

October 5, 2018

A Statement to Governor Murphy and the New Jersey State Legislature on behalf of:

The New Jersey League of Municipalities,  
The New Jersey Conference of Mayors, and  
The New Jersey Urban Mayors Association.

Re: Marijuana/Cannabis Legalization

Dear Governor Murphy and Members of the New Jersey State Legislature:

The above organizations have worked closely to identify the concerns of municipal government and taxpayers in anticipation of the likely legalization of adult use recreational marijuana. We appreciated the opportunity to meet with the primary sponsor this past summer to express our concerns, suggestions and additional comments, many of which are summarized below.

The League, New Jersey Urban Mayors Association (NJUMA) and New Jersey Conference of Mayors (NJCM) are generally supportive of the expansion of medical marijuana and decriminalization, but are not prepared to support the current legislative proposals for the legalization of adult use recreational marijuana. We are currently reviewing the proposed draft amendments that were released in the media recently and we recognize that this issue is very much a work in progress.

Ultimately, if such a bill advances there should be provisions that support and protect the interest of New Jersey's municipalities. Specifically we offer the following recommendations.

### **Taxation and the Local Excise Tax**

Recognizing that municipalities will likely only opt in with assurance that projected revenues will defray anticipated expenses, we recommend the following:

- Any legislation must authorize municipalities to implement a local excise tax on any or all of the different proposed licenses of 5% on each. The draft proposal contemplates a 2% local excise tax, which based on experience from other states we believe would be insufficient to defray the anticipated costs associated with law, code and health enforcement.
- Licensees should be required, as a condition of the license, to enter into a host benefit agreement with the municipality. This would be similar to the model used in Massachusetts.
- There should be a mechanism in place to verify that the revenues collected as a result of a local excise tax are being returned appropriately to the host municipality.
- Licensees should also be subject to any local license or mercantile fees, as would be the case with any other business.
- Regarding revenues collected by the state, we further suggest the following:

- portions of this funding be dedicated for specific purposes to assistant local law and health enforcement and public safety, including funding for Drug Recognition Experts (DREs), local costs related to expungement; and,
- the development of a statewide DUI protocol.

### **Land Use, Zoning and Planning**

We appreciate that municipalities will have the ability to opt-out, pursuant to the latest proposal. However, this would require hundreds of municipalities to proactively take action within 180 days, a costly and unnecessary process, with the consequences for inaction being a community unable to exercise control over its land use for a period of five years.

Instead we suggest the ability to “opt in.” We would ask that bill language be clear in stating that all local zoning controls remain in place as well, so that a level playing field is maintained amongst all businesses in the community.

We would recommend the following:

1. That bill language be clear that “right to farm” does not apply to any of the four proposed licenses;
2. Clarify that cultivation is not permitted on farmland preserved with taxpayer dollars; and,
3. Clarify that a retail license does not transfer for special events, such as a farmers market.
4. Permit municipalities to “opt-in” to cannabis testing facilities.

### **Social Justice:**

We concur with the concerns raised by many urban mayors on the social justice components of any such legislation, including authorization for the creation of “Impact Zones” to help train residents in the financing and operation of cannabis businesses, provide for local equity in ownership, and incentivize opportunities for veteran, minority and women owned business.

### **Local Health Issues**

As with land use controls, we would ask for language to assure that local health codes continue to govern. Health officers should be afforded the same rights to inspect and begin appropriate disciplinary action for violations.

Submitted on behalf of,

James L. Cassella  
Mayor, East Rutherford  
President, NJLM

Chuck Chiarello  
Mayor, Buena Vista  
President, NJCM  
Past President, NJLM

Albert Kelly  
Mayor, Bridgeton  
President, NJUMA  
Past President, NJLM