a designated sustainability officer to conduct internal~~

EXHIBIT A

~~audits to assess the effective implementation of an environmental management system (three percent);~~

~~(6) Applicant's ties to the host community, demonstrated by at least one shareholder's proof of residency in the Borough for five or more years in the past ten years or at least one shareholder's continuous ownership of a business based in Highland Park for five or more years in the past ten years (five percent); and~~

~~(7) 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 NJ minority owned, women owned, or veteran owned business (twenty percent in total; ten points for one certification and twenty points for two or more).]~~

§ 136-8. Fees; number of licenses.

A. The number and type of cannabis licenses and the annual fees therefor shall be as follows:

<u>Class of License</u>	<u>Application Fee (nonrefundable)</u>	<u>Annual Registration Fee (refunded in the event the applicant does not receive a license)</u>	<u>Number of Licenses</u>
Class 5 Cannabis Retailer	\$1,000.00	\$5,000.00	Limited to [six (6)] <u>five (5)</u>
Class 6 Cannabis Delivery Service	\$,1000.00	\$2,500.00	No limit

B. The license fee shall be paid on or before January 1 and shall cover the time period from January 1 until December 31. For a license issued after December 1 and before December 31, the license fee shall be prorated on a per month basis.

C. Licenses issued pursuant to this chapter shall be personal to the licensee and shall not be transferable.

D. A separate license shall be required for each class of cannabis business, and a separate application fee and registration fee shall be charged for each type of license.

EXHIBIT A

**ARTICLE III
Suspension or Revocation of License**

§ 136-9. Suspension; revocation; non-renewal.

Any suspension, revocation or non-renewal of a license pursuant to this chapter, or any suspension, revocation or non-renewal of a CRC-issued license or permit for the operation, or any adjudication of felony criminal guilt by the cannabis business or its principals shall constitute an automatic revocation of a Borough license issued pursuant to this chapter, at which time the operation shall immediately cease. A criminal adjudication voids and prohibits any future reinstatement of a Borough license.

**ARTICLE IV
Enforcement, Violations and Penalties**

§ 136-10. Violations and penalties.

Any violation of the terms of this chapter, of any condition of the license, or of any State, or local law or regulation may result in the revocation of the license and may further subject the licensee to any applicable penalties, including but not limited to the general penalties set forth in Chapter 1, Article III of this Code.

§ 136-11. Enforcement.

The provisions of this chapter shall be enforced by the Borough Police Department, Borough Zoning Officer and/or Borough Health Officer as appropriate based on the nature of the violation.

EXHIBIT A

PART 2: Medical Cannabis Dispensaries

ARTICLE I General Provisions

§ 136-12. Purpose.

This article is enacted in accordance with the provisions of The Jake Honig Compassionate Use Medical Cannabis Act (CUMCA), P.L. 2009, c. 307 (approved January 18, 2010), amended by P.L. 2019, c. 153 (approved July 2, 2019), codified at N.J.S.A. 24:6I-1 et seq., and the regulations promulgated by the CRC. The purpose of this chapter is to regulate the establishment and operation of Medical Cannabis Dispensaries in the Borough and to specify the conditions and limitations applicable thereto.

§136-13. Definitions.

For the purpose of this chapter and all other applicable chapters of this Code, words and phrases herein shall have the meanings set forth in CUMCA.

§ 136-14. Applicable laws.

All applications for licenses, all licenses issued and all proceedings under this chapter shall be in accordance with the Act, rules and regulations referred to in § 136- 12 above, and all other applicable laws of the State of New Jersey. The regulations set forth herein are subject to the enabling authority of the State of New Jersey, by and through the Cannabis Regulatory Commission, and are subject to compliance with all statutes and/or regulations promulgated and adopted by the State of New Jersey or its instrumentalities. If any provision of this chapter is inconsistent with the statutes and/or regulations of the State of New Jersey, the State statutes and/or regulations shall prevail.

§ 136-15. License required.

No cannabis facility may lawfully operate in the Borough without the issuance of a State permit or license and full regulatory oversight of the cannabis business by the Cannabis Regulatory Commission or other state licensing authority as well as oversight and issuance of a license by the Borough in accordance with the provisions of this chapter.

§ 136-16. Conditions and limitations.

A. Only the following types of medical cannabis facilities shall be allowed to operate in the Borough, subject to the limitations and requirements set forth herein and elsewhere in this Code and all other classes shall be prohibited:

Medical Cannabis Dispensaries

EXHIBIT A

B. All other Conditions and limitations as found in Sec. 136-5 above shall also be applicable to Medical Cannabis dispensaries.

ARTICLE II
Licensing

§ 136-17. Licensing.

A. All licensing requirements and procedures as described above in sections 136-6 and 136-7 shall also be applicable to Medical Cannabis Dispensaries.

§ 136-18. Fees; number of licenses.

A. The number and type of cannabis licenses and the annual fees therefor shall be as follows:

<u>Class of License</u>	<u>Application Fee (nonrefundable)</u>	<u>Annual Registration Fee (refunded in the event the applicant does not receive a license)</u>	<u>Number of Licenses</u>
<u>Medical Cannabis Dispensaries</u>	<u>\$1,000.00</u>	<u>\$5,000.00</u>	<u>1</u>

B. Any medical cannabis dispensary licensed by the state and within the Borough of Highland Park that is seeking to expand to also include a Class 5 Cannabis Retailer License for personal use must do so in accordance with the terms of N.J.S.A. 24:6I-46(a)(3)(a)(ii). Provided that business has met the requirements to obtain a license from the state, that business will be exempt from obtaining a separate license to operate within Highland Park and that retail license will not count towards the five (5) licenses being permitted, as both operations will be occurring within one location.

C. The business seeking to operate as both a medical cannabis dispensary and Class 5 Cannabis Retailer will not be exempt from paying the annual registration fee as if they are running two separate businesses (\$10,000.00).

D. The Medical Cannabis Dispensary must notify the Borough of its intent to submit its CRC application to become a Class 5 Retailer prior to submitting its application to the CRC in order to obtain local approval for doing so.

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ARTICLE III Suspension or Revocation of License

§ 136-19. Suspension; revocation; non-renewal.

Any suspension, revocation or non-renewal of a license pursuant to this chapter, or any suspension, revocation or non-renewal of a CRC-issued license or permit for the operation, or any adjudication of felony criminal guilt by the cannabis business or its principals shall constitute an automatic revocation of a Borough license issued pursuant to this chapter, at which time the operation shall immediately cease. A criminal adjudication voids and prohibits any future reinstatement of a Borough license.

ARTICLE IV Enforcement, Violations and Penalties

§ 136-20. Violations and penalties.

Any violation of the terms of this chapter, of any condition of the license, or of any State, or local law or regulation may result in the revocation of the license and may further subject the licensee to any applicable penalties, including but not limited to the general penalties set forth in Chapter 1, Article III of this Code.

§ 136-21. Enforcement.

The provisions of this chapter shall be enforced by the Borough Police Department, Borough Zoning Officer and/or Borough Health Officer as appropriate based on the nature of the violation.

EXHIBIT B
CHAPTER 374
TAXATION

ARTICLE III

Local Cannabis Transfer and User Tax

§374-6. Purpose. The purpose of this article is to implement the provisions of the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act (the " Act" or " CREAMMA") set forth at N.J.S.A. 24:61- 46 and N.J.S.A. 40:481- 1, which authorize a municipality to impose transfer and user taxes on cannabis establishments.

§374-7. Definitions. All terms herein shall be defined as set forth in section 3 of CREAMMA, N.J.S.A. 24:61- 33.

§374-8. Cannabis transfer tax.

A. All cannabis establishments operating in the Borough shall be subject to the following transfer tax on the sale of cannabis or cannabis related items:

1) Class 5 cannabis retailers: Two percent (2%) of the receipts from each sale

B. The transfer tax imposed pursuant to this section 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.

C. Any transaction for which the transfer tax is imposed shall be exempt from the tax imposed under the "Sales and Use Tax Act," N.J.S.A. 54:32B- 1 et seq.

D. The transfer tax shall be collected or paid, and remitted to the Borough by the cannabis establishment purchasing or receiving the cannabis or cannabis item. 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.

§374-9. Cannabis user tax.

A. Any concurrent license holder operating more than one cannabis establishment shall be subject to a two percent (2%) user tax. 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 pursuant to this article, from the license holder's establishment that is located in the Borough to any of the other license holder's establishments, whether located in the Borough or in another municipality.

~~C. B.~~ 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. Any transaction for which the user tax is imposed, is exempt from the tax imposed under the Sales and Use Tax Act. N.J.S.A. 54:32B- 1 et seq.

~~D. C.~~ 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.

§374-10. Collection of cannabis transfer and user tax.

In accordance with the provisions of CREAMMA:

A. Every cannabis establishment required to collect the transfer and user taxes imposed by this article shall be personally liable for the transfer and user tax imposed, collected, or required by this article and CREAMMA.

B. 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. 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 Borough's chief financial officer is joined as a party in any action or proceeding brought to collect the transfer tax or user tax.

C. No cannabis establishment required to collect the transfer and user taxes imposed by this article 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.

§374-11. Remittance of cannabis taxes; delinquencies.

A. All revenues collected from the transfer tax and user tax imposed pursuant to this article shall be remitted to the Borough' s chief financial officer on a monthly basis.

B. The Borough shall enforce the payment of delinquent taxes or transfer fees imposed by this article in the same manner as provided for municipal real property taxes.

C. In the event that the transfer tax or user tax imposed by this article is not paid as and when due by a cannabis establishment, the unpaid balance, and any interest accruing thereon, shall be a lien on the parcel of real property comprising the cannabis establishment's premises in the same manner as all other unpaid Borough taxes, fees, or other charges. 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 Borough taxes, and shall be on a parity with and deemed equal to the Borough lien on the parcel for unpaid property taxes due and owing in the same year.

D. The Borough shall file in the office of its 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.

E. No licensed cannabis establishment operating in the Borough shall be permitted to renew a license issued pursuant to Chapter 136 of this Code should any transfer or user tax imposed by this article be delinquent.

EXHIBIT C
CHAPTER 374
TAXATION

ARTICLE IV

Local Medical Cannabis Transfer Tax

§374-12. Purpose. It is the purpose of this article to implement the provisions of The Jake Honig Compassionate Use Medical Cannabis Act (CUMCA), P.L. 2009, c. 307 (approved January 18, 2010), amended by P.L. 2019, c. 153 (approved July 2, 2019), codified at N.J.S.A. 24:6I-1 *et seq.*, which authorizes the governing body of a municipality to adopt an ordinance imposing a transfer tax at a uniform percentage rate not to exceed 2% on the purchase price of any medical cannabis dispensed by a medical cannabis dispensary located in the Township, which shall be in addition to any other tax or fee imposed pursuant to statute or local ordinance or resolution by any governmental entity upon the dispensary.

§374-13. Definitions. All terms herein shall be defined as set forth in section 3 of CUMCA, N.J.S.A. 24:6I-1 *et seq.*,

§374-14. Medical Transfer Tax. A medical cannabis transfer tax in the Borough shall be fixed at a uniform percentage rate of 2% on all sales or transfers of cannabis products from a medical cannabis dispensary, pursuant to N.J.S.A. 24:6I-10(i) of the CUMCA. The medical cannabis transfer tax shall be in addition to any other tax or fee imposed pursuant to statute, state and federal or local ordinance or resolution by any government entity upon a medical cannabis dispensary. The transfer tax shall be paid to the Borough no later than February 1 of each year with a report certified as true and accurate by the authorized individual within the dispensary showing the gross revenues for the medical cannabis dispensary for each month of the preceding year. A copy of this article shall be transmitted to the State Treasurer and to every medical cannabis dispensary within the Borough.

§374-15. Collection of medical transfer tax. Collection procedures as provided for in §374-10 of this code shall also be applicable to the medical transfer tax in accordance with the terms of CUMCA.

§374-16. Remittance of medical transfer tax; delinquencies. Remittance procedures and delinquency policies as provided for in §374-11 of this code shall also be applicable to the medical transfer tax in accordance with the terms of CUMCA.