

Marijuana Tax Revenue Fund

In 2014, Aurora voters approved a 5.75% City sales tax and 5.0% excise tax from cultivation facilities charged on the sale of unprocessed retail marijuana. Aurora voters also granted the City permission to increase or decrease the sales tax rate without further voter approval so long as the rate of taxation does not exceed 10.0%. In 2017, City Council increased the City's retail marijuana sales tax rate from 5.75% to 7.75%. Effective July 1, 2017, this rate increase will fund homeless services and housing projects. Additionally, the City collects a state shareback of 10.0% of the 15.0% state special sales tax based on Aurora's retail marijuana sales. From 2014 to 2016, marijuana sales and excise tax revenue was collected in the City's General Fund and set aside for Council's determination of use. In January 2017, the City began to account for marijuana tax revenue in a separate Marijuana Tax Revenue Fund for budgetary purposes.

2018 Marijuana Tax Revenue

Revenues	2018 Budget	2018 YTD Actual	2018 Year-to-Date Revenues Over/(Under)			
			2017	2018 Budget	% Chg vs 2017	% Chg vs Budget
Sales and Excise Taxes	\$7,915,474	\$1,791,004	\$434,968	(\$47,865)	32.1%	(2.6%)
State Shareback	1,388,139	345,977	(3,109)	(1,058)	(0.9%)	(0.3%)
Investment Income	35,000	18,000	17,126	9,250	1,959.5%	105.7%
Total Revenue	\$9,338,613	\$2,154,981	\$448,986	(\$39,673)	26.3%	(1.8%)
Transfers In	0	0	0	0	N/A	N/A
Total Sources of Funds	\$9,338,613	\$2,154,981	\$448,986	(\$39,673)	26.3%	(1.8%)

2014-2018 Marijuana Funds

Fund Summary	2014-2017 Actual	2018 Budget	2014-2018 Total
Sales and Excise Taxes	\$14,293,984	\$7,915,474	\$22,209,458
State Shareback	3,175,119	1,388,139	4,563,258
Investment Income	40,893	35,000	75,893
Total Revenue	\$17,509,996	\$9,338,613	\$26,848,609
Transportation Projects	\$3,800,000	\$0	\$3,800,000
Transportation Maintenance	0	2,100,000	2,100,000
Concrete and Asphalt Projects	2,000,000	0	2,000,000
Medians	250,000	250,000	500,000
Debt Service for Central Recreation Center	4,000,000	2,000,000	6,000,000
Debt Service for Road Projects	0	4,000,000	4,000,000
Nexus Program Reserve	680,000	0	680,000
Homeless Services and Housing	3,833,480	3,357,113	7,190,593
Expenditures/Commitments	\$14,563,480	\$11,707,113	\$26,270,593
Unobligated Funds			\$578,017

Types of Licenses	Number Issued as of 3/31/18
Stores	24
Cultivations	17
Product Manufacturing	16
Testing	1

Marijuana tax revenue through the first quarter of 2018 is tracking slightly below budget by \$39,700 (1.8%). Despite declining retail prices in Colorado, the City is expected to meet the assumptions included in the 2018 Adopted Budget as more marijuana businesses are scheduled to open in 2018. City Council has limited the number of retail marijuana stores in Aurora to 24. All 24 stores are expected to be in operation by the end of 2018. To date, a total of 21 stores and 11 cultivation facilities have generated \$1.6 million in City sales tax revenue and \$146,700 in excise tax revenue.

City Council identified various projects to be funded with marijuana tax revenue, including the ongoing funding of debt payments towards the construction of a new recreation center in central Aurora and a variety of road projects. Furthermore, City Council committed the additional marijuana revenue associated with the 2.0% increase in the City's special sales tax rate on retail marijuana to homeless services and housing. As a result, \$26.3 million of funds available have been obligated.

* 2017 revenues differ from the CAFR as the CAFR reports a portion of 2017 revenues in 2018 whereas the fund performance report does not.