RESOLUTION NO. 18-257

THE BOARD OF COUNTY COMMISSIONERS
OF PUEBLO COUNTY, COLORADO

APPROVING A FUTURE CREDIT TO THE PUEBLO COUNTY RETAIL MARIJUANA EXCISE TAX CONDITIONED ON THE ADOPTION OF PUEBLO COUNTY'S 2018 BALLOT MEASURE

WHEREAS, Section 16 of Article XVIII of the Colorado Constitution and the Colorado Retail Marijuana Code (C.R.S. § 12-43.4-101 *et seq*) permit the regulated cultivation, sale, and transfer of retail marijuana and retail marijuana products; and

WHEREAS, C.R.S. § 29-2-114 authorizes counties to levy, collect, and enforce an excise tax on the first transfer of unprocessed retail marijuana by a retail marijuana cultivation facility at a rate not to exceed five percent (5%) of the average market rate or contract price, whichever is applicable; and

WHEREAS, the electors of Pueblo County voted to approve the ballot issue authorized by Resolution No. 15-203, which imposed a countywide retail marijuana excise tax with a current rate of three percent (3%) of the average market rate of the unprocessed marijuana transferred by a retail marijuana cultivation facility, and with such rate set to increase automatically in future years; and

WHEREAS, by Resolution No. 18-239, this Board referred a ballot measure to the electors of Pueblo County, which would raise the rate of the County's special retail marijuana sales tax and adjust the methodology for calculating its excise tax; and

WHEREAS, by Resolution No. 18-239, this Board intends to revise the taxing scheme that currently applies to the retail marijuana industry, and, to accomplish that purpose, this Board believes it is in the best interest of the citizens of Pueblo County to freeze the rate on its retail marijuana excise tax at two and one-quarter percent (2.25%) for the foreseeable future in the event the voters approve the ballot measure referred by Resolution No. 18-239.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Pueblo County, Colorado that:

1. Unless otherwise provided, the definitions set forth in Pueblo County Resolution No. 18-239 are incorporated into this Resolution by this reference. As used in this Resolution, the term "Effective Rate" means the rate for the Excise Tax in effect in a given year as provided in Resolution No. 15-203 and calculated by either the Average Market Rate or the Contract Price, whichever is applicable, as proposed by Resolution No. 18-239.

2. Section 3 of this Resolution shall not take effect unless the ballot measure authorized by Resolution No. 18-239 is approved by the voters at the November 2018 General Election and properly takes effect thereafter.

3. Effective January 1, 2019, and until otherwise determined by the Pueblo County Board of County Commissioners, all retail marijuana establishments responsible for paying the Excise Tax are credited, and may retain without first remitting, any amount owed under the Effective Rate that is in excess of the amount equal to two and one-quarter percent (2.25%) of the Average Market Rate or Contract Price, whichever is applicable for a given transaction.

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4. The officers, employees, and agents of Pueblo County are authorized and directed to take any actions necessary to carry out the terms and intent of this Resolution.

PASSED AND ADOPTED this 9th day of October, 2018, in Pueblo County, Colorado.

THE BOARD OF COUNTY COMMISSIONERS
OF PUEBLO COUNTY, COLORADO

By: _____ pro tem
Terry Hart, Chair

ATTEST:

By: _____
Gilbert Ortiz, County Clerk

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