

**COLORADO CITY METROPOLITAN DISTRICT
RESOLUTION NO. 9-2016**

**RESOLUTION REFERRING BALLOT ISSUE TO ELIGIBLE ELECTORS OF THE
DISTRICT REGARDING RETAIL MARIJUANA EXCISE TAX
FOR THE NOVEMBER 2016 ELECTION**

WHEREAS, the Colorado City Metropolitan District (“District”) is a special district and political subdivision of the State of Colorado, acting pursuant to certain powers set forth in the Colorado Special District Act, C.R.S. § 32-1-101, *et seq.*; and

WHEREAS, the members of the Board of Directors of the District (the “Board”) have been duly elected, chosen and qualified; and

WHEREAS, C.R.S. § 32-1-1004(10) authorizes metropolitan districts located entirely within the unincorporated area of a county to levy, collect, and enforce up to a 5 percent (5%) excise tax upon the first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility; and

WHEREAS, pursuant to C.R.S. § 32-1-1004(10)(c), before the excise tax can be levied, the proposal for an excise tax must be referred to and approved by the eligible electors of the District; and

WHEREAS, Article X, Section 20 of the Colorado Constitution (“TABOR”) requires voter approval for any new tax and for collecting, retaining and spending certain moneys above limits established by TABOR; and

WHEREAS, November 8, 2016, is one of the election dates at which ballot issues may be submitted to the eligible electors of the District pursuant to TABOR and C.R.S. § 32-1-1004(10)(c); and

WHEREAS, the Board of Directors of the District has determined to refer a ballot issue to the eligible electors of the District, which would authorize the District to impose an excise tax levy on sales of retail marijuana pursuant to C.R.S. § 32-1-1004(10); and

WHEREAS, in accordance with C.R.S. § 32-1-1004(10)(c), the election must be conducted in accordance with the Uniform Election Code of 1992; and

WHEREAS, the Board hereby determines to hold a special election of the District’s electors on November 8, 2016 (the “Election”) to be held as part of the coordinated election being conducted by the County Clerk and Recorder (the “Clerk”) of Pueblo County (the “County”) pursuant to the Uniform Election Code of 1992, Title 1, Articles 1 through 13, Colorado Revised Statutes.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District that:

1. In accordance with the Special District Act and the Uniform Election Code of 1992, the Board hereby determines that an election of the eligible electors of the District shall be held on November 8, 2016, which is the date of the state general election. At that time, there will be submitted to the eligible electors of the District a ballot issue which would authorize the District to levy an excise tax levy on retail marijuana. The ballot issue shall be in substantially the form shown on **Exhibit A** attached hereto and incorporated herein by this reference.

2. The election shall be conducted as a coordinated election in accordance with all relevant provisions of the Uniform Election Code of 1992.

3. The Board of Directors hereby designates David Valdez as the Designated Election Official ("DEO") of the District. The DEO is hereby authorized and directed to proceed with any action necessary or appropriate, including contracting with the Pueblo County Clerk and Recorder to conduct the election, to effectuate the provisions of this Resolution and the Special District Act, the Uniform Election Code of 1992, TABOR or other applicable laws.

4. If a majority of the votes cast on the ballot issue shall be in favor of levying excise taxes on retail marijuana sales, as provided in such question, the District, acting through the Board of Directors, shall be authorized to proceed with the necessary action to levy excise taxes in accordance with such question. Any authority to levy excise taxes, if conferred by the results of the election, shall be deemed and considered a continuing authority to levy the taxes so authorized at any one time, or from time to time, and neither the partial exercise of the authority so conferred, nor any lapse of time, shall be considered as exhausting or limiting the full authority so conferred.

5. Pursuant to C.R.S. § 1-11-203.5, any election contest arising out of a ballot issue or ballot question election concerning the order of the ballot or the form or content of the ballot title shall be commenced by petition filed with the proper court within five (5) days after the title of the ballot issue or ballot question is set.

6. The Board of Directors intends that the provisions hereof are severable. Therefore, if any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not impair or invalidate the remaining provisions of this Resolution.

7. Any and all actions previously taken by the DEO or the President or Secretary of the Board of Directors or any other persons acting on their behalf concerning the subject matter of this Resolution, pursuant to the Special District Act, Uniform Election Code of 1992, or other applicable laws, are hereby ratified and confirmed.

8. All acts, orders, and resolutions or parts thereof, of the Board of Directors which are inconsistent or in conflict with this Resolution are hereby repealed only to the extent of such inconsistency or conflict.

9. The provisions of this Resolution shall take effect immediately.

BALLOT ISSUE NO. __


__ - COLORADO CITY METROPOLITAN DISTRICT BALLOT ISSUE

SHALL THE COLORADO CITY METROPOLITAN DISTRICT TAXES BE INCREASED BY \$200,000 ANNUALLY (FINAL PHASED IN FULL FISCAL YEAR INCREASE) AND BY SUCH AMOUNTS AS ARE RAISED ANNUALLY THEREAFTER, BY IMPOSING A PHASED-IN EXCISE TAX OF UP TO FIVE (5) PERCENT OF THE AVERAGE MARKET RATE, AS DETERMINED BY THE COLORADO DEPARTMENT OF REVENUE PURSUANT TO SECTION 39-28.8-101(1), C.R.S., AS MAY AMENDED, ON THE FIRST SALE OR TRANSFER OF UNPROCESSED RETAIL MARIJUANA BY A RETAIL MARIJUANA CULTIVATION FACILITY TO A RETAIL MARIJUANA PRODUCT MANUFACTURING FACILITY, A RETAIL MARIJUANA STORE, OR ANOTHER RETAIL MARIJUANA CULTIVATION FACILITY WITH THE RATE TO BE PHASED IN BY STARTING AT TWO (2) PERCENT IN 2017 AND INCREASING TO THREE (3) PERCENT IN 2018, FOUR (4) PERCENT IN 2019 AND FIVE (5) PERCENT IN 2020, WITH THE RATE OF SUCH TAX BEING ALLOWED TO BE DECREASED OR INCREASED BY THE BOARD OF DIRECTORS OF THE COLORADO CITY METROPOLITAN DISTRICT WITHOUT VOTER APPROVAL SO LONG AS THE RATE OF THE TAX DOES NOT EXCEED FIVE (5) PERCENT, AND WITH THE RESULTING TAX REVENUE AND INVESTMENT EARNINGS THEREON BEING ALLOWED TO BE COLLECTED AND SPENT BY THE COLORADO CITY METROPOLITAN DISTRICT AS A VOTER APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY EXPENDITURE, REVENUE RAISING, OR OTHER LIMITATION CONTAINED IN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW; AND SHALL THE PROCEEDS OF SUCH TAXES BE COLLECTED AND SPENT ANNUALLY REGARDLESS OF THE ANNUAL 5.5% PROPERTY TAX REVENUE LIMITATION SET FORTH IN SECTION 29-1-301 OF COLORADO REVISED STATUTES OR ANY OTHER LAW?

YES _____
NO _____

A motion was made and seconded, and, upon a majority vote, this Resolution was **ADOPTED AND APPROVED** by the Board this 9th day of August, 2016.

COLORADO CITY METROPOLITAN DISTRICT



President

ATTEST:



Secretary

STATE OF COLORADO)
)
 COUNTY OF PUEBLO) ss.
)
 COLORADO CITY METROPOLITAN)
 DISTRICT)

I, Susan Kalman, Secretary of Colorado City Metropolitan District, Pueblo County, Colorado (the "District"), do hereby certify:

1. The foregoing pages are a true and correct copy of a resolution (the "Resolution") passed and adopted by the Board of Directors (the "Board") of the District at a regular meeting held on August 9, 2016.

2. The Resolution was duly moved and seconded and the Resolution was adopted at the regular meeting of August 9, 2016, by an affirmative vote of a majority of the members of the Board as follows:

Name	"Yes"	"No"	Absent	Abstain
Justin Hunter, Chairman	✓			
Susan Kalman, Secretary	✓			
Patti Wadlington, Treasurer	✓			
Terry E. Kraus, Director	✓			
Harry Hochstetler, Director	✓			

3. The members of the Board were present at such meeting and voted on the passage of such Resolution as set forth above.

4. The Resolution was approved and authenticated by the signature of the President of the District, sealed with the District's seal, attested by the Secretary and recorded in the minutes of the Board.

5. There are no bylaws, rules or regulations of the Board that might prohibit the adoption of said Resolution.

6. Notice of the regular meeting of August 9, 2016, in the form attached hereto as **Exhibit A** was posted in at least three places within the limits of the District, and, in addition, such notice was posted in the office of the Pueblo County Clerk and Recorder not less than 72 hours prior to the special meeting in accordance with law.

WITNESS my hand and the seal of said District affixed this 9th day of August, 2016.

(SEAL)

Susan Kalman
Secretary