RESOLUTION NO. 002-2016

A RESOLUTION OF THE TOWN BOARD OF TRUSTEES OF THE TOWN OF CRESTONE REFERRING THE ISSUE OF ALLOWING THE ESTABLISHMENT OF RETAIL MARIJUANA STORES AND TAXING OF SUCH ESTABLISHMENTS WITHIN THE TOWN OF CRESTONE TO THE TOWN ELECTORATE

WHEREAS, the Board of Trustees has held meetings and received input from town citizens requesting authorization for the retail sale of marijuana and marijuana products within the corporate limits of the Town of Crestone; and

WHEREAS, Ordinance No. 2013-001 presently imposes a moratorium which prohibits such sales; and

WHEREAS, the Town Board of Trustees has determined that the issue of sale of medical/recreational marijuana and taxing of the same in order to provide necessary revenue for administration, law enforcement and other attendant costs associated with licensing of such establishments, should be decided by the town electorate.

NOW THEREFORE be it hereby resolved by the Board of Trustees of the Town of Crestone that the following measure shall be referred to the town electorate at the regular town election to be held on April 5, 2016, to wit:

A BALLOT ISSUE REGARDING THE SALE OF RETAIL MARIJUANA AND MARIJUANA PRODUCTS WITHIN THE TOWN OF CRESTONE AND PROVIDING FOR TAXING SUCH SALES

> Shall the Town of Crestone allow the licensing of retail marijuana stores (as defined in the Colorado Constitution or Colorado Revised statutes) in the Town of Crestone, subject to Colorado Marijuana Code and Regulations, to be adopted by the Town Board of Trustees of the Town of Crestone?
>
> And
>
> Shall the Town of Crestone's taxes be increased by an estimated fifty thousand dollars ($50,000) per year commencing April 5, 2016, and ending December 31, 2016, and by whatever additional amounts are raised annually thereafter by imposing an additional sales tax of five percent (5%) upon the actual sale of marijuana and marijuana products with the tax revenues being used to fund the enforcement of regulations on the

retail marijuana industry, other costs related to enforcement of marijuana laws, education and public health programs associated with marijuana consumption including prevention of underage consumption, and other town expenses, with the rate of the tax being allowed to be increased or decreased without further voter approval so long as the rate of taxation does not exceed 15%, and with the resulting tax revenue being allowed to be collected and spent notwithstanding any limitations provided by law, and shall the town be authorized to collect and spend such revenue as a voter approved revenue change under Article X, Section 20 of the Colorado Constitution?

Yes ________ No ________

In connection with the fixing of the ballot title for the ballot issue, the Town Board of Trustees finds and determines:

A. The Town Board has considered the public confusion that might be caused by misleading ballot titles.

B. The Town Board has determined that the issue of allowing retail marijuana establishments should be tied to a tax and licensing fees sufficient to support administrative, law enforcement and other costs of the town associated with such licensing and that purchasers of such products should be the source of revenue for such costs.

C. The general understanding of the effect of a yes or no vote on the ballot issue will be clear to the electors.

D. The ballot title for the ballot issue will not conflict with those titles selected for any other measure that will appear on the municipal ballot at the April 5, 2016, regular town election.

E. The ballot title for the ballot issue correctly and fairly expresses the true intent and meaning of the measure.

F. If a majority of all the votes cast at the election shall approve the ballot issue, described herein, then the Town Board of Trustees shall enact an Ordinance terminating the moratorium imposed by Ordinance # 2013-001 and upon the effective date of such ordinance, which shall allow the licensing of retail stores, the Town shall be authorized to collect, retain and spend the full amount of the tax revenue collected by the town as a result of the new retail marijuana excise tax approved by the ballot issue

002-2016

separate and apart from any other expenditures of the town which may be limited pursuant to Article X, Section 20 of the Colorado Constitution or any other state restriction on the Town's fiscal year spending and the increased tax revenues authorized for collection, retention and expenditure by the passage of the ballot issue shall not be counted in any such spending limitation. If a majority of all the votes cast at the election shall be against the ballot issue, any action of the Town Board of Trustees in terminating or repealing the above-referenced moratorium ordinance shall not become effective.

G. The Town Clerk shall serve as the designated election officer of the Town for the purpose of performing acts required or permitted by law in connection with the election on the ballot issue and shall take such action as may be required to comply with all applicable laws pertaining to the conduct of the election.

DONE and SIGNED this 11th day of January, 2016.

Kairina Danforth, Mayor

Attest:

Allyson Ransom

Allyson Ransom
Town Clerk