



## Legislation Details (With Text)

<b>File #:</b>	Pres 19-224	<b>Version:</b>	1	<b>Name:</b>	Wait to see what happens with the statewide ballot imitative on increase taxes for both tobacco and nicotine products. Tobacco local "special tax" and age requirement to purchase considerations
<b>Type:</b>	Presentation	<b>Status:</b>			Agenda Ready
<b>File created:</b>	4/11/2019	<b>In control:</b>			City Council
<b>On agenda:</b>	5/13/2019	<b>Final action:</b>			
<b>Title:</b>	Local Tobacco "Special Tax" and Age Requirement to Purchase Considerations				
<b>Sponsors:</b>					
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<b>Code sections:</b>					
<b>Attachments:</b>	1. Presentation, 2. HOUSE BILL 19-1033, 3. HOUSE BILL 19-1333				

Date	Ver.	Action By	Action	Result
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### Local Tobacco "Special Tax" and Age Requirement to Purchase Considerations

#### Summary and Background Information:

The City Council requested a study session for the purpose of evaluating a special local tax on tobacco products and the age required for purchase.

A new bill HB19-1033, which is also included in the city council packet for reference, was recently signed into law by the Governor of Colorado. This bill allows municipalities to regulate tobacco products at the local level without forfeiting the state cigarette tax revenue, in addition to other regulatory authority permitted at the local level. If the City Council decides to pursue a local special tax on tobacco products, a ballot question will be required, as this would represent a tax question by definition and invoke the requirements of TABOR and the State Constitution. The City Council could also raise the minimum age required to purchase or possess tobacco products; this could be accomplished by ordinance, amending the City Code.

On April 24, 2019, the state legislature introduced a bill to increase the taxation statewide on both tobacco products and nicotine products. This bill would create a statewide ballot initiative for a tax increase question that voters must approve, in alignment with TABOR. As a result of this new development, staff recommends the city council wait to initiate a local tax question until the outcome of the state tax question is known. Staff desires direction from City Council if any action should be undertaken to prepare for formal City Council action, at a regular City Council meeting in the future.

**Staff Responsible (Department Head):** Troy Smith, Deputy City Manager

**Staff Member Presenting:** Troy Smith, Deputy City Manager

**Staff Recommendation:** Wait to see what happens with the statewide ballot imitative on increase

taxes for both tobacco and nicotine products.