

**RESOLUTION NO. 7
SERIES 2014**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, REFERRING A BALLOT QUESTION TO THE REGISTERED ELECTORS OF THE CITY OF GUNNISON TO AUTHORIZE THE IMPOSITION OF AN ADDITIONAL FIVE PERCENT SALES TAX ON MARIJUANA SALES WITHIN THE CITY OF GUNNISON AND A 5% EXCISE TAX ON THE CASH VALUE OF THE TRANSACTION ON THE SALE BY A RETAIL MARIJUANA CULTIVATION FACILITY OR RETAIL MARIJUANA PRODUCTS MANUFACTURING FACILITY TO A LICENSED MARIJUANA ESTABLISHMENT OUTSIDE THE CITY OF GUNNISON, ALL REVENUES DERIVED FROM SUCH TAX COLLECTED BE SPENT TO DEFRAY COSTS ASSOCIATED WITH THE SALE AND USE OF MARIJUANA IN THE CITY.

WHEREAS, at the November, 2000, General Election, the voters of the State of Colorado adopted Amendment 20 to the Colorado Constitution, (Article XVIII, Section 14), which authorizes the possession and use of medical marijuana for use in treatment of debilitating medical conditions; and

WHEREAS, at the November, 2012, General Election, the voters of the State of Colorado adopted Amendment 64 to the Colorado Constitution, (Article XVIII, Section 16), which authorizes the possession and use of non-medical marijuana by the citizens 21 years and older; and

WHEREAS, the City of Gunnison is referring two ballot questions to the registered electors within the City to determine whether they wish to allow medical and retail marijuana establishments as authorized by Amendment 20 and Amendment 64, respectively; and

WHEREAS, the City Council recognizes that operation of medical marijuana centers, optional premises cultivation operations, medical marijuana-infused products manufacturers, retail sales businesses, retail marijuana cultivation facilities, retail marijuana products manufacturing facilities, and retail marijuana testing facilities, may result in increased demands upon municipal services, such as police protection, and have an effect upon the health, safety, and welfare of the citizens of the City of Gunnison and upon the expenditures budgeted by the City, which are matters of local concern; and

WHEREAS, the City Council desires to refer to the registered electorate of the City of Gunnison an issue question whether sales within the City limits of medical and recreational marijuana, marijuana plant products and marijuana-infused products should be subject to an additional sales tax in the amount of five percent (5%) of the purchase price thereof and whether a five percent (5%) excise tax should be imposed upon the cash value of the transaction on the sale by a retail marijuana cultivation facility or retail marijuana products manufacturing facility to a licensed marijuana establishment outside of the City of Gunnison; and

WHEREAS, if such taxes are approved by the voters, the City Council intends to utilize the revenues from such tax collected to defray costs incurred in regulating the marijuana industry, and funding social, recreational, and educational programs within the community as may be determined by the City, including substance abuse prevention, education and counseling programs and to promote the general purposes of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, THAT:

Section 1. The following ballot issue question shall be referred to a vote of the registered electors of the County-administered General Election on November 4, 2014:

BALLOT ISSUE 2A

SHALL THE CITY OF GUNNISON TAXES BE INCREASED BY \$150,000.00 ANNUALLY IN THE FIRST FULL FISCAL YEAR AND BY WHATEVER AMOUNTS ARE RAISED ANNUALLY THEREAFTER THROUGH THE IMPOSITION AND ASSESSMENT OF AN ADDITIONAL SALES TAX IN THE AMOUNT OF FIVE PERCENT (5%) ON THE SALE OF MEDICAL MARIJUANA, MEDICAL MARIJUANA INFUSED PRODUCTS, RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS AND AN EXCISE TAX IN THE AMOUNT OF FIVE

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PERCENT (5%) OF THE CASH VALUE OF THE TRANSACTION ON THE SALE BY A RETAIL MARIJUANA CULTIVATION FACILITY OR RETAIL MARIJUANA PRODUCTS MANUFACTURING FACILITY TO A LICENSED MARIJUANA ESTABLISHMENT OUTSIDE THE CITY OF GUNNISON, AND SHALL ALL REVENUES DERIVED FROM SUCH TAX COLLECTED BE SPENT TO DEFRAY COSTS INCURRED IN REGULATING THE MARIJUANA INDUSTRY, FUNDING SOCIAL, RECREATIONAL, AND EDUCATIONAL PROGRAMS WITHIN THE COMMUNITY AS MAY BE DETERMINED BY THE CITY INCLUDING SUBSTANCE ABUSE PREVENTION, EDUCATION AND COUNSELING PROGRAMS, AND TO PROMOTE THE GENERAL PURPOSES OF THE CITY OF GUNNISON AS A VOTER APPROVED REVENUE CHANGE AND AN EXCEPTION TO THE REVENUE AND SPENDING LIMITS OF ARTICLE X, SECTION 20, OF THE COLORADO CONSTITUTION?

YES _____

NO _____

Section 2. Upon approval of the ballot issue set forth in Section 1 above by a majority of the registered electors voting thereon at the General Election to be held on November 4, 2014, the tax authorized thereby shall become effective upon adoption by the City Council of the City of Gunnison of an amendment to the City's Sales and Use Tax Code implementing such tax.

INTRODUCED, READ, PASSED, AND ADOPTED at a regular meeting of the City Council of the City of Gunnison held this 26th day of August, 2014.



Mayor

(SEAL)

ATTEST:



City Clerk