


ADMINISTRATION MEMORANDUM
13-23

DATE: October 7, 2013

TO: Honorable Mayor Joyce Downing and City Council Members

FROM: John Pick, City Manager 

SUBJECT: Use of Sales Tax Proceeds from Marijuana Sales

BACKGROUND:

On the agenda for the October 7, 2013 Council Study Session is an item labeled "Use of Sales Tax Proceeds from Marijuana Sales". This item has been placed on the agenda at the request of Council member Wayne Dodge.

SUMMARY:

As a result of the recent passage by the Council of the Ordinance permitting the retail sale of marijuana, beginning January 1, 2014, we anticipate that there will be some number of retail marijuana shops that may be permitted by the Council to open for business in Northglenn. At this time, we do not have any estimates of how much the City may realize in sales tax revenue from these businesses. The revenues we receive will be credited in the same manner as all other sales tax proceeds; however, we have not included a revenue estimate in the 2014 budget from these sales. We are planning on tracking these revenues so that we can report the amounts we receive to Council.

BUDGET/TIME IMPLICATIONS:

As indicated above, whatever revenues we receive will be credited to the City as are other Sales Tax proceeds; however, since they have not been included in our revenue estimates, these revenues have not been appropriated. At this time, I believe that it is premature to discuss a plan for designating these revenues for a specific purpose until we have a better understanding of the amount we will receive.

STAFF REFERENCE:

If Council members have any comments or questions they may contact Jason Loveland, jloveland@northglenn.org.