

**BOROUGH OF WOODBURY HEIGHTS
COUNTY OF GLOUCESTER
ORDINANCE 13-2023**

**AN ORDINANCE TO AMEND AND SUPPLEMENT THE CODE OF THE BOROUGH OF
WOODBURY HEIGHTS, PART II WITHIN CHAPTER 66 ENTITLED "CANNABIS"**

WHEREAS, the Borough of Woodbury Heights heretofore established the implementation of a Cannabis tax through the adoption of Ordinance 11-2022 and Ordinance 20-2022, respectively; and

WHEREAS, the Borough of Woodbury Heights finds it necessary to repeal Section 66-5 entitled "Cannabis Tax Established" created through said Ordinance to further clarify and set parameters, reporting and collection methods for said Cannabis Tax by the Borough.

NOW, THEREFORE, BE IT ORDAINED, by the Borough Council of the Borough of Woodbury Heights, with the Mayor concurring, that Section 66-5 of the Borough Code entitled "Cannabis Tax Established" be repealed, amended and supplemented with the following:

SECTION 1:

Article II. Cannabis Transfer Tax and User Tax

§ 66-5 Cannabis Tax Established: The Borough of Woodbury Heights hereby imposes and shall collect certain local option taxes on cannabis business activity as follow:

- A. A municipal transfer tax is hereby imposed on the transfer or sale from the receipts of each lawful sale by a licensed cannabis business operating in the Borough of Woodbury Heights at a rate of two percent (2%) of the receipts from the sale or transfer of cannabis products by any Class I-VI license holder, which shall include a 2% tax on receipts by a cannabis cultivator to another cannabis cultivator; 2 % tax on receipts on the sale of cannabis items from one cannabis establishment to another cannabis establishment; 2% tax on receipts from the retail sales of cannabis items by a cannabis retailer to retail customers who are 21 years of age or older; or any combination of the above. A one (1%) percent municipal transfer tax shall be imposed on the lawful sale of cannabis products produced by any Class III license holder, if permitted by the Borough Code.
- B. The Cannabis Transfer Tax shall be in addition to any other tax or fee imposed pursuant to State Statute, State or Federal Law, or local ordinance or resolution by any government entity upon a Cannabis Establishment.
- C. A user tax is hereby also established at the same rate of two (2%) percent of the transfer tax contained herein and shall be imposed on the value of each transfer or use of cannabis or cannabis items not otherwise subject to the transfer tax imposed pursuant to P.L. 2021, c. 16, from the license holder's establishment that is located in the Borough to any of the other license holder's establishments, whether located in the Borough or another municipality.
- D. Any transaction for which the transfer tax or user tax is imposed, or could be imposed, under this Article, other than those which generate receipts from the retail sales by cannabis retailers, shall be exempt from the tax imposed under N.J.S.A. 54:32b-1, et seq., "Sales and Use Tax Act".

§66-6 Payment of Taxes

- A. All tax revenue collected pursuant to this section shall be remitted to the Borough’s Chief Financial Officer, on a quarterly basis no later than the fifteenth (15th) day of the month following the last month of the quarter, along with a report certified as true and accurate by the Cannabis Establishment’s Chief Financial Officer, Controller or other similarly situated person showing the gross revenues for the Cannabis Establishment for each month of the quarter.
- B. Each Cannabis Establishment operating within the Borough of Woodbury Heights shall file on an annual basis, no later than February 15th of each year, a financial report from an independent accountant certifying the annual revenue of the licensed cannabis establishment for the preceding year.

§66-7 Penalties

- A. The payment of delinquent taxes or transfer fees imposed by this ordinance if not paid when due, shall be subject to an interest rate of twelve percent (12%) per annum on the amount of tax due.
- B. In the event that the transfer tax or user tax imposed by this ordinance remains unpaid, the unpaid balance, and any interest accruing, shall be a lien on the parcel of real property comprising the cannabis establishment’s premises in the same manner as all other unpaid municipal taxes, fees and other charges. The lien shall be superior and paramount to the interest in the parcel of any owner, lessee, tenant, mortgagee, or other person, except the lien of municipal taxes, and shall be on a parity with and deemed equal to the municipal lien of the parcel for unpaid property taxes due and owing in the same year.
- C. In the event that a lien is imposed on a delinquent taxpayer pursuant to this section, the Borough shall file in the office of the tax collector, a statement showing the amount and due date of the unpaid balance and identifying the block and lot number of the parcel of real property that comprises the delinquent cannabis establishment’s premises. The lien shall be enforced as a municipal lien in the same manner as all other municipal liens are enforced.

SECTION 2: All other ordinance in conflict or inconsistent with this Ordinance are hereby repealed to the extent of such conflict or inconsistency.

SECTION 3: Should any section, paragraph, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid for any reason, the remaining portions of this Ordinance shall not be affected thereby and shall remain in full force and effect, and to this end the provision of this Ordinance are hereby declared to be severable.

SECTION 4: A copy of this ordinance shall be transmitted to the State Treasurer and to every Cannabis Establishment within the Borough of Woodbury Heights.

BOROUGH OF WOODBURY HEIGHTS

BY: 
WILLIAM C. PACKER, MAYOR

ATTEST:

BY: 
SHANNON ELTON, MUNICIPAL CLERK

NOTICE

Notice is hereby given that the foregoing ordinance was introduced and passed on first reading at a meeting of the Borough Council of the Borough of Woodbury Heights, held on the 28th day of September, 2023 and will be considered for final passage at a meeting of the Borough Council of the Borough of Woodbury Heights, to be held on the 18th day of October, 2023 at 7:30 pm, at which time and place any interested party will be given the opportunity to be heard.


SHANNON ELTON, MUNICIPAL CLERK