

**TOWN OF PARACHUTE  
ORDINANCE NO. 736-2017**

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**AN ORDINANCE OF THE TOWN OF PARACHUTE, COLORADO, IMPLEMENTING AN EXCISE TAX OF 5% ON THE SALE OR TRANSFER OF RETAIL MARIJUANA FROM A RETAIL MARIJUANA CULTIVATION FACILITY APPROVED BY VOTERS AT THE NOVEMBER 2, 2015 GENERAL ELECTION AND IMPLEMENTING AN EXCISE TAX OF 5% ON THE SALE OR TRANSFER OF MEDICAL MARIJUANA FROM AN OPTIONAL PREMISES CULTIVATION FACILITY AND ON THE SALE OR TRANSFER OF MARIJUANA PRODUCTS FROM A RETAIL MARIJUANA MANUFACTURING FACILITY OR MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURER APPROVED BY VOTERS AT THE NOVEMBER 8, 2016 GENERAL ELECTION BY ENACTING CHAPTER 5.70 OF THE PARACHUTE MUNICIPAL CODE.**

**WHEREAS**, the Town of Parachute (“Parachute” or the “Town” is a home-rule municipality organized under Article XX of the Colorado Constitution and with the authority of the Parachute Home Rule Charter; and

**WHEREAS**, by Ordinance No. 687-2015, the Parachute Board of Trustees approved the submittal to the registered voters of the Town of Parachute, 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;

**WHEREAS**, at the November 2, 2015 general election, a majority of the qualified electors of the Town of Parachute voted in favor of such excise tax and the tax has been duly in effect since January 1, 2016;

**WHEREAS**, by Ordinance No. 701-2016, the Parachute Board of Trustees approved the submittal to the registered voters of the Town of Parachute, Colorado a ballot question regarding the imposition of a 5% excise tax on the sale or transfer of medical marijuana from an optional premises cultivation facility and a 5% excise tax on the sale or transfer of marijuana products from a retail marijuana manufacturing facility or medical marijuana-infused products manufacturer;

**WHEREAS**, as the November 8, 2016 general election, a majority of the qualified electors of the Town of Parachute voted in favor of such excise taxes and the taxes have been duly in effect since January 1, 2017;

**WHEREAS**, in accordance with that authorization, the Board of Trustees finds and determines that Title 5 of the Parachute Municipal Code “Revenue and Finance,” should be amended by the addition of a new Chapter 5.70, “Marijuana Excise Tax.”

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF PARACHUTE, COLORADO THAT:**

Section 1. The foregoing recitals are incorporated herein as if set forth in full.

Section 2. The Town of Parachute Board of Trustees hereby adds a new Chapter 5.70 to the Parachute Municipal Code, to read as follows:

**Chapter 5.70**  
**MARIJUANA EXCISE TAX**

**5.70.010 Tax Imposed.**

- A. *Unprocessed Retail Marijuana.* Commencing January 1, 2016, there is hereby imposed an excise tax of five percent (5%) on the average market rate of unprocessed retail marijuana upon the first sale or transfer of such unprocessed retail marijuana from a retail marijuana cultivation facility to a retail marijuana store, retail marijuana product manufacturing facility, other retail marijuana cultivation facility, or any other purchaser or transferee. As used in this Chapter, the “average market rate” means the amount determined by the State of Colorado pursuant to C.R.S. § 39-28.8-101, as that statute may be amended. This excise tax was approved by majority vote of registered electors of Parachute on November 2, 2015.
- B. *Unprocessed Medical Marijuana.* Commencing January 1, 2017, there is hereby imposed an excise tax of five percent (5%) on unprocessed medical marijuana upon the first sale or transfer of such unprocessed medical marijuana from an optional premises cultivation operation to a medical marijuana center, medical marijuana-infused products manufacturer, other optional premises cultivation operation, or any other purchaser or transferee. This excise tax was approved by majority vote of registered electors of Parachute on November 8, 2016.
- C. *Manufactured Marijuana Products - Retail.* Commencing January 1, 2017, there is hereby imposed an excise tax of five percent (5%) on marijuana products manufactured by a retail marijuana product manufacturing facility upon the first sale or transfer of such product from a retail marijuana manufacturing facility to a retail marijuana store, other retail marijuana product manufacturing facility, a retail marijuana cultivation facility, or any other purchaser or transferee. This excise tax was approved by majority vote of registered electors of Parachute on November 8, 2016.
- D. *Manufactured Marijuana Products – Medical.* Commencing January 1, 2017, there is hereby imposed an excise tax of five percent (5%) on marijuana products manufactured by a medical marijuana-infused products manufacturer upon the first sale or transfer of such product from a medical marijuana-infused products manufacturer to medical marijuana center, other medical marijuana-infused products manufacturer, optional premises cultivation operation, or any other purchaser or transferee. This excise tax was approved by majority vote of registered electors of Parachute on November 8, 2016.

**5.70.020 Use of revenues.**

All revenues from the excise taxes shall be deposited in the general fund.

**5.70.030 Vendor liable for tax.**

Each retail marijuana cultivation facility, optional premises cultivation operation, retail marijuana product manufacturing facility, and medical marijuana-infused products manufacturer shall collect the tax imposed. 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. All sums of money paid by any person or facility to a retail marijuana cultivation facility, optional premises cultivation operation, retail marijuana product manufacturing facility, or medical marijuana-infused products manufacturer as excise taxes are public monies that are the property of the Town. The person required to collect and remit such excise taxes shall hold such monies in trust for the sole use and benefit of the Town until paying them to the Town.

**5.70.040 Collection, administration and enforcement.**

The collection, administration and enforcement of this excise tax shall be performed by the Finance Director of the Town of Parachute as directed by the Town Manager. The Finance Director is hereby authorized to adopt and promulgate rules and regulations to govern the collection, administration and enforcement of the excise tax imposed by this chapter.

**5.70.050 Licensing and reporting procedures.**

- A. Every person with a duty to collect the excise tax imposed by this Chapter shall obtain a tax license pursuant to the procedures set forth in Title 6 of this Code and shall report such taxes collected on forms prescribed by the Finance Director and remit such taxes to the Town as set forth in the Code.
- B. Whenever a business entity that is required to be licensed under the Code 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 retail marijuana cultivation facility, optional premises cultivation operation, retail marijuana product manufacturing facility, and medical marijuana-infused products manufacturer shall keep books and records according to the standards of the Finance Director and subject to the Finance Director's right to audit.

**5.70.060 Violation; penalty.**

Failure to comply with the terms of this Chapter by payment of taxes, remitting the tax to the Town, and otherwise complying with the terms of this Chapter shall constitute an offense in violation thereof subject to the violation provisions set forth in Title 11 this Code. Such remedies shall be cumulative with all other remedies provided herein for the enforcement of this Chapter. The Town 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 this Code, including reasonable attorneys' fees, filing fees and other costs, and recording fees.

**5.70.070 Lien on property.**

If any person fails to pay the excise tax when due, in addition to any penalties, interest and late fees that may be imposed, the Town may issue a notice setting forth the name of the taxpayer, the amount of the excise tax owed, the date of the accrual thereof, and that the Town claims a first and prior lien therefor on the real property of the taxpayer, except as to preexisting liens of a bona fide mortgagee, pledgee, judgment creditor, or purchaser, which right has attached prior to the filing of the notice as hereinafter provided. The notice shall be on forms prepared by the Finance Director, and when filed in the office of the clerk and recorder of any county in this State in which the taxpayer owns real property, such notice shall create a lien as aforesaid on such property in that county and constitute a notice thereof.

**INTRODUCED, READ, PASSED, ADOPTED, AND ORDERED PUBLISHED BY TITLE ONLY** by a vote of 5 to 0 of the Board of Trustees of the Town of Parachute, Colorado at a regular meeting held at Town Hall in the Town of Parachute, Colorado, on the 16 day of November, 2017 and approved by the Mayor on the 16 day of November, 2017.



**BOARD OF TRUSTEES OF THE TOWN OF PARACHUTE, COLORADO**

Roy McCung  
Roy McCung, Mayor

**ATTEST:**

Lucy Cordova  
Lucy Cordova, Town Clerk

**PUBLIC NOTICE**

Public notice is hereby given that an Ordinance entitled:

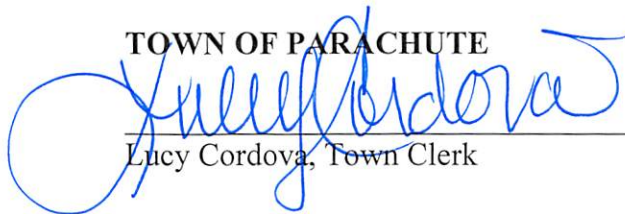
**AN ORDINANCE OF THE TOWN OF PARACHUTE, COLORADO, IMPLEMENTING AN EXCISE TAX OF 5% ON THE SALE OR TRANSFER OF RETAIL MARIJUANA FROM A RETAIL MARIJUANA CULTIVATION FACILITY APPROVED BY VOTERS AT THE NOVEMBER 2, 2015 GENERAL ELECTION AND IMPLEMENTING AN EXCISE TAX OF 5% ON THE SALE OR TRANSFER OF MEDICAL MARIJUANA FROM AN OPTIONAL PREMISES CULTIVATION FACILITY AND ON THE SALE OR TRANSFER OF MARIJUANA PRODUCTS FROM A RETAIL MARIJUANA MANUFACTURING FACILITY OR MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURER APPROVED BY VOTERS AT THE NOVEMBER 8, 2016 GENERAL ELECTION BY ENACTING CHAPTER 5.70 OF THE PARACHUTE MUNICIPAL CODE.**

was introduced before the Board of Trustees on November 14, 2017; that a copy of said Ordinance is posted at Town Hall; and that the Ordinance was approved at a regular meeting of the Board of Trustees held on November 14, 2017, and approved by the Mayor on November 16, 2017.

Copies of the adopted ordinance are available for inspection at the Town Hall, Parachute, Colorado and available on the internet at <http://www.parachutecolorado.com>.

Dated this 16<sup>th</sup> day of November, 2017.

**TOWN OF PARACHUTE**



Lucy Cordova, Town Clerk