

**ORDINANCE # 16-2025**

**AN ORDINANCE REPEALING AND REPLACING CHAPTER 170-81.5 NOTE 33 TITLED CANNABIS LICENSED BUSINESSES**

**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" ("Act"), which legalizes the recreational use of marijuana by adults 21 years of age or older, and establishes a comprehensive regulatory and licensing scheme for commercial recreational (adult use) cannabis operations, use and possession; and

**WHEREAS**, pursuant to the rules and regulations governing the Act, specifically, N.J.A.C. 17:30-5.1, a municipality may enact an ordinance or regulation that is not in conflict with the Act, and may amend such ordinance or regulation that establishes a numerical limit on the number of cannabis businesses, governs the location, manner, and times of cannabis businesses, establishes civil penalties for violations of such ordinance or regulation; and/or imposes a separate local licensing requirement; and

**WHEREAS**, the Council of the City of Egg Harbor adopted Ordinances #10-2021, #15-2021, and #6-2022 on August 12, 2021, November 18, 2021, and August 11, 2022 respectively, establishing fees and procedures for the regulation of cannabis businesses in the City; and

**WHEREAS**, the Mayor and the Council of the City of Egg Harbor wish to maintain the health, welfare, and safety of the public and clarify the rules and regulations governing cannabis businesses within the boundaries of the City and therefore, wishes to repeal and replace Chapter 170-81.5 Note 33.

**NOW THEREFORE, BE IT ORDAINED** by, the Mayor and Council of the City of Egg Harbor, County of Atlantic and State of New Jersey, that CHAPTER 170-81.5 NOTE 33 is repealed and replaced with the following:

**SECTION 1. Incorporation of Recitals.**

The above "Whereas" clauses are hereby incorporated into this Ordinance.

**SECTION 2. Chapter 170-81.5 Note 33 Cannabis licensed businesses.**

**A. DEFINITIONS.**

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

ACT

Public Law 2021, c. 16, commonly known as the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act," codified at N.J.S.A. 24:6I-31 et seq.

## CANNABIS

All parts of the plant *Cannabis sativa* L., whether growing or not, the seeds thereof, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds, except those containing resin extracted from the plant, which are cultivated and, when applicable, manufactured in accordance with the Act for use in cannabis products, but shall not include the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other product.

## CANNABIS BUSINESS OR CANNABIS ESTABLISHMENT

Any person or entity that holds any of the six classes of licenses established under the Act.

## CANNABIS CULTIVATOR

Any licensed person or entity that grows, cultivates, or produces cannabis, and sells, and may transport, this cannabis to other cannabis cultivators, or usable cannabis to cannabis manufacturers, cannabis wholesalers, or cannabis retailers, but not to consumers. This person or entity shall hold a Class 1 cannabis cultivator license.

## CANNABIS CONSUMPTION AREA

A designated location operated by a permitted medical cannabis dispensary or a licensed Class 5 Cannabis Retailer, for which a State and local endorsement has been obtained, at which medical or personal-use cannabis items may be consumed, that is either:

- a. An indoor, structurally enclosed area of the medical cannabis dispensary, cannabis retailer that is separate from the area in which the dispensing of medical cannabis or retail sales of cannabis items occurs; or
- b. An exterior structure on the same premises as the medical cannabis dispensary, cannabis retailer, either separate from or connected to the cannabis retailer.

## CANNABIS DELIVERY SERVICE

Any licensed person or entity that provides courier services for consumer purchases of cannabis items and related supplies fulfilled by a cannabis retailer in order to make deliveries of the cannabis items and related supplies to that consumer, and which services include the ability of a consumer to purchase the cannabis items directly through the cannabis delivery service which, after presenting the purchase order to the cannabis

retailer for fulfillment, is delivered to that consumer. This person or entity shall hold a Class 6 cannabis delivery license.

#### CANNABIS DISTRIBUTOR

Any licensed person or entity that transports cannabis in bulk intrastate from one licensed cannabis cultivator to another licensed cannabis cultivator, or transports cannabis items in bulk intrastate from any one class of licensed cannabis establishment to another class of licensed cannabis establishment, and may engage in the temporary storage of cannabis or cannabis items as necessary to carry out transportation activities. This person or entity shall hold a Class 4 cannabis distributor license.

#### CANNABIS MANUFACTURER

Any licensed person or entity that processes cannabis items in this state by purchasing or otherwise obtaining usable cannabis, manufacturing, preparing, and packaging cannabis items, and selling, and optionally transporting, these items to other cannabis manufacturers, cannabis wholesalers, or cannabis retailers, but not to consumers. This person or entity shall hold a Class 2 cannabis manufacturer license.

#### CANNABIS PRODUCT

A product containing usable cannabis, cannabis extract, or any other cannabis resin and other ingredients intended for human consumption or use, including a product intended to be applied to the skin or hair, edible cannabis products, ointments, and tinctures. Cannabis product does not include:

- a. Usable cannabis by itself; or
- b. Cannabis extract by itself; or
- c. Any other cannabis resin by itself.

#### CANNABIS RETAILER

Any licensed person or entity that purchases or otherwise obtains usable cannabis from cannabis cultivators and cannabis items from cannabis manufacturers or cannabis wholesalers, and sells these to consumers from a retail store, and may use a cannabis delivery service or a certified cannabis handler for the off-premises delivery of cannabis items and related supplies to consumers. A cannabis retailer shall also accept consumer purchases to be fulfilled from its retail store that are presented by a cannabis delivery service which will be delivered by the cannabis delivery service to that consumer. This person or entity shall hold a Class 5 cannabis retailer license.

#### CANNABIS TAX

Collectively, the taxes as are established in this chapter.

## CANNABIS WHOLESALER

Any licensed person or entity that purchases or otherwise obtains, stores, sells or otherwise transfers, and may transport, cannabis items for the purpose of resale or other transfer to either another cannabis wholesaler or to a cannabis retailer, but not to consumers. This person or entity shall hold a Class 3 cannabis wholesaler license.

## CITY

The City of Egg Harbor.

## LICENSEE

Any person or entity that holds a license issued under the Act, including a license that is designated as either a Class 1 cannabis cultivator license, a Class 2 cannabis manufacturer license, a Class 3 cannabis wholesaler license, a Class 4 cannabis distributor license, a Class 5 cannabis retailer license, or a Class 6 cannabis delivery license, and includes a person or entity that holds a conditional license for a designated class.

## MICROBUSINESS

Any person or entity licensed as a cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service that may only, with respect to its business operations, and capacity and quantity of product:

- a. Employ no more than 10 employees;
- b. Operate a cannabis establishment occupying an area of no more than 2,500 square feet and, in the case of a cannabis cultivator, grow cannabis on an area no more than 2,500 square feet measured on a horizontal plane and grow above that plane not higher than 24 feet;
- c. Possess no more than 1,000 cannabis plants each month, except that a cannabis distributor's possession of cannabis plants for transportation shall not be subject to this limit;
- d. Acquire each month, in the case of a cannabis manufacturer, no more than 1,000 pounds of usable cannabis;
- e. Acquire for resale each month, in the case of a cannabis wholesaler, no more than 1,000 pounds of usable cannabis, or the equivalent amount in any form of manufactured cannabis product or cannabis resin, or any combination thereof; and

f. Acquire for retail sale each month, in the case of a cannabis retailer, no more than 1,000 pounds of usable cannabis, or the equivalent amount in any form of manufactured cannabis product or cannabis resin, or any combination thereof.

## SMOKING

Any definition of smoking in the City Code is amended to include "cannabis" and "cannabis product."

## TOBACCO PRODUCT

Any definition of tobacco product in the City Code is amended to include "cannabis" and "cannabis product."

(2) Any term not defined herein shall have the meaning as established by Section 40 of Public Law 2021-16 (N.J.S.A. 24:6I-33).

## **B. GENERAL PROVISIONS**

- (1) Intent. It is the intent of this chapter to set forth the locations within the City where a cannabis establishment may be located, and to establish the regulatory framework to implement the provisions of the Act, including the imposition of cannabis taxes, as permitted by Section 40 of the Act, at a uniform percentage rate not to 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, which shall be in addition to any other tax or fee imposed pursuant to any other statute or local ordinance or resolution by any governmental entity having regulatory authority over the cannabis establishment.
- (2) The regulations of this article are subject to the enabling authority of the State of New Jersey and are subject to compliance with all statutes and/or regulations adopted by the State of New Jersey or its instrumentalities. If any provision of this article is inconsistent with the statutes and/or regulations of the State of New Jersey, the state statutes and/or regulations shall prevail.
- (3) Prior to the operation of any cannabis establishment, a permit or license must be obtained from the State of New Jersey and from the City for the applicable type(s) of cannabis establishment. No cannabis establishment shall be permitted to operate without applicable state and municipal permits or licenses.
- (4) Cannabis businesses shall, at all times, comply with the terms and conditions of the licensee's cannabis establishment license permits and licenses issued by the State of New Jersey and the City and comply with all chapters of the City code.

## **C. PERMITTED CONDITIONAL USES**

- (1) Permitted number of licenses. Cannabis cultivators, manufacturers, wholesalers, distributors, retailers, and delivery services shall only be permitted to operate conditional uses in the City in accordance with the standards set forth below and in Chapter 170, titled "Zoning."
- (2) Cannabis Consumption Areas are not permitted in any zone.
- (3) Locations.
  - a. Class 1 cannabis cultivator license, for facilities involved in growing and cultivating cannabis, shall be a conditional use in the Industrial (IND) zone and the Industrial Business Park (IBP) zone.
  - b. Class 2 cannabis manufacturer license, for facilities involved in the manufacturing, preparation, and packaging of cannabis items, shall be a conditional use in the Industrial (IND) zone and Industrial Business Park (IBP) zone.
  - c. Class 3 cannabis wholesaler license, for facilities involved in obtaining and selling cannabis items for later resale by other licensees, shall be a conditional use in the Industrial (IND) zone and Industrial Business Park (IBP) zone.
  - d. Class 4 cannabis distributor license, for businesses involved in transporting cannabis plants in bulk from one licensed cultivator to another licensed cultivator, or cannabis items in bulk from any type of licensed cannabis business to another, shall be a conditional use in the Industrial (IND) zone and Industrial Business Park (IBP) zone.
  - e. Class 5 cannabis retailer license for locations at which cannabis items and related supplies are sold to consumers, shall be a conditional use in the Retail Commercial (RC) zone and the Highway Commercial (HC) zone. Only one establishment is permitted in the RC zone and one establishment in the HC zone.
  - 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 purchased items to a consumer, and which service would include the ability of a consumer to make a purchase directly through the cannabis delivery service which would be presented by the delivery service for fulfillment by a retailer and then delivered to a consumer, shall be a conditional use in the Industrial (IND) zone and Industrial Business Park (IBP) zone.

(4) Conditional Use

- a. Odor. A cannabis establishment shall have the equipment to mitigate cannabis-related odor. The building shall be equipped with a ventilation system with carbon filters sufficient in type and capacity to eliminate cannabis odors emanating from the interior of the premises. The carbon filters are required to be replaced regularly for the best effectiveness to mitigate odor. The City reserves the right to inspect all licensed properties for compliance.
- b. Noise. 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. The City reserves the right to inspect all licensed properties for compliance.
- c. Security. All cannabis establishments shall be secured in accordance with State of New Jersey statutes and regulations and shall have around-the-clock video surveillance system, 365 days a year. Licensees are encouraged to coordinate their video surveillance system with the City Police Department.
- d. Compliance with all applicable chapters of the City code.
- e. All cannabis establishments shall demonstrate that conditions and safeguards are provided to mitigate any detrimental impacts to the public health, safety or general welfare of nearby residential uses.
- f. The parking, signage, bulk, coverage, and design regulations and standards of the zone in which the subject property is located shall apply. There shall be no obvious cannabis reference in language pertaining to signage. For the purposes of this article, in instances where parking, signage, bulk, coverage, and design regulations and standards are regulated by use or differentiated by use, the standards and regulations that are most restrictive but least intense shall apply to cannabis establishments.
- g. All cannabis businesses must receive approval from the City Land Use Board.
- h. All cannabis businesses must receive a local license from the City of Egg Harbor.
- i. All cannabis businesses must receive approval from the State of New Jersey.

#### **D. LOCAL LICENSE.**

- (1) Local licensing authority. The City Council shall constitute the issuing authority for the issuance of a local license, and for the suspension or revocation of any license issued hereunder. 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 cannabis licensing 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 City Clerk or City Clerk's designee.
- (2) Resolution of Local Support. All applicants requesting local support pursuant to N.J.A.C. 17:30-5.1(g) shall request a zoning review from the City Zoning Officer to ensure the proposed location is appropriate for the intended use. If the City Zoning Officer approves the requested location, the applicant may request a Resolution of Local Support from the City Clerk or the City Clerk's designee. The Applicant is to supply all items requested by the City Clerk, including a concept plan, marketing materials, evidence of site control and any other information deemed necessary to make a determination regarding the suitability of the specific cannabis business and activities related to its business operations for the proposed intended location. Said request must include a nonrefundable fee of \$500 for the administrative review and the legal fees for drafting the resolution of local support. Said request shall be subject for review by the City Review Committee, if deemed necessary. The City Review Committee or the City Clerk shall issue a recommendations to the City Council, who shall adopt a resolution to either approve or deny the request of support. The City Council reserves the right to revoke a resolution of support for any of the reasons in subsection F of this chapter.
- (3) Local license required. Pursuant to the authority granted by N.J.S.A. 24:6I-45(c)(2), no person or entity shall operate a cannabis business in the City without obtaining a license pursuant to this chapter.
  - a. Dual local cannabis licenses are permitted. 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. Each type of use requires a separate local license.
- (4) Application review. The City shall refer all applications for a local cannabis license to the Mayor or designee, City Clerk or designee, Chief of Egg Harbor City Police Department or designee, City Administrator or designee, and City Solicitor for the purpose of reviewing the application and discussing the applicant's compliance with this article. 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 City Council.

- (5) Application. In order to obtain a license to operate a cannabis business in the City, an applicant shall file an application, signed by the applicant, with the City Clerk upon a form provided by the Clerk which sets forth all information necessary for a proper consideration of the application. Such application shall be filed contemporaneously with filing an application for a license pursuant to the Act. The City may refuse to accept an incomplete application.
- a. Submittal requirements. A conditional use application for a cannabis establishment shall include the following, as it relates to the manner of operation:
    - i. A community impact plan summarizing how the applicant intends to have a positive impact on the community in which the proposed cannabis establishment is to be located, which shall include an economic impact plan and a description of outreach activities.
    - ii. A written description of the applicant's record of social responsibility, philanthropy, and ties to the proposed host community.
    - iii. A workforce development and job creation plan, which may include information on the applicant's history of job creation and planned job creation at the proposed cannabis establishment; education, training and resources to be made available for employees; any relevant certification; and an optional diversity plan.
    - iv. The Review Committee reserves the right to request additional information, if needed.
- (6) Application fee. The applicant for all classifications of licenses shall pay a nonrefundable application fee of \$5,000. The license must be renewed yearly at a fee of \$2,500 per year.
- (7) 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 §170-81.5 NOTE 33, subsection (3)(C)(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.

- (8) Limitation on number of licenses. The number of local cannabis licenses for each class of license are limited pursuant to §170-81.5 NOTE 33, subsection (C)(2). The City will not issue a local cannabis license to an applicant that has obtained a conditional approval if the City has already issued the maximum number of local cannabis licenses for the same class. The City considers all applications on a first-come, first-reviewed basis.
- (9) 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 article. A conditional approval shall entitle the applicant to pursue a state license in the appropriate classification and City Land Use Board approval 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. The City Council reserves the right to provide the applicant with an extension for good cause.
- (10) Denial of conditional approval. The City shall deny a conditional approval to any applicant who fails to provide information, documentation and assurances as required by this article or as requested by the City, 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 City shall grant a conditional approval upon a determination that the applicant has met the requirements of this article unless the City 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.
- (11) Termination of conditional approval. A conditional approval shall be valid for 18 months from the date of approval unless otherwise revoked or extended for good cause.
- (12) Issuance. Upon approval of an application, the City Council shall, by resolution, issue a license to operate a cannabis business in the City.
- (13) Local License Duration. Unless revoked or suspended, local licenses shall expire at the end of the calendar year. A local license will be revoked twelve (12) months after the issue date, if the cannabis establishment is not opened to the public. The City Council reserves the right to provide the applicant with an extension for good cause.
- (14) Conditional approval and local cannabis license granted by this article are a revocable privilege granted by the City 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 City'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 City.

- (15) Amendment. If there are any substantial changes to the operation of the cannabis business, the local cannabis licensee is required to file an amended application with the City Clerk.
- (16) 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 article (as though the transferee were applying for an original local cannabis license). 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.
- (17) 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 15 of this section. Failure to comply with this provision is grounds for license revocation.
- (18) 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.

#### **E. LIABILITY AND INDEMNIFICATION.**

- (1) By accepting a local cannabis license issued pursuant to this article, the local cannabis licensee waives and releases the City, 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.
- (2) By accepting a local cannabis license issued pursuant to this article, the local cannabis licensee agrees to indemnify, defend and hold harmless the City, 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. § 1964(c), or any other alleged violation of the law.

- (3) By accepting a local cannabis license issued pursuant to this article, a local cannabis licensee agrees to indemnify, defend and hold harmless the City, 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. § 801 et seq.

#### **F. CANNABIS TAX.**

- (1) Tax established. There is hereby established a local cannabis transfer tax on sale of cannabis or cannabis products by a cannabis establishment located in the City. The tax is hereby imposed on the receipts from the sale of cannabis by a cannabis cultivator to another cannabis cultivator; receipts from the sale of cannabis or cannabis products from one cannabis establishment to another cannabis establishment; receipts from the retail sales of cannabis or cannabis products by a cannabis retailer to retail consumers who are 21 years of age or older; or any combination thereof. Sales by a cannabis establishment located in the City are subject to the tax established herein even if the cannabis or cannabis products are delivered to another municipality.
- (2) Rate. The amount of the tax shall be 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) User tax. In addition to the tax established in Subsection G(1) of this section, a user tax, at the equivalent transfer tax rates, is hereby established on any concurrent license holder, as permitted by section 33 of P.L. 2021, c. 16 (N.J.S.A. 24:6I-46) and N.J.S.A. 40:48I-1 operating more than one cannabis establishment. The user tax shall be imposed on the value of each transfer or use of cannabis or cannabis products not otherwise subject to the transfer tax imposed pursuant to Subsection G(1) of this subsection, from the licensee's establishment that is located in the City to any of the other licensee's establishments, whether located in the City or another municipality.
- (4) The cannabis tax set forth in this section shall be in addition to any other tax or fee imposed pursuant to statute or local ordinance on a cannabis establishment.

## **G. COLLECTION OF CANNABIS TAX.**

(1) The cannabis tax imposed by this chapter shall be collected or paid, and remitted to the City by the cannabis establishment from the cannabis establishment purchasing or receiving the cannabis or cannabis product, or from the consumer at the point of sale, on behalf of the City by the cannabis retailer selling the cannabis item to that consumer. The transfer tax or user tax shall be stated, charged, and shown separately on any sales slip, invoice, receipt, or other statement or memorandum of the price paid or payable, or equivalent value of the transfer, for the cannabis or cannabis item.

(2) Every cannabis establishment required to collect a cannabis tax imposed by this chapter shall be personally liable for the cannabis tax imposed, collected, or required to be collected under this chapter. Any cannabis establishment shall have the same right with respect to collecting the cannabis tax from another cannabis establishment or the consumer as if the cannabis tax was a part of the sale and payable at the same time, or with respect to nonpayment of the cannabis tax by the cannabis establishment or consumer, as if the cannabis tax was a part of the purchase price of the cannabis or cannabis product, or equivalent value of the transfer of the cannabis or cannabis product, and payable at the same time.

(3) No cannabis establishment required to collect a cannabis tax 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 cannabis tax will not be separately charged and stated to another cannabis establishment or the consumer, or that the cannabis tax will be refunded to the cannabis establishment or the consumer.

(4) All cannabis tax imposed by this chapter shall be remitted to the Chief Financial Officer of the City on a quarterly basis payable for the prior three months' activities and due at the same time as quarterly dates for the collection of property taxes. The revenues due on February 1 of each year shall include all cannabis taxes collected for the prior year months of October, November and December. The revenues due on May 1 of each year shall include all cannabis taxes collected for the immediate prior months of January, February and March. The revenues due on August 1 of each year shall include all cannabis taxes collected for the immediate prior months of April, May and June. The revenues due on November 1 of each year shall include all cannabis taxes collected for the immediate prior months of July, August and September.

(5) Simultaneous with payment of the cannabis tax, the licensee shall submit an affidavit signed by an individual who is responsible for the licensee that certifies the total receipts from each sale so that an accurate calculation of the cannabis tax due may be determined.

(6) The City shall enforce the payment of delinquent cannabis taxes imposed pursuant to this chapter in the same manner as provided for municipal real property taxes. In the event that the cannabis tax imposed by this chapter 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 municipal 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 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. The City shall file in the office of the tax collector a statement showing the amount and due date of the unpaid balance 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.

(7) Upon written request of the City, a cannabis establishment shall submit an auditor's report for the preceding fiscal or calendar year, certified by a Certified Public Accountant, to the City. The auditor's report shall include, but not be limited to, all receipts generating cannabis taxes, and such details as may relate to the financial affairs of the cannabis establishment and to its operations and performance, and shall be prepared in a manner consistent with the current standards of the Financial Accounting Standards Board. Said auditor's report shall be submitted to the representatives of the City within 30 days of receipt by the cannabis establishment of the City's request for said auditor's report.

#### **H. CONSUMPTION, POSSESSION AND UNREGULATED SALE.**

- (1) Prohibition in public places. No person shall consume, smoke, use, vape, aerosolize, immobilize or possess in any open container any Cannabis or Cannabis product in any city park, lake area, recreation area and in any school and 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.
- (2) Prohibition of unregulated sale of cannabis. No person shall sell cannabis in the City without a state license and a City license.
- (3) The sale of cannabis products to visibly intoxicated individuals is prohibited.

#### **I. SUSPENSION OR REVOCATION.**

- (1) Any license required by this chapter may be suspended or revoked for violation of any of the following:
  - (a) Subsequent knowledge of fraud, misrepresentation or incorrect statements provided by an applicant on the application form.
  - (b) Any fraud, misrepresentation, or false statements made in conducting the cannabis business.
  - (c) Any violation of the Act, or the rules and regulations of the Cannabis Regulatory Commission.

(d) Subsequent conviction of any federal or state statute or regulation, or of any local ordinance, which adversely reflects upon the person's ability to conduct the cannabis business in a professional, honest and legal manner. Such violations shall include, but are not limited to, violations of Chapter 35 of Title 2C of the New Jersey Statutes, burglary, theft, larceny, swindling, fraud, unlawful business practices, and any form of actual or threatened physical harm against another person.

(e) Violation of any other provision of this chapter.

- (2) Notice of hearing. Notice of a hearing to consider the suspension or revocation of a license under the preceding subsection shall be given in writing by the City Clerk, setting forth the grounds of the proposed action and the time and place of the hearing. Such notice shall be personally delivered, or mailed, by certified and regular mail, to the licensee at the address indicated on the license application, at least 10 days prior to the date of the hearing.
- (3) Suspension or revocation of a license shall be in addition to any other penalty which may be imposed for a violation of this article.
- (4) Appeal. Any person whose permit is suspended or revoked under this section shall have the right to appeal that decision to a court of competent jurisdiction.

#### **J. FEES, VIOLATIONS & PENALTIES**

- (1) Any licensee who shall violate or fail to comply with the provisions of this article shall, upon conviction, have his, her or its license subject to a fine of \$2,500 for the first offense and \$3,500 for any subsequent offense as well as such penalties as may otherwise be provided by law.
- (2) Any person who shall violate or fail to comply with the provisions of this article shall, upon conviction, be subject to a minimum fine of \$250 or a maximum of \$2,000 or by imprisonment for a term not exceeding 90 days or by a period of community service not exceeding 90 days, as well as such penalties as may otherwise be provided by law.

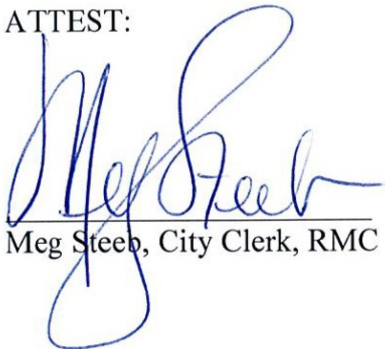
#### **SECTION 3. REPEALER, SEVERABILITY, APPLICABILITY, EFFECTIVE DATE**

- A. All ordinances or parts thereof which are inconsistent with the provisions of this Ordinance are, to the extent of such inconsistency, hereby repealed.
- B. In the event any section, clause, sentence, phrase or provision of this Ordinance is declared unconstitutional, unenforceable, or invalid by a court of competent jurisdiction, such a decision shall not affect the remaining portions of this Ordinance, and the Ordinance shall be interpreted consistent with its original intent to the fullest extent permissible by law.

- C. It is the intention of the Council of the City of Egg Harbor that the provisions of this Ordinance shall become and be made part of the Code of the City of Egg Harbor; and that the sections of this ordinance may be renumbered or re-lettered to accomplish this intention, and that the word “ordinance” may be changed to “section” “article” or such other appropriate word or phrase in order to accomplish such intentions.
- D. The fines and penalties established within this Ordinance shall be considered cumulative, and not superseding, as a remedy available to the City in addition to those which may also apply under any other applicable City ordinance, or other applicable local, County, or State law or regulation.
- E. This Ordinance shall become effective immediately upon adoption and publication in the manner prescribed by law.

Introduced: August 14, 2025  
Publication: August 20, 2025  
Public Hearing: September 11, 2025  
Adoption: September 11, 2025  
Publication: September 17, 2025

ATTEST:



Meg Steeb, City Clerk, RMC

CITY OF EGG HARBOR



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Lisa Jiampetti, Mayor