

BOROUGH OF BUTLER

ORDINANCE NO. 2021 – 17

AN ORDINANCE AMENDING CHAPTER 210, “TAXATION,” OF THE REVISED GENERAL ORDINANCES OF THE BOROUGH OF BUTLER TO INCLUDE A NEW ARTICLE CONCERNING CANNABIS SALES TAXATION.

BE IT ORDAINED by the Borough Council of the Borough of Butler, in the County of Morris and State of New Jersey, as follows:

Section 1. Chapter 210 of the Revised General Ordinances of the Borough of Butler shall be amended by the inclusion of a new Article II, which shall read in its entirety as follows:

ARTICLE II Taxation of Cannabis Sales

§ 210-3. Taxation of Cannabis Sales and Transfers.

There is hereby imposed a sale and transfer tax on all cannabis products sold by cannabis retailers within the Borough of Butler. Such tax will be imposed at time of sale or transfer and shall further be imposed upon the value of cannabis products transferred by any concurrent license holder operating more than one establishment of any class, to or from the license holder’s establishment located within the Borough of Butler to any or from the license holder’s other establishments, whether or not such establishment is located within the Borough of Butler.

§ 210-3. Rates.

The tax rate for the retail sale of any cannabis product shall be 2% of the value of each receipt or transaction of sale. The tax rate for any transfer by concurrent license holder of cannabis products shall be 1% of the market value of the transferred cannabis product.

§ 210-4. Remission of taxes.

Every cannabis establishment and/or licensee shall remit taxes collected and due and owing on a quarterly basis to the municipal chief fiscal officer, along with certified copies of sales receipts and product transfer ledgers or documentation. The dates of tax remission shall be on or before April 1, July 1, October 1 and January 2, or as established by the chief fiscal officer. Each licensee shall certify to the truth and accuracy of the receipts and product transfer ledgers or documentation, and shall remit a return in a form determined by the chief fiscal officer.

§ 210-5. Delinquent taxes.

All unpaid taxes as required under this Article shall be subject to the accrual of interest and penalties at rates and penalties set forth and established for delinquent ad valorem taxes within the Borough of Butler.

§ 210-6. Liability for taxes owed.

Each cannabis establishment owner and/or licensee shall be personally liable for any and all taxes imposed under this Article and any interest and penalty accruing thereon. In addition, any unpaid balance and interest and penalties accruing thereon shall constitute a lien on the real property in which the cannabis establishment is located and such liens shall be enforced in the same manner as municipal tax liens.

§ 210-7. Audit.

Every cannabis establishment and/or licensee within the Borough of Butler is subject to audit, no greater than once per annum, of the establishment's or licensee's business records, receipts and accounting books, such audit to be performed at the chief fiscal officer's discretion, by a certified public accountant. Every cannabis establishment and licensee shall be obligated to fully comply with the requirements of an auditor. Failure to cooperate with the audit, or any misrepresentation or fraud committed by the establishment or licensee, shall result in the immediate suspension of the license.

Section 2. If any section or provision of this Ordinance shall be held invalid in any Court of competent jurisdiction, the same shall not affect the other sections or provisions of this Ordinance, except so far as the section or provision so declared invalid shall be inseparable from the remainder or any portion thereof.

Section 3. All Ordinances or parts of Ordinances which are inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 4. This Ordinance shall take effect immediately after final passage and publication in the manner provided by law.