



Legislation Text

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*Office of the City Manager*

Reference: Marijuana Retail Sales Discussion

**To: Mayor Gregory Mills and Members of City Council**

**Through: Jane Bais DiSessa, City Manager**

**Prepared By: Michael Martinez, Assistant City Manager**

**Date Prepared: 01/22/2021**

**PURPOSE**

To determine Council's position on revisiting current prohibitions in place that bans the sale, cultivation, testing and manufacturing of marijuana and related products within Brighton City limits.

**STRATEGIC FOCUS AREA**

Financially Responsible

**BACKGROUND**

Beginning in 2000, the State of Colorado legalized medical marijuana under the Medical Use of Marijuana Initiative or Amendment 20, which amended the state constitution to allow patients to consume medical marijuana (passed by 54% of Colorado voters). From 2000 through 2009, retail sales were extremely limited and consumption was mostly based on a caregiver/patient model as outlined within the Amendment. On November 6<sup>th</sup>, 2012 Colorado voters passed Amendment 64 which ended the prohibition of marijuana with 55% voter approval. Amendment 64 permits adults 21 and older to possess or gift to another adult up to one ounce marijuana and up to six marijuana plants for recreational use.

As the first state in the nation to pass this type of legislation, Colorado has seen a significant financial windfall from recreational sales. As reported by the Colorado Department of Revenue on October 12, 2020, (since January 2014) Colorado's medical and recreational marijuana industry has generated \$9,211,028,487 in marijuana sales and \$1,490,596,791 in marijuana taxes and fee revenues. As of 2019, \$200,000,000 of this tax revenue was applied towards School Construction- Capital Construction Assistance Fund and approximately \$56,000,000 towards other Department of Education programs.

Starting in 2009, Brighton City Council began to consider allowing the sales, cultivation, testing and manufacturing of marijuana and marijuana related products within city limits. On September 22<sup>nd</sup>, 2009, Brighton City Council voted to temporarily suspend the acceptance, processing and approval of use permits, variances, building permits and licenses until further discussion. This action created a temporary moratorium while further research and discussion on the topic was contemplated (Ord. 2030). On March 1<sup>st</sup>, 2011, Council outright prohibited medical marijuana sales and cultivation within city limits (Ord. 2086, 2087).

In response to the passage of Amendment 64, Brighton City Council again passed legislation to prohibit retail marijuana sales, cultivation, manufacturing and testing within city limits on July 2<sup>nd</sup>, 2013 (Ord. 2156). In total, City Council has passed 7 different ordinances on this matter with Ord. 2156 still in effect as of today.

It is important to note that as of this staff report, 79 cities and counties in Colorado allow for retail sales within their jurisdictional boundaries including neighboring communities such as Thornton, Northglenn, Commerce City, Aurora and unincorporated Adams County. In addition to the 15% retail marijuana sales tax on all sales of retail marijuana and retail marijuana-infused products levied by the State, the majority of cities and counties who allow retail sales also have passed local taxing measures to capture additional sales tax revenues. These local taxes range anywhere from 3-10%. As the industry has matured, it has become apparent that Brighton is experiencing the loss of potential sales tax revenue to other communities as residents are undoubtedly traveling to neighboring communities to purchase recreational and medicinal marijuana and related products.

At Council's direction, staff has prepared to bring this item back for discussion at the January 26<sup>th</sup> Study Session. In consideration of potentially allowing marijuana within city limits, a significant undertaking will be needed in order to create the legal framework and processes that will allow for the sale in Brighton. Additionally, decisions need to be made to determine a whole host of items including types of land uses, limits to the number of retail operations and their locations within the city, the amount of local sales taxes and fees to levy, potential additional staffing needs and other. While these items will need to be worked out over time, Council must consider first if there is a desire to explore repealing previous ordinances and the processes related to a potential TABOR question to residents on a ballot in the general election in November.

**CRITERIA BY WHICH COUNCIL MUST CONSIDER THE ITEM**

N/A

**FINANCIAL IMPACT**

TBD

**STAFF RECOMMENDATION**

N/A

**OPTIONS FOR COUNCIL CONSIDERATION**

N/A

**ATTACHMENTS**

Presentation