

**TOWN OF SEDGWICK
ORDINANCE # 1-2020**

AN ORDINANCE AMENDING ORDINANCE #01-2016 TO CONFORM WITH STATE LAW BY CHANGING HOW THE EXCISE TAX ON UNPROCESSED RETAIL MARIJUANA IS CALCULATED AND SUBMITTING A CORRESPONDING BALLOT QUESTION TO THE REGISTERED ELECTORS OF THE TOWN OF SEDGWICK AT THE REGULAR MUNICIPAL ELECTION TO BE HELD ON APRIL 7, 2020

WHEREAS, the Town of Sedgwick, Colorado (the “Town”) is a statutory town existing under and by virtue of laws of the State of Colorado; and

WHEREAS, C.R.S. § 29-2-114 authorizes the Town to “levy, collect and enforce a municipal excise tax on the first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility,” which tax is in addition to other taxes, including the excise tax imposed by the State; and

WHEREAS, the Board of Trustees referred such an excise tax on the sale or transfer of unprocessed retail marijuana to the Town’s electors, who approved the tax on April 5, 2016; and

WHEREAS, the Colorado General Assembly amended C.R.S. § 29-2-114 by Senate Bill 18-259, changing the calculation of the excise tax for sales or transfers between unaffiliated retail marijuana business licensees starting January 1, 2019 by applying the tax to the contract price, rather than the average market rate, and, further requiring municipalities which previously levied such a tax to adopt conforming amendments by December 31, 2020; and

WHEREAS, the Board of Trustees concludes that the excise tax has benefitted the Town by generating revenue for enforcement and for other community purposes and, therefore, it is in the best interest of the Town to make the conforming amendments required by Senate Bill 18-259, without increasing the tax, to continue to levy the tax after December 31, 2020 as voters intended; and

WHEREAS, the Town will hold a regular municipal election on April 7, 2020 and such date is one of the election dates at which ballot issues may be submitted to the registered electors of the Town; and

WHEREAS, the Board of Trustees finds it is in the best interest of the Town and its citizens to submit to the registered electors of the Town the ballot issue herein set forth.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF SEDGWICK, COLORADO:

Section 1. A regular municipal election will be held in the Town of Sedgwick on Tuesday, April 7, 2020, between the hours of 7:00 a.m. and 7:00 p.m. (the “Election”).

Section 2. Pursuant to the applicable provisions of the laws of the State of Colorado,

the Board of Trustees hereby submits to the registered electors of the Town at the Election the ballot question specified in Section 3 of this ordinance.

Section 3. The following ballot question, certified in substantially the form set forth below, is hereby referred to the registered electors of the Town and shall appear on the ballot of the Election:

WITHOUT INCREASING THE RATE OF THE TAX, SHALL TOWN OF SEDGWICK ORDINANCE #01-2016 BE AMENDED TO CONFORM WITH SECTION 29-2-114 OF THE COLORADO REVISED STATUTES SUCH THAT THE TOWN'S CURRENT EXCISE TAX ON UNPROCESSED CULTIVATED RETAIL MARIJUANA WILL APPLY TO THE FIRST SALE OR TRANSFER OF UNPROCESSED RETAIL MARIJUANA BY A RETAIL MARIJUANA CULTIVATION FACILITY AT A RATE OF 2% OF THE AVERAGE MARKET RATE IF THE TRANSACTION IS BETWEEN AFFILIATED RETAIL MARIJUANA BUSINESS LICENSEES, AND AT A RATE OF 2% OF THE CONTRACT PRICE IF THE TRANSACTION IS BETWEEN UNAFFILIATED RETAIL MARIJUANA BUSINESS LICENSEES?

Section 4. If a majority of the registered electors voting at the Election vote "yes" in response to the ballot question specified in Section 3 of this Ordinance, the issue shall be deemed to have passed and Town of Sedgwick Ordinance #1-2016 shall be amended as set forth in Sections 5 and 6 of this Ordinance.

Section 5. Section 1 of Town of Sedgwick Ordinance #1-2016 is hereby amended to read as follows (words to be added are underlined; words to be deleted are ~~stricken through~~):

Sec. 1. Definitions

When not clearly otherwise indicated by the context, the following words and phrases as used in this Ordinance shall have the following meanings:

A. "Affiliated marijuana business licensee" shall have the same meaning as in C.R.S. § 39-28.8-101(1), as may be amended from time to time.

B. "Average market rate" shall have the same meaning as in C.R.S. § 39-28.8-101(1.5), as may be amended from time to time. ~~means the amount determined by the Colorado Department of Revenue pursuant to C.R.S. § 39-28.8-101(1), as may be amended from time to time, as the average price of unprocessed retail marijuana that is sold or transferred from a retail marijuana cultivation facility to a retail marijuana products manufacturer or retail marijuana store.~~

C. "Contract price" shall have the same meaning as in C.R.S. § 39-28.8-101(2.5), as may be amended from time to time.

D. ~~"Marijuana" shall have the same meaning as in Article XVIII,~~

~~Section 16(2)(f) of the Colorado Constitution.~~

D. “Person” means a natural person, partnership, association, company, corporation, limited liability company, or organization; except that person does not include any governmental organization.

E. “Retail Marijuana” shall have the same meaning as in ~~C.R.S. § 12-43.4-103(15)~~ C.R.S. § 39-28.8-101(7), as may be amended from time to time.

F. “Retail Marijuana Cultivation Facility” shall have the same meaning as in ~~C.R.S. § 12-43.4-103(16)~~ C.R.S. § 39-28.8-101(8), as may be amended from time to time.

G. “Sale” shall have the same meaning as in C.R.S. § 39-28.8-101(13), as may be amended from time to time.

H. “Transfer” shall have the same meaning as in C.R.S. § 39-28.8-101(14), as may be amended from time to time.

I. “Unprocessed retail marijuana” shall have the same meaning as in C.R.S. § 39-28.8-101(15), as may be amended from time to time.

J. “Vendor” means a retail marijuana cultivation facility, duly licensed by the state and the Town at a location within the Town.

Section 6. Section 2 of Town of Sedgwick Ordinance #1-2016, is hereby amended to read as follows (words to be added are underlined; words to be deleted are ~~stricken through~~):

Sec. 2. Imposition and Rate of Tax.

~~On and after July 1, 2016, †~~ There is levied and shall be paid and collected an excise tax on the first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility at a rate in the amount of two percent (2%) on the average market rate if the transaction is between affiliated retail marijuana business licensees and at a rate of two percent (2%) of the contract price if the transaction is between unaffiliated retail marijuana business licensees. ~~of unprocessed retail marijuana that is sold by or transferred from a Vendor.~~

Section 7. The provisions of this Ordinance shall take effect, following passage and approval thereof as provided in Section 3, on July 1, 2020.

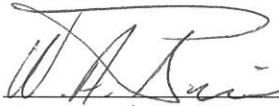
Section 8. If any section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity or constitutionality of the remaining portions of this Ordinance. The Board of Trustees hereby declares that it would have passed this Ordinance and each part or parts hereof irrespective of the

fact that any one part or parts be declared unconstitutional or invalid.

Section 9. All other ordinances or portions thereof inconsistent or conflicting with this Ordinance or any portion hereof are hereby repealed to the extent of such inconsistency or conflict.

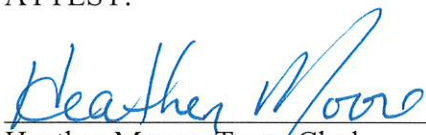
INTRODUCED, READ, PASSED AND ADOPTED AND ORDERED PUBLISHED BY
TITLE ONLY this 14th day of January, 2019.

TOWN OF SEDGWICK, COLORADO



Wayne Price, Mayor 2

ATTEST:



Heather Moore, Town Clerk

