

**FINANCE MEMORANDUM
#18-04**

DATE: May 14, 2018
TO: Honorable Mayor Carol A. Dodge and City Council Members
FROM: James A. Hayes, AICP, City Manager *JH*
Jason Loveland, Director of Finance *JL*
SUBJECT: Discussion Item – Marijuana Tax

PURPOSE:

City Council is reviewing the current two percent special sales tax structure on retail and medical marijuana and marijuana products in the city.

BACKGROUND:

In 2014, council approved Ordinance 1690 to implement the city's two percent tax on marijuana and marijuana products for the construction of public facilities that voters approved in Nov. 2014.

There are various ways Colorado cities have elected to tax marijuana. The following table compares Northglenn to surrounding communities:

Municipality	Retail	Medical	Excise (Wholesale)
Aurora	2-10%	-	5%
Boulder	3.5-10%	-	5-10%
Commerce City	7%	7%	5-10%
Denver	3.5-15%	-	-
Englewood	3.5-15%	-	-
Federal Heights	5%	-	5-10%
Lafayette	5-10%	-	5-10%
Littleton	3%	-	-
Thornton	5%	5%	-
Wheat Ridge	-	-	-
Northglenn	2%	2%	-

The city's two percent tax generated \$619,000 in 2017. The tax revenue is being used as part of the civic campus master plan funding.

DISCUSSION:

Is council seeking changes to the special marijuana tax implemented in 2014? Changes to the rate, or use, require voter-approval.

If the city desires to participate in the 2018 coordinated election, key dates are listed below:

July 30	Last day to notify the counties in writing of the City's intent to participate in the Nov. 6 coordinated election
August 13	Last regular City Council meeting to approve Coordinated Election IGAs
August 27	Last regular City Council meeting to approve ballot questions
August 28	Statutory deadline for Coordinated Election IGAs to be fully executed by city and counties
September 7	Deadline to certify ballot content to county clerks

The cost to add a TABOR issue to the Nov. 6, 2018 Coordinated General Election ballot will be based on a number of factors including the number of active registered voters, the inclusion of state ballot measures, the number and type of other participating entities, and the actual costs incurred by the county.

Staff estimates the cost to be less than \$25,000 for 2018.

RECOMMENDATION:

None.

STAFF REFERENCE:

If Council Members have any comments or questions, please contact Jason Loveland at jloveland@northglenn.org or at 303.450.8817.