BOROUGH OF WOODBINE
COUNTY OF CAPE MAY

ORDINANCE NO. 627-2024

AN ORDINANCE AMENDING ORDINANCE NO. 598-2021, AS AMENDED, CHAPTER 9 OF THE CODE OF THE BOROUGH WOODBINE ENTITLED CANNABIS TRANSFER TAX AND USER TAX

WHEREAS, in 2009, the State of New Jersey Legislature adopted the New Jersey Compassionate Use Medical Marijuana Act, N.J.S.A. 24-61-1 et seq to establish a system whereby cannabis could be manufactured and dispensed for the treatment of designated medical conditions; and

WHEREAS, on November 4, 2020, a Public Question was put before the residents of the State of New Jersey to determine if the residents were in favor of permitting adult use cannabis for recreational purposes; and

WHEREAS, the voting public overwhelmingly approved adult use cannabis by 68% with Cape May County approving the legislation by 66%; and

WHEREAS, considering the affirmative vote of two-thirds of the State population and that of Cape May County, the State Legislature adopted the New Jersey Cannabis Regulatory, Enforcement Assistance and Marketplace Modernizations Act which legalizes adult cannabis; and

WHEREAS, the law allows municipalities that permit certain licenses for growing, processing/manufacturing, wholesaling distributing and retailing activities within their boarders to charge a "tax" per license at the rate of 2% of the receipts from gross sales by a cannabis cultivator, cannabis manufacturer and cannabis retailer and 1% of the gross sales of cannabis wholesaler as well as a licensing fee for each license, which represents a substantial income to the Borough; and

WHEREAS, Borough Council has considered the issuance of Class V Cannabis Retail Establishments and Class VI Delivery Businesses and intends upon considering the imposition of such tax as permitted by State Statute on each new type of license being permitted; and

WHEREAS, the Borough Council has considered the above factors both beneficial and potentially detrimental to allowing certain licenses and finds the benefits outweigh the detriments and therefore adopted Ordinance 598-2021 imposing transfer and user taxes on permitted cannabis establishments; and

WHEREAS, the Council of the Borough of Woodbine finds it to be in the best interest of the Borough to adopt certain regulations to allow cannabis tax to be established for newly created Class V and Class VI licenses.

NOW, THEREFORE BE IT ORDAINED that Ordinance No. 598-2021, as amended, Chapter 9 of the Code of the Borough of Woodbine be amended as follows:

Section 9-1.1 a shall be amended with the addition of the following language:

a. The Borough shall further impose transfer taxes upon the gross sales of cannabis and cannabis products at all Cannabis Retail Establishment at a rate of 2% of the receipts from each sale by a Cannabis Retail Establishment. Further, there shall be a user tax equal to the transfer tax on any concurrent license holder operating more than one cannabis establishment so as to prevent vertically integrated cannabis establishments from avoiding the transfer tax.

Section 9-1.1d shall be amended with the addition of the following language:

d. Said transfer or user tax shall be collected or paid in the same manner as set forth for the collection or payment of local property tax in accordance with N.J.S.A. 54:4-66 with interest accumulating thereon for late payments in at the maximum rate allowable in accordance with N.J.S.A. 54:4-67

Section 9-1.1 k shall be amended by the addition of the following language:

k

9 Cannabis Retailer

10 Cannabis Delivery

BE IT FURTHER ORDAINED that any portion of Ordinance 598-2021, as amended, not amended hereby shall remain in full force and effect.

BE IT FURTHER ORDAINED that should any Ordinance or portion thereof be inconsistent with this Ordinance, such Ordinance or portion thereof shall be void to the extent of such inconsistencies.

BE IT FURTHER ORDAINED that should any portion of this Ordinance be deemed unenforceable by any court of competent jurisdiction, the balance thereof not deemed unenforceable shall remain in full force and effect.