

**TOWN OF PARACHUTE
ORDINANCE NO. 701-2016**

AN ORDINANCE OF THE TOWN OF PARACHUTE, COLORADO TO ENACT AN EXCISE TAX ON THE MANUFACTURING OF RETAIL AND MEDICAL MARIJUANA AND THE CULTIVATION OF MEDICAL MARIJUANA, WITH FUNDS FROM SUCH TAXES TO FUND THE TOWN'S GENERAL OPERATIONS, AND TO SUBMIT THIS ORDINANCE FOR APPROVAL OF THE REGISTERED VOTERS OF THE TOWN OF PARACHUTE AT THE GENERAL ELECTION TO BE HELD ON NOVEMBER 8, 2016.

WHEREAS, the Town of Parachute, Colorado (the "Town") is a municipal corporation duly organized and operating under a home rule charter (the "Town Charter") and the Constitution of the State of Colorado;

WHEREAS, the Board of Trustees adopted Ordinance No. 683 on June 18, 2015 to allow for the licensing and operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, and retail marijuana stores (collectively, "Retail Marijuana Establishments");

WHEREAS, there are costs to the Town associated with impacts of the operation of marijuana businesses in the Town that are not covered by the license and application fees;

WHEREAS, the Town Charter provides that the Town may adopt municipal taxes, such as an excise tax;

WHEREAS, by Ordinance No. 687, the Town adopted a 5% excise tax on the cultivation of retail marijuana, which was approved by voters in November 2015;

WHEREAS, to offset costs and meet the current and future financial and planning needs of the Town, the Board of Trustees desires to enact a five percent (5%) excise tax on the manufacturing of retail and medical marijuana and the cultivation of unprocessed medical marijuana when it is first sold or transferred by a medical marijuana cultivation facility;

WHEREAS, Article X, Section 20 of the Constitution of the State of Colorado requires that the Town have voter approval in advance of any new tax; and

WHEREAS, in order achieve these purposes, the Board of Trustees desires to submit to the registered voters of the Town of Parachute the question of whether to enact a five percent (5%) excise tax on the manufacturing of retail and medical marijuana and the cultivation of unprocessed medical marijuana when it is first sold or transferred by a Retail Marijuana Product Manufacturing Facility, Medical Marijuana-Infused Products Manufacturer, or Optional Premises Cultivation Operation.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF

THE TOWN OF PARACHUTE, COLORADO THAT:

Section 1. Recitals. The foregoing recitals are incorporated herein as if set forth in full.

Section 2. Ballot Issue. The Board of Trustees hereby approves imposing an excise tax of 5 percent (5%) on the manufacturing of retail and medical marijuana and the cultivation of unprocessed medical marijuana when it is first sold or transferred by a Retail Marijuana Product Manufacturing Facility, Medical Marijuana-Infused Products Manufacturer, or Optional Premises Cultivation Operation.

At the coordinated election to be held on November 8, 2016, there shall be submitted to the qualified electors of the Town a ballot question which shall be in substantially the following form:

SHALL THE TOWN OF PARACHUTE'S TAXES BE INCREASED BY \$500,000.00 IN THE FIRST FULL FISCAL YEAR, BEGINNING JANUARY 1, 2017, AND BY SUCH AMOUNTS AS ARE RAISED ANNUALLY THEREAFTER, BY IMPOSING AN EXCISE TAX OF 5% ON THE MANUFACTURING OF RETAIL AND MEDICAL MARIJUANA AND THE CULTIVATION OF UNPROCESSED MEDICAL MARIJAUNA, WHEN ANY SUCH PRODUCT IS FIRST SOLD OR TRANSFERRED FROM A RETAIL MARIJUANA PRODUCT MANUFACTURING FACILITY TO A RETAIL MARIJUANA STORE, OTHER RETAIL MARIJUANA PRODUCT MANUFACTURING FACILITY, OTHER RETAIL MARIJUANA CULTIVATION FACILITY, OR ANY OTHER PURCHASER OR TRANSFEREE, AND WHEN ANY SUCH PRODUCT IS FIRST SOLD OR TRANSFERRED FROM A MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURER OR OPTIONAL PREMISES CULTIVATION OPERATION TO A MEDICAL MARIJUANA CENTER, OTHER MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURER, OTHER OPTIONAL PREMISES CULTIVATION OPERATION, OR ANY OTHER PURCHASER OR TRANSFEREE, WITH THE RESULTING TAX REVENUES ALLOWED TO BE COLLECTED, RETAINED AND SPENT BY THE TOWN AS A VOTER APPROVED REVENUE CHANGE NOTWITHSTANDING ANY APPLICABLE REVENUE OR EXPENDITURE LIMITATION IMPOSED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

- YES
- NO

Section 3. Challenges to Ballot Title and Content. For the purposes of C.R.S. § 1-11-203.5, this Ordinance shall serve to set the title and content of the ballot issue set forth herein and the ballot title for such ballot issue shall be the text of the ballot issue itself. Any petition to contest the form or content of the ballot title must be filed with the District Court in and for Garfield County and a copy served on the Town Clerk within five days after the date of publication of this Ordinance.

Section 4. Conduct of Election. The officers and employees of the Town are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Ordinance.

Section 5. Effect of Election Results. If a majority of the votes cast on the ballot issue submitted at the election shall be in favor of the ballot issue, the Board of Trustees shall take such action, by ordinance, to amend the Parachute Municipal Code as may be necessary to implement this excise tax, consistent with the terms and provisions of the ballot issue and this Ordinance.

Section 6. TABOR Notice. At least thirty (30) days prior to the election, the Town Clerk, who may coordinate with and use the services of the Garfield County Clerk and Recorder, shall mail at the least cost, a titled notice or set of notices addressed to "All Registered Voters" at each address of one or more active registered voters concerning the ballot question referenced in this Ordinance No. 687. The notice shall be entitled "**NOTICE OF ELECTION TO INCREASE TAXES.**" The notice shall also include all information required by Article X, Section 20 (3)(b) ("The Taxpayer's Bill of Rights").

Section 7. Application. Upon passage of this Ordinance and voter approval at the subject election, the excise tax shall apply to the manufacturing of retail and medical marijuana and the cultivation of unprocessed medical marijuana, when any such product is first sold or transferred, on or after January 1, 2017, as provided by C.R.S. § 29-2-106(2). Upon approval of this Ordinance by the registered voters, the Town Clerk shall transmit a certified copy hereof to the Executive Director of the Department of Revenue, and to the Garfield County Clerk and Recorder as provided by C.R.S. § 29-2-106(7), as amended.

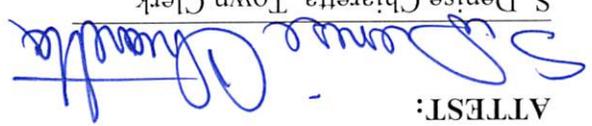
INTRODUCED, READ, PASSED, ADOPTED, AND ORDERED PUBLISHED BY TITLE ONLY by a vote of 6 to 0 of the Board of Trustees of the Town of Parachute, Colorado at its regular meeting held on the 19th day of May 2016.



**BOARD OF TRUSTEES OF THE TOWN
OF PARACHUTE, COLORADO**

By:


Roy McClung, Mayor

ATTEST:

S. Denise Chiaretta, Town Clerk

PUBLIC NOTICE

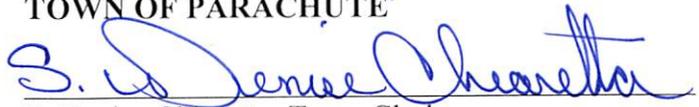
Public notice is hereby given that an Ordinance entitled:

AN ORDINANCE OF THE TOWN OF PARACHUTE, COLORADO TO ENACT AN EXCISE TAX ON THE MANUFACTURING OF RETAIL AND MEDICAL MARIJUANA AND THE CULTIVATION OF MEDICAL MARIJUANA, WITH FUNDS FROM SUCH TAXES TO FUND THE TOWN'S GENERAL OPERATIONS, AND TO SUBMIT THIS ORDINANCE FOR APPROVAL OF THE REGISTERED VOTERS OF THE TOWN OF PARACHUTE AT THE GENERAL ELECTION TO BE HELD ON NOVEMBER 8, 2016.

was introduced before the Board of Trustees on May 19, 2016; that a copy of said Ordinance is posted at Town Hall; and that the Ordinance was approved at a regular meeting of the Board of Trustees held on May 19, 2016, and approved by the Mayor on May 19, 2016.

Copies of the adopted ordinance are available for inspection at the Town Hall, Parachute, Colorado and available on the internet at <http://www.parachutecolorado.com>.

Dated this 20th day of May 2016.

TOWN OF PARACHUTE

S. Denise Chiaretta, Town Clerk