

# STATE OF COLORADO

## OFFICE OF THE GOVERNOR

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John W. Hickenlooper  
Governor

## D 2017-023

### EXECUTIVE ORDER

#### PROCLAMATION

#### **Call for the First Extraordinary Session of the Seventy-First General Assembly**

Pursuant to the authority vested in the Governor of the State of Colorado, and in particular, pursuant to powers vested in the Governor pursuant to article IV, section 9 of the Colorado Constitution, and as recognized in article V, section 7, I, John W. Hickenlooper, Governor of the State of Colorado, hereby find that the following extraordinary occasion exists to convene the Seventy-First General Assembly to meet in special session.

#### I. Background

In the 2017 legislative session, the General Assembly enacted Senate Bill 17-267 (“Concerning the Sustainability of Rural Colorado”). One of the bill’s provisions consolidated two distinct taxes on retail marijuana sales into a single tax. In accomplishing this efficiency, however, Senate Bill 17-267 inadvertently exempted certain special districts and other limited purpose governmental entities from levying sales tax on retail marijuana sales. As a result of this inadvertent exemption, greater complexity and a lack of clarity now exist in the State’s sales tax code, and certain special districts’ and other limited purpose governmental entities’ ability to provide services to their constituents is weakened.

We have had extensive conversations with Senate Bill 17-267 sponsors, interested stakeholders, and General Assembly leadership to identify how to minimize harms to impacted special districts, other limited purpose governmental entities, and their constituents; and achieve greater clarity and efficiency in the State’s tax code. A special session is the most expedient way to advance these interests.

This proclamation does not prescribe the specific form that legislation introduced in the special session shall take; rather, it defines the appropriate subject matter for legislative consideration. The following section describes the purpose and need for the special session.

## II. Purpose and Need

Senate Bill 17-267, enacted during the 2017 regular session of the Seventy-First General Assembly, was robust and historic legislation that will contribute greatly to the strength of Colorado's rural communities. Legislation of such complexity and magnitude often requires adjustments in subsequent legislative sessions to ensure the General Assembly's intent is honored and to address unforeseen and unintended consequences.

One component of Senate Bill 17-267 exempted retail marijuana sales from the State's 2.9 percent general sales tax, but increased the rate of the special retail marijuana sales tax from 10 percent to 15 percent. In consolidating these two sales taxes, however, Senate Bill 17-267 inadvertently eliminated certain special districts' and other limited purpose governmental entities' ability to levy sales tax on retail marijuana sales. Consequently, those entities have experienced, and will continue to experience, reductions in revenue that jeopardize their ability to provide services to their constituents. These revenue reductions are not the result of market or economic forces, but are instead the result of the aforementioned exclusion inadvertently included in Senate Bill 17-267. As such, a correction is needed to ensure services are not unintentionally diminished.

We communicated with the sponsors of Senate Bill 17-267 and House and Senate leadership. All affirm that this result was an unintentional error in need of correction. Therefore, the General Assembly should consider taking legislative action to enact a law clarifying that certain special districts and other limited purpose governmental entities are authorized to levy a sales tax on retail marijuana sales.

## III. Proclamation

I, John W. Hickenlooper, Governor of the State of Colorado, with this proclamation find extraordinary occasions exist to convene the Seventy-First General Assembly of this State and summon the members of the Seventy-First General Assembly to meet in special session at 10:00 A.M. on October 2, 2017, at the State Capitol, in the City and County of Denver, and designate the following specific subject for consideration and appropriate legislative action:

- A. Concerning the clarification of statutory provisions, enacted in Senate Bill 17-267, to codify that retail marijuana sales are subject to sales taxes levied by certain special districts and other limited purpose governmental entities.



GIVEN under my hand and the  
Executive Seal of the State of  
Colorado this fourteenth day of  
September, 2017.

A handwritten signature in blue ink, reading "John W. Hickenlooper". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

John W. Hickenlooper  
Governor