

BOROUGH OF SOUTH RIVER NOTICE FIRST READING OF ORDINANCE 2026-20 NOTICE IS HEREBY GIVEN that the foregoing ordinance was introduced and passed on first reading at a special meeting of the Borough Council of the Borough of South River, in the County of Middlesex, State of New Jersey, held on September 4th, 2026, and will be considered for second reading and final passage at the regular meeting of said Governing Body to be held on the 14th day of September, 2026, at 7:00 p.m., or as soon thereafter as this matter can be reached, at the Council Chamber of the Criminal Justice Building located at 61 Main Street, South River, New Jersey, and/or virtually via Zoom meeting code 826 6082 9597; password: 000000 at which time all persons interested shall be given an opportunity to be heard concerning this ordinance. Submitted by Silvana Jaeckle – Deputy Borough Clerk

ORDINANCE NO. 2026-20

AN ORDINANCE OF THE BOROUGH OF SOUTH RIVER REPEALING AND REPLACING CHAPTER 120, "CANNABIS," OF THE CODE OF THE BOROUGH OF SOUTH RIVER; ESTABLISHING A COMPREHENSIVE MUNICIPAL CANNABIS LICENSING PROGRAM; AND PROVIDING SETTLEMENT AND TRANSITIONAL PROVISIONS

WHEREAS, the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act, P.L. 2021, c. 16, N.J.S.A. 24:6I-31 et seq. ("CREAMMA"), authorizes municipalities to regulate the number, location, manner, and, to the extent permitted by State law, times of operation of cannabis businesses, to impose separate local licensing requirements, and to establish civil penalties for violations of valid municipal cannabis regulations; and

WHEREAS, the Borough of South River previously adopted Chapter 120, "Cannabis," and Section 350-8T, "Licensed cannabis facilities," to regulate cannabis businesses within the Borough; and

WHEREAS, the Mayor and Borough Council have determined that Chapter 120 should be replaced with a comprehensive, transparent, and administratively workable municipal licensing system that applies uniformly to all authorized cannabis business classes, establishes objective application and review standards, protects compliant incumbent licensees, discourages license warehousing, and preserves the Borough's continuing regulatory and enforcement authority; and

WHEREAS, the Mayor and Borough Council have determined that a single annual municipal cannabis licensing fee of \$5,000 is reasonable in light of the recurring administrative, departmental, compliance, recordkeeping, and governing-body functions required by the licensing program, and that application-specific outside professional costs should be accounted for separately through a refundable professional-review escrow; and

WHEREAS, the Borough's existing ordinance authorizes one Class 5 Cannabis Retailer license, and the Mayor and Borough Council have determined to increase the maximum number of Class 5 Cannabis Retailer licenses to two; and

WHEREAS, *Nurturing Leaves, LLC* commenced an action captioned *Nurturing Leaves, LLC v. Borough of South River, South River Borough Land Use Board, South River Borough Council, and South River Mayor Peter S. Guindi*, in the Superior Court of New Jersey, Law Division, Middlesex County, bearing Docket No. MID-L-001908-26; and

WHEREAS, that action has been resolved through a binding Settlement Agreement and Consent Order of Dismissal (collectively, the "Settlement Documents") that require specified municipal licensing, renewal, fee, notice, and zoning treatment for Nurturing Leaves, LLC; and

WHEREAS, the limited treatment required by the Settlement Documents implements independently binding legal obligations, does not establish a generally available preference, and should extend only to the extent and for the duration required by the Settlement Documents; and

WHEREAS, High End Cannabis Corporation previously received municipal local support and land-use approval under the Borough's prior cannabis framework, and the Mayor and Borough Council have determined that a one-cycle transition is appropriate to avoid retroactive imposition of newly established annual filing and fee requirements while the replacement licensing program is implemented; and

WHEREAS, this Ordinance continues and restates the Borough's existing cannabis transfer tax and user tax at the same rates and does not impose a new cannabis transfer tax or user tax; and

WHEREAS, the Mayor and Borough Council intend that the generally applicable provisions adopted by this Ordinance remain effective and useful beyond the transition and settlement-protected periods addressed herein;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Borough Council of the Borough of South River, County of Middlesex, State of New Jersey, as follows:

SECTION 1. Incorporation of recitals.

The foregoing recitals are incorporated into and made a part of this Ordinance as if set forth at length.

SECTION 2. Repeal and replacement of Chapter 120.

Chapter 120, "Cannabis," of the Code of the Borough of South River is repealed in its entirety and replaced with the following:

CHAPTER 120. CANNABIS

ARTICLE I. GENERAL PROVISIONS

§ 120-1. Purpose; authority; construction.

- A. This chapter is adopted to protect the public health, safety, and welfare; implement CREAMMA and applicable regulations of the New Jersey Cannabis Regulatory Commission; establish a fair, transparent, and predictable municipal cannabis licensing process; prevent the indefinite warehousing of municipal license positions; protect neighborhoods and public infrastructure; and ensure continuing regulatory compliance.

- B. This chapter is adopted pursuant to CREAMMA, N.J.S.A. 24:6I-31 et seq., N.J.A.C. 17:30, the general police powers of the Borough, and all other applicable authority.
- C. Municipal cannabis licensing under this chapter is supplemental to, and does not replace, any State license or authorization, zoning or land-use approval, construction permit, fire or health approval, certificate of occupancy, or other approval required by law.
- D. No provision of this chapter shall be construed to authorize conduct prohibited by controlling State law. In the event of a direct conflict, controlling State statutes, regulations, and binding judicial precedent shall govern.

§ 120-2. Definitions.

As used in this chapter, the following terms shall have the meanings indicated. Terms not defined in this chapter shall have the meanings assigned by CREAMMA and N.J.A.C. 17:30, as amended.

ACT

The New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act, P.L. 2021, c. 16, N.J.S.A. 24:6I-31 et seq., as amended and supplemented.

ANNUAL FILING PERIOD

The annual period established by § 120-12 during which municipal cannabis applications are accepted.

ANNUAL MUNICIPAL CANNABIS LICENSE or ANNUAL LICENSE

A final municipal license issued under Article VI for the stated Municipal License Year. It does not authorize operation unless all separate State and municipal approvals required by law are effective.

APPLICANT

A person or entity that submits an application for a Municipal Cannabis License, renewal, or conditional-license extension.

AVAILABLE LICENSE POSITION

A position under a numerical limit established by § 120-5 that the Borough has affirmatively identified and advertised as available for prospective award. A position may be advertised although occupied during the current term if the holder has no protected right to the succeeding term, including a position occupied by a Conditional Licensee seeking a discretionary extension. The term does not include a position provisionally preserved by a timely Expression of Interest or protected by § 120-52.

BONA FIDE CANNABIS BUSINESS OPERATIONS

Actual, lawful, regular, and commercially genuine operations within the scope of the applicable State and Municipal Cannabis Licenses. The term excludes nominal, token, sporadic, sham, or pretextual activity undertaken primarily to preserve a license position.

BOROUGH

The Borough of South River, County of Middlesex, State of New Jersey.

BUSINESS DAY

A day on which the administrative offices of the Borough are open to the public.

CANNABIS BUSINESS

A cannabis cultivator, cannabis manufacturer, cannabis wholesaler, cannabis distributor, cannabis retailer, or cannabis delivery service licensed or proposed to be licensed under CREAMMA.

CANNABIS BUSINESS PREMISES

The premises at which a Cannabis Business is authorized or proposed to conduct activities under a State Cannabis License, as defined and regulated by State law.

COMMISSION or CRC

The New Jersey Cannabis Regulatory Commission, or any successor State agency having regulatory authority over cannabis businesses.

CONDITIONAL LICENSEE

The holder of a valid Conditional Municipal Cannabis License.

CONDITIONAL MUNICIPAL CANNABIS LICENSE

A temporary municipal award issued under Article V that reserves a License Position for a stated term while the holder pursues the State and municipal approvals required for an Annual Municipal Cannabis License. It is distinct from a conditional cannabis business license issued by the CRC and does not authorize cannabis operations.

EXPRESSION OF INTEREST

A timely, nonbinding notice submitted by an Incumbent Licensee stating its intention to seek renewal for the next Municipal License Year. An Expression of Interest is not an application and does not itself confer a license or right to renewal.

GOVERNING BODY

The Mayor and Borough Council of the Borough of South River acting in accordance with applicable law.

INCUMBENT APPLICANT

An Incumbent Licensee that timely submits both an Expression of Interest and a complete annual renewal application for the same entity, license class or classes, and premises for the succeeding Municipal License Year.

INCUMBENT LICENSEE

The holder of an Annual Municipal Cannabis License during the Municipal License Year immediately preceding the year for which renewal is sought.

LICENSE POSITION

One authorized position under the numerical limitation applicable to a State license class. A multi-class Cannabis Business occupies one License Position under each approved class.

LICENSEE

The holder of a Conditional Municipal Cannabis License or Annual Municipal Cannabis License.

LICENSING ADMINISTRATOR

The Municipal Clerk, with the assistance of the Business Administrator, or another municipal official designated by resolution of the Governing Body.

LICENSING ADVISORY REVIEW TEAM or TEAM

The advisory municipal review body established by § 120-8.

MATERIAL ADVERSE CHANGE

A change occurring after the municipal approval most recently granted that reasonably may affect the applicant's eligibility, comparative evaluation, public-safety profile, compliance status, integrity, financial or operational ability, or the factual basis upon which the prior municipal approval was granted. The term includes a material change in ownership or control, entity status, State licensing status, premises or site control, zoning status, regulatory history, taxes or municipal obligations, code compliance, security, operations, or information previously submitted to the Borough. A minor, technical, or immaterial change is not a Material Adverse Change.

MUNICIPAL CANNABIS LICENSE

A Conditional Municipal Cannabis License or Annual Municipal Cannabis License issued under this chapter.

MUNICIPAL LICENSE YEAR

The period beginning July 1 and ending June 30 of the following calendar year.

NEW APPLICANT

An applicant seeking an initial Municipal Cannabis License or a former incumbent that failed to submit a timely Expression of Interest and applies for an advertised Available License Position. A Conditional Licensee seeking an extension is not an Incumbent Applicant and shall be evaluated on the same competitive basis as a New Applicant when the License Position is open to competition.

PREMISES

The specific lot, building, tenant space, or other location identified in a Municipal Cannabis License or application, including those areas constituting licensed premises under State law.

RESOLUTION OF LOCAL SUPPORT

A resolution adopted by the Governing Body demonstrating municipal support for a cannabis business or proposed location in the form required by the CRC.

STATE CANNABIS LICENSE

A conditional or annual cannabis business license, permit, approval, or other authorization issued by the CRC under CREAMMA.

STATE LAW

CREAMMA, N.J.A.C. 17:30, other applicable statutes and regulations, and binding judicial precedent, as amended or issued from time to time.

§ 120-3. State law and independent approvals.

- A. Every applicant and licensee shall comply continuously with State law.
- B. State licensing, municipal cannabis licensing, zoning and land-use approval, construction permits, fire and health approvals, and certificates of occupancy are separate requirements. The issuance of one does not constitute or guarantee the issuance of another.
- C. No Cannabis Business may commence or continue operations unless it possesses every State and municipal license, permit, approval, and certificate required for the activity and premises.
- D. A municipal approval issued at an earlier stage may be conditioned upon later receipt and maintenance of all remaining approvals.

ARTICLE II. AUTHORIZED CANNABIS BUSINESSES AND NUMERICAL LIMITATIONS

§ 120-4. Authorized cannabis business classes.

- A. The following State cannabis business classes are authorized within the Borough, subject to this chapter and § 350-8T:
 - (1) Class 1 Cannabis Cultivator.
 - (2) Class 2 Cannabis Manufacturer.
 - (3) Class 3 Cannabis Wholesaler.
 - (4) Class 4 Cannabis Distributor.
 - (5) Class 5 Cannabis Retailer.
 - (6) Class 6 Cannabis Delivery Service.
- B. Authorization of a license class does not authorize a particular business, location, or operation without all approvals required by law.
- C. Nothing in this chapter shall require a Municipal Cannabis License solely because a State-licensed business transports cannabis or cannabis items through the Borough or lawfully delivers cannabis items within the Borough from premises located elsewhere.

§ 120-5. Numerical limitations.

- A. The maximum number of outstanding Municipal Cannabis Licenses within each State license class shall be:
 - (1) Class 1 Cannabis Cultivator: five.
 - (2) Class 2 Cannabis Manufacturer: five.
 - (3) Class 3 Cannabis Wholesaler: five.
 - (4) Class 4 Cannabis Distributor: five.
 - (5) Class 5 Cannabis Retailer: two.
 - (6) Class 6 Cannabis Delivery Service: five.
- B. Each outstanding Conditional Municipal Cannabis License and Annual Municipal Cannabis License shall count against the numerical limitation applicable to its class.
- C. A Cannabis Business approved for more than one State license class may receive one municipal certificate identifying each approved class, but shall occupy one License Position under each class.
- D. A Resolution of Local Support, standing alone, does not occupy a License Position unless this chapter or an applicable transition provision expressly provides otherwise.
- E. The Class 4 and Class 6 numerical limitations apply only when the license holder maintains a Cannabis Business premises or principal or administrative office within the Borough. They shall not be construed to restrict lawful transportation through, or delivery within, the Borough by a State-licensed business located elsewhere.

§ 120-6. Maximum numbers only; no general entitlement.

- A. The limitations in § 120-5 are maximums only. Except as provided for an eligible Incumbent Applicant or as required by § 120-52, the Borough is not required to issue every license authorized by the numerical limitations.
- B. The existence of an unused or Available License Position creates no vested right, property interest, expectancy, or entitlement to a Municipal Cannabis License.
- C. The Governing Body may leave a License Position vacant when it determines, by resolution and for reasons related to the standards of this chapter, that no applicant should be selected.
- D. No applicant is entitled to licensure merely because it satisfies the minimum qualifying score.

ARTICLE III. LICENSING ADMINISTRATION

§ 120-7. Governing Body as licensing authority.

- A. Except for ministerial action expressly authorized by this chapter, the Governing Body shall have final municipal authority to grant, deny, renew, condition, extend, suspend, revoke, or accept the surrender of a Municipal Cannabis License and to adopt or withdraw a Resolution of Local Support.
- B. Final action shall be taken by resolution stating the applicant or licensee, premises, license class or classes, disposition, term, and any material conditions.
- C. The Governing Body may impose reasonable, lawful, site-specific or operational conditions that are supported by the record and related to the standards of this chapter.

§ 120-8. Cannabis Licensing Advisory Review Team.

- A. There is established a Cannabis Licensing Advisory Review Team consisting of the following members or their authorized designees:
 - (1) Business Administrator, who shall serve as Chair.
 - (2) Chief of Police.
 - (3) Municipal Clerk.
 - (4) Zoning Officer.
 - (5) Construction Official.
 - (6) Fire Official or Fire Chief.
 - (7) Chief Financial Officer.
 - (8) Health Officer.
- B. The Team may obtain assistance from the Borough Planner, Borough Engineer or traffic professional, Tax Collector, an emergency medical services representative, and any other municipal employee or professional appointed by resolution of the Governing Body whose expertise would materially assist the review.
- C. The Borough Attorney shall serve as counsel to the Team and shall not be a scoring member.
- D. No individual may submit more than one score by reason of holding more than one municipal office. When one individual holds two listed offices, the Governing Body may appoint an alternate municipal official to serve for one of those positions.

- E. The Team is an administrative and advisory review body only. It shall have no authority to grant, deny, renew, condition, suspend or revoke a Municipal Cannabis License, to adopt a Resolution of Local Support, or otherwise to bind the Borough. No quorum or formal vote of the Team shall be required.
- F. Team members may confer as reasonably necessary to perform the administrative review required by this chapter. Where competitive scoring is required, each participating member shall independently complete the applicable score sheet or review assigned to that member. The Chair, with the assistance of the Licensing Administrator, shall compile the individual reviews and scores and prepare the Team's composite recommendation for consideration by the Governing Body.
- G. The Team shall maintain score sheets, departmental reviews, recommendations and other records as required by law.

§ 120-9. Team responsibilities.

The Team shall:

- A. Review complete applications and departmental reports.
- B. Review and report whether applicants satisfy the mandatory eligibility requirements.
- C. Evaluate and independently score applications when required by this chapter, in accordance with § 120-8F.
- D. Review renewal applications, Material Adverse Changes, and conditional-license extension requests.
- E. Identify any clarification or additional information reasonably necessary to complete the review and, through the Licensing Administrator, request such information on a uniform basis when authorized by this chapter, without permitting a prohibited material amendment after the filing deadline.
- F. Compile and report the ranking of qualified applicants resulting from the applicable scoring process when applications exceed Available License Positions.
- G. Prepare a written advisory recommendation and composite score, when applicable, for consideration by the Governing Body.

§ 120-10. Conflicts; recusals; applicant communications.

- A. A municipal official, employee, Team member, or professional participating in the licensing process shall disclose any actual or reasonably perceived conflict of interest and shall recuse when required by law.

- B. All application-related communications shall be directed to the Municipal Clerk, with a copy to the Business Administrator, unless the Licensing Administrator designates another written procedure.
- C. During an active competitive process, an applicant or representative shall not engage in substantive ex parte communications concerning the merits of an application with a Team member, member of the Governing Body, or municipal professional participating in the review. Any unsolicited substantive communication shall be promptly disclosed to the Licensing Administrator and placed in the application record.
- D. Questions concerning procedures, forms, deadlines, checklist items, or submission requirements may be submitted through the third Friday of the calendar year in which the Annual Filing Period occurs. The Borough shall publish all material questions and answers on its website no later than the fifth Friday of that calendar year, without identifying the questioner unless required by law.
- E. No applicant shall receive substantive private guidance unavailable to other similarly situated applicants.

§ 120-11. Licensing Administrator.

- A. The Licensing Administrator shall administer notices, applications, deadlines, completeness review, records, standardized forms, website postings, license certificates, and communications with the CRC.
- B. The Licensing Administrator may obtain assistance from any Borough department or professional reasonably necessary to administer this chapter.
- C. The Governing Body may adopt and amend standardized forms and administrative procedures by resolution. Such forms and procedures may implement, but shall not materially alter, the standards established by this chapter.
- D. Current forms, deadlines, instructions, fees, and published questions and answers shall be made reasonably available on the Borough website.

ARTICLE IV. ANNUAL APPLICATION, REVIEW, AND SELECTION PROCESS

§ 120-12. Annual licensing cycle; Expressions of Interest; Annual Filing Period.

- A. The annual municipal licensing process shall be conducted during the calendar year in which the applicable Municipal License Year begins.
- B. **Expression of Interest by incumbent.** An Incumbent Licensee seeking renewal shall submit an Expression of Interest no later than December 31 immediately preceding the calendar year in which the succeeding Municipal License Year begins. The Expression of Interest shall identify the licensee, premises, license class or classes, and intent to seek renewal. No fee shall be charged for an Expression of Interest.

- C. **Effect of timely Expression of Interest.** A timely Expression of Interest provisionally preserves the incumbent's existing License Position from advertisement to New Applicants, subject to the incumbent's timely submission of a renewal application that is ultimately determined complete and to the incumbent's continued eligibility.
- D. **Failure to submit Expression of Interest.** An incumbent that does not submit a timely Expression of Interest loses incumbent status for the succeeding Municipal License Year. It may apply as a New Applicant only for a License Position that the Borough advertises as available and shall have no renewal preference or entitlement.
- E. **Failure to submit application after Expression of Interest.** If an incumbent timely submits an Expression of Interest but fails to submit a renewal application during the Annual Filing Period, or if its application is finally determined incomplete under § 120-14, its position shall not be reopened during that licensing cycle and shall remain vacant until the next regular Annual Filing Period.
- F. **Withdrawal of Expression of Interest.** An incumbent may withdraw its Expression of Interest in writing. If the withdrawal is received before publication of the annual notice under Subsection H, the position may be advertised. A later withdrawal shall not require the Borough to reopen or extend the Annual Filing Period.
- G. **Conditional Licensees.** A Conditional Licensee may notify the Borough by December 31 that it intends to seek an extension. That notice shall not preserve the License Position from competition, confer incumbent status, or excuse the filing requirements of this article.
- H. **Annual notice.** No later than the fifth Friday of each calendar year, the Licensing Administrator shall publish on the Borough website a notice identifying:
- (1) The license classes and License Positions for which applications will be accepted.
 - (2) The Annual Filing Period and submission method.
 - (3) The required application, checklist, class-specific supplements, fee, and professional-review escrow.
 - (4) The eligibility, scoring, review, selection, and renewal procedures.
- I. **Annual Filing Period.** Applications shall be accepted beginning on the seventh Friday of the calendar year and ending at 4:30 p.m. on the eleventh Friday of the calendar year. Incumbent Applicants, Conditional Licensees seeking extension, and New Applicants shall use the same application process, subject to the different standards applicable to their status.
- J. A New Applicant may apply only for a class and License Position identified in the annual notice. An Incumbent Applicant may apply for its provisionally preserved position.
- K. A License Position becoming vacant after the Annual Filing Period shall remain vacant until the next Annual Filing Period, except that the Governing Body may select a qualified ranked

alternate from the same annual process when the selected applicant withdraws, declines the award, or becomes ineligible before final issuance.

- L. When a deadline falls on a day Borough offices are closed, the deadline shall extend to the same time on the next Business Day.
- M. Deadlines imposed on applicants by this article are mandatory unless uniformly extended by the Governing Body before expiration for good cause. Dates stated for municipal administrative action are directory. Delay by the Borough shall not constitute deemed approval or create a right or entitlement to licensure.

§ 120-13. Application contents.

- A. The Borough shall use one core municipal cannabis application for all license classes, supplemented by class-specific schedules where reasonably necessary. An applicant shall submit the following information, to the extent applicable to the license class and stage of development:

- (1) **Applicant information.** The applicant's legal name, business name, entity type, principal business address, contact information, New Jersey business registration, certificate of good standing, tax identification number, and authorized representative.
- (2) **Ownership and control.** A complete ownership chart and identification of all owners, members, partners, officers, directors, managers, persons with a direct or indirect ownership interest, and persons exercising management or control, together with ownership percentages and disclosures required by the CRC.
- (3) **State status.** The State license class sought or held; State application and license numbers; copies of material CRC approvals, denials, notices, and licenses; and a description of the applicant's current State licensing status.
- (4) **Premises and site control.** The street address, tax block and lot, unit or tenant space, property owner, and documentary evidence of site control sufficient for the proposed use, such as a deed, lease, option, or enforceable agreement, together with written property-owner consent.
- (5) **Zoning and land-use status.** A zoning determination, existing land-use approval, or other documentation showing that the proposed premises is eligible for the proposed cannabis use under § 350-8T, together with the status of any required development application.
- (6) **Plans.** A current site plan, floor plan, and building-elevation plan adequate to identify the proposed premises, entrances, exits, customer and employee areas, secure areas, loading, parking, circulation, equipment, and relationship to adjoining uses. Materials already on file with the Borough may be incorporated by specific reference if current and complete.
- (7) **Security and cash management.** A site-specific plan addressing access control, surveillance, alarms, product security, employee security, loading and delivery security,

emergency procedures, cash storage, cash transfer, deposits, robbery deterrence, and coordination with the Police Department.

- (8) **Traffic, parking, loading, and customer management.** A plan addressing projected trips, parking demand, employee parking, loading, deliveries, pedestrian circulation, customer queues, curbside pickup if proposed, and measures to prevent obstruction of streets, sidewalks, and neighboring properties.
- (9) **Odor, noise, litter, waste, and nuisance control.** A plan identifying potential impacts and the equipment, maintenance, operating procedures, monitoring, and corrective measures proposed to prevent odors, excessive noise, litter, unlawful waste disposal, pests, and other nuisances.
- (10) **Fire and emergency readiness.** A plan addressing fire protection, hazardous materials, emergency access, evacuation, employee training, emergency contacts, and coordination with Fire and emergency medical services.
- (11) **Community and good-neighbor plan.** A plan describing complaint intake, neighborhood communication, responsible business practices, and measures to minimize adverse effects on surrounding properties. The plan shall not include prohibited payments, donations, or financial inducements.
- (12) **Workforce plan.** A description of anticipated staffing, training, workforce development, employee safety, and lawful local recruitment efforts.
- (13) **Financial capacity and insurance.** Documentation reasonably demonstrating the financial ability to complete and sustain the proposed business, together with proof of required insurance or a binding commitment to obtain it before operation.
- (14) **Implementation schedule.** A realistic schedule identifying material milestones for State licensing, land-use approval, permits, construction, inspections, occupancy, staffing, and commencement of operations.
- (15) **Regulatory and compliance history.** Disclosure, to the extent lawfully subject to municipal consideration, of material license denials, suspensions, revocations, enforcement actions, judgments, criminal convictions related to business integrity or the proposed operation, and material code violations involving the applicant, controlling persons, or affiliated cannabis businesses, together with an explanation of disposition and corrective action.
- (16) **Municipal financial status.** A certification concerning municipal taxes, fees, assessments, utilities, and other charges due from the applicant or attributable to the premises.
- (17) **Class-specific information.** Any additional information reasonably necessary to evaluate the particular license class, including cultivation, manufacturing, wholesale, distribution, retail, delivery, utility, environmental, or product-handling impacts.

(18) **Certifications.** Certifications that the application is true and complete; the signer is authorized; material changes will be promptly reported; the applicant will comply with all lawful conditions; and neither the applicant nor anyone acting on its behalf has offered a prohibited payment, contribution, gift, or thing of value in exchange for municipal action.

- B. An applicant may incorporate a current Borough record by specific reference rather than resubmitting an identical document, subject to confirmation by the Licensing Administrator that the referenced record is accessible and complete.
- C. Security-sensitive or claimed confidential materials shall be segregated and marked in accordance with § 120-51.

§ 120-14. Completeness review and cure.

- A. The Licensing Administrator shall determine administrative completeness no later than the thirteenth Friday of the calendar year and shall notify each applicant no later than the next Business Day.
- B. An applicant found incomplete shall have one uniform period of 10 calendar days after notice to cure identified omissions or deficiencies.
- C. A cure may supply omitted documents, signatures, explanations, or corrections, but may not materially change the proposed entity, ownership, license class, premises, site plan, operating concept, or substance of the application after the filing deadline.
- D. The Licensing Administrator or Team may request clarification of information already submitted, provided the request is applied fairly and does not permit a material post-deadline improvement unavailable to competing applicants.
- E. The Licensing Administrator shall issue a final completeness determination within four Business Days after the cure deadline. An applicant may request review by the Business Administrator within three Business Days. The Business Administrator shall issue a final administrative determination within three Business Days after receiving the request.
- F. An application finally determined incomplete shall not receive substantive review. The application fee is nonrefundable, and unused professional-review escrow shall be returned after payment of properly chargeable costs.

§ 120-15. Mandatory eligibility requirements.

- A. An applicant is eligible for substantive consideration only if it:
 - (1) Submits a complete application during the applicable filing period.
 - (2) Pays the required annual licensing fee and professional-review escrow, unless exempt.
 - (3) Is lawfully organized, authorized to conduct business in New Jersey, and in good standing.

- (4) Makes complete and accurate ownership and control disclosures.
 - (5) Is legally eligible to pursue or hold the applicable State license and has no final State determination that prevents the proposed licensure.
 - (6) Demonstrates sufficient site control and property-owner consent.
 - (7) Demonstrates that the proposed premises is eligible for the proposed use under § 350-8T or is subject to a valid land-use approval authorizing the use.
 - (8) Is current on undisputed municipal taxes, fees, assessments, utility charges, and other obligations, or is complying with a written payment agreement approved by the appropriate municipal official.
 - (9) Has no uncured material violation of a Borough ordinance, permit, approval, or order attributable to the applicant or proposed premises.
 - (10) Submits truthful and materially complete information.
 - (11) Demonstrates the ability to obtain and maintain insurance required by State law, this chapter, and the Borough.
 - (12) Agrees to comply with all lawful municipal license conditions and continuing requirements.
 - (13) Has not offered or agreed to any prohibited payment, donation, contribution, gift, or thing of value in exchange for zoning approval, local support, licensing, or other municipal action.
- B. Failure to satisfy a mandatory eligibility requirement renders the application ineligible, subject to § 120-52.
- C. Final operating prerequisites listed in § 120-24 need not be completed before selection for a Conditional Municipal Cannabis License unless the annual notice expressly requires otherwise.

§ 120-16. Competitive evaluation and scorecard.

- A. A New Applicant shall be evaluated under this section. A Conditional Licensee seeking extension shall be evaluated under this section when the License Position is open to competition. An Incumbent Applicant entitled to renewal under § 120-28 shall not be competitively scored.
- B. Applications shall be scored on a 100-point scale as follows:
- (1) Site control, zoning readiness, and implementation: 20 points.
 - (2) Security, public safety, traffic, queue, loading, and cash management: 20 points.

- (3) Odor, noise, litter, waste, and nuisance mitigation: 15 points.
 - (4) Fire, building, and emergency readiness: 10 points.
 - (5) Financial capacity, insurance, and business continuity: 10 points.
 - (6) Management experience and regulatory compliance history: 10 points.
 - (7) Workforce, community impact, and good-neighbor plan: 10 points.
 - (8) Environmental and utility considerations: 5 points.
- C. The Governing Body shall adopt a standardized scorecard by resolution before the Annual Filing Period. The scorecard shall contain reasonable scoring anchors and class-specific guidance consistent with the point allocations in this section.
 - D. Only considerations reasonably applicable to the license class shall be evaluated. An applicant shall not lose points merely because a listed impact does not arise from its license class; rather, the Team shall evaluate whether the applicant has appropriately addressed the impacts reasonably associated with its proposed operation.
 - E. The same non-recused scoring members shall evaluate all competing applications for the same License Position. Each scorer shall complete an individual score sheet. The composite score shall be the arithmetic average of the valid total scores, rounded to two decimal places. At least three valid scores are required. If vacancies or recusals leave fewer than three qualified scoring members, the Governing Body may appoint qualified temporary alternates by resolution before scoring begins.
 - F. If interviews or presentations are used, all competing applicants for the same License Position shall receive materially equal notice, time, format, and subject areas.
 - G. A score below 75 is nonqualifying. A qualifying score does not create an entitlement to licensure.
 - H. Ties shall be resolved by, in order: the higher score for security and public safety; the higher score for site control, zoning readiness, and implementation; and, if an exact tie remains, a random selection conducted at a public meeting.
 - I. No score or preference shall be awarded for a promised payment, donation, contribution, gift, or other financial benefit to the Borough or any official, organization, or person.

§ 120-17. Team recommendation.

- A. The Team shall prepare a written recommendation addressing:
 - (1) Satisfaction of mandatory eligibility requirements.
 - (2) The composite score and material scoring findings, when applicable.

(3) The presence or absence of a Material Adverse Change for an Incumbent Applicant.

(4) The ranking of qualified competing applicants.

(5) Any disqualifying deficiency or recommended condition.

(6) Any qualified ranked alternate.

B. The Chair, with the assistance of the Licensing Administrator, shall compile and sign the recommendation based upon the individual reviews and scores. In the Chair's absence, the Licensing Administrator may designate another Team member to perform that function. No vote or collective approval of the Team shall be required.

§ 120-18. Governing Body determination.

A. The Governing Body shall consider the complete application record and Team recommendation and shall act by resolution at a public meeting.

B. For a competitively available License Position, the Governing Body may grant, condition, or deny an application and may award fewer licenses than the maximum authorized. Its decision shall be based on the standards of this chapter and supported by written findings.

C. A material departure from the Team's ranking or recommendation shall be explained by written findings tied to the eligibility or evaluation criteria in this chapter.

D. An Incumbent Applicant shall be entitled to renewal of its existing License Position when it:

(1) Timely submitted its Expression of Interest and complete renewal application.

(2) Satisfies the mandatory eligibility and renewal requirements.

(3) Has no Material Adverse Change or other lawful ground that materially warrants denial or nonrenewal.

E. A qualified Incumbent Applicant shall not be subjected to comparative competition for its existing License Position merely because another person seeks the same class of license.

F. A Material Adverse Change does not require denial. The Governing Body may impose reasonable conditions that directly address the change and are supported by the record.

G. No failure by the Governing Body to act by a target date shall constitute deemed approval.

H. All determinations under this section are subject to § 120-52.

ARTICLE V. CONDITIONAL MUNICIPAL CANNABIS LICENSE

§ 120-19. Resolution of Local Support.

- A. After selecting a qualified New Applicant, the Governing Body may adopt a Resolution of Local Support containing the information required by the CRC.
- B. A Resolution of Local Support may be adopted concurrently with a Conditional Municipal Cannabis License and may contain reasonable conditions consistent with this chapter.
- C. A Resolution of Local Support does not itself authorize cannabis operations, confer land-use approval, or create a vested right to a Municipal Cannabis License.
- D. An Incumbent Licensee is not required to obtain a new Resolution of Local Support solely for annual municipal renewal unless required by State law, a Material Adverse Change, or a prior condition of approval.
- E. The Licensing Administrator shall promptly transmit or make available municipal documentation required by the CRC.

§ 120-20. Conditional Municipal Cannabis License award.

- A. Upon selection of a qualified New Applicant and adoption of a Resolution of Local Support, the Governing Body may issue a Conditional Municipal Cannabis License by resolution.
- B. The license certificate shall identify the licensee, premises, approved State license class or classes, date of issuance, expiration date, and material conditions.
- C. A Conditional Municipal Cannabis License occupies the applicable License Position during its valid term.
- D. Within five Business Days after the Governing Body's action, the Licensing Administrator shall issue the standardized certificate and provide written notice of the requirements for conversion to an Annual Municipal Cannabis License.

§ 120-21. Effect and limitations of Conditional Municipal Cannabis License.

- A. A Conditional Municipal Cannabis License is a municipal instrument only and is not a conditional cannabis business license issued by the CRC.
- B. It does not authorize possession, cultivation, manufacture, transfer, sale, delivery, occupancy, or operation of a Cannabis Business.
- C. It is personal to the approved entity, license class or classes, and premises and may not be assigned, transferred, or relocated without prior municipal approval.
- D. A material change in ownership, control, premises, State status, or proposed operations shall be reported and reviewed under § 120-31.

- E. A Conditional Licensee is not an Incumbent Licensee and has no entitlement or preference in seeking an extension or Annual Municipal Cannabis License, except that it may convert to an Annual Municipal Cannabis License upon satisfaction of § 120-24 during the valid conditional term.
- F. A Conditional Municipal Cannabis License creates no property right or entitlement beyond its stated term.

§ 120-22. Term and extension.

- A. A Conditional Municipal Cannabis License shall have an initial term of 12 months from issuance.
- B. The Governing Body may grant not more than two additional one-year extensions. Except for a temporary administrative continuation under Subsection F while a timely application is pending, the total conditional term shall not exceed 36 months.
- C. A Conditional Licensee seeking an extension shall apply during the Annual Filing Period immediately preceding expiration, pay the required annual licensing fee and escrow, and comply with the application requirements applicable to its status.
- D. An extension is discretionary. The Conditional Licensee shall demonstrate continuing eligibility and diligent progress toward annual State and municipal licensure, including, as applicable:
 - (1) Progress in the CRC licensing process.
 - (2) Maintenance of site control.
 - (3) Progress toward land-use, construction, fire, health, and occupancy approvals.
 - (4) Adequate financing and insurance.
 - (5) Compliance with implementation milestones and prior conditions.
 - (6) Circumstances beyond the licensee's reasonable control that affected progress.
- E. A Conditional Licensee seeking extension may be evaluated and scored against New Applicants for the same License Position and shall receive no incumbent preference.
- F. A timely extension application shall administratively continue the conditional license until final municipal action, unless the license is suspended, surrendered, or terminated for cause. The continuation does not authorize operations or create a right to extension.
- G. An extension shall be granted only by resolution of the Governing Body.
- H. When a New Applicant is selected for a License Position occupied by an expiring Conditional Municipal Cannabis License, the new award shall become effective no earlier than expiration

or termination of the existing conditional license. No selection or award shall authorize overlapping Municipal Cannabis Licenses or exceed the numerical limitations in § 120-5.

§ 120-23. Expiration or termination.

A Conditional Municipal Cannabis License shall expire or terminate upon the earliest of:

- A. The stated expiration date, unless timely extended.
- B. Written surrender.
- C. Abandonment of the application or project.
- D. Loss of site control without approved replacement premises.
- E. A material misrepresentation or omission.
- F. A final State determination rendering the applicant ineligible.
- G. Failure to satisfy a material condition after notice and opportunity to cure, when required.
- H. Revocation under Article IX.
- I. Issuance of an Annual Municipal Cannabis License, which supersedes the conditional license.
- J. Upon expiration, surrender, or termination, municipal local support associated solely with the conditional award shall also terminate to the extent permitted by State law, and the Licensing Administrator may notify the CRC.

ARTICLE VI. ANNUAL MUNICIPAL CANNABIS LICENSE

§ 120-24. Prerequisites to annual issuance.

- A. Except as provided by § 120-52, an Annual Municipal Cannabis License shall not be issued until the applicant demonstrates, as applicable:
 - (1) A valid CRC annual license or other State authorization sufficient to operate the proposed Cannabis Business.
 - (2) A valid Conditional Municipal Cannabis License, if required for the applicant.
 - (3) Final zoning and land-use approvals.
 - (4) A zoning permit or certificate of zoning compliance.
 - (5) Required construction permits and approvals.
 - (6) A valid temporary or final certificate of occupancy authorizing the proposed use.

- (7) Required fire and health approvals.
 - (8) Required insurance.
 - (9) Payment of applicable municipal taxes, fees, and charges.
 - (10) Final departmental certifications reasonably required by the Licensing Administrator.
 - (11) Continuing satisfaction of the mandatory eligibility requirements and license conditions.
- B. For municipal issuance only, satisfactory written proof that the CRC completed the final onsite assessment and determined the applicant compliant under N.J.A.C. 17:30-7.14(i) may satisfy Subsection A(1). A municipal license issued on that basis shall state conspicuously that cannabis operations may not commence until the CRC issues the State authorization required for operation.
- C. No Annual Municipal Cannabis License, regardless of issuance date, authorizes operation before all separate State and municipal operating approvals are effective.

§ 120-25. Issuance; certificate; pending renewals.

- A. Except as provided by § 120-52, the Governing Body shall issue an Annual Municipal Cannabis License by resolution.
- B. For conversion of a Conditional Municipal Cannabis License, the Governing Body shall act at the first practicable regular meeting occurring at least seven calendar days after the Licensing Administrator receives satisfactory proof of all prerequisites.
- C. For annual renewal, the Team shall endeavor to submit its recommendation by May 31, and the Governing Body shall endeavor to act before June 30.
- D. Within five Business Days after the Governing Body's action, the Licensing Administrator shall issue a standardized license certificate stating the licensee, premises, license class or classes, term, State license number if available, and material conditions. The certificate shall be displayed conspicuously at the licensed premises or, for a business without a fixed cannabis-handling premises, at its principal Borough office.
- E. If an Incumbent Applicant timely submits a complete renewal application and the Borough has not taken final action by June 30, the existing Annual Municipal Cannabis License shall continue administratively for not more than 60 days, provided that the applicable State license remains valid and the municipal license has not been suspended or revoked. The Governing Body may extend that period by resolution for good cause. Administrative continuation is not renewal or deemed approval.
- F. When § 120-52 requires ministerial issuance or renewal, the Licensing Administrator may issue the certificate without further discretionary action to the extent required by the controlling settlement agreement, judgment, or court order.

§ 120-26. Municipal License Year; term.

- A. Each Annual Municipal Cannabis License shall expire on June 30 unless a different term is required by § 120-52.
- B. An initial Annual Municipal Cannabis License issued after July 1 shall cover the remaining portion of the then-current Municipal License Year and shall constitute a stub license period.
- C. An Annual Municipal Cannabis License expires at the end of its stated term unless renewed, administratively continued under § 120-25E, or otherwise continued under § 120-52.
- D. The annual municipal licensing fee shall not be prorated for a stub license period unless expressly authorized by ordinance or required by § 120-52.

§ 120-27. No automatic renewal generally.

- A. Except as required by § 120-52, no Municipal Cannabis License renews automatically.
- B. A license creates no vested right, property interest, expectancy, or entitlement to future licensure beyond the protections expressly granted to a qualified Incumbent Applicant under this chapter.
- C. Each licensee shall timely submit the required Expression of Interest and annual application, remain qualified, and receive affirmative municipal renewal.
- D. Administrative continuation under § 120-25E is not an automatic renewal and confers no right beyond the continuation period.

§ 120-28. Annual renewal; incumbent protection.

- A. An Incumbent Applicant shall file during the Annual Filing Period and shall demonstrate continuing compliance with:
 - (1) State licensing requirements.
 - (2) Municipal taxes, fees, escrow, and other obligations.
 - (3) Zoning, land-use, construction, fire, health, and occupancy requirements.
 - (4) Approved operational plans and municipal license conditions.
 - (5) Site control and insurance requirements.
 - (6) Material ownership and control disclosures.
 - (7) The Bona Fide Cannabis Business Operations requirement.

- B. The Team shall review the incumbent's State license status; municipal payment status; violations and enforcement history; substantiated complaints to the extent they establish an independently cognizable violation or licensing concern; nuisance history; material ownership, control, site, or operational changes; insurance; and actual operations during the preceding term.
- C. A qualified Incumbent Applicant shall not be competitively scored or compared with New Applicants for its existing License Position.
- D. A Material Adverse Change shall be evaluated only to the extent reasonably related to eligibility, public safety, compliance, integrity, operational ability, or the basis of the prior municipal approval. It does not require denial and may be addressed by reasonable conditions.
- E. If the incumbent satisfies the renewal requirements and no Material Adverse Change or other lawful ground materially warrants denial, the Governing Body shall renew the license.
- F. A proposed nonrenewal shall proceed in accordance with Article IX.
- G. This section is subject to § 120-52.

§ 120-29. Failure to operate; succeeding-license eligibility.

- A. Except as provided in Subsection B or § 120-52, an Annual Licensee that conducts no Bona Fide Cannabis Business Operations during an entire Municipal License Year is ineligible for a succeeding Annual Municipal Cannabis License for the premises.
- B. The Governing Body may waive Subsection A for one succeeding Municipal License Year upon clear and convincing evidence that nonoperation resulted primarily from casualty, force majeure, a government order, or governmental delay not caused by the licensee, and that the licensee acted diligently. Lack of financing, loss of site control, ordinary business conditions, or failure to advance State or municipal approvals shall not, standing alone, constitute good cause.
- C. A stub license period of fewer than 90 days shall not, by itself, render a licensee ineligible under Subsection A.
- D. Nominal or token activity does not constitute Bona Fide Cannabis Business Operations.
- E. This licensing standard is separate from, and shall be administered consistently with, the zoning-abandonment provisions of § 350-8T.

ARTICLE VII. CONTINUING LICENSE CONDITIONS

§ 120-30. Continuing compliance.

- A. Each licensee shall continuously comply with:

- (1) CREAMMA, CRC regulations, and all conditions of its State license.
 - (2) This chapter and § 350-8T.
 - (3) All zoning, land-use, construction, fire, health, occupancy, and other municipal approvals.
 - (4) Approved plans, representations, and conditions material to municipal licensure.
 - (5) All applicable taxes, fees, assessments, escrows, and reporting obligations.
- B. A licensee shall not offer, provide, or agree to provide a prohibited payment, contribution, gift, donation, or thing of value in exchange for municipal action.
- C. A licensee shall promptly correct any material noncompliance and shall cooperate with lawful municipal enforcement and inspection activity.
- D. The continuing requirements of this article apply to the extent relevant to the licensee's license class, licensing stage, premises, and operations.

§ 120-31. Material changes; transfer; relocation.

- A. A Municipal Cannabis License is personal to the approved entity, license class or classes, and premises and may not be assigned, transferred, or relocated except as approved under this section and State law.
- B. Prior written municipal approval shall be required, to the extent permitted by State law, for:
- (1) Relocation of the premises.
 - (2) A material change in ownership, control, entity structure, or management.
 - (3) Addition or removal of a State license class.
 - (4) A material alteration of the premises or operating plan affecting municipal review criteria.
 - (5) Transfer of the business or municipal license to another entity.
- C. The licensee shall notify the Licensing Administrator within two Business Days after receiving notice of a State license suspension, revocation, nonrenewal, material enforcement action, or other State action materially affecting legal authority to operate.
- D. A change of trade name, contact information, or other nonmaterial information shall be reported within 10 Business Days and may be approved administratively.
- E. A relocation requires new zoning confirmation, continued site control, and any amended or new Resolution of Local Support required by State law. Approval of relocation is discretionary and does not guarantee continued reservation of the License Position.

- F. The Licensing Administrator may refer a proposed change to the Team and Governing Body and may require updated application materials reasonably related to the change.

§ 120-32. Security and cash management.

- A. A licensee shall maintain all security required by the CRC and its approved State security plan.
- B. The licensee shall maintain a site-specific security and cash-management plan reviewed by the Police Department and shall implement reasonable additional site-specific measures required by the Governing Body or imposed through land-use approval, provided they do not conflict with State law.
- C. The cash-management plan shall address secure storage, employee access, deposits, transportation, robbery deterrence, emergency response, and measures to avoid unnecessary accumulation or public visibility of cash.
- D. Significant thefts, diversions, robberies, security breaches, or other reportable incidents shall be reported promptly to the Police Department and other authorities as required by law.

§ 120-33. Traffic, parking, loading, delivery, and customer management.

- A. A licensee shall comply with its approved traffic, circulation, parking, loading, delivery, and customer-management plans.
- B. The licensee shall prevent customer queues, vehicles, deliveries, or loading activity attributable to the business from obstructing public streets, sidewalks, fire lanes, neighboring driveways, or adjoining properties.
- C. Loading and deliveries shall occur only in approved areas and in a manner that reasonably minimizes neighborhood impacts.
- D. Curbside pickup may occur only when authorized by State law and expressly approved in the site plan and municipal operating plan. It shall not occur in a public travel lane or otherwise create an unsafe condition.
- E. Nothing in this section shall restrict lawful transportation of cannabis items through the Borough or lawful delivery of cannabis items within the Borough in violation of State law.

§ 120-34. Odor, noise, litter, waste, and nuisance controls.

- A. A licensee shall install, operate, inspect, and maintain odor-control and ventilation systems sufficient to prevent cannabis odors from unreasonably emanating beyond the premises, as required by approved plans.
- B. The premises and adjoining areas shall be kept free of litter and waste attributable to the business.

- C. Mechanical equipment, generators, fans, loading activity, and business operations shall comply with applicable noise standards and approved mitigation measures.
- D. A licensee shall not create or maintain a public nuisance attributable to the licensed operation.
- E. Upon written notice of a substantiated impact, the licensee shall investigate and implement reasonable corrective measures within the reasonable time stated by the appropriate municipal official.

§ 120-35. Emergency and neighborhood contacts.

- A. Each licensee shall maintain with the Borough:
 - (1) A continuously available emergency contact authorized to respond to municipal officials.
 - (2) A business-hours contact for complaints and neighborhood concerns.
- B. Contact information shall be updated within two Business Days after any change.
- C. The licensee shall maintain a log of material complaints, investigations, responses, and corrective actions for at least three years and shall make it available to the Borough upon lawful request, subject to applicable confidentiality protections.

§ 120-36. Cannabis consumption areas.

- A. An Annual Municipal Cannabis License does not authorize a cannabis consumption area.
- B. No cannabis consumption area is authorized within the Borough unless separately authorized by ordinance of the Governing Body and approved or endorsed by the CRC as required by State law.
- C. A Resolution of Local Support or Class 5 Municipal Cannabis License shall not be construed as municipal authorization for on-premises consumption.

§ 120-37. Inspections and compliance certifications.

- A. Authorized municipal officials may conduct reasonable, lawful inspections of a licensed premises during business hours or at another reasonable time, upon consent, pursuant to an administrative warrant, or as otherwise authorized by law.
- B. A licensee shall cooperate with lawful inspections and provide nonprivileged records reasonably related to municipal licensing, taxes, and compliance.
- C. Each Annual Licensee shall submit a compliance certification with its renewal application. The Licensing Administrator may require a supplemental certification reasonably related to a reported Material Adverse Change or documented compliance concern.

- D. Security-sensitive information obtained by the Borough shall be handled in accordance with applicable law.
- E. An inspection finding shall be addressed through notice and cure or enforcement under Article IX, as appropriate.

§ 120-38. Hours of operation; transportation and delivery.

- A. Except as provided in Subsection B, no Cannabis Business shall operate:
 - (1) Monday through Saturday between 2:00 a.m. and 7:00 a.m.
 - (2) Sunday between 2:00 a.m. and 10:00 a.m.
- B. The local hours in Subsection A shall not apply to a Class 4 Cannabis Distributor or Class 6 Cannabis Delivery Service to the extent State law reserves regulation of their times of operation to the CRC.
- C. Nothing in this chapter shall restrict lawful transportation of cannabis items through the Borough or lawful delivery of cannabis items within the Borough.
- D. A Municipal Cannabis License or land-use approval may impose more restrictive site-specific hours when supported by the record, related to legitimate land-use or public-safety considerations, and permitted by State law. This subsection shall not be applied to regulate the times of operation of a Class 4 Cannabis Distributor or Class 6 Cannabis Delivery Service beyond municipal authority granted by State law.

ARTICLE VIII. FEES AND CANNABIS TAXES

§ 120-39. Annual municipal cannabis licensing fee.

- A. A nonrefundable annual municipal cannabis licensing fee of \$5,000 shall accompany each application submitted during the Annual Filing Period.
- B. The fee applies uniformly to an initial application, annual renewal application, and Conditional Municipal Cannabis License extension application, regardless of State license class or microbusiness status.
- C. One fee shall apply to one applicant at one premises, including an application seeking more than one State license class at that premises. Separate premises require separate applications and fees.
- D. No additional fee shall be charged solely for conversion of a Conditional Municipal Cannabis License to an Annual Municipal Cannabis License during the same licensing cycle.

- E. The fee supports ordinary municipal administration and regulation of the licensing program. It does not include professional-review escrow, land-use escrow, construction or permit fees, taxes, or other charges independently authorized by law.
- F. The amount of the annual municipal cannabis licensing fee may be amended only by ordinance or as otherwise expressly permitted by law.
- G. This section is subject to § 120-52 and the transition provisions of the ordinance adopting this chapter.

§ 120-40. Professional-review escrow.

- A. Each application shall be accompanied by a refundable professional-review escrow deposit of \$2,500, unless exempt.
- B. Escrow funds may be used only for actual, reasonable, necessary, and application-specific outside professional costs, including:
 - (1) Borough Attorney or special cannabis counsel review attributable to the application.
 - (2) Planning review beyond ordinary departmental review.
 - (3) Engineering or traffic review not otherwise charged through a land-use escrow.
 - (4) Specialized security or public-safety consulting.
 - (5) Financial or accounting review reasonably required by the application.
 - (6) Environmental, utility, or other specialized professional review reasonably necessitated by the application.
- C. Escrow shall not be charged for routine time of salaried municipal employees unless independently authorized by law, and no cost may be charged both to the cannabis licensing escrow and a land-use or other municipal escrow.
- D. The Borough shall maintain a separate accounting and make itemized professional invoices or statements reasonably available to the applicant.
- E. When the escrow balance falls below \$1,000, the Chief Financial Officer may require replenishment to \$2,500. The applicant shall replenish within 10 Business Days after written notice. Review may be suspended during an uncured failure to replenish.
- F. After final disposition of the application and payment of all properly chargeable costs, the Borough shall return the unused balance without interest.
- G. An applicant disputing a charge shall notify the Chief Financial Officer in writing within 15 calendar days after the statement is made available. The applicant shall pay or replenish all

undisputed amounts while the dispute is reviewed by the Business Administrator in consultation with the Chief Financial Officer and Borough Attorney.

- H. This section is subject to § 120-52 and the transition provisions of the ordinance adopting this chapter.

§ 120-41. Municipal cannabis transfer tax and user tax.

- A. The municipal cannabis transfer tax and user tax previously imposed by the Borough are continued and restated under N.J.S.A. 40:48I-1. This section is a continuation and recodification of the existing tax, not the creation of a new tax.
- B. A transfer tax is imposed upon the receipts from each taxable sale or transfer of cannabis or cannabis items by a cannabis establishment located in the Borough at the following rates:
- (1) Two percent of the receipts from each sale by a cannabis cultivator.
 - (2) Two percent of the receipts from each sale by a cannabis manufacturer.
 - (3) One percent of the receipts from each sale by a cannabis wholesaler.
 - (4) Two percent of the receipts from each sale by a cannabis retailer.
- C. A municipal user tax is imposed, at the equivalent transfer-tax rate, upon a license holder operating more than one cannabis establishment, on the value of each transfer or use of cannabis or cannabis items not otherwise subject to the transfer tax, from the license holder's establishment located in the Borough to any other establishment of the same license holder, whether located in the Borough or another municipality.
- D. The transfer tax and user tax are in addition to other taxes imposed by law, subject to any exemption required by State law.
- E. The transfer tax or user tax shall be collected or paid and remitted to the Borough by the cannabis establishment. It shall be collected from the cannabis establishment purchasing or receiving the cannabis or cannabis item or, for a retail sale, from the consumer at the point of sale by the cannabis retailer, as applicable under State law.
- F. The tax shall be stated, charged, and shown separately on each sales slip, invoice, receipt, or other statement of the price paid or payable, or the equivalent value of the transfer. A cannabis establishment shall not advertise or represent that the tax will not be charged, will be absorbed, or will be refunded.
- G. Every cannabis establishment required to collect or pay the tax shall be personally liable for the amount imposed, collected, or required to be collected.

- H. For each calendar quarter, not later than 30 days after the close of the quarter, or at another time prescribed by the Chief Financial Officer, every cannabis establishment subject to this section shall file a return in the form prescribed by the Borough stating:
- (1) Gross receipts and taxable transfers by month and license class.
 - (2) The equivalent value of transfers subject to the user tax.
 - (3) The amount of tax due.
 - (4) Copies of State sales and use tax returns and other records reasonably required to verify the return, to the extent permitted by law.
- I. The full amount due shall be remitted with the return.
- J. Each cannabis establishment shall retain books and records sufficient to verify the tax for at least four years and shall make them available for lawful municipal audit or inspection upon reasonable notice.
- K. The Chief Financial Officer shall administer, collect, and enforce the tax and may establish reasonable forms, filing methods, and administrative procedures consistent with this section and State law.
- L. Delinquent tax shall accrue interest and penalties to the extent permitted by law. The unpaid balance and interest shall constitute a lien on the parcel comprising the cannabis establishment's premises in the same manner as other unpaid municipal taxes, fees, or charges. The lien shall have the priority provided by N.J.S.A. 40:48I-1 and shall be enforced as a municipal lien.
- M. The Tax Collector shall file a statement identifying the amount and due date of the unpaid balance and the tax block and lot of the premises, as required by law.

ARTICLE IX. ENFORCEMENT

§ 120-42. Grounds for denial or nonrenewal.

- A. Subject to the incumbent protections in Article VI and § 120-52, an application may be denied or an Annual Municipal Cannabis License may be nonrenewed for one or more of the following material grounds:
- (1) Failure to satisfy a mandatory eligibility or renewal requirement.
 - (2) A materially false statement, omission, or misrepresentation.
 - (3) Denial, expiration, suspension, revocation, or loss of required State authority.
 - (4) Loss, expiration, or material violation of required zoning, land-use, construction, fire, health, or occupancy approval.

- (5) Delinquent municipal taxes, fees, assessments, escrow, utility charges, or other undisputed obligations after notice and opportunity to cure.
 - (6) An uncured material violation of this chapter, § 350-8T, another Borough ordinance, or a municipal permit, approval, order, or license condition.
 - (7) Failure to comply materially with an approved operational plan or license condition.
 - (8) An unauthorized Material Adverse Change, assignment, transfer, relocation, or change in ownership or control.
 - (9) Creation or maintenance of a substantiated public nuisance or material public-safety condition attributable to the operation.
 - (10) Nonuse, abandonment, or failure to conduct Bona Fide Cannabis Business Operations as provided by this chapter.
 - (11) Failure to cooperate with a lawful inspection, audit, or records request materially related to municipal jurisdiction.
 - (12) Fraud, dishonesty, or criminal conduct, to the extent lawfully subject to municipal consideration, that is materially related to business integrity, public safety, or the licensed operation.
 - (13) Another ground expressly stated in this chapter or a lawful condition of the license.
- B. A complaint, allegation, arrest, or pending charge shall not, standing alone, constitute a ground for denial or nonrenewal. The Borough shall consider the underlying facts, reliability, disposition, materiality, and relationship to a lawful licensing standard.
- C. Adverse action shall be proportionate to the nature, seriousness, duration, recurrence, and curability of the ground.

§ 120-43. Suspension and revocation.

- A. During a license term, the Governing Body may suspend or revoke a Municipal Cannabis License for a material ground stated in § 120-42 or for a material breach of the license.
- B. Suspension may be imposed pending cure, investigation, restoration of required authority, or final hearing.
- C. Revocation shall be reserved for a substantial, repeated, willful, fraudulent, dangerous, or incurable violation, or for circumstances in which the licensee is legally unable to operate.
- D. Municipal suspension or revocation is independent of any action by the CRC and does not limit State enforcement authority.

- E. Except for emergency action under § 120-46, suspension and revocation shall proceed under §§ 120-44 and 120-45.

§ 120-44. Notice and opportunity to cure.

- A. Before ordinary adverse action based on a curable violation, the Licensing Administrator shall provide written notice stating the facts, legal or license requirements implicated, required corrective action, and proposed cure period.
- B. The ordinary cure period shall be not less than 10 Business Days, but may be longer or shorter when reasonably warranted by the nature of the condition and permitted by law.
- C. No cure period is required for an immediate threat to health or safety, loss of legal authority to operate, material fraud or misrepresentation, an incurable violation, or a repeated violation for which a prior cure opportunity was provided.
- D. Failure to cure within the stated period may result in denial, nonrenewal, suspension, revocation, penalties, or other lawful relief.

§ 120-45. Hearing and final decision.

- A. Before final denial of a substantively reviewed application, nonrenewal, suspension, or revocation, the Borough shall provide at least 10 calendar days' written notice of the proposed action and hearing, except as provided by § 120-46.
- B. The notice shall identify the proposed action, material grounds, hearing date, and right to be represented by counsel and to submit evidence.
- C. The applicant or licensee may appear, be represented by counsel, present documents and testimony, and respond to the municipal record. The technical rules of evidence shall not apply, but the decision shall be based on substantial credible evidence.
- D. Upon timely request and absent an emergency or substantial prejudice, one adjournment to the next regular Governing Body meeting shall be permitted.
- E. The Governing Body may affirm, modify, condition, suspend, revoke, deny, renew, or remand the matter for additional review.
- F. The final decision shall be memorialized by resolution containing findings and the disposition. Written notice shall be served on the applicant or licensee and reported to the CRC when appropriate.

§ 120-46. Emergency suspension.

- A. The Business Administrator may order the immediate temporary suspension of a Municipal Cannabis License upon a written determination or recommendation of the Police Chief, Fire Official, Construction Official, Health Officer, or other official having jurisdiction that

continued operation presents an immediate danger to health or safety or is legally impermissible.

- B. The order shall state the basis, scope, and effective time of the suspension and shall be served promptly on the licensee.
- C. The Governing Body shall review the suspension and provide an opportunity to be heard within 10 Business Days, or sooner when reasonably practicable. The emergency suspension shall expire at the end of that period unless continued or modified by the Governing Body or otherwise authorized by law.
- D. An emergency suspension does not preclude separate penalties, State referral, or permanent adverse action after notice and hearing.

§ 120-47. Violations and penalties.

- A. It is unlawful to operate a Cannabis Business in the Borough without every Municipal Cannabis License required by this chapter.
- B. A person or entity violating this chapter shall be subject to the penalties provided in Chapter 1, Article I, General Penalty, and to any civil penalty, administrative action, injunctive relief, tax remedy, or other remedy authorized by law.
- C. Each day a continuing violation exists after required notice may constitute a separate offense where permitted by law.
- D. Remedies are cumulative and may be pursued concurrently or successively.

§ 120-48. Surrender, expiration, and cessation.

- A. A licensee may surrender a Municipal Cannabis License by filing a signed surrender form with the Licensing Administrator. Surrender is effective upon municipal acceptance or on a later stated date.
- B. Upon surrender, expiration, nonrenewal, suspension, or revocation, the licensee shall cease cannabis operations to the extent its legal authority has ended, remove or cover the municipal license certificate, and comply with State requirements for inventory and business closure.
- C. The Licensing Administrator may notify the CRC and other appropriate agencies of the change in municipal status.
- D. Surrender or cessation does not eliminate accrued taxes, fees, penalties, escrow obligations, corrective duties, or other liabilities.
- E. No fee shall be refunded because of surrender, expiration, nonrenewal, suspension, or revocation.

ARTICLE X. ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

§ 120-49. Standard forms and administrative procedures.

- A. The Governing Body may adopt and amend by resolution standardized forms and procedures, including:
 - (1) Expression of Interest and acknowledgment.
 - (2) Annual application and class-specific supplements.
 - (3) Application checklist and instructions.
 - (4) Completeness and cure notices.
 - (5) Scorecard, scoring anchors, and reviewer forms.
 - (6) Resolution of Local Support.
 - (7) Conditional award and extension forms.
 - (8) Annual award and license certificate.
 - (9) Material-change, ownership-change, and relocation requests.
 - (10) Professional escrow acknowledgment and accounting forms.
 - (11) Compliance, inspection, complaint, surrender, and enforcement forms.
 - (12) Ranked-alternate and other administrative notices.
- B. Forms and procedures may implement but shall not materially alter the substantive standards, rights, or obligations established by this chapter.
- C. The Licensing Administrator shall publish current forms and procedures on the Borough website to the extent reasonably practicable.

§ 120-50. Communications with the CRC.

- A. The Municipal Clerk and Business Administrator are designated as the Borough's primary cannabis licensing contacts with the CRC.
- B. Within 28 days after receipt of a cannabis license application from the CRC, or within another period required by then-controlling State law, the Borough shall inform the CRC whether the application complies with applicable municipal ordinances and regulations.

- C. The Licensing Administrator shall promptly report municipal issuance, denial, expiration, surrender, suspension, revocation, withdrawal of local support, or other material municipal action when required or appropriate.
- D. The Licensing Administrator may obtain information from municipal departments and professionals necessary to provide an accurate response to the CRC.

§ 120-51. Public and confidential records.

- A. An applicant shall segregate security-sensitive material, trade-secret information, and other material claimed to be confidential and shall identify the legal basis for the claim.
- B. An applicant's designation does not control whether a record is public. All records shall be maintained and disclosed in accordance with the Open Public Records Act, the common law, other applicable law, and any lawful court order.
- C. Nothing in this section guarantees confidentiality, waives a lawful exemption, or requires disclosure of a record protected by law.

§ 120-52. Controlling settlement agreements, judgments, and court orders.

- A. This section applies when the Borough is subject to a valid, binding, and enforceable written settlement agreement approved by the Governing Body, in the form and through the procedure required by law, in connection with filed litigation or a formal contested claim, or to a valid judgment, consent order, or other order of a court of competent jurisdiction, that requires or governs the issuance, renewal, continuation, administration, or treatment of a Municipal Cannabis License or Cannabis Business premises.
- B. Notwithstanding any other provision of this chapter or § 350-8T, the Borough shall administer and enforce its cannabis regulations consistently with a controlling settlement agreement, judgment, or court order described in Subsection A.
- C. A requirement, standard, criterion, condition, procedure, deadline, Expression of Interest, application or reapplication requirement, competitive-selection or scoring requirement, discretionary-review requirement, fee, escrow, ground for denial or nonrenewal, or other municipal requirement that conflicts with, prevents, delays, or materially interferes with performance of the controlling obligation shall be deemed modified, waived, or inapplicable solely to the minimum extent and for the period necessary to perform that obligation.
- D. When a controlling instrument requires issuance of a Municipal Cannabis License notwithstanding the absence of a prerequisite otherwise imposed by this chapter, the Borough shall issue the license as required. Unless the controlling instrument provides otherwise, municipal issuance alone shall not authorize cannabis operations before all independently required State, zoning, land-use, construction, fire, health, occupancy, and other operating approvals are effective.

- E. When a controlling instrument requires renewal or automatic renewal, the renewal shall be governed by that instrument notwithstanding otherwise applicable requirements concerning an Expression of Interest, annual application, competitive evaluation, comparative scoring or ranking, discretionary selection, substantive municipal renewal criteria, or grounds for denial or nonrenewal.
- F. During a period in which the Borough is legally required to issue, continue, or renew a particular license, the corresponding License Position shall not be an Available License Position and shall not be advertised or offered to competing applicants. The protected licensee need not submit an Expression of Interest to preserve that position unless the controlling instrument requires it.
- G. A fee, escrow, or municipal charge shall be waived, reduced, or otherwise administered to the extent required by the controlling instrument.
- H. The Licensing Administrator may take ministerial action, including issuance of a license certificate, necessary to perform a nondiscretionary obligation imposed by the controlling instrument.
- I. This section creates no independent right to licensure, renewal, preference, waiver, or exemption. It applies only to an independently existing legal obligation and does not authorize waiver of any substantive or procedural requirement that applicable law prohibits the Borough from waiving.
- J. All nonconflicting provisions of this chapter, § 350-8T, and other applicable law remain in full force and effect.

§ 120-53. Relationship to § 350-8T.

- A. This chapter governs municipal cannabis licensing. Section 350-8T governs zoning and land-use standards for Cannabis Business premises.
- B. A Resolution of Local Support, Conditional Municipal Cannabis License, or Annual Municipal Cannabis License is not a zoning or land-use approval.
- C. A zoning or land-use approval does not reserve a License Position, establish municipal licensing priority, or authorize cannabis operations without the required Municipal Cannabis License.
- D. The two provisions shall be read together and harmonized with controlling State law and § 120-52.

SECTION 3. Nurturing Leaves settlement implementation.

- A. For purposes of this Ordinance, "Settlement Documents" means the Settlement Agreement resolving *Nurturing Leaves, LLC v. Borough of South River, South River Borough Land Use Board, South River Borough Council, and South River Mayor Peter S. Guindi*, Docket No.

MID-L-001908-26, and the Consent Order of Dismissal entered or to be entered in that action. "Settlement Effective Date" has the meaning assigned by the Settlement Agreement. "License Issuance Date" means the date on which the Borough issues a municipal Class 5 Cannabis Retailer license to Nurturing Leaves, LLC, which shall be no later than September 14, 2026.

- B. This Ordinance and Chapter 120 shall be administered consistently with the Settlement Documents. A provision of Chapter 120 that conflicts with or would prevent, delay, condition, or materially interfere with the Borough's performance shall be modified, waived, or deemed inapplicable to the extent and for the duration required by the Settlement Documents.
- C. The Licensing Administrator is authorized and directed to issue Nurturing Leaves, LLC the Municipal Class 5 Cannabis Retailer License required by the Settlement Documents no later than September 14, 2026, notwithstanding any otherwise applicable prerequisite, filing period, application, Team review, fee, escrow, scoring, or discretionary approval requirement. Any municipal Class 5 Cannabis Retailer license issued to any other applicant shall be issued by resolution adopted at the same meeting as, and not before, the issuance of Nurturing Leaves, LLC's license.
- D. The initial municipal license issued to Nurturing Leaves, LLC shall be treated as an Annual Municipal Cannabis License for purposes of Chapter 120 and shall occupy one Class 5 License Position. Unless the Settlement Documents require a different term, the initial certificate shall remain effective through June 30, 2027. Municipal issuance shall not independently authorize cannabis operations before all State and municipal approvals required for operation are effective.
- E. During the fifteen-year renewal period established by the Settlement Documents:
 - (1) The Licensing Administrator shall issue each succeeding Annual Municipal Cannabis License to Nurturing Leaves, LLC upon receipt of satisfactory evidence that the CRC has renewed and maintains the corresponding State Class 5 Cannabis Retailer license.
 - (2) Nurturing Leaves, LLC shall not be required to submit an Expression of Interest, annual renewal application, competitive application, scorecard, comparative presentation, or other substantive municipal renewal submission inconsistent with the Settlement Documents.
 - (3) Renewal shall not be subject to discretionary Team or Governing Body evaluation, comparative selection, or the grounds for denial or nonrenewal in Chapter 120 to the extent inconsistent with the Settlement Documents.
 - (4) The Class 5 License Position occupied by Nurturing Leaves, LLC shall not be an Available License Position and shall not be advertised or offered to another applicant.
- F. Nurturing Leaves, LLC shall be exempt from the \$5,000 annual municipal cannabis licensing fee for seven successive annual renewal periods commencing with the Municipal License Year beginning July 1, 2027. After those seven renewal periods, the annual licensing fee shall be assessed and payable within 30 calendar days after written invoice, to the extent consistent with the Settlement Documents, but no annual renewal application shall be required during the

fifteen-year renewal period. Nonpayment shall not be used to deny or refuse a renewal required by the Settlement Documents.

- G. The Borough's initial Year 1 local license fee will not be applicable to Nurturing Leaves, LLC.
- H. During the fifteen-year renewal period established by the Settlement Documents, Nurturing Leaves, LLC shall not be required to fund the professional-review escrow established by § 120-40 in connection with its Municipal Class 5 Cannabis Retailer License or administration of that license under Chapter 120.
- I. From the Settlement Effective Date through issuance of a final certificate of occupancy for the Nurturing Leaves, LLC facility, municipal application fees and municipal professional-review fees shall be waived to the extent required by the Settlement Documents. This waiver is separate from the cannabis-licensing escrow exemption in Subsection H.
- J. During the fifteen-year renewal period, Chapter 120 shall not be used to deny or refuse renewal of the Nurturing Leaves, LLC Municipal Class 5 Cannabis Retailer License on the basis of municipal violations, taxes, nuisance, nonuse, or another municipal renewal criterion where doing so would be inconsistent with the Settlement Documents. Nonconflicting laws, operational requirements, and lawful enforcement remedies remain applicable.
- K. For 15 years following the License Issuance Date, the Borough shall not enact, impose, assess, or collect a new municipal tax, fee, assessment, surcharge, or other governmental charge specifically applicable to Class 5 Cannabis Retailers or retail cannabis businesses, except as permitted by the Settlement Documents. New NJCRC municipal optional fees will not be applicable to Nurturing Leaves, LLC. Except as otherwise expressly provided in the Settlement Documents, this subsection does not modify or waive any municipal tax or fee lawfully imposed and in effect as of the Settlement Effective Date.
- L. For the notice and zoning-protection periods established by the Settlement Documents:
 - (1) The Borough Clerk shall provide Nurturing Leaves, LLC not less than 90 days' advance written notice, with acknowledged receipt, of any proposed amendment, repeal, replacement, or other change to:
 - (a) the Borough's cannabis licensing ordinances or regulations;
 - (b) the Borough's zoning ordinances or regulations insofar as the proposed change concerns or affects Class 5 Cannabis Retailers or the property from which Nurturing Leaves, LLC operates; or
 - (c) the maximum number of Class 5 Cannabis Retailer licenses permitted within the Borough.
 - (2) For the fifteen-year period established by the Settlement Documents, the Borough shall not amend its zoning regulations as applied to the property from which Nurturing Leaves, LLC operates in a manner that would prohibit retail cannabis as a permitted use at that property.

The foregoing includes any amendment that, while leaving retail cannabis nominally permitted, would materially impair the development, operation, or continuation of Nurturing Leaves' approved use of that property, including through site-specific requirements concerning parking, signage, buffering, hours of operation, or security applied to that property.

- M. In accordance with the Settlement Agreement, the Borough shall, by separate subsequent ordinance adopted in accordance with applicable law, amend § 350-8T(9)(i) to exempt Class 5 Cannabis Retailers from the cash-on-premises limitation set forth therein. This subsection does not itself amend § 350-8T.
- N. The Mayor, Borough Clerk, Business Administrator, Licensing Administrator, and other appropriate officials are authorized and directed to take ministerial action reasonably necessary to implement this section and the Settlement Documents.

SECTION 4. High End Cannabis Corporation transition.

- A. Any existing Resolution of Local Support and valid land-use approval issued to High End Cannabis Corporation before the effective date of this Ordinance is preserved.
- B. If High End Cannabis Corporation has not received an Annual Municipal Cannabis License as of the effective date, its existing Resolution of Local Support shall be treated as a Conditional Municipal Cannabis License under Chapter 120, without an additional application, annual licensing fee, or professional-review escrow. It shall occupy one Class 5 License Position and shall remain effective through June 30, 2027, unless sooner converted, surrendered, suspended, or terminated under this Ordinance.
- C. Upon satisfaction of the operating prerequisites in § 120-24, High End Cannabis Corporation shall be eligible to receive an Annual Municipal Cannabis License for the balance of the then-current Municipal License Year without a competitive application, additional annual licensing fee, or professional-review escrow.
- D. For the Municipal License Year beginning July 1, 2027, the then-current Municipal Class 5 Cannabis Retailer License of High End Cannabis Corporation shall, as applicable, be renewed, extended, or continued through June 30, 2028 without an Expression of Interest, annual renewal application, annual licensing fee, professional-review escrow, competitive scoring, or comparative selection, provided that High End maintains the State and municipal approvals applicable to its then-current licensing stage. A Conditional Municipal Cannabis License continued under this subsection does not authorize operations and may convert to an Annual Municipal Cannabis License upon satisfaction of § 120-24.
- E. Beginning with the Municipal License Year commencing July 1, 2028, High End Cannabis Corporation shall be subject to the generally applicable requirements of Chapter 120 according to its then-current licensing status. To seek renewal or extension for that Municipal License Year, it shall submit its first Expression of Interest or notice of intent by December 31, 2027, and the appropriate annual application, fee, and escrow during the Annual Filing Period

occurring in 2028. If it then holds an Annual Municipal Cannabis License, it shall be treated as an Incumbent Licensee; if it holds a Conditional Municipal Cannabis License, it shall seek an extension under Article V without incumbent protection.

- F. Nothing in this section grants High End Cannabis Corporation a settlement-based exemption, automatic renewal right, or special treatment after the transitional Municipal License Year ending June 30, 2028.

SECTION 5. Fifteen-year Class 5 numerical limitation.

For a period of fifteen years commencing on the License Issuance Date, the maximum number of Municipal Class 5 Cannabis Retailer Licenses permitted within the Borough shall remain fixed at two and shall not be increased or reduced. This section is a time-limited, noncodified implementation provision and does not alter the continuing codified cap of two established by § 120-5 unless that section is lawfully amended after expiration of the fifteen-year period.

SECTION 6. Existing approvals, pending matters, and tax continuity.

- A. Valid land-use approvals, construction permits, certificates, and other lawful approvals existing on the effective date are not extinguished by repeal and replacement of Chapter 120, but remain subject to their terms, applicable law, and the requirement to obtain and maintain a Municipal Cannabis License.
- B. The only preexisting Class 5 Resolutions of Local Support preserved by this Ordinance are those issued to Nurturing Leaves, LLC and High End Cannabis Corporation. Any other preexisting Class 5 Resolution of Local Support or municipal licensing approval for a Class 5 Cannabis Retailer, excluding a land-use approval, that has not resulted in a valid Annual Municipal Cannabis License is rescinded and superseded, and the Borough Clerk is authorized to notify the CRC.
- C. Except for Nurturing Leaves, LLC and High End Cannabis Corporation, any other municipal Class 5 cannabis application pending on the effective date shall be closed without prejudice to submission during a future Annual Filing Period for an advertised Available License Position. A pending municipal application for another license class shall be administered under replacement Chapter 120, and the Licensing Administrator may require supplemental materials reasonably necessary to conform the application to the new requirements.
- D. A land-use approval does not constitute a Municipal Cannabis License and does not independently occupy a License Position.
- E. The transfer tax and user tax restated in § 120-41 are continued without interruption at the same rates previously imposed. Their recodification shall not be construed as repeal, lapse, or imposition of a new cannabis-specific tax.
- F. Accrued violations, taxes, fees, escrow charges, enforcement matters, and other obligations existing before the effective date are preserved unless expressly waived by this Ordinance, § 120-52, or the Settlement Documents.

SECTION 7. Repealer.

All ordinances and parts of ordinances inconsistent with this Ordinance are repealed only to the extent of the inconsistency.

SECTION 8. Severability.

If any section, subsection, sentence, clause, phrase, or application of this Ordinance is held invalid or unenforceable, the remaining provisions and applications shall remain in full force to the maximum extent permitted by law. Any independent rights and obligations established by the Settlement Documents shall be governed by those documents and applicable law.

SECTION 9. Codification.

The Borough's codifier may renumber provisions, correct cross-references, correct manifest typographical or grammatical errors, and make nonsubstantive formatting changes necessary for codification. No substantive change may be made without further action of the Governing Body.

SECTION 10. Effective date.

This Ordinance shall take effect upon final passage and publication according to law.