



## Legislation Details (With Text)

**File #:** Ord 2156      **Version:** 2      **Name:** Marijuana Excise Tax Ordinance (Ordinance 2156)  
**Type:** Ordinance      **Status:** Consent 2nd Reading  
**File created:** 12/7/2017      **In control:** City Council  
**On agenda:** 4/2/2018      **Final action:** 4/2/2018  
**Title:** AN ORDINANCE AMENDING ARTICLE X OF CHAPTER 20 OF THE COMMERCE CITY REVISED MUNICIPAL CODE TO IMPOSE A VOTER-APPROVED EXCISE TAX ON THE WHOLESALE TRANSFER OF MARIJUANA AND MARIJUANA PRODUCTS TO SUPPORT PUBLIC SAFETY AND MODIFYING THE DEFINITIONS AND ADMINISTRATIVE PROVISIONS CONTAINED THEREIN

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Ordinance, 2. Ordinance - Final, 3. Redline Draft, 4. Presentation

Date	Ver.	Action By	Action	Result
4/2/2018	2	City Council	approved on second & final reading	
3/5/2018	1	City Council	introduced by council as seated and approved on first reading	Pass

AN ORDINANCE AMENDING ARTICLE X OF CHAPTER 20 OF THE COMMERCE CITY REVISED MUNICIPAL CODE TO IMPOSE A VOTER-APPROVED EXCISE TAX ON THE WHOLESALE TRANSFER OF MARIJUANA AND MARIJUANA PRODUCTS TO SUPPORT PUBLIC SAFETY AND MODIFYING THE DEFINITIONS AND ADMINISTRATIVE PROVISIONS CONTAINED THEREIN

### Summary and Background Information :

Proposed Ordinance 2156 implements the 5% marijuana tax on wholesale transfers of marijuana and marijuana products approved by voters on November 7, 2017. Ballot Issue 2C, approved by a vote of 53.14% Yes (3,610) to 46.86% No (3,184), authorized a tax of 5% on all such wholesale transfers (adjustable up or down in the future, but not more than 10%). Revenues of the tax are required to be dedicated for public safety uses.

The wholesale excise tax is in addition to the City's 4.5% sales and use tax. The wholesale excise tax would not overlap with the City's 7% retail sales tax applicable to marijuana and marijuana products.

The ballot issue approved by voters authorizes a 5% tax on every wholesale transfer of marijuana and marijuana products (including transfers by the same business between licenses). The tax would be assessed at the average market rate (for marijuana) or the greater of the price or cash value (for marijuana products). Marijuana paraphernalia is excluded from the excise tax on marijuana products.

Per Council direction provided at study session on January 8, 2018, draft Ordinance 2156 is consistent with the approved ballot issue but avoids double taxation by limiting the tax to the first wholesale transfer of marijuana and marijuana products. The ordinance also includes administrative revisions to existing code provisions to incorporate this new tax.

**Staff Responsible (Department Head ):** Robert Sheesley, City Attorney/Sheryl Carstens, Finance Director  
**Staff Member Presenting :** Robert Sheesley, City Attorney/Sheryl Carstens, Finance Director

**Financial Impact :** n/a

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**Funding Source :** n/a

**Staff Recommendation :** n/a