



Legislation Text

File #: Pres 19-224, **Version:** 1

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 initiative on increase taxes for both tobacco and nicotine products.