# ORDINANCE 10-2026

**CITY OF SHERIDAN**
**ORDINANCE NO. 10-2026**

**AN ORDINANCE OF THE CITY COUNCIL OF SHERIDAN, COLORADO INCREASING THE TAX ON RETAIL MARIJUANA SALES AND PRODUCTS AND UNPROCESSED RETAIL MARIJUANA IN THE CITY OF SHERIDAN, COLORADO FROM 5% TO 8%**

**WHEREAS**, the City of Sheridan, Colorado (City) is duly organized and validly exists as a Home Rule City under Article XX, Section 6 of the Colorado Constitution and the City Charter; and

**WHEREAS,** pursuant to C.R.S. § 13-15-103, the City has the authority to create and publish ordinances; and

**WHEREAS**, pursuant to C.R.S. § 31-15-101, *et seq*., the City is authorized to levy and collect sales and excise taxes; and

**WHEREAS**, as set forth in Ordinance No. 2-2018, on November 7, 2017, the electors of the City approved Ballot Issue 2A, which authorized the Sheridan City Council (Council) to levy an excise tax (i) upon the first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility within the City; and (ii) upon the sale of retail marijuana and retail marijuana products within the City; and

**WHEREAS**, through the approval of Ballot Issue 2A, voters determined that the revenue received by the City from the collection of the approved taxes set forth in the paragraph above shall be used to pay or reimburse the City for direct and indirect public safety costs incurred or expended by the City related to the regulation of the use of retail marijuana and retail marijuana products and for other general public safety purposes; and

**WHEREAS**, pursuant Sheridan Municipal Code §§ 62-350(b)(1)-(2) the City Council, by Ordinance, may impose a sales tax rate of no more than 10% on retail marijuana and retail marijuana products; and

**WHEREAS**, pursuant to Sheridan Municipal Code §§ 62-353(b)(1)-(2) the City Council, by Ordinance, may impose an excise tax rate of no more than 10% on the first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility; and

**WHEREAS**, pursuant to Sheridan Municipal Code §§ 62-351, "notwithstanding any limitations on revenue, spending, or appropriations contained in Section 20 of Article X of the Colorado Constitution or any other provision of law, any revenues generated by the retail marijuana sales tax imposed pursuant to this article, as approved by the voters at the municipal election on November 7, 2017, may be collected and spent as voter approved revenue change and shall not require further voter approval to modify the tax rate as provided for in this article, or to collect and spend any revenue derived from a modified tax rate;" and

**WHEREAS**, pursuant to Sheridan Municipal Code §§ 62-355, "notwithstanding any limitations on revenue, spending, or appropriations contained in Section 20 of Article X of the Colorado Constitution or any other provision of law, any revenues generated by the retail marijuana excise tax imposed pursuant to this article, as approved by the voters at the municipal election on November 7, 2017, may be collected and spent as voter approved revenue change and shall not require further voter approval to modify the tax rate as provided for in this article, or to collect and spend any revenue derived from a modified tax rate;" and

**WHEREAS**, the sales tax rate for retail marijuana sales and products and the excise tax rate for the first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility has not increased since the approval of Ballot Issue 2A and the codification of Ordinance No. 2-2018, which was over 8 years ago; and

**WHEREAS**, Council desires to amend Sheridan Municipal Code § 62-350(a) to increase the sales tax on retail marijuana sales and products from 5% to 8% beginning October 1, 2026; and

**WHEREAS**, Council desires to amend Sheridan Municipal Code § 62-353(a) to increase the excise tax on the first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility from 5% to 8% of the average market rate of the unprocessed retail marijuana beginning October 1, 2026; and

**WHEREAS**, increasing the taxes as set forth above will promote the health, safety, and welfare of the City and its residents by assisting the City in payment for direct and indirect public safety costs incurred or expended by the City regarding the regulation of the use of retail marijuana and retail marijuana products, and for other general public safety purposes of the City.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SHERIDAN, COLORADO, AS FOLLOWS:**

**Section 1.** The foregoing recitals are incorporated herein as conclusions, facts, determinations, and findings by City Council.

**Section 2.** Chapter 62, Article IX, Section 62-350(a) of the Sheridan Municipal Code regarding Special Retail Marijuana Sales Tax is hereby amended as follows:

(a) In addition to any other taxes imposed pursuant to this chapter there is imposed upon all sales of retail marijuana and retail marijuana products a tax at the rate of ~~five (5)~~ **eight (8)** percent of the amount of the sale, to be computed in accordance with schedules or forms prescribed by the city finance director.

**Section 3.** Chapter 62, Article IX, Section 62-353(a) of the Sheridan Municipal Code regarding Retail Marijuana Excise Tax is hereby amended as follows:

(a) In addition to any other taxes imposed pursuant to this chapter, there is levied, and shall be collected, an excise tax on the first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility, at a rate of ~~five (5)~~

**eight (8)** percent of the average market rate of the unprocessed retail marijuana. The tax shall be imposed at the time when the retail marijuana cultivation facility first sells or transfers unprocessed retail marijuana from the retail marijuana cultivation facility to a retail marijuana product manufacturing facility, a retail marijuana store, or another retail marijuana cultivation facility.

**Section 4.** If any article, section, paragraph, sentence, clause or phrase of this ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity or constitutionality of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this Ordinance and each part or parts hereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

**Section 5.** All other Ordinances, or any portion thereof, that are inconsistent or conflict with this Ordinance, or any portion hereof, are hereby repealed to the extent of such inconsistency or conflict.

**Section 6.** The repeal or modification of any provision of the Sheridan Municipal Code by this Ordinance shall not release, extinguish, alter, modify or change in whole or in part any penalty, forfeiture or liability, either civil or criminal, which shall have been incurred under such provision. Each provision shall be treated and held as still remaining in force for the purpose of sustaining any and all proper actions, suits, proceedings and prosecutions for enforcement of the penalty, forfeiture or liability, as well as for the purpose of sustaining any judgment, decree or order which can or may be rendered, entered or made in such actions, suits, proceedings or prosecutions.

**Section 7.** The codifier of the City's Municipal Code, Municipal Code Corporation, is hereby authorized to make such numerical and formatting changes as may be necessary to incorporate the provisions of this Ordinance within the Sheridan Municipal Code.

**Section 8.** The effective date of this Ordinance is October 1, 2026.

**PASSED AND APPROVED** on first reading the 13th day of July, 2026 and ordered published.

**PASSED AND APPROVED** on second reading the 27th day of July, 2026 and ordered published.

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Sally Daigle, Mayor

ATTEST:

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Jenna DiRubbo, MMC, City Clerk

APPROVED AS TO FORM:

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Wilson Williams Fellman Dittman, City Attorney

Published:

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