

O-2021-13

AN ORDINANCE

SUBMITTING TO A VOTE OF THE REGISTERED ELECTORS OF THE CITY OF LAKEWOOD AT THE NOVEMBER 2, 2021 COORDINATED ELECTION A BALLOT ISSUE TO AUTHORIZE THE IMPOSITION OF AN ADDITIONAL SALES TAX OF 7% ON THE SALE OF RETAIL MARIJUANA AND RETAIL MARIJUANA INFUSED PRODUCTS (AS AUTHORIZED BY STATE LAW), AND AN EXCISE TAX OF 7% ON THE WHOLESALE TRANSFER OF RETAIL MARIJUANA AND RETAIL MARIJUANA INFUSED PRODUCTS FROM OR TO A MARIJUANA BUSINESS IN THE CITY, INCLUDING TRANSFERS BY THE SAME BUSINESS BETWEEN LICENSES, ASSESSED ON THE AVERAGE MARKET RATE OF UNPROCESSED MARIJUANA NOT FOR RETAIL SALE (FOR MARIJUANA) AND ON THE GREATER OF THE PRICE PAID BY THE PURCHASER OR THE CASH VALUE OF MARIJUANA PRODUCTS (FOR MARIJUANA PRODUCTS), WITH THE RESULTING SALES AND EXCISE TAX RATES CAPABLE OF BEING INCREASED TO A MAXIMUM OF 15% WITHOUT FURTHER VOTER APPROVAL, WITH THE RESULTING TAX REVENUES TO BE USED TO FUND MARIJUANA REGULATION AND ENFORCEMENT, AND EDUCATION AND PUBLIC HEALTH PROGRAMS ASSOCIATED WITH MARIJUANA CONSUMPTION, AND FOR OTHER GENERAL EXPENSES OF THE CITY, AND SHALL THE CITY BE PERMITTED TO COLLECT, RETAIN AND EXPEND ALL REVENUES DERIVED FROM SUCH SALES AND EXCISE TAXES AND ANY INVESTMENT EARNINGS THEREON AS A VOTER-APPROVED REVENUE CHANGE AND AN EXCEPTION TO LIMITS WHICH WOULD OTHERWISE APPLY UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW

WHEREAS, the City of Lakewood is a home rule city pursuant to Article XX of the Colorado Constitution, with all authority set forth therein, including the power to levy and collect taxes for municipal purposes;

WHEREAS, Article X, Section 20, of the Colorado Constitution requires voter approval of any tax increase or change in tax policy resulting in more than a de minimis change to the net revenue of any taxing district;

WHEREAS, Article XVIII, Section 16, of the Colorado Constitution establishes provisions for the personal use and regulation of marijuana, including the sale and licensing of marijuana at retail, and authorizes the taxation of retail sales of marijuana and marijuana products by local governments upon approval of the registered electors of the local government;

WHEREAS, on November 3, 2020, the citizens of Lakewood approved Ballot Question 2B, allowing for the adoption of regulations governing the operation of retail marijuana stores and retail marijuana cultivation facilities in the City of

Lakewood , pursuant to Article XVIII, Section 16(5)(f) of the Colorado Constitution;
and

WHEREAS, this ordinance would authorize the City to submit to the registered voters of the City of Lakewood, at a coordinated election to be held with Jefferson County, Colorado, on November 2, 2021, a ballot question regarding authorizing the imposition of an additional sales tax of 7% on the sale of retail marijuana and retail infused marijuana products, and an excise tax of 7% on the sale of retail marijuana and retail marijuana infused products (as authorized by state law), and an excise tax of 7% on the wholesale transfer of retail marijuana and retail marijuana infused products from or to a marijuana business in the city, including transfers by the same business between licenses, assessed on the average market rate of unprocessed marijuana not for retail sale (for marijuana) and on the greater of the price paid by the purchaser or the cash value of marijuana products (for marijuana products), with the resulting sales and excise tax rates capable of being increased to a maximum of 15% without further voter approval, with the resulting tax revenues to be used to fund marijuana regulation and enforcement, and education and public health programs associated with marijuana consumption, and for other general expenses of the City, and authorizing the City to be permitted to collect, retain and expend all revenues derived from such sales and excise taxes and any investment earnings thereon as a voter-approved revenue change and an exception to limits which would otherwise apply under Article X, Section 20 of the Colorado Constitution or any other law.

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

Section 1. The following ballot issue shall be submitted to the registered electors of the City of Lakewood at the coordinated election on November 2, 2021:

SHALL CITY OF LAKEWOOD TAXES BE INCREASED BY \$4,070,000 ANNUALLY IN THE FIRST FULL FISCAL YEAR, BEGINNING JANUARY 1, 2022, AND BY SUCH AMOUNTS AS ARE RAISED ANNUALLY THEREAFTER, BY THE IMPOSITION OF A SALES TAX OF 7% ON THE SALE OF RETAIL MARIJUANA AND RETAIL MARIJUANA INFUSED PRODUCTS (AS AUTHORIZED BY STATE LAW), AND AN EXCISE TAX OF 7% ON THE WHOLESALE TRANSFER OF RETAIL MARIJUANA AND RETAIL MARIJUANA INFUSED PRODUCTS FROM OR TO A MARIJUANA BUSINESS IN THE CITY, INCLUDING TRANSFERS BY THE SAME BUSINESS BETWEEN LICENSES, ASSESSED ON THE AVERAGE MARKET RATE OF UNPROCESSED MARIJUANA NOT FOR RETAIL SALE (FOR MARIJUANA) AND ON THE GREATER OF THE PRICE PAID BY THE PURCHASER OR THE CASH VALUE OF MARIJUANA PRODUCTS (FOR MARIJUANA PRODUCTS), WITH THE RESULTING SALES AND EXCISE TAX

RATES CAPABLE OF BEING INCREASED TO A MAXIMUM OF 15% WITHOUT FURTHER VOTER APPROVAL, WITH THE RESULTING TAX REVENUES TO BE USED TO FUND MARIJUANA REGULATION AND ENFORCEMENT, AND EDUCATION AND PUBLIC HEALTH PROGRAMS ASSOCIATED WITH MARIJUANA CONSUMPTION, AND FOR OTHER GENERAL EXPENSES OF THE CITY, AND SHALL THE CITY BE PERMITTED TO COLLECT, RETAIN AND EXPEND ALL REVENUES DERIVED FROM SUCH SALES AND EXCISE TAXES AND ANY INVESTMENT EARNINGS THEREON AS A VOTER-APPROVED REVENUE CHANGE AND AN EXCEPTION TO LIMITS WHICH WOULD OTHERWISE APPLY UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

YES ___ NO ___

Section 2. For purposes of C.R.S. § 1-11-203.5, this Ordinance shall serve to set the title and content of the ballot issue set forth herein and the ballot title for such question shall be the text of the question itself.

Section 3. If any section, paragraph, clause, or other portion of this Ordinance is for any reason held to be invalid or unenforceable, the invalidity or unenforceability shall not affect any of the remaining portions of this Ordinance.

I hereby attest and certify that the within and foregoing ordinance was introduced and read on first reading at a virtual regular meeting of the Lakewood City Council on the 14th day of June, 2021; published by title in the Denver Post and in full on the City of Lakewood's website, www.lakewood.org, on the 17th day of June, 2021; set for public hearing to be held on the 28th day of June, 2021, read, finally passed and adopted by the City Council on the 28th day of June, 2021 and, signed by the Mayor on the _____ day of June, 2021.

Adam Paul, Mayor

ATTEST:

Bruce Roome, City Clerk

APPROVED AS TO FORM:

Alison McKenney Brown, City Attorney