

ORDINANCE NO. 2025-11
TOWNSHIP OF EAST WINDSOR
COUNTY OF MERCER

AN ORDINANCE TO AMEND SUBCHAPTER 5-25 "CANNABIS REGULATION" UNDER CHAPTER 5, "GENERAL POLICE REGULATIONS", OF THE REVISED GENERAL ORDINANCES OF THE TOWNSHIP OF EAST WINDSOR, TO ESTABLISH AN ANNUAL LICENSE FEE AND TO ESTABLISH A PROCEDURE FOR THE IMPOSITION AND COLLECTION OF A MUNICIPAL TRANSFER TAX AS PERMITTED UNDER THE NEW JERSEY CANNABIS REGULATORY, ENFORCEMENT ASSISTANCE, AND MARKETPLACE MODERNIZATION ACT

WHEREAS, on June 24, 2025, the Township Council adopted Ordinance No. 2025-06, establishing a new Subchapter 5-25 Cannabis Regulation in the Revised General Ordinances of the Township of East Windsor; and

WHEREAS, the Township Council wishes to amend and supplement Subchapter 5-25 to provide for local licensing and the imposition and collection of a cannabis transfer tax, as authorized by P.L 2021, c. 16, known as the "New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act, codified at N.J.S.A. 24:61-31 et. seq. (the "Act).

NOW THEREFORE, BE IT ORDAINED BY THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF EAST WINDSOR, in the County of Mercer and the State of New Jersey, as follows:

SECTION 1. Chapter 5, "General Police Regulations," of the Township Revised General Ordinances is amended by amending Subchapter 5-25.5, "Municipal Taxation," to read as follows (deleted language is stricken and new language is underlined):

5-25.5 Municipal Taxation, Annual License and License Fee.

~~The Township shall impose a municipal transfer tax pursuant to the Act for the maximum amount allowable for receipts from the retail sales of cannabis by an approved and licensed cannabis retailer to consumers.~~

1. Imposition of Cannabis Transfer Tax.

- a. Purpose. It is the purpose of this section to implement the provisions of N.J.S.A. 40:49I-1 of the Act, which authorizes a municipality to impose a cannabis transfer tax on the sale of cannabis by a cannabis establishment that is located within the municipality. All terms herein shall be defined the same as defined in N.J.S.A. 24:61-33 of the Act.
- b. There shall be a 2% local transfer tax imposed on the receipts from the sale of cannabis or any cannabis items by any Class 5 Cannabis Retailer establishment licensed pursuant to the Act and located in the Township.

- c. The local transfer tax shall be in addition to any other tax or fee imposed pursuant to statute or local ordinance or resolution by any governmental entity with regard to cannabis.
- d. Any transaction for which the local transfer tax is imposed is exempt from the tax imposed under N.I.S.A. 54:32B-1 et seq., the "Sales and Use Tax Act."
- e. The local transfer tax shall be stated, charged and shown separately on any sales slip, invoice, receipt or other statement or memorandum of the price paid or payable or equivalent value of the transfer for the cannabis or cannabis item.
- f. Every Class 5 Cannabis Retailer establishment required to collect the transfer taxes imposed by this section shall be personally liable for the transfer tax imposed, collected, or required by this section and the Act.

2. Remittance of Cannabis Transfer Tax/Delinquencies

- a. Each Class 5 Cannabis Retailer establishment collecting transfer taxes pursuant to this section shall be remitted to the Chief Financial Officer ("CFO") of the municipality on a monthly basis.
- b. If the transfer tax is not paid when due, the unpaid balance and any interest accruing thereon, shall be a lien on the parcel of real property comprising the Class 5 Cannabis Retailer establishment's premises.
- c. 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.
- d. The Township shall file in the office of its tax collector a statement showing the amount and due date of the unpaid balance of cannabis taxes and identifying the lot and block be enforced as a municipal lien in the same manner as all other municipal liens are enforced.

3. Annual License and Fee

- a. Upon obtaining both a Resolution of Support from the Township and a state license, a Class 5 Cannabis Retailer establishment shall be issued a local license and shall submit an annual license fee in the amount of ten thousand dollars (\$10,000) remitted to the CFO, on a calendar year basis. In the year that a state

license is first issued to a Class 5 Cannabis Retailer establishment, the annual license fee shall be pro-rated.

- b. The annual Township license issued pursuant to this section shall not be renewed for the Class 5 Cannabis Retailer establishment if any transfer tax pursuant to this section is delinquent, if any terms of the Township's Resolution of Support are violated by the licensee or if the licensee is in violation of any provisions of the Act or of Township ordinances.

SECTION 2. All ordinances or parts of ordinances inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

SECTION 3. If any section, subsection, clause or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the remaining portions of this Ordinance.

SECTION 4. This Ordinance shall take effect 20 days after final passage and publication according to law.

Allison Quigley
Municipal Clerk

Janice S. Mironov
Mayor

Introduced:
Adopted:
Effective Date: