

**COLORADO CITY METROPOLITAN DISTRICT
RESOLUTION NO. 14-2017**

RESOLUTION LEVYING AND AUTHORIZING COLLECTION, ADMINISTRATION AND ENFORCEMENT OF AN EXCISE TAX ON UNPROCESSED RETAIL MARIJUANA

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, 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 may be levied, the proposal for an excise tax must be referred to and approved by the eligible electors of the District; and

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

WHEREAS, the eligible electors of the District voted on November 7, 2017 to authorize the District to impose said excise tax, at an election held in accordance with the Uniform Election Code of 1992 and all requirements of C.R.S. § 32-1-1004(10); and

WHEREAS, accordingly, the Board of Directors of the District wishes to commence levying, collecting and enforcing said excise tax beginning on January 1, 2018.

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

1. All undefined, capitalized terms used herein have the definitions given in C.R.S. § 39-28.8-101, as may be amended.
2. The Board hereby determines that beginning on January 1, 2018, an excise tax shall be imposed on the first Sale or Transfer of Unprocessed Retail Marijuana by a Retail Marijuana Cultivation Facility within the boundaries of the District to a Retail Marijuana Product Manufacturing Facility, a Retail Marijuana Store, or another Retail Marijuana Cultivation Facility.
3. Said excise tax shall be levied and imposed at a rate of three percent (3%) of the Average Market Rate of the Unprocessed Retail Marijuana for the calendar year 2018, four percent (4%) of the Average Market Rate of the Unprocessed Retail Marijuana for the calendar year 2019, and five percent (5%) of the Average Market Rate of the Unprocessed Retail Marijuana for 2020 and each subsequent calendar year.

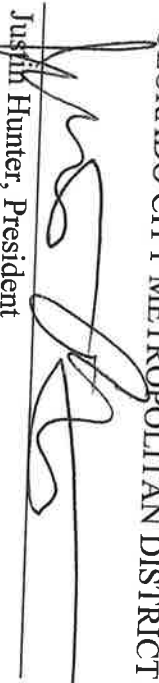
4. The District Manager shall, as soon as practicable following adoption of this resolution, notify every Retail Marijuana Cultivation Facility within the boundaries of the District that said excise tax will be levied beginning on January 1, 2018. Said notice must direct the Retail Marijuana Cultivation Facility to calculate and record, beginning on January 1, 2018, the total amount of Unprocessed Retail Marijuana, by category and pound at the time of the Retail Marijuana Cultivation Facility's first Sale or Transfer of Unprocessed Retail Marijuana to a Retail Marijuana Product Manufacturing Facility, a Retail Marijuana Store, or another Retail Marijuana Cultivation Facility. The Retail Marijuana Cultivation Facility shall calculate the excise tax due to the District and pay the District on a monthly basis the amount owed for Sales or Transfers in the prior month. The excise tax shall be remitted along with the forms provided by the District, in accordance with the Rules and Regulations of the District, as they may be adopted and amended from time to time.

5. The District Manager shall serve as the District's point of contact for any questions about the levying, collection and enforcement of the excise tax.


6. The Board believes that it is in the District's best interest to adopt rules and regulations governing collection, administration and enforcement of said excise tax. Accordingly, the Board hereby directs the District Manager to coordinate with the District's legal counsel to develop such rules and regulations and to present them to the Board for consideration at an upcoming meeting, ideally the Board's regular meeting on January 9, 2018.

A motion was made and seconded, and, upon a majority vote, this Resolution was **ADOPTED AND APPROVED** by the Board this 12th day of December, 2017.

COLORADO CITY METROPOLITAN DISTRICT


Justin Hunter, President

ATTEST:


Patti Wadlington, Treasurer