

Date: August 1, 2013

Subject: An ordinance of the City of Littleton, Colorado, submitting a ballot issue at the November 5, 2013 election regarding imposing a tax of 3% on all retail sales of marijuana and retail marijuana products, which is expected to increase the City's revenue by approximately \$90,000.00 per year.

Passed/Failed: Passed on first reading.

CITY OF LITTLETON, COLORADO

ORDINANCE NO. 18

Series, 2013

INTRODUCED BY COUNCILMEMBERS: Cole and Taylor

AN ORDINANCE OF THE CITY OF LITTLETON, COLORADO, SUBMITTING A BALLOT ISSUE AT THE NOVEMBER 5, 2013 ELECTION REGARDING IMPOSING A TAX OF 3% ON ALL RETAIL SALES OF MARIJUANA AND RETAIL MARIJUANA PRODUCTS, WHICH IS EXPECTED TO INCREASE THE CITY'S REVENUES BY APPROXIMATELY \$90,000.00 PER YEAR.

WHEREAS, November 5, 2013 is the date of the next general municipal election which shall be held pursuant to Section 12 of the Littleton City Charter; and

WHEREAS, Section 47 of the Littleton City Charter authorizes the City Council to submit any proposed or adopted ordinances or question to the electors of the City without receipt of a petition; and

WHEREAS, Section 20 of Article X of the Colorado Constitution requires voter approval of any tax increase or change in tax policy; and

WHEREAS, the citizens of Colorado have adopted Amendment 64 to the Colorado Constitution, Article XVIII, Section 16, creating provisions for the sale of marijuana, and among other things, authorizing the taxation of retail sales of marijuana and marijuana products by the State of Colorado and by local governments, upon approval of the registered electors of the State and local governments; and

WHEREAS, the Colorado General Assembly has adopted legislation, and the Colorado Department of Revenue have adopted regulations governing the licensing and sales of retail marijuana and retail marijuana products; and

WHEREAS, City Council wishes to refer a ballot issue to the electors of the City without a petition which will impose a tax in the amount of three percent (3%) of the purchase price paid or charged for retail marijuana and retail marijuana products, as those terms are

defined in state law and in the City Code which is in addition to the sales tax and any other state tax imposed on sales of retail marijuana and retail marijuana products.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LITTLETON, COLORADO, THAT:

Section 1: Title 3 of the City Code shall be amended with the addition of the following:

Chapter 22. SPECIAL RETAIL MARIJUANA SALES TAX

3-22-1. Administration and enforcement.

The special retail marijuana sales tax imposed pursuant to the Chapter, unless the context otherwise requires, shall have the meanings given to them in this section.

A) “Consumer” means a person twenty-one years of age or older who purchases retail marijuana or retail marijuana products for personal use by person twenty-one years of age or older but not for resale to others.

B) “Retail Marijuana” means all or parts of the plant of the genus cannabis whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin, including marijuana concentrate. “Retail marijuana” does not include industrial hemp, nor does it include fiber produced from the stalks, oil, cake made from the seeds of the plant, sterilized seed of the plant that is incapable of germination, or the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other product.

C) “Retail marijuana products” means concentrated retail marijuana products and retail marijuana products that are comprised of retail marijuana and other ingredients and are intended for use or consumption, such as but not limited to, edible products, ointments, and tinctures.

D) “Retail marijuana store” means an entity licensed by the Colorado Department of Revenue to sell retail marijuana and retail marijuana products to consumers pursuant to section 16 of article XVIII of the Colorado Constitution and the “Colorado Retail Marijuana Code,” Article 43.4 of Title 12, C.R.S., and license by the Licensing Authority pursuant to Chapter 21 of Title 31.

3-22-2. Imposition of tax.

A) In addition to the sales tax imposed by Chapter 9 of this Title 3, beginning January 1, 2014, there is imposed upon all sales of retail marijuana and retail marijuana products to a consumer by a retail marijuana store a tax at the rate of three (3) percent of the amount of the sale.

B) Nothing in this section shall be construed to impose a tax on the sale of marijuana or marijuana products to any person by a medical marijuana center licensed by the Colorado Department of Revenue to sell medical marijuana and medical marijuana-infused products pursuant to the Colorado Medical Marijuana Code, Article 43.3 of Title

12, C.R.S. and licensed by the city pursuant to Chapter 20 of Title 3. To the extent any retail marijuana store exists at the same location and under common ownership with a licensed medical marijuana center, the retailer shall strictly segregate and account for sales of retail marijuana distinct from medical marijuana in accordance with all applicable state and city laws and regulations governing collection of retail marijuana stores and medical marijuana centers.

3-22-4. Revenue and spending limitations.

Notwithstanding any limitations on revenue, spending, or appropriations contained in Section 20 of Article X of the Colorado Constitution or any other provision of law, any revenues generated by the retail marijuana sales tax imposed pursuant to this Chapter, as approved by the voters at the special municipal election on November 5, 2013, may be collected and spent as a voter-approved revenue change.

Section 2: The City Council hereby authorizes and directs the officers of the City to certify on or before September 6, 2013 the ballot title in substantially the form set forth in Section 3 to the County Clerks in Arapahoe, Douglas and Jefferson Counties. Such ballot title shall be submitted to the eligible electors of the City at the November 5, 2013 regular election.

Section 3: This ordinance shall not take effect unless and until a majority of the registered voters voting at the regular election on November 5, 2013 vote “yes” in response to the following ballot title:

SHALL CITY OF LITTLETON TAXES BE INCREASED BY AN ESTIMATED \$90,000 IN 2014 (THE FIRST FULL FISCAL YEAR) AND WHATEVER AMOUNTS MAY BE COLLECTED IN FUTURE YEARS BY ADDING A NEW CHAPTER 22 TO TITLE 3 OF THE CITY CODE OF THE CITY OF LITTLETON TO IMPOSE A TAX OF THREE PERCENT (3%) OF THE PURCHASE PRICE PAID OR CHARGED FOR SALES OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS IN THE CITY OF LITTLETON IN ADDITION TO THE SALES TAX AND ANY OTHER STATE TAX IMPOSED ON SUCH SALES OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS?

AND SHALL ALL REVENUE RECEIVED FROM SUCH TAX INCREASE AND ANY INVESTMENT INTEREST THEREON BE A VOTER APPROVED REVENUE CHANGE UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

Yes

No

Section 4: The provisions of this ordinance shall take effect following passage and approval thereof as provided in Section 3 on January 1, 2014.

Section 5: The officers of the City are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this ordinance.

Section 6: Severability. If any part, section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining sections of this ordinance. The City Council hereby declares that it would have passed this ordinance, including each part, section, subsection, sentence, clause or phrase hereof, irrespective of the fact that one or more parts, sections, subsections, sentences, clauses or phrases may be declared invalid.

Section 7: Repealer. All ordinances or resolutions, or parts thereof, in conflict with this ordinance are hereby repealed, provided that this repealer shall not repeal the repealer clauses of such ordinance nor revive any ordinance thereby.

INTRODUCED AS A BILL at a regularly scheduled meeting of the City Council of the City of Littleton on the 30th day of July, 2013, passed on first reading by a vote of 6 FOR and 1 AGAINST; and ordered published by posting at Littleton Center, Bemis Library, the Municipal Courthouse and on the City of Littleton Website.

PUBLIC HEARING on the Ordinance to take place on the 20th day of August, 2013, in the Council Chamber, Littleton Center, 2255 West Berry Avenue, Littleton, Colorado, at the hour of 7:00 p.m., or as soon thereafter as it may be heard.

PASSED on second and final reading, following public hearing, by a vote of ____ FOR and ____ AGAINST on the _____ day of _____, 2013 and ordered published by posting at Littleton Center, Bemis Library, the Municipal Courthouse and on the City of Littleton Website.

ATTEST:

/s/Wendy Heffner
CITY CLERK

/s/Debbie Brinkman
PRESIDENT OF CITY COUNCIL

/s/Ken Fellman
APPROVED AS TO FORM:
CITY ATTORNEY