

**RESOLUTION NO. 23**

**SERIES 2022**

**A RESOLUTION OF THE CRESTED BUTTE TOWN  
COUNCIL ADOPTING A POLICY OF THE TOWN  
COUNCIL REGARDING ALLOCATION OF CIGARETTE,  
TOBACCO AND NICOTINE PRODUCT TAX REVENUES**

WHEREAS, the Town of Crested Butte, Colorado (the "**Town**") is a home rule municipality, duly and regularly organized and now validly existing as a body corporate and politic under and by virtue of the Constitution and laws of the State of Colorado; and

WHEREAS, Section 4.7 of the Crested Butte Town Charter provides that the Council may act, other than legislatively, by resolution; and

WHEREAS, beginning in 2020, the Town of Crested Butte has collected a 40% sales tax on non-cigarette tobacco and nicotine products and a \$3 per pack tax on cigarettes (the "**Nicotine Tax**"); and

WHEREAS, ballot language to initiate the Nicotine Tax in 2019 set expectations that the money would be spent for the purposes of financing health services, public safety and other needs as deemed necessary; and

WHEREAS, Town Council members and staff have met with representatives from Gunnison Watershed School District, Gunnison County Substance Abuse Prevention Project, Gunnison County Juvenile Services and Gunnison Valley Health to discuss creation of a policy to guide use of the revenues generated from the Nicotine Tax with such meetings and discussion resulting in the attached policy for Allocation of Cigarette, Tobacco and Nicotine Product Tax Revenues (the "**Policy**"); and

WHEREAS, the Town Council has reviewed the Policy and finds that the Policy and its proposed purposes and guidance on allocation of the Nicotine Tax revenues is in the best interest of the health, safety and welfare of the Town and its residents.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CRESTED BUTTE, COLORADO, THAT:

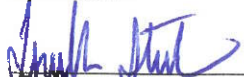
The Town Council approves and adopts the Policy attached hereto as **Exhibit "A,"** as the guidance for allocation of cigarette, tobacco and nicotine product tax revenues being in the best interest of the health, safety and welfare of the Town and its residents.

INTRODUCED, READ AND ADOPTED BEFORE THE TOWN COUNCIL OF THE TOWN OF CRESTED BUTTE, COLORADO THIS 6<sup>th</sup> DAY OF September 2022.

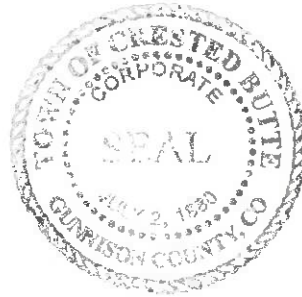
TOWN OF CRESTED BUTTE, COLORADO

By:   
Ian Billick, Mayor

ATTEST:

  
Lynelle Stanford, Town Clerk

(SEAL)



Resolution 2022-23  
Policy for Allocation of Nicotine Tax Revenues

**EXHIBIT "A"**  
(Policy for Allocation of Nicotine Tax Revenues)

[attach Policy here]



## ALLOCATION OF CIGARETTE, TOBACCO AND NICOTINE PRODUCT TAX REVENUES

### Introduction or Purpose:

The Use of Cigarette, Tobacco and Nicotine Product Tax Revenues Policy (the “Policy”) of the Town Council of the Town of Crested Butte (the “Town”) is established to provide guidance in annual budgeting and grant awards for the revenues derived from the Town’s tax on sales of nicotine products.

In 2019, Crested Butte voters approved a new tax on the sales of cigarettes and other tobacco and nicotine products effective January 1, 2020. The tax amount is \$0.15 per cigarette (or \$3.00 per pack of twenty) and 40% on the sales price of all other tobacco products. The ballot language stated that the tax revenues shall be used for the purposes of financing health services, public safety and other needs as deemed necessary.

This policy establishes the guidelines for allocation of the revenues derived from the Cigarette, Tobacco and Nicotine Product Tax (“Nicotine Tax”).

### Scope:

The Policy applies to the revenues generated from the Nicotine Tax. The Policy provides guidance to staff and the Town Council in annual budgeting for use of the funds and in soliciting for and awarding grants from these revenues. The annual budget and grant awards are subject to review and approval by the Town Council.

### Policy:

The Town will seek to expend the annual revenues from the Nicotine Tax for the Purposes of funding:

1. Harmful substance use prevention, cessation and treatment, and
2. Access to mental health programs and services

Primary consideration will be to funding programs or projects that focus on these Purposes among the youth and young adults in the Crested Butte community.

The Town Council may consider funding appropriate ongoing programs (subject to TABOR limitations) that the Council determines will make a significant contribution to these Purposes. They may also wish to annually allocate some portion of the Nicotine Tax revenues to be awarded annually through a competitive grant process.

Town staff should annually engage with area professionals to advise the Town Council on recommendations for best use of these revenues to support the above Purposes in the community. Organizations from whom to annually solicit input may include the Gunnison Watershed School District, Gunnison County Substance Abuse Prevention Project, Gunnison County Juvenile Services, area mental health providers and supporting non-profits.

Funds may be allocated or awarded to entities that are either recognized 501C organizations or government entities. The funding must further the stated Purpose(s) through a clearly articulated application explaining how the funds will be applied through a program or purchase.

Approvals:

Date	Name	Resolution #

Revision History:

Version	Date Revised	Reason for Change