Franklin Township Cannabis Ordinance

On February 22, 2021, Governor Phil Murphy signed the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act ("NJCREAMMA"), which legalizes the recreational use of cannabis for adults age 21 and over. Under NJCREAMMA, the New Jersey Cannabis Regulatory Commission ("NJCRC") was created to establish rules and regulations governing the sale and purchase of recreational cannabis, to administer the state's medicinal cannabis program, and to oversee licensing for all areas of the cannabis industry. NJCRC released initial rules on August 19, 2021, that will govern the recreational cannabis industry. A summary of the Cannabis Regulatory Commission's Initial Rules for the Personal-Use of Cannabis is available on the Township's website. The full rules can be found at https://www.nj.gov/cannabis/documents/rules/NJAC%201730%20Personal%20Use%20Cannabis.pdf

NJCREAMMA authorized municipalities to determine their own regulations and zoning ordinances governing the number, type, and operations of cannabis businesses within their borders and set an August 21, 2021 deadline to either "opt-in" or "opt-out" through zoning. In order to meet the State's deadline, the Township originally opted out of Cannabis in order to better evaluate the regulation of cannabis businesses.

In November of 2021, the Land Use Board adopted an amendment to its Master Plan to include cannabis businesses. The direction from the Land Use Board included a recommendation about which licenses would be appropriate, appropriate lot sizes and other land features that should be required for these businesses.

Based upon the direction of the Land Use Board, the Township Committee with the assistance of its Township Attorney and Municipal Planner drafted an ordinance to allow as a conditional use certain cannabis businesses.

This ordinance was introduced by the Township Committee at its public meeting on January 6, 2022. Pursuant to the Municipal Land Use Law, the ordinance was then referred to the Land Use Board for consistency review.

On January 12, 2022 at its public meeting, the Land Use Board unanimously approved the ordinance.

The public hearing and final adoption is scheduled for February 10th at 7:30 at a meeting to be held via zoom. A copy of the link to the meeting as well as copies of the ordinance and other helpful documents are available on the Township's website under the "News" tab on the home page.

The Township has <u>no current application for a cannabis business</u>. This ordinance is just to create a framework that all future applicants will need to adhere. If a licensed cannabis business wished to locate in Franklin and they meet all of the conditions they would still need to appear before the Franklin Township Land Use Board for site plan approval on their specific application.

This ordinance **DOES NOT** allow cannabis dispensaries anywhere in Franklin.

It does allow as a conditional use four types of cannabis businesses: Cultivation, Manufacturing and Wholesale/Distribution and Microcultivation.

A conditional use is a use permitted in the specific zones if the use meets all of the conditions set forth in the ordinance. These conditions are evaluated by the Land Use Board along with site plan review at a public hearing.

Below is an explanation of the conditions for each of the four types of licenses as well as a list of conditions that relate to all uses and a list of additional restrictions the Township can place on the business as part of its Site Plan review.

Cultivation and Manufacturing (growing and processing):

Is a conditional use in the following zone:

AR-7 (Ag Residential)

RR-5 (Rural Residential)

C-N (Commercial North)

C-S (Commercial South)

Some of the conditions include:

- Must be on a 20-acre minimum lot
- Must be located on a County or State Highway with at least 50 feet of road frontage.
- Can not be located within 1000 feet of any school property
- Can not be on farmland assessed land
- Adherence to site design standards and bulk standards of their zone.
- Site plan required
- Look and design of the facility should be in keeping with the agricultural nature of the region.
- Indoors only, must not be perceivable from exterior of the building
- No signage other than direction or discreet building identification
- Odors prohibited
- Light pollution standards
- Noise limits
- Parking rates

Distribution/Wholesale:

C-S Zone only (once other conditions are applied there is only one property that could have this use.

The conditions are the same as those listed above for cultivation and manufacturing.

Microcannabis cultivation:

Is a special type of license that allows growing only. With some very specific conditions (set by the CRC) that severely limits the size of a grow operation.

- Owners must live in NJ.
- 51% of owners and employees must live in Franklin or an adjacent municipality.
- Limited to 10 employees
- Can occupy no more than 2,500 square feet or be more than 25 feet high.
- May possess no more than 1,000 cannabis plants per month.

Is a conditional use in the following zone:

AR-7 (Ag Residential)

RR-5 (Rural Residential)

C-N (Commercial North)

C-S (Commercial South)

Some of the conditions include:

- Must be on a 10-acre minimum
- Cannot be located within 1000 feet of any school property
- Can not be on farmland assessed land
- Adherence to site design standards and bulk standards of their zone.
- Site plan required
- Look and design of the facility should be in keeping with the agricultural nature of the region.
- Indoors only, must not be perceivable from exterior of the building
- No signage other than direction or discreet building identification
- Odors prohibited
- Light pollution standards
- Noise limits
- Parking limits

The Township Planner prepared a map that highlights all the possible locations for these businesses by considering zone, lot size and road frontage. She also removed farmland preserved lands. It did not considered wetlands, step slopes or other land attributes that would not allow development which will further limit possible sites.

General regulations for all cannabis businesses:

Security:

24/7 monitoring with access by Police.

Security lighting

Security staffing

Enclosed, locked facility

Additional requirements to be included in site plan review by Land Use Board:

- Additional security requirements
- Parking and traffic flow
- Require regulations concerning walls, doors, windows, locks and fences
- Limits on ventilation (odor) and lighting
- Limits on noise
- Limits on hours of operation

This means that based upon the testimony of what type of operation (size, location, etc.) the Board can impose additional requires on the business in these categories and others.

Violations:

Businesses that violate the ordinance can be fined but more importantly the Township has the power to revoke the businesses zoning permit if the ordinance is violated. In addition, the Township can require a developer's agreement to ensure the conditions of any approval are complied with by the developer.

Taxation:

Township will receive tax of 2% of a business's receipts for cultivation and manufacturing of adult use cannabis and 1% of wholesale adult use cannabis businesses. This is in addition to property taxes.