

TOWN OF PARACHUTE, COLORADO
ORDINANCE NO. 752-2018

AN ORDINANCE OF THE BOARD OF TRUSTEES OF THE TOWN OF PARACHUTE, COLORADO REFERRING TO THE ELIGIBLE ELECTORS OF THE TOWN AT THE COORDINATED ELECTION TO BE HELD NOVEMBER 6, 2018 A BALLOT ISSUE REGARDING AN EXCISE TAX ON THE CULTIVATION OF INDUSTRIAL HEMP.

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

WHEREAS, Article XX, Section 6 of the Colorado Constitution grants home rule municipalities “the full right of self-government in both local and municipal matters and...shall not be construed to deny...any right or power essential or proper to the full exercise of such right;”

WHEREAS, pursuant to Article X, Section 20 of the Colorado Constitution (“TABOR”), the question of any increase in taxes or imposition of new taxes must first be submitted to the eligible electors of the taxing authority as a ballot issue;

WHEREAS, the Town Board of Trustees recognizes the rapidly evolving conditions surrounding the cultivation of industrial hemp;

WHEREAS, the Board of Trustees finds that the proliferation of industrial hemp cultivation operations within the Town has the potential to have both favorable and unfavorable impacts on the Town’s character, employment opportunities, and economy, which impacts may be offset by the imposition of an excise tax on the cultivation of industrial hemp; and

WHEREAS, the Board of Trustees hereby determines that it is proper to submit to the eligible electors of the Town at a coordinated election to be held on November 6, 2018 the ballot issue regarding the imposition of a new excise tax on the transfer of industrial hemp cultivated within the Town.

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 Board of Trustees hereby approves imposing an excise tax of 5 percent (5%) on the market value of the first sale or transfer of industrial hemp grown or cultivated within the Town, subject to approval of the registered electors of the Town at the coordinated election to be held on November 6, 2018.

At the coordinated election to be held on November 6, 2018, there shall be submitted to

the qualified electors of the Town a ballot issue which shall be in substantially the following form:

SHALL THE TOWN OF PARACHUTE'S TAXES BE INCREASED BY \$1,000,000.00 IN THE FIRST FULL FISCAL YEAR, BEGINNING JANUARY 1, 2019, AND BY SUCH AMOUNTS AS ARE RAISED ANNUALLY THEREAFTER, BY IMPOSING AN EXCISE TAX OF 5% ON THE MARKET RATE OF UNPROCESSED INDUSTRIAL HEMP, WHEN ANY SUCH PRODUCT IS FIRST SOLD OR TRANSFERRED BY A REGISTERED INDUSTRIAL HEMP CULTIVATION OPERATION TO ANY OTHER ENTITY WITH THE RESULTING TAX REVENUES ALLOWED TO BE COLLECTED, RETAINED AND SPENT BY THE TOWN AS A VOTER APPROVED REVENUE CHANGE NOTWITHSTANDING ANY APPLICABLE REVENUE OR EXPENDITURE LIMITATION IMPOSED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

YES

NO

Section 3. Challenges to Ballot Title and Content. For the purposes of C.R.S. § 1-11-203.5, this Ordinance shall serve to set the title and content of the ballot issue set forth herein and the ballot title for such ballot issue shall be the text of the ballot issue itself. Any petition to contest the form or content of the ballot title must be filed with the District Court in and for Garfield County and a copy served on the Town Clerk within five days after the date of publication of this Ordinance.

Section 4. Conduct of Election. The officers and employees of the Town are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Ordinance.

Section 5. Effect of Election Results. If a majority of the votes cast on the ballot issue submitted at the election shall be in favor of the ballot issue, the Board of Trustees shall take such action, by ordinance, to amend the Parachute Municipal Code as may be necessary to implement this excise tax, consistent with the terms and provisions of the ballot issue and this Ordinance.

Section 6. TABOR Notice. At least thirty (30) days prior to the election, the Town Clerk, shall mail at the least cost, a titled notice or set of notices addressed to "All Registered Voters" at each address of one or more active registered voters concerning the ballot issue referenced in this Ordinance No. ~~752~~. The notice shall be entitled "NOTICE OF ELECTION TO INCREASE TAXES." The notice shall also include all information required by Article X, Section 20 (3)(b) ("The Taxpayer's Bill of Rights").

Section 7. Application. Upon passage of this Ordinance and voter approval at the

PUBLIC NOTICE

Public notice is hereby given that an Ordinance entitled:

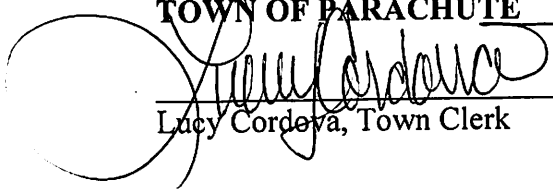
AN ORDINANCE OF THE BOARD OF TRUSTEES OF THE TOWN OF PARACHUTE, COLORADO REFERRING TO THE ELIGIBLE ELECTORS OF THE TOWN AT THE COORDINATED ELECTION TO BE HELD NOVEMBER 6, 2018 A BALLOT ISSUE REGARDING AN EXCISE TAX ON THE CULTIVATION OF INDUSTRIAL HEMP.

was introduced before the Board of Trustees on July 19th, 2018; 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 July 19th, 2018, and approved by the Mayor on July 19th, 2018.

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 19th day of July, 2018.

TOWN OF PARACHUTE



Lucy Cordova, Town Clerk

subject election, the excise tax shall apply to the cultivation of unprocessed industrial hem, when any such product is first sold or transferred, on or after January 1, 2019, as provided by C.R.S. §29-2-106(2). Upon approval of this Ordinance by the registered voters, the Town Clerk shall transmit a certified copy hereof to the Executive Director of the Department of Revenue, and to the Garfield County Clerk and Recorder as provided by C.R.S. §29-2-106(7), as amended.

INTRODUCED, READ, PASSED, ADOPTED, AND ORDERED PUBLISHED BY TITLE ONLY by a vote of 4 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 19th day of July 2018 and approved by the Mayor on the 19 day of July 2018.

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

By Roy B McClung
Roy B McClung
Mayor



ATTEST:

Lucy Cordova
Lucy Cordova, Town Clerk