

**CITY OF RIFLE, COLORADO
ORDINANCE NO. 16
SERIES OF 2014**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIFLE, COLORADO, IMPLEMENTING AN EXCISE TAX OF 5% ON THE SALE OR TRANSFER OF RETAIL MARIJUANA FROM A RETAIL MARIJUANA CULTIVATION FACILITY IN THE CITY APPROVED BY THE VOTERS AT THE NOVEMBER 4, 2014 GENERAL ELECTION BY ENACTING ARTICLE VII OF CHAPTER 4 OF THE RIFLE MUNICIPAL CODE.

WHEREAS, by Ordinance No. 12, Series of 2014, the Rifle City Council approved the submittal to the registered voters of the City of Rifle, Colorado a ballot question regarding the imposition of a 5% excise tax on the sale or transfer of retail marijuana from a retail marijuana cultivation facility in the City (the “Excise Tax”); and

WHEREAS, at the November 4, 2014 general election a majority of the qualified electors of the City of Rifle voted in favor of the Excise Tax; and

WHEREAS, Ordinance No. 12, Series of 2014 further authorized the City Council to proceed with necessary actions to impose the Excise Tax with an implementing ordinance; and

WHEREAS, in accordance with that authorization, the City Council finds and determines that Chapter 4 of the Rifle Municipal Code, “Revenue and Finance,” should be amended by the addition of a new Article VII, “Retail Marijuana Excise Tax.”

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF RIFLE THAT:

Section 1. The above recitals are incorporated as findings by the City of Rifle.

Section 2. Article VII, “Retail Marijuana Excise Tax,” of Chapter 4, “Revenue and Finance,” of the Rifle Municipal Code is hereby enacted as follows:

ARTICLE VII

Retail Marijuana Excise Tax

4-7-10. Levy of tax.

Commencing January 1, 2015, there is hereby levied an excise tax in the amount of five percent (5%) of the market rate of retail marijuana, upon the sale or transfer of retail marijuana from a retail marijuana cultivation facility within the City of Rifle to a retail marijuana product manufacturing facility, a retail marijuana store, another retail marijuana cultivation facility or any other purchaser or transferee, within or without the City of Rifle. As used in this Article, the

“market rate of retail marijuana” means the amount determined by the State of Colorado pursuant to C.R.S. § 39-28.8-101, as that statute may be amended, as the average price of unprocessed retail marijuana. All revenues from the tax shall be deposited in the general fund. The excise tax levied by this Article was approved by majority vote of registered Rifle electors on November 4, 2014.

4-7-20. Vendor liable for tax.

Each retail marijuana cultivation facility shall collect the tax imposed in Section 4-7-10 of this Code upon every sale or transfer of retail marijuana from the cultivation facility. The person charged with the duty to collect taxes also has the burden of proving that any transaction is not subject to the tax imposed by this Article. All sums of money paid by any person or facility to a cultivation facility as excise taxes pursuant to this Article are public monies that are the property of the City. The person required to collect and remit retail marijuana excise taxes shall hold such monies in trust for the sole use and benefit of the City until paying them to the City.

4-7-30. Licensing and reporting procedures.

A. Every person with a duty to collect the excise tax imposed by this Article shall obtain a tax license pursuant to the procedures set forth in Article II of Chapter 6 of this Code and shall report such taxes collected on forms prescribed by the Finance Director and remit such taxes to the City on or before the twentieth day of the month for the preceding month or months under report. A tax license shall be valid so long as:

(1) the business remains in continuous operation, and

(2) the license is not canceled by the licensee or revoked by the City, and

(3) the business holds a valid retail marijuana cultivation license from the City pursuant to Article IX of Chapter 6 of this Code.

The tax license may be canceled or revoked by the City as provided in Section 6-2-60 of this Code.

B. Whenever a business entity that is required to be licensed under this Article is sold, purchased, or transferred, so that the ownership interest of the purchaser or seller changes in any respect, the purchaser shall obtain a new tax license.

C. Every person engaged in the retail marijuana cultivation business in City shall keep books and records according to the standards of the Finance Director and subject to the Finance Director's right to audit pursuant to the procedures set forth in Article II of Chapter 4 of this Code.

D. The provisions set forth in Article II of Chapter 4 of this Code regarding Administration, Tax Overpayments, Tax Deficiencies, Taxpayer's Remedies, and Enforcement shall all apply to retail marijuana excise taxation by the City.

4-7-40. Violation; penalty.

Failure to comply with the terms of this Article by payment of taxes, remitting the tax to the City, and otherwise complying with the terms of this Article shall constitute an offense in violation thereof subject to the violation provisions set forth in Section 4-2-470 of this Code. Such remedies shall be cumulative with all other remedies provided herein for the enforcement of this Article. The City shall have the right to collect from any person who fails to comply with the terms of this Article all legal, court, and other costs and expenses necessary to or incidental to the collection of said tax and/or lien action as provided for in Section 4-7-50 of this Code, including reasonable attorneys' fees, filing fees and other costs, and recording fees.

4-7-50. Lien on property.

If any person fails to pay the excise tax when due, the Finance Director may issue a notice of lien on the real and personal property of the taxpayer following the provisions of Sections 4-2-400 through 4-2-460 of this Code.

INTRODUCED on November 19, 2014, read by title, passed on first reading, and ordered published as required by the Charter.

INTRODUCED a second time at a regular meeting of the Council of the City of Rifle, Colorado, held on December 3, 2014, passed without amendment, approved, and ordered published in full as required by the Charter.

Dated this ___ day of _____, 2014.

CITY OF RIFLE, COLORADO

BY _____
Mayor

ATTEST:

City Clerk