



IGNACIO TOWN BOARD SPECIAL MEETING MINUTES

Monday, January 31, 2022 – 6:30 PM

Abel F. Atencio Community Room, 570 Goddard Avenue
and via Remote Public Meeting

- I. **CALL MEETING TO ORDER:** Mayor Cox called the meeting to order at 6:35 PM. She opened the meeting by leading in the pledge of allegiance.
- II. **ROLL CALL**
Present: Mayor Stella Cox, Mayor Pro Tem Alison deKay, Trustee Tom Atencio, Trustee Edward Box III, Trustee Sharon Craig, Trustee Sandra Maez
Absent: Trustee Dixie Melton
Guests: Clark Craig, Dee Wesner
- III. **UNFINISHED BUSINESS**

A. Marijuana Ballot Language Discussion

Mr. Garcia stated that there is a memo in the Board's packet from Kim Crawford from Butler Snow, special tax counsel that was retained based on recommendation from our Town Attorney. The draft ballot language combines the sale of marijuana with the tax question. There is no sales tax allowed on medical marijuana per state statute; therefore, in the draft resolution, there is a ballot question for occupational tax on medical marijuana, an occupational tax on retail marijuana, and a sales tax on retail marijuana. The annual revenue projections must be estimated, and the estimate is high because, if we collect more than we estimate in the first year, we have to give it back. Our estimate is based on what Mancos collects with an occupational tax on three retail stores at a \$3.00 fee per transaction which is charged to the vendor. In the draft ordinance there is no amount listed under the sales tax section because staff needs direction from the Board with regard to the percentage of tax they would want to charge if they chose to go this route.

If the ballot question passes, then the Town would need to pass additional ordinances to set specific parameters such as amount of the occupational tax per transaction (this could be different for medical versus retail), the number of stores allowed in Town and their locations, etc.

If the Board decides to go the route of occupational tax, staff would need to do the collections of those taxes from the vendors; if they choose sales tax on retail marijuana, the state would collect that like they do with all other sales taxes and then disburse it back to the Town.

After silence from the Board, Ms. Dunton informed Mayor Cox that there was an online attendee who had their hand raised. If the discussion was still among the Board, the attendee could wait their turn; she simply wanted to let Mayor Cox know. Mayor Cox opened the discussion for public comment at 6:52 PM.

Gina Schulz, 335 ½ Shoshone, asked if the Board was intending to approve all three questions and allow the voters to decide or if they were going to approve only one or two and put those to the voters. Mayor Pro Tem deKay responded that the Board can do one or all three; the decision has not been made yet. Ms. Schulz asked if research has been done with regard to the cost of tracking and collecting occupational taxes if that is the direction the Board chooses to go. She stated that all the hidden costs could cut into the potential tax revenue. Mr. Garcia stated that this research has not been done yet. Mayor Cox asked if there would be a cap on the number of businesses allowed in Town; Mr. Garcia stated that would be part of subsequent ordinance language discussions: total number of businesses, locations, etc. These discussions and decisions would occur if the ballot question passes.

Mayor Pro Tem deKay clarified that there is the option to have both an occupational tax and a sales tax on retail marijuana if the Board wanted to do that. She also stated that the option still exists of not putting anything on the ballot.

Mayor Cox acknowledged an in-person attendee and allowed them to speak.

Dee Wesner, 400 Browning Ave, stated she had several questions but wanted to preface those questions with a reminder of an Ordinance that is already in the books. She read several sections of Ordinance 308, the Permanent Ban on Marijuana (including applications for or the issuance of licenses, and the presence of cultivation facilities, manufacturing facilities, testing facilities, retail stores, and any related products or uses within the Town of Ignacio), due to the concern for adverse impacts on public health, safety and welfare of the Town and its inhabitants, that was passed on September 24, 2013. She asked what has changed since the passage of this Ordinance, that we would move from a permanent ban to now considering the adoption of language that will be on the ballot at the next election. She stated that her concern is for the kids who would have increased risk if this is passed. She is not excited about inviting this kind of business into Ignacio, and asked again for an explanation of how we got from clearly not wanting it to now putting it on a ballot.

Mayor Cox stated that, in 2019, there was a young man and his mother that wanted to start a marijuana business in Ignacio; they came and did a presentation to the Board. There were only two of the Board members that wanted to uphold that Ordinance; the others wanted to take it to a vote of the people. Mayor stated that from her perspective nothing has changed. She stated that she believes the potential benefits do not outweigh the risks of increased crime, increased drug usage, and other difficulties. She stated that, for the record, she doesn't want it in Ignacio. But if this is what the people want, we need to give it to them.

Trustee Atencio stated that he is not in agreement with Mayor Cox. He believes that, in time, even the Federal government will change their view of marijuana and will legalize it. There are many states that have already legalized it, and there are a lot of communities in our area that have legalized it. It is here already, so the Town might as well benefit from it. He stated there are multiple residences that have plants growing in their yards...he was one of them until someone stole the plant this past summer! He wants the Town to benefit rather than the benefit going to a neighboring community. He spoke of the benefits of CBD oil that his parents experienced as they battled illnesses. He stated that, if the community wants this, and they have approached the

Board twice now, then the Board needs to put it to the voters. He said he spoke to Mancos and Dolores and their crime has not increased; all the police vehicle in Mancos have been bought with marijuana tax. It's time for the people to express their opinion; we are not making the decision based on our individual personal feelings but on the desires of the community.

Ms. Wesner stated that she is aware that the state and multiple surrounding communities have legalized it; she has taken pride in the fact that our community has said no. She believes that the benefits do not outweigh the potential costs. She asked what will happen with the existing ordinance.

Mr. Garcia stated that, if this question passes, there are a series of ordinances that will need to be passed and the first one would be to repeal the ordinance that Ms. Wesner has referenced.

Ms. Wesner asked if the question is even posed regarding whether or not people want marijuana; to her it sounds as though it is a taxation question, and bypasses the issue of whether or not the people actually want marijuana.

Mayor Pro Tem deKay responded by reading the clause in the ballot language that asks "shall the sale of retail marijuana and retail marijuana products by a retail marijuana business be permitted within the Town." It is toward the bottom of the ballot question. The Board opted to combine the tax question with the question of sales so that there would not be the option of passing one without the other. Mayor Pro Tem deKay stated that she was not in favor of putting this to a vote of the people because she believes that the people already voted against it at a previous election. She acknowledged that she is only one of seven. The Board has the authority to do this and, whether she agrees with it or not, the Board is making the decision.

Trustee Craig stated that she is one of the ones who desired to put it to the voters. She was not here in 2013, so she is not aware of what the public input was at that time. When the Board asked for public input this time, there was very little. She felt that she couldn't actually represent the community because there was not enough public input.

Trustee Maez stated that she agrees with Mayor Cox and Mayor Pro Tem deKay in that she doesn't want it in this community. She takes pride in the fact that this community doesn't have it, and she feels the benefits are not sufficient to outweigh the risks. She referenced the presence of the schools and stated that those who want it can go to Durango. She also stated that the community should be able to voice their opinion.

Ms. Wesner expressed appreciation for the feedback from each of the Board members.

Trustee Craig asked if the ballot language could be rearranged so that the question about sales be moved to the beginning of the question. Mr. Liberman said he would reach out to special counsel regarding this question.

Ms. Wesner asked if it can be known who the citizen of Ignacio is that wants to open the store. Mayor Cox clarified that it is not a citizen of Ignacio; Mr. Garcia stated that it is a resident in the Arboles area, which is considered within our community, although not a resident of the Town.

Ms. Schulz spoke up again and stated that she is firmly against bringing marijuana into the Town. She believes that any potential benefit does not outweigh the negative

impacts on our families and our youth. She is also concerned about the implications of being within the exterior boundaries of the Southern Ute Indian Reservation. This is trafficking drugs across our borders through federal lands. This seems to violate the intergovernmental agreements and could be a jurisdictional nightmare. Shoshone Park is already an area that doesn't get a lot of attention; during the summer it is open season on drinking and drugs. The schools currently have significant expulsion rates for vaping, and that is not just nicotine. Ms. Schulz would like to see policies in place that state that some of the funds would be used to counteract some of the negative effects of making marijuana more available.

Mayor Cox stated she was in agreement; however, it looks like this will be going to a vote of the people. She expressed that each person should go out and rally people who are in support of their position so that we get full representation.

Trustee Box stated that it was his understanding that it is only illegal for Tribal members to have pot on the reservation lands; this does not apply to non-Natives that have it in their possession on Tribal lands. He stated that marijuana is not part of the traditional ways of the Southern Ute Tribe; it interferes with their spiritual life. However, many of the youth have not been raised traditionally. He reiterated that he does not support marijuana use or sales within the Town because of his personal beliefs.

Mayor Pro Tem deKay stated that she was not expecting to go down this path this evening. She expressed appreciation to staff and the Town Attorney for all their work in preparing the ballot language. She posed the question to the Board if they still want to move forward with putting this on the ballot; she is okay with not doing so. If the majority of the people are not happy with not having it on the ballot, they can express that displeasure by not voting for the particular trustees as the next election.

Mr. Garcia stated that there is a resolution in front of the Board and that is the next item on the agenda. The vote on that item would express the desires of the Board.

Mr. Liberman spoke up and stated that, after consultation with special tax counsel, it is not possible to rearrange the order of the ballot language due to TABOR regulations, which require that the taxation question be presented first.

The Board and staff expressed appreciation to Mr. Liberman.

IV. NEW BUSINESS

A. Resolution 03-2022

Action: Trustee Atencio moved to place Resolution 03-2022 on the ballot, removing the section on the draft resolution that refers to sales tax. The motion died for lack of a second.

Action: Trustee Craig moved to table the approval of the Resolution to the February 14 Regular Board Meeting, due to not wanting to pass a Resolution at a special meeting. The motion died for lack of a second.

Mayor Cox expressed appreciation to everyone for their comments, input and work. She stated she hopes to not have to cross this bridge again.

V. ADJOURNMENT

Being no further business before the Board, Mayor Cox adjourned the meeting at 7:39 PM. The next regularly scheduled meeting will be on Monday, February 14, 2022, at 6:30 PM in the Abel F. Atencio Community Room and via Remote Public Meeting.

Stella Cox

Stella Cox, Mayor

Feb 14, 2022

Date

Tuggy Dunton

Attest: Tuggy Dunton, Town Clerk