

**TOWNSHIP OF WATERFORD**

**ORDINANCE NO. 2024-6**

**AN ORDINANCE OF THE TOWNSHIP OF WATERFORD, COUNTY OF CAMDEN, STATE OF NEW JERSEY REPEALING ORDINANCE 2021-8, ORDINANCE 2021-16, ORDINANCE 2021-10, ORDINANCE 2022-7, ORDINANCE 2022-12, ORDINANCE 2022-18 AND ORDINANCE 2023-4 AND CHAPTER 101 AND CREATING A NEW CHAPTER 101 ENTITLED “CANNABIS” AND ADOPTING CERTAIN RULES AND REGULATIONS CONCERNING CANNABIS BUSINESSES**

**WHEREAS**, on November 6, 2020 Public Question No. 1 was approved by the New Jersey voters to amend the New Jersey Constitution to permit legalization of a controlled form of marijuana identified as “cannabis” subject to regulated recreational and personal use by adults 21 years of age and older; and

**WHEREAS**, on February 22, 2021 Governor Murphy signed into law P.L. 2021c16 captioned as the “New Jersey Cannabis Regulatory Enforcement Assistance, and Marketplace Modernization Act” (the “Act”) which legalized the recreational use of marijuana by adults 21 years of age or older and established a comprehensive regulatory and licensing scheme for commercial recreational cannabis operations, use and possession; and

**WHEREAS**, pursuant to the Act, it established six marketplace classes of licensed businesses identified as follows:

(i) Class 1 - Cannabis Cultivator License, for facilities involved in growing and cultivating cannabis;

(ii) Class 2 - Cannabis Manufacturer License, for facilities involved in the manufacturing, preparation and packaging of cannabis items;

(iii) Class 3 - Cannabis Wholesaler License, for facilities involved in obtaining and selling cannabis items for later resale by other licensees;

(iv) Class 4 - Cannabis Distributor License, for businesses involved in transporting cannabis plants in bulk from one licensed cultivator to another licensed cultivator or cannabis items in bulk from any type of licensed cannabis business to another; and

(v) Class 5 - Cannabis Retailer License, for locations at which cannabis items and related cannabis supplies are sold to consumers; and

(vi) Class 6 - Cannabis Delivery License, for businesses providing courier services for consumer purchases that are fulfilled by a licensed Cannabis Retailer in order to make deliveries of the purchased items to a consumer; and

**WHEREAS**, Section 31a of the Act authorized Municipalities by Ordinance to adopt regulations governing the number of cannabis establishments as identified above that would be allowed to conduct business within its boundaries, as well as the location, manner and time of operation of such businesses, distributors, or delivery services, and to establish Civil Penalties for the violation of any such regulation established; and

**WHEREAS**, the Act required that Municipal Regulations or prohibitions on licensed cannabis businesses had to be adopted by August 22, 2021 and the failure to do so shall cause for a period of five (5) years thereafter, the growing, cultivating, manufacturing, selling and reselling of cannabis and cannabis related items to then constitute permitted uses in all industrial zones of a municipality, and the retail selling of cannabis items to a consumer to constitute a conditional use in all commercial and retail zones of a municipality; and

**WHEREAS**, it has been has determined by the Mayor and Township Committee of the Township of Waterford that in order to preserve its rights under the Act, it hereby adopts policies for regulating the local licensing standards to be applicable to any person or entity licensed by the State to be engaged in a lawful cannabis business within the municipal boundaries of the Township; and

**WHEREAS**, that the Waterford Township Committee further finds that the adoption of such local licensing and use standards shall be designed in a way that enhances public health and minimizes harm to the Municipality and its residents; and

**WHEREAS**, in 2021, the Township adopted Ordinance 2021-8 permitting cannabis businesses to be located in the Township; and

**WHEREAS**, in 2021 -2023, amendments were made to the Cannabis ordinance; and

**WHEREAS**, the Mayor and Township Committee have now determined that the Township needs to increase its revenue to ease the financial tax burden on its residents, that they wish to encourage new businesses to locate to the Township and increase revenue for existing businesses. Therefore, they will remove the limits on the number of cannabis businesses , expand the number of cannabis businesses in the Township and establish a yearly Township licensing system for cannabis businesses ;and

**WHEREAS**, pursuant to N.J.S.A. 40:48-2, a municipality may repeal or amend an ordinance as it deems necessary and proper for good government, order and protection of property and persons and for the preservation of the public health, safety and welfare of its inhabitants.

**NOW, THEREFORE, BE IT ORDAINED** by the Mayor and Township Committee of the Township of Waterford, County of Camden, State of New Jersey, that for the reasons set forth in the preamble herein above it hereby establishes a new Chapter in the Waterford Township Code entitled “Cannabis” to establish municipal licensing requirements and regulations as to the location, manner and times of operation of cannabis establishments and distributors that would be permitted to conduct business within the Township, which Rules and Regulations are hereby adopted as follows:

**Section 1. Purpose.** A new Chapter in the Waterford Township Code entitled “Cannabis “is hereby created to regulate the location, manner and times of operation of cannabis

establishments and distributors that are permitted to conduct business within the Township of Waterford’s jurisdictional limits in accordance with the “New Jersey Cannabis Regulatory Enforcement Assistance, and Marketplace Modernization Act” (the “Act”) as may be supplemented and amended, and also comprising N.J.S.A. 24:61-31 et seq. and any supplements or amendments thereto, all in accordance with the rules and regulations as may be established by the Cannabis Regulatory Commission.

**Section 2. Intent.**

The Waterford Township Mayor and Township Committee finds that:

A. This Chapter is enacted to regulate the commercial production, storage, sale and dispensing of regulated Cannabis in the Township of Waterford in accordance with the “New Jersey Cannabis Regulatory Enforcement Assistance, and Marketplace Modernization Act”, as amended and supplemented as well as N.J.S.A. 24:61-31 et seq. and any supplements or amendments thereto in accordance with the rules and regulations of the Cannabis Regulatory Commission, and to further provide rules governing the local licensure of Cannabis establishments and distributors as well as regulations governing the location, manner and times of operation of such businesses operating within the Township.

B. This Chapter is also enacted to generate revenue to ease the financial tax burden on residents of the Township.

**Section 3. Definitions.**

Alternative Treatment Center - An organization issued a permit pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L. 2009, c.307 (C.24:6I-1 et al.) to operate as a medical cannabis cultivator, medical cannabis manufacturer, medical cannabis dispensary, or clinical registrant, as well as any alternative treatment center deemed pursuant to section 7 of that

act (C.24:6I-7) to concurrently hold a medical cannabis cultivator permit, a medical cannabis dispensary permit, as set forth by C.24:6I-33.

Cannabis - this term shall have the meaning as set forth in N.J.S.A. 24:6I-33.

Cannabis Consumption Area - A designated location operated by a licensed cannabis retailer or permit holder for dispensing medical cannabis, for which both a State and local endorsement has been obtained, subject to the limitations set forth under section 28 of P.L. 2019, c.153 (C.24:6I-21), at which cannabis items or medical cannabis either obtained from the retailer or permit holder, or brought by a person to the consumption area, may be consumed.

Cannabis Cultivator - a person or entity holding a Class 1 Cannabis Cultivator License pursuant to N.J.S.A. 24:6I-31 et seq. and any regulations duly adopted by the Cannabis Regulatory Commission. Class 1 Licensee's primary business is the growth, cultivation, or production of cannabis, including the sale and transport of such Cannabis to other Cannabis cultivators, or usable cannabis to cannabis manufacturers, cannabis wholesalers or cannabis retailers, but not to consumers.

Cannabis Manufacturer - A person or entity holding a Class 2 Cannabis Manufacturer license pursuant to N.J.S.A. 24:6I-31 et seq. and any regulations duly adopted by the Cannabis Regulatory Commission. Class 2 licensees' primary business is processing cannabis items in this State by purchasing or otherwise obtaining usable cannabis, manufacturing, preparing, and packaging cannabis items, and selling, and optionally transporting, these items to other Cannabis Manufacturers, Cannabis Wholesalers or Cannabis Retailers, but not to consumers.

Cannabis Wholesaler - A person or entity holding a Class 3 Cannabis Wholesaler license pursuant to N.J.S.A. 24:6I-31 et seq. and any regulations duly adopted by the Cannabis Regulatory Commission. Class 3 licensees' primary business entails the purchase or otherwise obtaining, storing, selling and otherwise transferring, and may transport, cannabis items for the purpose of

resale or other transfer to either another Cannabis Wholesaler or to a Cannabis Retailer, but not to consumers.

Cannabis Distributor - A person or entity holding a Class 4 Cannabis Distributor license pursuant to N.J.S.A. 24:61-31 et seq. and any regulations duly adopted by the Cannabis Regulatory Commission. Class 4 licensees' primary business is the transportation of cannabis in bulk intrastate from one licensed cannabis cultivator to another licensed cannabis cultivator or transporting cannabis item in bulk intrastate from any one class of licensed cannabis establishment to another class of licensed cannabis establishment. Class 4 Cannabis Distributor's may also engage in the temporary storage of cannabis or cannabis items as necessary to carry out transportation activities.

Cannabis Delivery Service - A person or entity holding a Class 6 Cannabis Delivery License, pursuant to N.J.S.A. 24:61-31 et seq. and regulations duly adopted by the Cannabis Regulatory Commission. Class 6 Licensee's primary business is the provision of courier services for consumer purchases of cannabis items and related supplies fulfilled by a Cannabis Retailer in order to make deliveries of the cannabis items and related supplies to that consumer, and which services include the ability of a consumer to purchase the cannabis items directly through the cannabis delivery service, which after presenting the purchase order to the Cannabis Retailer for fulfillment, is delivered to that consumer.

Cannabis Distribution Facility - A facility or other place of business operated by a Cannabis Distributor or Cannabis Delivery Service in providing services as a Class 4 or Class 6 licensee pursuant to license under N.J.S.A. 24:61-31 et seq. and any regulations adopted by the Cannabis Regulatory Commission, where such person or entity lawfully engages in the bulk distribution or consumer delivery of cannabis, usable cannabis or cannabis products.

Cannabis Retailer - A person or entity holding a Class 5 Cannabis Retailer license pursuant to N.J.S.A. 24:61-31 et. seq. and any regulations duly adopted by the Cannabis Regulatory

Commission. Class 5 licensees' primary business is purchasing or otherwise obtaining usable cannabis from cannabis cultivators and cannabis items from cannabis manufacturers or cannabis wholesalers, and reselling these to consumers either through a retail store or use of a cannabis delivery service or a certified cannabis handler for the off-premises delivery of cannabis items and related supplies to consumers.

Cannabis Establishment - A business constituting a cannabis cultivator, cannabis manufacturer, a cannabis retailer, or a cannabis wholesaler pursuant to N.J.S.A. 24:61-31 et. seq. and any regulations duly adopted by the Cannabis Regulatory Commission.

Consumer - Any person legally qualified to purchase recreational cannabis pursuant to N.J.S.A. 24:61-31 et. seq. As of the date of adoption of this Ordinance, New Jersey law requires a consumer as defined herein be at least twenty-one (21) years of age or older and that such purchases of recreational cannabis are for personal use, not for resale to others. Any future restriction or other modification concerning the qualifications applicable to cannabis consumers by the State of New Jersey shall constitute a parallel restriction or modification of the qualifications to purchase or possess legalized cannabis within the Township.

Consumption - means the act of ingesting, inhaling, or otherwise introducing cannabis items into the human body.

Delivery - The transportation of cannabis items and related supplies to a consumer. "Delivery" also includes the use by a licensed cannabis retailer of any third party technology platform to receive, process, and fulfill orders by consumers, which third party shall not be required to be a licensed cannabis establishment, distributor, or delivery service, provided that any physical acts in connection with fulfilling the order and delivery shall be accomplished by a certified cannabis handler performing work for or on behalf of the licensed cannabis retailer, which includes a certified cannabis handler employed or otherwise working on behalf of a cannabis

delivery service making off-premises deliveries of consumer purchases fulfilled by that cannabis retailer.

Cannabis Testing Facility - An independent, third-party entity meeting accreditation requirements established by the Cannabis Regulatory Commission that is licensed to analyze and certify cannabis items and medical cannabis for compliance with applicable health, safety, and potency standards.

Microbusiness. - A licensed cannabis business with a smaller footprint than a standard cannabis business with respect to its business operations, capacity and quantity of product and as defined in N.J.S.A. 24:6I-33 and operated in accordance with NJAC 17:30-6.7.

Medical Cannabis - Cannabis dispensed to registered qualifying patients pursuant to the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L. 2009, c.307 (C.24:6I-1 et al.) and P.L. 2015, c.158 (C.18A:40-12.22 et al.). “Medical cannabis” does not include any cannabis or cannabis item which is cultivated, produced, processed, and consumed in accordance with P.L. 2021, c.16 (C.24:6I-31 et al.) See Ordinance 2022-13 “Ordinance of the Township of Waterford, county of Camden, State of New Jersey, Establishing Rules and Regulations for Medical Marijuana Alternative Treatment Centers.”

For the purpose of this Chapter, words and phrases herein shall have the same meanings as codified under state law, N.J.S.A.

24:6I-33, et seq., and any amendments or supplements thereto, and the rules and regulations of the Cannabis Regulatory Commission. In the event of a conflict in the meaning of words or phrases as between the Township Code and the foregoing laws or regulations of the State concerning legal cannabis. State law or regulations shall govern.

#### **Section 4. License Required, Resolution of Support and Fees.**

- A. Local license Required. Pursuant to the authority granted by N.J.S.A. 24- 6I-45 (a)(2) and subject to the authority of the Cannabis Regulatory Commission to approve and issue Cannabis Licenses authorized by law, any applicant desiring to conduct business as a Cannabis Establishment within the Township shall apply to obtain a yearly license from the Township Committee. An application for a yearly Township license must be completed and submitted to the Township clerk once the applicant obtains a yearly State license. The yearly Township license shall be in the form established by the Township Committee. The fee shall be five thousand (\$5,000.00) dollars and is non-refundable. The application shall be reviewed by the Township Solicitor or Conflict Solicitor, Engineer, Planner and Chief of Police.
- B. Resolution of Support. In order to receive a Resolution of Support from the Township in accordance with the requirements of N.J.A.C.17:30-7.1, N.J.A.C. 17-30-7.8 and N.J.A.C. 17:30-10, an Application form shall be completed by the applicant in the form established by the Township Committee and submitted to the Township clerk. The fee shall be one thousand (\$1,000) dollars and is non- refundable.
- C. Yearly fee. Once the applicant receives a yearly license from the State and Township, a yearly fee of Two Thousand Five (\$2500) hundred dollars is established to renew the Township license.
- D. All licenses are conditional uses in the Zoning districts identified in this Chapter by the Township and application must be made to the Township Land Use Board before any yearly Township license will be granted to any applicant.
- E. No person shall in any manner produce, sell, dispense or distribute cannabis or any cannabis product within the Township without first having obtained a yearly license in accordance with the New Jersey Cannabis Regulatory Commission rules and regulations and the rules and regulations established in this Chapter.

- F. Any cannabis business already operating in the Township as of the date of adoption and publication of this ordinance is not required to complete an application for a license or pay the fee of \$5000.00. They are required, however, to pay a yearly fee of \$2,500.00.

**Section 5. Maximum Number of Licenses Permitted.**

The Township shall permit the following number and type of cannabis licenses within the Township pursuant to each category:

- A. Class 1 - Cannabis Cultivator License, for facilities involved in growing and cultivating cannabis – no limit.
- B. Class 2 - Cannabis Manufacturer License, for facilities involved in the manufacturing, preparation and packaging of cannabis items -no limit.
- C. Class 3 - Cannabis Wholesaler License, for facilities involved in obtaining and selling cannabis items for later resale by other licensees – no limit.
- D. Class 4 - Cannabis Distributor License, for businesses involved in transporting cannabis plants in bulk from one licensed cultivator to another licensed cultivator or cannabis items in bulk from any type of licensed cannabis business to another – no limit.
- E. Class 5 - Cannabis Retail License, for locations at which cannabis items and related cannabis supplies are sold to consumers – no limit.
- F. Class 6 - Cannabis Delivery License, for businesses providing courier services for consumer purchases that are fulfilled by a licensed Cannabis Retailer in order to make deliveries of the purchased items to a consumer – no limit.

**Section 6. Applicable Regulations to Licensees.**

- A. Retail Hours of Sale and Delivery. Any cannabis retailer licensee or cannabis delivery service licensee may sell, dispense and deliver or allow, permit or suffer the sale, dispensing or

delivery of any cannabis, usable cannabis or cannabis products to consumers in the Township between the hours of 9:00 a.m. to 10:00 p.m. Monday through Sunday. The retail and delivery hours of sale established herein may be further restricted during such hours as may be authorized or permitted by the State of New Jersey Cannabis Regulatory Commission, or pursuant to N.J.S.A. 24:6I-31 et seq. or any supplements or amendments thereto. Any future restriction by the State or the Cannabis Regulatory Commission shall constitute a parallel restriction on the permissible hours of retail sale and dispensing of cannabis within the Township.

B. Sales Prohibited. No licensee or employee of a licensee shall sell, dispense or deliver, directly or indirectly any cannabis, usable cannabis or cannabis products to any person under the influence, intoxicated person, or any person under the legal age to purchase cannabis, useable cannabis or cannabis products as a consumer pursuant to N.J.S.A. 24:6I-33, nor permit such categories of persons to congregate in or about the licensed premises.

C. Nothing herein shall permit the dispensing or delivery of cannabis, usable cannabis or cannabis products to consumers, or the direct point sale, dispensing or delivery of medical cannabis products to qualifying patients, by any person or entity, except for: (i) those persons duly licensed by the State as a cannabis delivery service or alternative treatment center, (ii) employees of such licensees, subject to such employees satisfying the qualifications established by the Cannabis Regulatory Commission to engage in such employment with such licensees.

D. On-site Consumption Prohibited. No licensee shall be permitted to operate or maintain a cannabis consumption area as further described in N.J.S.A. 24:6I-31 on licensed premises or otherwise allow any person to consume usable cannabis or cannabis products on or within any licensed premises within the Township.

E. Other Time Limits. The hours of operation for all other cannabis permitted businesses shall be established in the conditional use resolution adopted by the Township Land Use Board.

(iv) Delivering or selling cannabis or cannabis products to a licensed retail cannabis store or a cannabis product to a licensed manufacturing facility;

(v) Purchasing cannabis, or cannabis related products from a licensed cannabis cultivation facility; and

**Section 7. Lawful operation of cannabis facilities.**

A. Conditioned upon approval by the State of New Jersey and notwithstanding any other provision of law or regulation established in this Chapter, it is lawful and shall not be an offense under Township law to lease or otherwise allow the use of property owned, occupied or controlled by any person, corporation or other entity for any of the activities conducted lawfully in accordance with N.J.S.A. 24:6I -1 et seq.

B. Nothing in this section prevents the imposition of penalties as may be imposed by Township of Waterford upon a licensed cannabis establishment for violating this Chapter or rules adopted by the Land Use Board or State law.

C. Nothing in this Chapter proposes or intends to require any individual or entity to engage in any conduct that violates federal law or exempts any individual or entity from any requirement of federal law or poses any obstacle to federal enforcement of federal law.

**Section 8. Limitation on All Permitted Cannabis Businesses.**

A. The distance between all cannabis businesses is established pursuant to this section unless the Regulations established by the Cannabis Regulatory Commission provide for a lesser distance.  
No permitted cannabis business shall:

i. be any closer than two hundred and fifty (250) feet from any behavioral health care facility or residential medical detoxification center.

ii. be any closer than one hundred and fifty (150) feet from a residential district or use.

iii. be located within five hundred (500) feet of the property line of any existing church, private school, college, childcare center, or any existing public park or any public or parochial school.

iv. The measurement of distances shall be conducted in a straight line from the nearest property line to the nearest portion of the store, area, or facility where the cannabis related business is located.

v. No permitted consumer cannabis business shall be located within One Thousand Five Hundred (1,500) feet of another permitted cannabis business which shall be measured in a straight line from the nearest portion of the building in which the center is proposed to be located to the nearest portion of the building in which the other center is to be located.

B. Permitted Locations.

i. A Class 1 Cannabis Cultivator business and Class 2 Cannabis Manufacturing business shall be located in the following zoning districts as a conditional use in accordance with the regulations of this Chapter and Chapter 176 of the Code of the Township of Waterford, captioned “Land Use, Development and Zoning.”

a. PHB – Planned Highway Business District.

b. AG - Agricultural District.

c. PI - Planned Light Industrial.

ii. A Class 3 Cannabis Wholesale business and a Class 4 Cannabis Distributor business and a Class 6 Cannabis Delivery business shall be located only in the Township Planned Highway Business (HPB) Zoning Districts or Planned Light Industrial ((PI) Zoning Districts in accordance with the Resolutions of this Chapter and Chapter 176 of the Code of the Township of Waterford captioned” Land Use Development and Zoning.” A Class 5 Cannabis Retail Business License shall be located only in the Township Planned Highway Business (PHB) Zoning Districts in accordance

with the Regulations of this Chapter and Chapter 176 of the Code of the Township of Waterford captioned “Land Use Development and Zoning”.

B. Regulations.

- i. Class 1, Class 2 and Class 3 cannabis licensees shall be required to have a secure enclosed facility in which it conducts its business. The Township Land Use Board shall determine if a Class 4 and Class 6 facility shall be enclosed.
- ii. Only authorized personnel or permitted invitees shall have access to the facility and the facility shall not be open to the public.
- iii. Satisfactory measures and means shall be taken to prevent smoke, odors, debris, dust, and other substances from exiting the business premises at all times. These businesses shall properly dispose of any and all materials and other substances in a safe and sanitary manner in accordance with State, County and local health regulations and any other applicable regulation. Light pollution shall be controlled by glow lamps not more than 0.5 foot candles or less at the property line. Noise pollution beyond the statutorily permitted decibel level is prohibited.
- iv. All indoor facilities shall be equipped with ventilation systems with carbon filters sufficient in type and capacity to eliminate marijuana odors emanating from the interior or exterior of the premises discernable by reasonable persons. The ventilation system shall be inspected and approved by the Township Construction Official. All State, County and local regulations concerning ventilation systems shall be complied with.
- v. All wastewater generated by a Class 1 or Class 2 cannabis operation must be managed in accordance with the applicable standards of the New Jersey Department of Environmental Protection and/or the Regulations/Standards of the New Jersey Pinelands. This shall include but not be limited to pre-treatment of wastewater where required, separation, recycling and offsite disposal of solvents and oils where required and employing water conservation measures.

vi. Acceptable Security Systems shall be maintained at each facility.

vii.. Unless approved by the Township Land Use Board, all equipment, products and accessories shall be stored completely indoors and onsite.

viii. The Business shall comply with all other zoning, health, building, fire and Code Ordinances of the Township and Regulations issued by the Cannabis Regulatory Commission.

**Section 9. Suspension or Revocation of License.**

A. Grounds for Suspension or Revocation. Any yearly Township license granted and issued pursuant to this Chapter may be suspended or revoked by the Township Committee after Notice and hearing for any of the following causes:

i. Any fraud, misrepresentation, or false statement made in the application for a yearly license or in any application presented to the Township Land Use Board.

ii. Any violation of this Chapter.

iii. Any violation of the New Jersey Cannabis Regulatory, Enforcement Assistance and Marketplace Modernization Act.

iv. Any violation of the rules or regulations established by the Cannabis Regulatory Commission.

v. Any conviction of a licensee of any felony or misdemeanor involving moral turpitude.

vi. Conducting the business license under this Chapter, through the applicant himself/herself or any of its agents, servants or employees in any unlawful manner or in such a manner as to constitute a breach of peace or to constitute a menace to the health, safety or general welfare of the public.

B. Notice of Hearing. Notice of hearing for suspension or revocation of a yearly Township license shall be given, in writing, by the Township Clerk setting forth the grounds of the

Complaint and the time and place of the hearing. Such Notice shall be mailed by certified and regular mail, to the licensee at the address indicated on the license application, at least five (5) days prior to the date set forth for the hearing unless the 5 -day notice would cause a threat to public health and welfare in which case the Township shall take any reasonable action to notify the licensee.

C. Reissuance Following Suspension or Revocation. The Township Committee may issue another license to a person whose yearly Township license has been revoked, if, after the hearing it is satisfied by clear and convincing evidence that the acts which led to the revocation or suspension will not occur again; otherwise, no person whose license has been revoked, or any person acting for him/her, directly or indirectly shall not be considered for issuance of another license to carry on the same activity for a period of twelve (12) months.

D. Suspension or Revocation of a License shall be in addition to any other penalty which may be imposed for a violation of this Chapter or for a violation of any State law.

E. Proceedings for Suspension or Revocation of any yearly Township license shall be in accordance with such rules and regulations that may be adopted by the Cannabis Regulatory Commission, or in lieu thereof, the Township Committee.

F. Penalty for Violation. Any violation of the provisions of this Chapter shall be punishable by a Civil fine of up to Two Thousand Dollars (\$2,000). Each day that a violation is committed, exists or continues shall be a separate and distinct offense. In addition, any violation of the provisions of this Chapter, or any conditions imposed on the licensee may result in the revocation or suspension of the license.

**Section 10. Transfer and User Tax.**

A. Purpose.

The purpose of this section is to impose a tax on the new sale of cannabis or cannabis products by licensed commercial cannabis businesses operating in the Township of Waterford pursuant to the New Jersey Cannabis Regulatory Enforcement Assistance and Marketplace Modernization Act, to specify the type of tax and rate of tax to be levied and the method of collection, and to comply with all requirements of the imposition of a transfer or user tax pursuant to State law. This Chapter is enacted solely to raise revenue and not for regulation. This Chapter does not authorize the conduct of any business or activity in the Township of Waterford, but provides for the taxation of such businesses or activities as they occur.

#### B. Definitions.

The terms and definitions enumerated in Section 3 of the new Chapter of the Township Code entitled “Cannabis” are hereby incorporated by reference as if fully set forth herein. For the purpose of this Chapter, words and phrases herein shall have the same meaning as codified under state law, N.J.S.A. 40:481-1 and 24:6I-46 any amendments or supplements thereto, and the rules and regulations of the Cannabis Regulatory Commission. In the event of a conflict in the meaning of words or phrases as between the Township Code and the foregoing laws or regulations of the State concerning legal cannabis, State law or regulations shall govern.

#### C. Imposition of Cannabis Transfer Tax and User Tax.

The Township of Waterford hereby imposes and shall collect certain local option taxes on cannabis business activity as follows:

- i. A municipal transfer tax is hereby imposed on the receipts of each state sale by a license holder operating in the Township of Waterford at the rate of two percent (2%) of the receipts from each sale by a Cannabis Retailer, Cannabis Cultivator and a Cannabis Manufacturer, and one percent (1%) of the receipts from each sale by a Cannabis Wholesaler.
- ii. A municipal user tax is hereby 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 or use of cannabis or cannabis items not otherwise subject to the transfer tax imposed pursuant to this section, from the license holder's establishment that is located in the municipality to any of the other license holder's establishments, whether located in the municipality or another municipality.

D. Payment of Taxes

All revenues collected pursuant to this section shall be remitted to the Chief Financial Officer of the Township of Waterford in the manner provided by this ordinance. The taxes imposed by this section shall be computed and paid for each calendar month. Said taxes are due and payable to the Chief Financial Officer, quarterly on or before the 20<sup>th</sup> day of January, April, July and October of each year. All state cannabis tax returns filed shall be provided to the Chief Financial Officer on a quarterly basis.

E. Administration

i. The Chief Financial Officer is hereby authorized and empowered to administer, regulate and collect payment of all taxes imposed by this ordinance.

ii. Chief Financial Officer may order an audit of any taxpayer under this Chapter for the purpose of ascertaining the correctness or completeness of any return or payment.

F. Penalties

i. 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.

ii. 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 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 the parcel for unpaid property taxes due and owing in the same year.

iii. In the event that a lien is imposed on a delinquent taxpayer pursuant to this section, the Township shall file in the office of the 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.

**Section 11.** The Township may adopt additional regulations and requirements necessary for implementing this Chapter or to include regulations established by the Cannabis Regulatory Commission. The adoption of this Ordinance is subject to the regulations to be promulgated, amended and adopted by the Cannabis Regulatory Commission.

**Section 12.** The Township Land Use, Development and Zoning Chapter 176 shall be amended as necessary to incorporate the regulations and requirements of this new Chapter captioned "Cannabis" and any other regulations and requirements to be included in Chapter 176 as apply to conditional uses.

**Section 13. Repealer.** Any and all Ordinances inconsistent with the terms of this Ordinance are hereby repealed to the extent of such inconsistency.

**Section 14. Severability.** If the provisions of any section, subsection, paragraph, subdivision, or clause of this Ordinance shall be judged invalid by a Court of competent

jurisdiction, such order of judgment shall not affect or invalidate the remainder of any section, subsection, paragraph, subdivision or clause of this Ordinance.

**Section 15. Effective Date.** This Ordinance shall only take effect after final adoption and publication as required by law.

\_\_\_\_\_  
**Dawn Liedtka, RMC / CMR Clerk**

\_\_\_\_\_  
**Thomas Giangiuolo, Mayor**

Intro: May 8, 2024  
 Public Hearing: May 22, 2024  
 Adopted: \_\_\_\_\_, 2024

<b>UPON INTRODUCTION ON MAY 8, 2024</b>					
	<b>Doney</b>	<b>Jones-Freitag</b>	<b>Thompson</b>	<b>Wade</b>	<b>Giangiuolo</b>
YES	X	X		X	X
ABSTAIN					
NO			X		
ABSENT					
<b>UPON ADOPTION ON MAY 22, 2024</b>					
	<b>Doney</b>	<b>Jones-Freitag</b>	<b>Thompson</b>	<b>Wade</b>	<b>Giangiuolo</b>
YES					
ABSTAIN					
NO					
ABSENT					

**CERTIFICATION**

I, Dawn Liedtka, Clerk of the Township of Waterford, Camden County, New Jersey, do hereby certify the foregoing to be true and exact copy of the Ordinance which was finally adopted by the Mayor and Township Committee of the Township of Waterford at a Meeting held on the day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
**Dawn Liedtka, RMC / CMR Clerk**