

NEW JERSEY CANNABIS TRAINING ACADEMY

# CANNABIS MUNICIPAL GUIDEBOOK 2026

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**NJBAC** | New Jersey  
Business  
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# **THINKING ABOUT ALLOWING CANNABIS IN YOUR TOWN?**

## **A Plain-English Cannabis Opt-In Guide for New Jersey Municipal Leaders**

### **How This Guide Can Help You and Your Municipality**

If your town is thinking about allowing recreational cannabis businesses, this guide is intended to support you in deciding whether it's right for your municipality, and if so, what to consider.

Picture this: A neighboring town has a recreational cannabis dispensary. They are pulling in 2% local tax on those sales, filling a vacant storefront, and creating interest from other non-cannabis businesses to open in their town. Meantime, your town council is watching and wondering: "Is this right for our town?" If so, what are the rules? How does this work? What could go wrong? How do we uphold public safety?

This guide answers all of that. Think of this document as a GPS for cannabis policy. We'll walk you through every turn, from "Should we even do this?" all the way to "Here's how we open the doors and keep things running smoothly."

Whether your town is leaning toward yes, no, or just not sure yet, this guide gives you the information you need to make a smart, informed decision that's right for your community.

## PART 1

# THE BIG PICTURE — WHAT DOES IT MEAN TO “OPT-IN”?

In New Jersey, every town individually decides whether cannabis businesses can operate within its borders. Right now, your town has “opted-out”. This means you’ve told the State of New Jersey that you are a “no” right now for cannabis. However, your town can change its status and policy at any time.

*Opting-in is NOT as simple as saying “yes” at a council meeting. It takes real planning.*

*Here are some steps to consider:*

- Write a new law (ordinance) that spells out the rules.
- Decide WHERE in town these businesses can go.
- Decide HOW MANY businesses to allow.
- Develop a process for reviewing applications from business owners
- Learn and stay updated on the New Jersey Cannabis Regulatory Commission’s (NJCRC) rules.

Think of it like this: opting-in is like deciding to allow a new type of restaurant in town. You still get to decide the zoning, the health standards, and the hours.

Cannabis is similar — just with more local requirements and paperwork that needs to go to the New Jersey Cannabis Regulatory Commission.

## The Six Types of Cannabis Licenses

Not all cannabis businesses are the same. New Jersey has six license types (“classes”). You can choose to allow some, all, or none of them in your town.

Class	Business Type	What They Do
Class 1	Cultivator	Grows the cannabis plants — like an indoor farm for recreational use cannabis.
Class 2	Manufacturer	Turns raw cannabis into products like edibles, oils, and gummies.
Class 3	Wholesaler	Buys, sells or transfers cannabis products between businesses (not to customers directly).
Class 4	Distributor	Transports cannabis products in bulk between cultivators, manufacturers, or retailers across the state.
Class 5	Retailer	The classic dispensary — sells cannabis directly to adult customers age 21+ in a retail storefront.
Class 6	Delivery	Delivers cannabis from a retailer straight to the customer's door.

Most towns start by considering Class 5 (retail dispensaries) because they generate the most tax revenue and are the most visible. But manufacturing and cultivation create jobs and don't require foot traffic, which might work better in industrial zones.

## PART 2

# YOUR STEP-BY-STEP DECISION ROAD MAP

Think of this as a checklist for going from “maybe” to “open for business”. Each step builds on the last. — What does it mean to “opt-in”?

### Step 1: Does Your Town Actually Want a Cannabis Business?

Before anything else, your governing body needs to have an honest conversation. Among the questions to ask:

- Are neighboring towns benefiting from cannabis revenue that could be yours?
- Are local businesses or residents asking for cannabis use?
- How did your community vote on cannabis legalization in 2020?
- What is the governing body’s appetite for this change?

Assign your municipal administrator or attorney a quick feasibility review before the council votes on anything. You want facts, not guesses.

### Step 2: Define Your Goals

Why do you want to opt-in? The answer shapes every decision that follows. Common reasons include:

- Generating new tax revenue (up to 2% on every cannabis sale)
- Bringing life back to vacant storefronts or underused industrial buildings
- Creating local jobs
- Keeping cannabis tax revenue dollars in your town instead of the next town over
- Supporting communities that were disproportionately harmed by past drug laws

You don’t have to do everything at once. Many towns start with just one or two license types to test the waters.

### Step 3: Know Your Powers (and Your Limits)

Your town has real authority here — but it's not unlimited. Here's the breakdown:

What Your Town CAN Control	What Your Town CANNOT Control
<ul style="list-style-type: none"><li>• Where businesses can be located (zoning)</li><li>• How many businesses you allow (license caps)</li><li>• Hours of operation</li><li>• Local fees (as long as they're reasonable)</li><li>• Your own local application process</li><li>• Who reviews local applications</li></ul>	<ul style="list-style-type: none"><li>• State scoring of applicants</li><li>• What cannabis products are sold</li><li>• Final state license approvals</li><li>• State investigations of businesses</li><li>• Base property security requirements set by state law</li></ul>

Consider whether your municipality prefers a strict, moderate, or flexible framework to review and approve applications.

### Step 4: Determine and Establish Zoning

Where will cannabis businesses actually be located? This is often where the real debates happen.

Common options include:

- Industrial zones — great for cultivators and manufacturers (no foot traffic needed)
- Highway commercial corridors — good for dispensaries with easy access
- Redevelopment areas — can breathe new life into struggling neighborhoods
- Cannabis-specific overlay districts — a special zone just for cannabis businesses

Request your planner to do a map test before you set buffer distances from schools and parks. Buffers that only look reasonable on paper might make it impossible to site any businesses at all.

### Step 5: Write Your Ordinance

Your ordinance is your rulebook. At minimum, items to consider:

- The purpose and goals of your cannabis program
- Which license classes are allowed
- Where businesses can be located (with zoning map references)
- Buffer distances from schools, parks, childcare centers, and places of worship
- Caps on the number or types of licenses
- Create your local application process, packages, and fees
- Map out your website portal for cannabis entrepreneurs to access and submit local applications
- Develop enforcement powers and rules for revoking licenses
- Identify whether you're creating a Cannabis Review Board or Committee to handle the administrative task of reviewing, scoring, and recommending cannabis applications for Council's municipal approval
- Identify individuals/positions to review, score, and approve application submissions

## **Step 6: Vote, Publish, and Hear Public Input**

State law requires your governing body to follow these steps for any new ordinance:

- Formally introduce the ordinance at a council meeting
- Publish a public notice as usual course of business
- Hold public hearing(s)
- Vote on final adoption

## **Step 7: Roll Out the Program: Implementation and Administration**

Once the ordinance passes, it's time to put it into action:

- Create your local cannabis application package
- Post it on your town website with clear instructions matching your ordinance
- Decide who reviews applications (council, committee, or cannabis board)
- Publish your scoring or selection criteria so applicants know what you're looking for
- Accept applications, review them, and hold public meetings if required
- Issue a resolution of municipal approval for qualified applicants
- Coordinate with the NJCRC to make sure your process aligns with the state's

## **Step 8: Keep It Running — Annual Renewals**

Cannabis licenses need to be renewed at the state level with the NJCRC each year. If your municipality is also conducting an evaluation, some items you may want to consider to endorse their renewal include:

- Is the business following the rules?
- Are they paying their taxes?
- Have there been any violations or complaints?
- Are they still having a positive impact on the community?

## PART 3

# 25 QUESTIONS EVERY TOWN MUST ANSWER

These questions are designed to spark honest conversations with your council, staff, and community before you finalize your ordinance. Use them in workshops, planning sessions, or town halls.

### Policy & Goals

- 1. What's the point? Why are you opting in?** New revenue, new jobs, reducing illegal sales, supporting equity — or a mix; know your “why” before you write a single rule.
- 2. Does this fit your Master Plan?** Does allowing cannabis businesses line up with your town's existing vision for land use, economic development, and community health?
- 3. Which license types make sense here?** Realistically, what's a good fit for your town's layout and goals? Not every town needs a dispensary AND a cultivator AND a manufacturer.
- 4. How many is enough?** Will you cap the number of licenses? If so, what's the magic number and how will you revisit it as the market grows?
- 5. Will you prioritize small or equity-owned businesses?** New Jersey's law specifically supports Social Equity, Diversely Owned, and Impact Zone businesses. Will you create priority pathways for them and if so, how?

### Zoning & Location

- 6. Where will these businesses actually go?** Which zones make sense? Have you actually pulled up a map and tested whether your buffer distances leave any viable locations? Are the locations too remote to realistically attract customers (keeping businesses sustainable is critical)?
- 7. Does cannabis fit next to existing businesses?** How does it sit alongside liquor stores, bars, treatment centers, or big-box retail? Do you need to update your zoning tables?

### Community Concerns

- 8. What are residents worried about?** Youth access, traffic, odors, crime, loitering — find out what's actually on people's minds and address it head-on in your ordinance.

**9. Are your concerns based on facts?** What does the data from other NJ towns actually show? Use real evidence to shape rules, not just fears.

**10. What baseline operating standards will you require?** Hours, signage, lighting, odor control, trash management — what are your non-negotiables?

## **Equity & Community Benefit**

**11. Will the little guy have a fair shot?** How do you prevent your process from only favoring large, wealthy companies? What steps make it accessible to small and local businesses?

**12. What do you want back from businesses?** How will you hold businesses to their community impact plans or community reinvestment plans? Will you revisit their applications periodically to determine if they've contributed to the community?

## **Administration & Staffing**

**13. Who's in charge of reviewing applications?** The full council? A planning board? A cannabis advisory committee? A dedicated cannabis control board? Be clear about any deadlines and who does what.

**14. Does your staff have the bandwidth?** Do your clerk's office, zoning staff, police, and legal team have time to manage a cannabis program? If not, what's the plan to build that capacity? (You can reach out to the NJ-CRC for help.)

**15. What does your timeline look like?** How long from application to decision? Publish the steps and who needs to talk with whom to make things happen. Make it predictable and transparent so applicants know what to expect.

## **Legal & Compliance**

**16. Are you following state law?** Is your ordinance fully aligned with the CREAMM Act and NJAC 17:30 regulations? A good municipal attorney is worth every penny here.

**17. How will you work with the state?** Cannabis businesses need both local AND state approval. Make sure your process doesn't contradict or confuse the state's process.

**18. How will you handle bad actors?** What's your plan for investigating complaints, suspending licenses, or revoking approvals? Do your current penalty structures work for cannabis?

## Money

**19. What fees will you charge?** Application fees, renewal fees, inspection fees; keep them fair, transparent, and proportionate. Fees that are too high can lock out small businesses.

**20. What happens to the tax money?** The up-to-2% cannabis transfer tax could mean real dollars for your town. Consider what you want to include in your public plan for where that money goes. Would you like those funds to support youth programs, infrastructure, public safety?

## Market & Long-Term Planning

**21. Is there room in the market?** How many cannabis businesses are already in neighboring towns? Is there actually enough demand to support a new business in your community? Too many of the same businesses clustered together could inadvertently hurt competition and result in business closures.

**22. What's your backup plan?** What if the market shifts or federal law changes? Do you have a built-in review clause to revisit your ordinance after a set number of years?

## Public Engagement

**23. How are you engaging residents?** Listening sessions, surveys, and town halls all support the vision you have for your community and can build support. How often will you host these conversations to hear both supporters and opponents? How will that input actually shape your local policy?

**24. Will you start small?** Would you consider a limited pilot, as an example, perhaps one license at first, before opening the floodgates? How would you measure whether it's working for your town?

**25. What's your rollout plan?** Once the ordinance passes, what are the exact steps? Who makes the announcement? Who updates the website to accept applications? Who trains municipal staff to receive applications, process funds, communicate with applicants? How do you plan to communicate with potential applicants from application to build-out (applicants will coordinate with residents, law enforcement and emergency services, other businesses, zoning and planning boards, etc.)?

## PART 4

# HOW OTHER TOWNS DO IT — FROM SIMPLE TO COMPLEX

Here's the thing: there's no single "right" way to run a cannabis program. One of the most important decisions to make is whether to keep your municipal process simple (to help small businesses succeed) or complex. Here are examples of a range of approaches across NJ municipalities, ranked from least to most complex.

### The Spectrum: Simple vs. Detailed

When it comes to how towns review cannabis applications, there are roughly three types:

**Type A — Simple ("Just Let Us Know You're Legit")** Towns like Lafayette Township keep it straightforward: prove you have a state license, show that your zoning is good, submit a basic security plan, and you're in. No scoring, no committee, no 50-page narrative. Fast and low-friction.

**Type B — Moderate ("Show Us Your Plan")** Towns like Ocean Township or Garfield ask for a few more documents — a community impact summary, odor control plan, and operational details — but still don't run a competitive scoring process.

**Type C — Comprehensive ("Make Your Case")** Towns like Morristown or Neptune City run a full RFP-style process with scoring criteria, advisory committees, capped slots, and detailed narrative requirements. It's more thorough, but also slower and harder for small businesses to navigate.

### Municipal Restrictiveness Rankings

The following table shows how seven NJ municipalities compare, from least to most restrictive in their approval process:

#	Municipality	Has Cannabis Board?	Notes
1	Egg Harbor Twp.	No — Township Committee	Least restrictive. No committee, no scoring. Fast and predictable.
2	Camden	No — Council + Zoning	Used a temporary committee early on; now follows standard land-use process.
3	Garfield	No — Mayor & Council	Simple but includes fee schedules and operational rules.
4	Neptune	No — Township Committee	Caps and strict zoning add some complexity but no board.
5	New Brunswick	Yes — Cannabis Advisory Committee	Two-stage review (committee + council). More rigorous, takes longer.
6	Ewing	Yes — Advisory Committee w/ Police	Broad representation including police chief. Very thorough, slower timeline.
7	East Orange	Yes — Cannabis Control Board	Most restrictive. The board has regulatory powers — almost like its own agency.

## Cannabis Boards & Committees: Do You Need One?

A Cannabis Control Board or Cannabis Advisory Committee is optional — but it can help take pressure off your council. Here’s a quick summary of how different towns have structured theirs:

**Jersey City** — Cannabis Control Board handles reviews before council action.

**East Orange** — Board of Cannabis Control with full regulatory authority (the most powerful version).

**Hoboken** — Cannabis Review Board vets applications and deals with zoning/time-of-application issues.

**Red Bank** — Cannabis Review Board reviews, holds hearings, and makes recommendations to Borough Council.

**Maple Shade** — Cannabis Advisory Committee receives applications, reviews them, AND can impose fines and suspensions. Basically a combined review board + enforcement body.

**Hightstown** — Cannabis Advisory Committee reviews applications and recommends approvals to Borough Council.

If your town doesn’t have the staff bandwidth for a full board, consider an ad hoc committee (like Camden did) for the initial rollout, and transition to a permanent structure if needed.

## **PART 5**

# **WHAT A CANNABIS BUSINESS APPLICATION LOOKS LIKE**

Once your ordinance is in place, businesses will submit applications for local approval. Your town gets to decide how much or how little to ask for. Here are two versions: the “easy” path and the “thorough” path.

### **Option A: The Streamlined Application (Low Barrier)**

This is the approach for towns that want to minimize red tape and get quality businesses approved quickly. Required documents:

#### **Core Application**

- Completed municipal application form (name, business type, address, license class, CRC status)
- Application fee: typically, \$500–\$1,000 (lower for microbusinesses)

#### **Business Basics**

- NJ Business Registration Certificate
- Tax ID (EIN) Confirmation Letter
- Proof of insurance (if required by your town)

#### **Property & Zoning**

- Proof of site control: a signed lease, property deed, or letter of intent
- Property owner’s written consent to cannabis use
- Zoning officer letter confirming the location is in an approved zone
- Basic floor plan (not architect-stamped, just a simple layout)

#### **State Connection**

- Proof of CRC application submission (or conditional approval if already received)

#### **Short Plans (2–3 paragraphs each — no novels required)**

- Security plan: cameras, access controls, alarm system
- Odor & nuisance plan: odor control, noise, waste disposal, parking
- Community impact summary: local hiring intentions, community partnerships

## Ownership Docs

- List of owners with percentage of ownership and contact info
- LLC Operating Agreement and Articles of Organization
- Government-issued ID for each owner

*Optional (Makes your application stronger): Letters of support from local businesses, residents, or nonprofits. Workforce MOUs if you plan to hire locally. Photos or diagrams of the space.*

Under this model, you're NOT asking for: full architectural plans, traffic studies, environmental sustainability reports, labor peace agreements, financial projections, or 50-page narratives. Keep it proportionate to what you actually need to make a good decision.

## Option B: The Comprehensive Application (Full Review)

This is the approach for towns that want maximum oversight. It's more work for applicants, but it also means more scrutiny. Required documents include everything in Option A PLUS:

### Administrative

- Escrow deposit for committee review costs
- Notarized signature pages
- Table of contents and submission copies

### Property & Zoning

- Full architectural plans (stamped by a licensed architect)
- Parking and traffic analysis
- Fire readiness summary

### Full Plans (complete multi-page documents)

- Comprehensive security plan
- Detailed odor mitigation plan
- Nuisance mitigation plan
- Environmental sustainability plan
- Community impact plan
- Workforce diversity and re-entry plan
- Emergency response plan
- Good neighbor plan

## Financial

- Three-year financial projections
- Proof of funding (bank statements or investor letters)
- CPA attestation

## Ownership & Corporate

- Full financial interest disclosure forms
- Organizational chart showing corporate structure
- Resumes for key personnel
- Labor Peace Agreement with union representation

## Narrative

- Full application narrative (up to 50 pages)

The comprehensive approach is better for competitive RFP-style processes where you're choosing between multiple qualified applicants for a limited number of slots. It's overkill for a simple compliance review.

## PART 6

# APPLICATION FEES — A LOOK AT WHAT NJ TOWNS CHARGE

Application fees vary widely across New Jersey. Here's a snapshot:

Municipality	App Fees	Notes
Elizabeth	\$1,000	Low fee but very heavy paperwork burden (31-page entity disclosure)
Ocean Township	\$2,500	Moderate fee with checklist-style application
Collingswood	\$2,500	Compliance-focused; must already have state CRC status
Morristown	\$2,500	RFP-style with 15 scoring criteria and 50-page narrative
Florence Township	\$5,000	Non-refundable; CRC-style ownership disclosures required
Eatontown	\$10,000 (\$5k microbusiness)	High fee with full community impact and sustainability plans
Maple Shade	\$10,000 + \$5k escrow	Most expensive; annual license fee is \$25,000

High fees combined with heavy paperwork requirements can function as economic gatekeepers that favor large, well-capitalized companies over small or equity businesses. Set fees that are high enough to cover your administrative costs but not so high that they screen out qualified applicants.

## PART 7

# FINAL THOUGHTS

Deciding to opt-in to cannabis can be rewarding for your town when it's done thoughtfully and is the right fit. With the right planning, process and team, you can strengthen your community, discover real opportunities and build a cannabis program that works for everyone.

### Quick Recap: What This Guide Will Help You Do

- Gain a clear picture of what opting-in requires legally, administratively, and operationally.
- Develop a sense of the range of choices available for your town's specific situation and goals.
- Strengthen the confidence to talk to residents, applicants, planners, and legal counsel about what your town wants.

### Need More Help?

The New Jersey Business Action Center (NJBAC) Cannabis Training Academy (NJCTA) is available to provide:

- Sample ordinances from towns of all sizes
- Sample cannabis application forms
- Guidance on building your local program

The NJ Cannabis Regulatory Commission (NJCRC) can also offer assistance, especially if your town has limited staff capacity. Don't go it alone — reach out early.

### Contact Us!

Contact us anytime with follow up questions or comments. We are happy to schedule in-person or virtual trainings to discuss this guidebook and other direct services the New Jersey Business Action Center and the Cannabis Training Academy can provide

#### Contact us with any follow up inquiries here:

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