

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 10-0789.01 Gregg Fraser

HOUSE BILL 10-1121

HOUSE SPONSORSHIP

Riesberg,

SENATE SPONSORSHIP

(None),

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE ABILITY OF A LOCAL GOVERNMENT TO IMPOSE
102 CERTAIN REGULATIONS ON THE SALE OF CIGARETTES WHILE
103 STILL RECEIVING A SHARE OF STATE CIGARETTE TAX REVENUES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The state currently apportions 27% of state cigarette tax revenues to cities, towns, and counties (local governments) in proportion to the amount of state sales tax revenues collected within the boundaries of the local governments. Local governments are prohibited from receiving

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

their allocation of state cigarette tax revenues if they impose their own fees, licenses, or taxes on cigarette sales. The bill would repeal this prohibition, allowing local governments the option to impose fees, licenses, or taxes on cigarettes without losing their apportioned state cigarette tax revenues.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 39-22-623 (1) (a) (II) (A), Colorado Revised
3 Statutes, is amended to read:

4 **39-22-623. Disposition of collections.** (1) The proceeds of all
5 moneys collected under this article, less the reserve retained for refunds,
6 shall be credited as follows:

7 (a) (II) (A) Effective July 1, 1987, an amount equal to
8 twenty-seven percent of the gross state cigarette tax shall be apportioned
9 to incorporated cities and incorporated towns ~~which~~ THAT levy taxes and
10 adopt formal budgets and to counties. For the purposes of this section, a
11 city and county shall be considered as a city. The city or town share shall
12 be apportioned according to the percentage of state sales tax revenues
13 collected by the department of revenue in an incorporated city or town as
14 compared to the total state sales tax collections that may be allocated to
15 all political subdivisions in the state; the county share shall be the same
16 as that which the percentage of state sales tax revenues collected in the
17 unincorporated area of the county bears to total state sales tax revenues
18 ~~which~~ THAT may be allocated to all political subdivisions in the state.
19 The department of revenue shall certify to the state treasurer, at least
20 annually, the percentage for allocation to each city, town, and county, and
21 such percentage for allocation so certified shall be applied by said
22 department in all distributions to cities, towns, and counties until changed
23 by certification to the state treasurer. ~~In order to qualify for distributions~~

1 of state income tax moneys, units of local government are prohibited from
2 imposing fees, licenses, or taxes on any person as a condition for
3 engaging in the business of selling cigarettes or from attempting in any
4 manner to impose a tax on cigarettes. For purposes of this paragraph (a),
5 the "gross state cigarette tax" means the total tax before the discount
6 provided for in section 39-28-104 (1).

7 **SECTION 2. Act subject to petition - effective date.** This act
8 shall take effect at 12:01 a.m. on the day following the expiration of the
9 ninety-day period after final adjournment of the general assembly (August
10 11, 2010, if adjournment sine die is on May 12, 2010); except that, if a
11 referendum petition is filed pursuant to section 1 (3) of article V of the
12 state constitution against this act or an item, section, or part of this act
13 within such period, then the act, item, section, or part shall not take effect
14 unless approved by the people at the general election to be held in
15 November 2010 and shall take effect on the date of the official
16 declaration of the vote thereon by the governor.