

PALMER LAKE, COLORADO

ORDINANCE NO. 4 - 2023

AN ORDINANCE AMENDING CHAPTER 3.24 OF TITLE 3 OF THE PALMER LAKE TOWN CODE RELATING TO THE RETAIL MARIJUANA EXCISE TAX ON RETAIL MARIJUANA SALES WITHIN THE TOWN OF PALMER LAKE

WHEREAS, the Board of Trustees of the Town of Palmer Lake, Colorado, pursuant to Colorado statute and the Palmer Lake Municipal Code, is vested with the authority of administering the affairs of the Town of Palmer Lake, Colorado; and

WHEREAS, previously the Board of Trustees adopted regulations relating to excise tax on retail marijuana facilities within the Town, said regulations appearing in Chapter 3.24 of the Town Code; and,

WHEREAS, the excise tax established by the Town's electors on the retail marijuana cultivation facility authorized the excise tax rate of five percent (5%) initially, but was established as a tax that increased by one percent (1%) each year, beginning in July of 2017, phasing up to five percent (5%) in July of 2021; and,

WHEREAS, although the Town's electors approved the maximum excise tax rate of ten percent (10%) and the timing for the phasing up to five percent (5%) has passed, the rate being remitted currently is neither the five percent (5%), nor the maximum ten percent (10%).

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN BOARD OF TRUSTEES OF THE TOWN OF PALMER LAKE AS FOLLOWS:

1. Section 3.24.020 of Chapter 3.24 of Title 3 of the Palmer Lake Town Code is hereby amended by adding the underlined language as indicated below, with said amended Section 3.24.020 to read in its entirety as follows:

3.24.020. Imposition and rate of tax; taxes collected held in trust; tax constitutes lien.

(a) In accordance with the authority provided in C.R.S. § 29-2-114, as may be amended, in addition to any other tax imposed by law including any sales and use tax levied, there is levied by the town and shall be paid and collected an excise tax at the rate set forth in the table below on the average market rate of unprocessed retail marijuana upon its first sale or transfer from a retail marijuana cultivation facility located within the town:

Commencement Date	Rate
July 1, 2017	1%
July 1, 2018	2%
July 1, 2019	3%
July 1, 2020	4%
July 1, 2021	5%
<u>March 1, 2023</u>	<u>5%</u>

The excise tax shall be levied and owed irrespective of where delivery takes place. Each retail marijuana cultivation facility shall collect, remit and pay the excise tax on the first sale or transfer of unprocessed retail marijuana.

(b) All sums of money paid by a person as the excise tax on unprocessed retail marijuana imposed by this chapter are public monies that are the property of the town. The retail marijuana cultivation facility shall hold such monies in trust for the sole use and benefit of the town until paying them to the town.

(c) The tax imposed by this chapter shall be a first and prior lien upon the goods and business fixtures of such person, or used by, any person with an obligation to remit tax under this chapter under lease, title-retaining contract or other contract arrangement, excepting stock of goods sold or for sale in the ordinary course of business, and shall take precedence on all such property over other liens or claims of whatsoever kind or nature except as to pre-existing claims or liens of a bona fide mortgagee, pledgee, judgment creditor or purchaser whose rights shall have attached prior to the filing of the notice on property of the taxpayer, other than the goods, stock in trade and business fixtures of such taxpayer. Upon default of payment thereof, the town after demand upon the person owing such tax may bring an action in attachment, and seize any property to secure the payment of said tax, interest and penalties.

2. Severability. 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 Board of Trustees hereby declares that it would have passed this ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

3. Repeal. Existing ordinances or parts of ordinances covering the same matters embraced in this ordinance are hereby repealed and all ordinances or parts of ordinances inconsistent with the provisions of this ordinance are hereby repealed except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any ordinance hereby repealed prior to the effective date of this ordinance.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF PALMER LAKE ON THIS 23RD DAY OF FEBRUARY 2023.

ATTEST:

TOWN OF PALMER LAKE, COLORADO

Dawn A. Collins
Town Administrator/Clerk

BY: _____
Glant Havenar
Mayor