

ORDINANCE NO. 1167 (2025)

AN ORDINANCE OF THE CITY OF CRAIG, COLORADO REFERRING A QUESTION TO THE REGISTERED ELECTORS APPROVING THE IMPOSITION AND LEVY OF AN ADDITIONAL SALES TAX OF UP TO FOUR (4%) PERCENT ON THE SALES OF RETAIL MARIJUANA AND MARIJUANA PRODUCTS; AND SETTING A BALLOT MEASURE FOR THE NOVEMBER 4, 2025 COORDINATED ELECTION.

RECITALS

WHEREAS, the City of Craig (the “City”) is a Colorado home rule municipality duly organized and existing under the laws of the State of Colorado;

WHEREAS, the members of the City Council of the City (the “City Council”) have been duly elected and qualified:

WHEREAS, Article X, Section 20 of the Colorado Constitution, also referred to as the Taxpayer’s Bill of Rights (“TABOR”) requires voter approval for any new tax, any increase in any tax rate, the creation of any debt extension of an expiring tax and the spending of certain funds above limits established by TABOR;

WHEREAS, in 2019 the electors approved the sale of retail marijuana and also approved an additional sales tax on revenues derived from the retail marijuana businesses above those sales taxes which is already authorized and collected pursuant to Section 29-2-102, C.R.S. and Articles 26 and 28.2 of Title 39, C.R.S. for a five-year period;

WHEREAS, the previously approve sales tax on revenues derived from the retail marijuana businesses above those sales taxes which is already authorized and collected pursuant to C.R.S. §29-2-102 and Articles 26 and 28.2 of Title 39, C.R.S. will expire on December 31st, 2025;

WHEREAS, the City Council proposes to continue and make indefinite the sales tax in the amount of up to four (4%) percent on the sale of retail marijuana and retail marijuana products by retail marijuana stores within the City Craig;

WHEREAS, the City Council finds and determines that it is appropriate to submit to the registered electors of the City of Craig, Colorado, at the coordinated election to be held on November 4, 2025, a question concerning whether the City of Craig shall continue in perpetuity to levy an additional sales tax of up to four (4%) percent on the sale of retail marijuana and marijuana products within the City of Craig;

WHEREAS, upon passage of the measure by the registered electors of the City of Craig, the City Council at their sole discretion may levy by ordinance from time to time the exact level, of the additional sales tax between zero and 4%, which ordinance can be changed by the City Council or a future City Council as may be expedient;

WHEREAS, any municipal additional sales tax on marijuana transactions cannot be collected, administered or enforced by the Colorado Department of Revenue, but shall instead be collected, administered and enforced by the municipality imposing the tax; and

WHEREAS, TABOR requires that the City submit ballot issues, as defined in TABOR, to the City's registered electors on specified election days before an action can be taken on such ballot issues;

WHEREAS, a coordinated election as will occur on November 4, 2025, is one of the election dates at which TABOR ballot issues may be submitted to the registered electors of the City pursuant to TABOR;

WHEREAS, the City Council of the City of Craig is of the opinion that the City Council should refer to the registered electors at the November 4, 2025 coordinated election a TABOR ballot issue the imposition and levy of an additional sales tax not to exceed four (4%) percent on the sale of retail marijuana and marijuana products in the City of Craig for the purposes specified in this ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CRAIG AS FOLLOWS:

1. The question of the increase in sales tax is authorized for referral to the Craig City Clerk for inclusion on the ballot for the general election to be held on Tuesday, November 4, 2025, which shall be submitted for approval by the registered electors in the City of Craig. The measure referred by this Ordinance shall automatically take effect upon certification of the City Clerk, or Moffat County Clerk, as may be necessary, that a majority of the registered electors voting at that election have approved the establishment of the District.
2. The ballot issue shall be substantially as follows:

BALLOT MEASURE (number to be determined):

SHALL CITY OF CRAIG TAXES BE INCREASED AND REVIEWED ON AN ANNUAL BASIS BEGINNING JANUARY 1, 2026 AND SUCH AMOUNTS COLLECTED IN FUTURE YEARS WITH THE OPTION OF IMPOSING AN ADDITIONAL SALES TAX ON THE PRICE PAID ON THE SALE OF RETAIL MARIJUANA AND MARIJUANA PRODUCTS WITH THE RATE OF SUCH ADDITIONAL SALES TAX BEING ALLOWED TO BE DECREASED OR INCREASED BY THE CITY COUNCIL WITHOUT FURTHER VOTER APPROVAL SO LONG AS THE RATE DOES NOT EXCEED A CAPPED AMOUNT OF FOUR (4%) PERCENT; AND WITH THE RESULTING TAX REVENUE BEING ALLOWED TO BE COLLECTED AND SPENT NOTWITHSTANDING ANY LIMITATIONS CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY

OTHER SPENDING, REVENUE RAISING, OR OTHER LIMITATIONS
PROVIDED BY LAW;
WITH THE TAX REVENUES FROM THE ADDITIONAL SALES TAX
BEING COMMITTED AND USED BY THE CITY TO FUND THE EXISTING
MOFFAT COUNTY LIBRARY (CRAIG BRANCH) AND EXISTING
MUSEUM OF NORTHWEST COLORADO IN CRAIG IN FUTURE BUDGET
YEARS?

YES _____ NO _____

3. The City Council may submit additional ballot issues or other measures to appear on the ballot of the regular election by the adoption of appropriate ordinances as required by law.
4. The deadline for any pro or con statements regarding this TABOR ballot measure shall be submitted to the City Clerk no later than noon on September 19, 2025.
5. Upon passage of the measure, the City staff shall propose an ordinance to modify the Craig Municipal Code to reflect the rate change to the sales tax provisions. Such ordinance shall be approved by the City Council.
6. The officers and employees of the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this ordinance. Upon approval on second reading, the City Clerk shall certify the ballot content to the Moffat County Clerk for inclusion on the ballot for the November 4, 2025 coordinated election.
7. If any portion of this ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance.
8. This Ordinance shall take effect ten (10) days after passage and upon publication of such ordinance after passage.
9. The City Council deems it appropriate to publish the title of this Ordinance, together with a summary of the Ordinance and with the statement that the text is available for public inspection and acquisition in the office of the City Clerk.

READ, APPROVED AND ORDERED PUBLISHED ON FIRST READING THIS 22ND DAY OF JULY, 2025 BY THE CITY COUNCIL OF THE CITY OF CRAIG, COLORADO.

Chris Nicols, Mayor

ATTEST:

Kathleen Carmody, City Clerk

PASSED, APPROVED, AND ADOPTED AFTER HEARING ON SECOND READING THIS 26TH DAY OF AUGUST, 2025 BY THE CITY COUNCIL OF THE CITY OF CRAIG, COLORADO.

Chris Nicols, Mayor

ATTEST:

Kathleen Carmody, City Clerk