

Review of Draft Ballot Language for Retail Marijuana Excise Tax

Erie Town Council

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July 9, 2024



Presentation Overview

- Background
- Draft Ballot Language
- Draft Ordinance Overview:
 - Location requirements and potential locations
 - Licensing process and procedures
- Next steps



Background: Retail Marijuana Moratorium

- **2012:** Cannabis sales permitted in Colorado; Board of Trustees chooses not to permit sales in Erie.
- **2017:** Board of Trustees votes to continue the ban, following the formation of an ad hoc committee.
- **2021:** Economic Development staff presents to the Board in Feb., and April Community survey results indicate 59% of residents are supportive of ending the moratorium.
- **2023:** Community survey results show 67% of residents are supportive of ending the moratorium. Staff presents to council in Dec.



Draft Ballot Language

“Shall Town of Erie taxes be increased by \$800,000 in the first full fiscal year, and by whatever amounts are raised annually thereafter, by the imposition of an excise tax of five percent (5%) on the sale or transfer of retail marijuana in the Town, to take effect on January 1, 2025, and shall the Town be authorized to collect, retain, and spend such revenue and any investment earnings thereon without limitation and without limiting the expenditure of any other revenues or funds under Article X, Section 20, of the Colorado Constitution or any other law?”



Draft Ordinance Overview

- Planning Commission to review draft ordinance in July.
- Zoning requirements based on best practices and examples from neighboring municipalities.
- Store limit based on capacity of both the Police Department and Town Clerk's office.
- Licensing requirements closely follows liquor licensing.
- Robust licensing section that outlines the roles and responsibilities of all departments involved.



Proposed Zoning Requirements

- **Separation of uses**
 - 1,000 feet away from any school activity
 - 250 feet away from residential zoning
- **Separation of stores**
 - No store should be located within 1,000 feet of another.
 - Limited to 2 stores in Erie.







Proposed Zoning Requirements

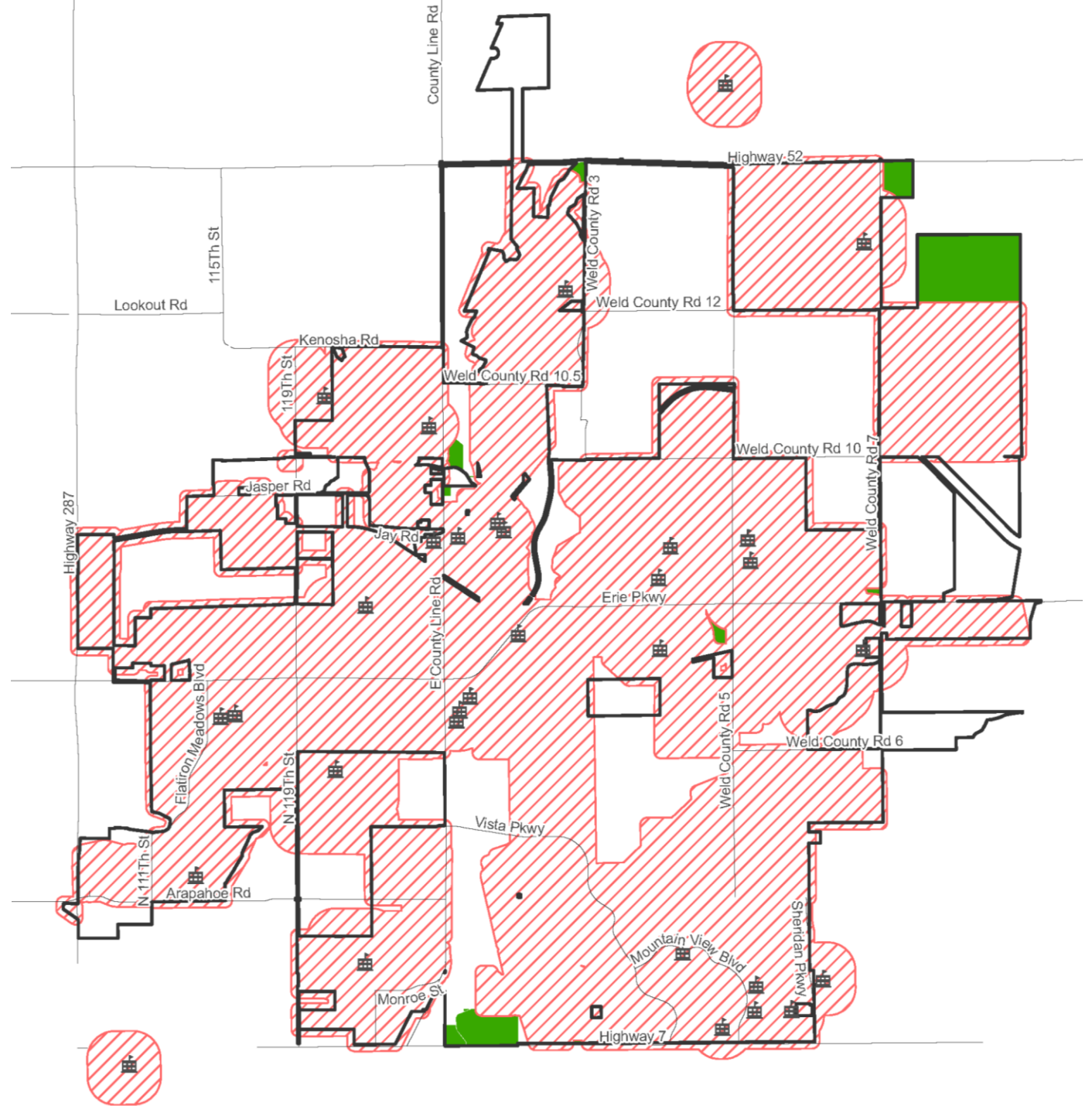
- Facility Size: no greater than 5,000 sq. ft. for single or combined use
- Ventilation measures required so odor is not perceptible from the exterior.
- Permitted use by right in the following zoning districts:
 - “CC-Community Commercial”
 - “RC-Regional Commercial”
 - “B-Business”



Potential Locations

-  Schools
-  Town Boundary
-  School and Residential Zone Buffer *
-  Potential Marijuana Sales Locations

* School and Residential Zone Buffer includes any areas within 1000 ft from a school property and 250 ft from residential zoning





Licensing Requirements

Similar to liquor licensing:

- An application must be filled out, specific documents need to be provided, and background checks must be completed.
- The Town Clerk reviews the application for completeness, schedules a hearing, and issues a license after there is approval from the State and local authorities (Municipal Court).



Licensing Requirements

How it differs from liquor licensing:

- Applicant will need to provide “proof of the State’s finding of suitability”
- Application is submitted with the State first, then sent to the local authority
- Local authority creates their own application forms in addition to the State application
- Applicant must notify the Town of its intent to renew its license at least 45 days prior to the expiration.



Licensing Requirements

Documentation differs:

- Determination of social equity licensing eligibility (optional, issued by the State)
- Report from a certified industrial hygienist
- Business plan, details of overall management and operations, commitments to staffing establishment with diverse and inclusive workforce, experience operating licensed marijuana business in CO, community engagement plan, security plan, sustainability plan, disposal plan, ventilation plan



Next Steps

- A draft resolution with the proposed ballot language imposing a 5% excise tax on retail marijuana sales first presented to Council for discussion (July 9).
- Final draft of the ballot language is presented to Council for adoption (July 23).
- Ordinance presented to Planning Commission, with a public hearing (TBD).
- Ordinance is presented to Council for adoption, with a public hearing (TBD). **The ordinance will not be enacted unless the excise tax measure passes in November.**

Questions & Discussion

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