

**ORDINANCE****AN ORDINANCE TEMPORARILY REDUCING THE CITY'S SPECIAL RETAIL MARIJUANA TAX TO ZERO PERCENT TO PROVIDE A TABOR REFUND OF EXCESS REVENUE RECEIVED DURING 2014**

**WHEREAS**, on November 5, 2013, the voters of the City of Manitou Springs approved the imposition of an additional 5% sales tax on the sale of retail marijuana and retail marijuana products within the City, and gave the City Council the authority to increase or decrease the tax so long as the tax does not exceed 10%;

**WHEREAS**, as required by the Taxpayer Bill of Rights ("TABOR"), the ballot issue for retail marijuana sales tax estimated the amount of sales tax revenue for the first year of tax collection;

**WHEREAS**, during that first year of sales tax collection, 2014, the City collected more than the estimated amount of sales tax revenue in the ballot issue;

**WHEREAS**, pursuant to TABOR, at the November 3, 2015 election, the City has referred a ballot issue to the voters to seek approval of the City's retention and expenditure of the excess revenue collected;

**WHEREAS**, if the voters do not approve the retention and expenditure of the excess revenue collected, the City will have a limited period to refund the excess revenue;

**WHEREAS**, the City Council finds it is in best interest of the City and its citizens to adopt an ordinance reducing the retail marijuana sales tax that would go into effect immediately if the ballot issue fails; and

**WHEREAS**, if the ballot issue fails to pass at the November 3, 2015 election, the City desires to reduce the retail marijuana sales tax temporarily to zero percent to refund the excess sales tax revenue collected in 2014.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MANITOU SPRINGS, COLORADO, THAT:**

**Section 1:** If the ballot issue regarding the retention and expenditure of excess revenue collected fails to pass, beginning on November 10, 2015, the sales tax on all retail sales of marijuana and marijuana products in Section 3.12.120 (B) of the Manitou Springs Municipal Code is reduced to zero percent until the earlier of December 31, 2015, or when the City Finance Director declares that the refund requirement has been satisfied. Beginning on January 1, 2016, this temporary reduction shall cease. If this temporary reduction in the retail marijuana sales tax results in a refund of the excess TABOR revenue sooner than December 31, 2015, the City's Finance Director may terminate the temporary tax reduction earlier by formal notice to the operators of businesses subject to the tax.

**Section 2:** If any article, section, paragraph, sentence, clause or phrase of this ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity or constitutionality of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each part or parts hereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

**Section 3:** The repeal or modification of any provision of Manitou Springs Municipal Code by this ordinance shall not release, extinguish, alter, modify or change in whole or in part any penalty, forfeiture or liability, either civil or criminal, which shall have been incurred under such provision. Each provision shall be treated and held as still remaining in force for the purpose of sustaining any and all proper actions, suits, proceedings and prosecutions for enforcement of the penalty, forfeiture or liability, as well as for the purpose of sustaining any judgment, decree or order which can or may be rendered, entered or made in such actions, suits, proceedings or prosecutions.

**Section 4:** This ordinance is deemed necessary for the protection of the health, welfare and safety of the community.

**Section 5:** This ordinance shall take effect five (5) days after final approval on second reading and publication.

Passed on first reading and ordered published this 1st day of September, 2015.

/s/ Donna Kast  
City Clerk

A Public Hearing on this ordinance will be held at the September 15, 2015, City Council meeting. The Council Meeting will be held at 7:00 P.M. at City Hall, 606 Manitou Avenue, Manitou Springs, Colorado.

Ordinance Published: September 3, 2015 (in full)  
*City's Official Website and City Hall*

Passed on Second Reading and Ordered Published this 15<sup>th</sup> day of September, 2015.

Approved: /s/ Marc A. Snyder  
Mayor

Attest: /s/ Donna Kast  
City Clerk

Published: September 17, 2015 (in full)  
*City's Official Website and City Hall*