

ORDINANCE #1453

ORDINANCE OF THE TOWNSHIP OF HADDON, COUNTY OF CAMDEN, STATE OF NEW JERSEY AMENDING AND SUPPLEMENTING THE CODE OF THE TOWNSHIP OF HADDON AT CHAPTER 212, TAXATION, TO ESTABLISH ARTICLE V. “MUNICIPAL CANNABIS TAX” SECTION 212-16, TO COLLECT A STATUTORILY AUTHORIZED TWO PERCENT (2%) MUNICIPAL TAX ON SALES BY CLASS 1 CULTIVATION, CLASS 2 MANUFACTURING AND CLASS 5 RETAIL CANNABIS LICENSE HOLDERS AND ONE PERCENT (1%) MUNICIPAL TAX ON CLASS 3 WHOLESALE CANNABIS LICENSE HOLDERS

WHEREAS, the Township of Haddon, (“Township”) is a municipal entity organized and existing under the laws of the State of New Jersey and located in Camden County; and

WHEREAS, the Township desires to repeal and replace its Cannabis “opt out” ordinance, codified at Chapter 142 “Land Use and Development, Section 142-5.P. of “Prohibited Uses” in order to allow for Class 1, 2, 3 and 5 licensed cannabis sales by Ordinance 1452, introduced concurrently herewith; and

WHEREAS, Section 40 of the Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act (“CREAMMA”) authorizes the imposition of a municipal tax on the lawful sale of cannabis; and

WHEREAS, the Borough desires to impose the maximum statutorily permitted municipal tax on revenues generated by the lawful sale of cannabis by license holders; and

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Commissioners of the Township of Haddon, County of Camden, and State of New Jersey that the Code of the Township of Haddon be amended as follows:

SECTION 1. Chapter 212 “Taxation” is hereby amended and supplemented as follows:

§ 212-16 Cannabis Municipal Tax.

Pursuant to Section 40 of the New Jersey Cannabis Regulatory, Enforcement and Marketplace Modernization Act (CREAMMA), the following municipal tax shall be collected from the following cannabis license holders:

- A. A two percent (2%) municipal transfer tax shall be imposed on the lawful sale of cannabis produced by any Class 1, 2 or 5 license holder from receipts from the sale of cannabis and/or cannabis items from one cannabis establishment to another cannabis establishment and from the lawful retail sale to consumers age 21 and above.
- B. A one percent (1%) municipal transfer tax shall be imposed on the lawful wholesale of cannabis by any Class 3 license holder from one cannabis establishment to another cannabis establishment.
- C. A municipal user tax shall be imposed, at the equivalent transfer tax rates, on any concurrent license holder operating more than one cannabis establishment. The user tax shall be imposed on the value of each transfer from the license holder’s establishment located in Haddon Township to any other licensed holder’s establishments, whether located in Haddon Township or any municipality.
- D. Such municipal cannabis tax shall be payable to Haddon Township quarterly no later than thirty (30) days of April 1st, July 1st, Oct 1st of each calendar year.
- E. The payment of delinquent taxes or transfer fees imposed by this ordinance shall be enforced in the same manner as provided for delinquent real property taxes. In the event that the transfer tax or user tax imposed by this ordinance is not paid as and when due by a cannabis establishment, the unpaid balance and any interest accruing thereon, shall be a lien on the parcel of real property comprising the

cannabis establishment’s premises in the same manner as all other municipal taxes, fees or 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 on the parcel for unpaid property taxes due and owing in the same year.

SECTION 2. Nothing in this Ordinance shall in any way limit, modify, reduce or eliminate any other tax obligation otherwise imposed by law upon the cannabis license holder, the property owner or any other person or entity as a result of this Cannabis Municipal Tax.

SECTION 3. All Ordinances contrary to the provisions of this section of the Ordinance are hereby repealed to the extent that they are inconsistent herewith.

SECTION 4. This ordinance shall take effect immediately.

SECTION 5: All Ordinances and provisions thereof inconsistent with the provisions of this Ordinance shall be and are hereby repealed to the extent of such inconsistency.

SECTION 6: If any section, paragraph, subdivision, clause or provision of this ordinance shall be adjudged invalid, such adjudication shall apply only to the section, paragraph, subdivision, clause or provision and the remainder of this ordinance shall be deemed valid and effective.

SECTION 7: This ordinance shall take effect immediately upon final passage and publication according to law.

THE TOWNSHIP OF HADDON

BY: _____
RANDALL W. TEAGUE, MAYOR

BY: _____
JAMES MULROY, COMMISSIONER

BY: _____
RYAN LINHART, COMMISSIONER

Introduced: March 26, 2024
Adopted:

ATTEST:

DAWN PENNOCK, RMC - TOWNSHIP CLERK

The foregoing Ordinance was adopted by the Mayor and Commissioners at the regular meeting held on April 23, 2024 after the final reading and public hearing at 7:00 p.m. in the Meeting Room, Haddon Township Municipal Building, 135 Haddon Avenue, Westmont, New Jersey.

DAWN PENNOCK, RMC – TOWNSHIP CLERK

