

# Borough of Stanhope

Sussex County, New Jersey

~Ordinance 2025-08~

## **"ORDINANCE ADOPTING A NEW CHAPTER 123 ENTITLED "TAXATION OF CANNABIS RETAILER" OF THE CODE OF THE BOROUGH OF STANHOPE"**

**WHEREAS**, the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act, N.J.S.A. 24:6I-31 et seq., allows municipalities to enact by ordinance a method by which the local government may collect the local cannabis tax and to whom the local holder of any authorized cannabis license is to pay said tax; and

**WHEREAS**, the Borough has determined that it is in the best interests of the Borough of Stanhope to allow for the collection of a cannabis tax within the Borough of Stanhope.

**NOW, THEREFORE, BE IT ORDAINED**, by the Borough Council of the Borough of Stanhope, County of Sussex and State of New Jersey, that the following be adopted as part of the Revised General Ordinances of the Borough of Stanhope, Chapter 123 entitled "Taxation of Cannabis Retailer."

**Section 1.** A new Chapter 123, "Taxation of Cannabis Retailer " is hereby added to the Revised General Ordinances of the Borough of Stanhope, as follows:

### **Chapter 123            Taxation of Cannabis Retailer**

#### **a. Purpose.**

It is the purpose of this Chapter to implement the provisions of the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act, N.J.S.A. 24:6I-31 et seq., which authorizes the governing body of a municipality to adopt an ordinance imposing a tax at a uniform percentage rate not to exceed two percent ( 2%) of the receipts from each sale by a cannabis retailer, 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 the cannabis establishment.

#### **b. Definitions.**

Unless otherwise defined herein, as used herein, the Borough adopts by reference the terms and definitions established by Section 40 of Public Law 2021- 16 (N.J.S.A. 24: 6I-33).

**c. Tax Established.**

1. There is hereby established a local cannabis transfer tax in the Borough of Stanhope which shall be fixed at a uniform percentage rate of two percent (2%) of the receipts from each sale by a cannabis retailer in the Borough of Stanhope.
2. In addition to the tax established in paragraph A of this section, a user tax, at the equivalent transfer tax rates, is hereby established on any concurrent license holder, as permitted by N.J.S.A. 24: 6I- 46, operating more than one cannabis establishment. The user tax 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 paragraph A of this subsection, from the license holder' s establishment that is located in Stanhope to any of the other license holder's establishments, whether located in this Borough or another municipality.

**d. Tax in addition to other taxes or fees.**

The cannabis 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 upon a cannabis establishment.

**e. Collection.**

1. The transfer tax or user tax imposed by this Chapter shall be paid and remitted to the Borough of Stanhope by the cannabis retailer selling the cannabis item to consumers. The transfer tax or user 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.
2. Every cannabis establishment required to collect a transfer tax or user tax imposed by ordinance pursuant to this section shall be personally liable for the transfer tax or user tax imposed, collected, or required to be collected under this section. Any cannabis establishment shall have the same right with respect to collecting the transfer tax or user tax from another cannabis establishment or the consumer as if the transfer tax or user tax was a part of the sale and payable at the same time, or with respect to non-payment of the transfer tax or user tax by the cannabis establishment or consumer, as if the transfer tax or user tax was a part of the purchase price of the cannabis or cannabis item, or equivalent value of the transfer of the cannabis or cannabis item, and payable at the same time; provided, however, that the Chief Financial Officer of Stanhope Borough shall be joined as a party in any action or proceeding brought to collect the transfer tax or user tax.
3. No cannabis establishment required to collect a transfer tax or user tax imposed by this section shall advertise or hold out to any person or to the public in general, in any manner, directly or indirectly, that the transfer tax or user tax will not be separately

charged and stated to another cannabis establishment or the consumer, or that the transfer tax or user tax will be refunded to the cannabis establishment or the consumer.

4. All revenues collected from a transfer tax or user tax imposed by ordinance pursuant to this section shall be remitted to the Stanhope Borough Chief Financial Officer on a quarterly basis payable for the prior three (3) months activities and due at the same time as quarterly dates for the collection of property taxes. The revenues due on February 1 of each year shall include all transfer taxes or user taxes collected for the prior year months of October, November and December. The revenues due on May 1 of each year shall include all transfer taxes and user taxes collected for the immediate prior months of January, February and March. The revenues due on August 1 of each year shall include all transfer taxes and user taxes collected for the immediate prior months of April, May and June. The revenues due on November 1 of each year shall include all transfer taxes and user taxes collected for the immediate prior months of July, August and September.

**f. Payment; vendor violations and penalties.**

1. The Chief Financial Officer shall collect and administer any transfer tax or user tax imposed to this section.

2. The municipality shall enforce the payment of delinquent taxes or transfer fees imposed pursuant to this section in the same manner as provided for municipal real property taxes.

3. In the event that the transfer tax or user tax imposed by this section 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 unpaid 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.

4. A municipality shall file in the office of its tax collector a statement showing the amount and due date of the unpaid balance and identifying the lot and block 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.

**g. Suspension/revocation of license.**

1. Any cannabis establishment that has not made the required tax payment or has not provided the required financial documents within ten (10) days of the due date shall have their municipal license suspended. The Chief Financial Officer shall immediately report any delinquencies to the Borough Clerk, Borough Council, and Manager once such payment is ten (10) days late.

2. Any cannabis establishment that remains on suspension for more than sixty (60) days and/or has its municipal cannabis license suspended more than two (2) times during any calendar year shall have its license revoked and shall not be considered for renewal of a municipal cannabis license.

**SECTION TWO.** Any article, section, paragraph, subsection, clause, or other provision of the Revised General Ordinance of the Borough of Stanhope inconsistent with the provisions of this Ordinance is hereby repealed to the extent of such inconsistency.

**SECTION THREE.** If any section, paragraph, subsection, clause, or provision of this Ordinance shall be adjudged by a court of competent jurisdiction to be invalid, such adjudication shall apply only to the section, paragraph, subsection, clause, or provision so adjudged, and the remainder of this ordinance shall be deemed valid and effective.

**SECTION FOUR.** This Ordinance shall take effect upon its passage and publication and filing with the Sussex County Planning Board, and as otherwise provided for by law.

ATTEST: Ellen Horak  
Ellen Horak, Borough Clerk

SIGNED:   
Mayor Eugene Wronko

Dated: 4-22-25