

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 15-0841.01 Gregg Fraser x4325

HOUSE BILL 15-1257

HOUSE SPONSORSHIP

Becker K. and Priola,

SENATE SPONSORSHIP

Hodge,

House Committees

Local Government
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE REMOVAL OF PENALTIES ON LOCAL GOVERNMENTS**

102 **REGARDING THE REGULATION AND SALE OF CIGARETTES.**

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>.)

From state income tax moneys, the state currently apportions an amount equal to 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 their allocation of these moneys if they impose their own fees, licenses, or taxes on cigarette sales.

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.*

HOUSE
3rd Reading Unamended
April 21, 2015

HOUSE
Amended 2nd Reading
April 17, 2015

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.** In Colorado Revised Statutes, 39-22-623, **amend**
3 (1) (a) (II) (A) as follows:

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. The
19 department of revenue shall certify to the state treasurer, at least annually,
20 the percentage for allocation to each city, town, and county, and such
21 percentage for allocation so certified shall be applied by said department
22 in all distributions to cities, towns, and counties until changed by
23 certification to the state treasurer. A LOCAL GOVERNMENT MAY IMPOSE
24 FEES OR LICENSING REQUIREMENTS UPON AN INDIVIDUAL AS A CONDITION

1 OF ENGAGING IN THE BUSINESS OF SELLING CIGARETTES, EXCEPT THAT in
2 order to qualify for distributions of state income tax moneys, units of
3 local government are prohibited from imposing fees, licenses, or taxes on
4 any person as a condition for OF engaging in the business of selling
5 cigarettes or from attempting in any manner to impose a tax on cigarettes.
6 For purposes of this paragraph (a), the "gross state cigarette tax"
7 means the total tax before the discount provided for in section 39-28-104
8 (1).

9 **SECTION 2. Safety clause.** The general assembly hereby finds,
10 determines, and declares that this act is necessary for the immediate
11 preservation of the public peace, health, and safety.