

**ORDINANCE NO. 2023-07**

**ORDINANCE OF THE TOWNSHIP OF OXFORD, COUNTY OF WARREN, STATE OF NEW JERSEY, AMENDING AND SUPPLEMENTING CHAPTER 305 ENTITLED “TAXATION” TO CREATE ARTICLE III “ADULT USE CANNABIS TRANSFER TAX” TO ESTABLISH A TRANSFER TAX FOR CERTAIN CANNABIS BUSINESSES**

**WHEREAS**, the voters of the State of New Jersey endorsed the legalization of Adult Use Cannabis with the Legislature and Governor signing into law The New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act, further strengthening municipal control over such uses and allowing, at the discretion of the municipality, the tax may be imposed on: receipts from the sale of cannabis by a cannabis cultivator to another cannabis cultivator; receipts from the sale of cannabis items from one cannabis establishment to another cannabis establishment; receipts from the retail sales cannabis items by a cannabis retailer to retail consumers, with each municipality setting its own rate or rates, but in no case shall a rate exceed: two percent of the receipts from each sale by a cannabis cultivator; two percent of the receipts from each sale by a cannabis manufacturer; one percent of the receipts from each sale by a cannabis wholesaler; and two percent of the receipts from each sale by a cannabis retailer; and

**WHEREAS**, the Township of Oxford, County of Warren, State of New Jersey supports safe and appropriate siting of certain cannabis related and supporting businesses within the Township, specifically including cultivation centers.

**WHEREAS**, the Township wishes to amend Chapter 305 “Taxation,” to create Article III entitled “Adult Use Cannabis Transfer Tax” establishing a Cannabis Transfer Tax, to be assessed quarterly, at a rate not exceeding two percent (2%).

**NOW, THEREFORE, BE IT ORDAINED**, by the Township Committee of the Township of Oxford, County of Warren, State of New Jersey that the Code of the Township of Oxford be amended to create Article III entitled “Adult Use Cannabis Transfer Tax” under Chapter 305 “Taxation” as follows:

**SECTION I:**

**ARTICLE III – ADULT USE CANNABIS TRANSFER TAX**

**§ 305-19 Purpose.**

It is the purpose of this Article to implement the provision of New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act, P.L. 2021, (signed into law February 22, 2021), which authorizes the governing body of a municipality to adopt an ordinance imposing a transfer tax at a uniform percentage rate not to exceed two percent (2%) of the receipts from each sale by a cannabis cultivator located within the Township, which shall be in addition to any other tax or fee imposed pursuant to statute or local ordinance or resolution by any governmental entity upon a cannabis related and supporting business(es) .

### **§ 305-20 Adult Use Cannabis Transfer Tax.**

The tax rate for each category of license shall be as follows:

Cannabis Cultivator: Two percent (2%) of the receipts from each sale by a cannabis cultivator located within the Municipality.

### **§ 305-21 Local Cannabis User Tax.**

- 1. The Local Cannabis User Tax shall be imposed, at the same and equivalent rates as established for the Adult Use Cannabis Transfer Tax rates set forth in Section 305-20 hereinabove.**
- 2. The Local Cannabis User Tax shall be imposed upon any concurrent license holder operating more than one cannabis business, and shall be imposed on the value of each transfer or use of cannabis or cannabis items not otherwise subject to the Adult Use Cannabis Transfer Tax imposed pursuant to Section 305-20 hereinabove, from the license holder's business that is located in the Township to any of the other license holder's businesses, whether located in the Township or in another municipality.**

### **§ 305-22 Remission of Taxes.**

Every cannabis business and/or licensee shall remit taxes collected and due and owing on a quarterly basis to the municipal Chief Financial Officer, along with certified copies of sales receipts and product transfer ledgers or documentation. The dates of tax remission shall be on or before January 2, April 1, July 1, and October 1, or as established by the Chief Financial Officer. Each licensee shall certify to the truth and accuracy of the receipts and product transfer ledgers or documentation and shall remit a return in a form determined by the Chief Financial Officer.

### **§ 305-23 Delinquent taxes.**

All unpaid taxes as required under this Article shall be subject to the accrual of interest and penalties at rates and penalties set forth and established for delinquent ad valorem taxes within the Township of Oxford.

### **§ 305-24. Liability for taxes owed.**

Each cannabis establishment owner and/or licensee shall be personally liable for any and all taxes imposed under this Article and any interest and penalty accruing thereon. In addition, any unpaid balance and interest and penalties accruing thereon shall constitute a lien on the real property in which the cannabis establishment is located and such liens shall be enforced in the same manner as municipal tax liens.

**§ 305-25. Audit.**

Every cannabis establishment and/or licensee within the Township of Oxford is subject to audit, no greater than once per annum, of the establishment's or licensee's business records, receipts and accounting books, such audit to be performed at the Chief Financial Officer's discretion, by a certified public accountant. Every cannabis establishment and licensee shall be obligated to fully comply with the requirements of an auditor. Failure to cooperate with the audit, or any misrepresentation or fraud committed by the establishment or licensee, shall result in the immediate suspension of the license.

**SECTION II:**

Severability. The various parts, sections and clauses of this Ordinance are hereby declared to be severable. If any part, sentence, paragraph, section or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of this Ordinance shall not be affected thereby.

**SECTION III:**

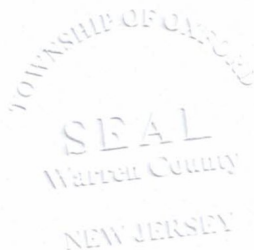
Repealer. Any ordinances or parts thereof in conflict with the provisions of this Ordinance are hereby repealed as to their inconsistencies only.


**SECTION IV:**

Effective Date. This Ordinance shall take effect upon final passage and publication as provided by law.

**NOTICE**

**NOTICE** is hereby given that the foregoing Ordinance was introduced to pass on first reading at a regular meeting of the Committee of the Township of Oxford held on Sept. 6, 2023 and ordered published in accordance with the law. Said Ordinance will be considered for final reading and adoption at a regular meeting of the Township Committee to be held on October 4, 2023, at 7:00 p.m. or as soon thereafter as the Township Committee may hear this Ordinance at the Municipal Building, 11 Green Street, Oxford, New Jersey, at which time all persons interested may appear for or against the passage of said Ordinance.



  
Lee Geller  
Acting Municipal Clerk