

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 Projection	2018 YTD Actual	2018 YTD Projection	2017 YTD Actual	2018 Year-to-Date Revenues Over/(Under)			
					2017	2018 Projection	% Chg vs 2017	% Chg vs Projection
Sales and Excise Taxes	\$8,212,949	\$8,289,877	\$8,212,949	\$6,446,741	\$1,843,136	\$76,928	28.6%	0.9%
State Shareback	1,494,998	1,487,447	1,494,998	1,357,991	129,457	(7,551)	9.5%	(0.5%)
Investment Income	104,746	128,433	104,746	40,983	87,450	23,687	213.4%	22.6%
Total Sources of Funds	\$9,812,693	\$9,905,757	\$9,812,693	\$7,845,715	\$2,060,042	\$93,064	26.3%	0.9%

2014-2018 Marijuana Funds

Fund Summary	2018 Actual	2014-2018 Total
Sales and Excise Taxes	\$8,289,877	\$22,583,861
State Shareback	\$1,487,447	4,662,566
Investment Income	\$128,433	169,327
Total Revenue	\$9,905,757	\$27,415,754
Transportation Projects	\$0	\$3,800,000
Transportation Maintenance	2,100,000	2,100,000
Concrete and Asphalt Projects	0	2,000,000
Medians	250,000	500,000
Debt Service for Central Recreation Center	2,000,000	6,000,000
Debt Service for Road Projects	4,000,000	4,000,000
Nexus Program Reserve	0	680,000
Homeless Services and Housing	3,477,972	7,311,452
Expenditures/Commitments	\$11,827,972	\$26,391,452
Unobligated Funds		\$1,024,302

Types of Licenses	Number Issued as of 12/31/18	In Operation as of 12/31/18
Stores	24	23
Cultivations	20	17
Product Manufacturing	16	17
Testing	1	1

Year-End Results

Year-end marijuana tax revenue is \$93,100 (0.9%) higher than projection. The majority of this revenue is unobligated. As of January 2019, licenses for 24 stores and 17 cultivation facilities have been issued. At year-end 2018, a total of 23 stores and 17 cultivation facilities were operational and generating tax revenue. These businesses generated \$8.3 million in City sales tax revenue and \$1.5 million 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, \$26.4 million of funds available have been obligated.