

SENATE JOURNAL
 Seventy-First General Assembly
STATE OF COLORADO
 First Extraordinary Session

1st Extraordinary Legislative Day

Monday, October 2, 2017

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| Prayer | By the chaplain, Father Eustace Sequeira, Regis University Jesuit Community, Denver. | 10 |
| Call to Order | The hour of 10:00 a.m. having arrived, pursuant to Executive Order D 2017-023, the Senate of the First Extraordinary Session of the Seventy-First General Assembly of the State of Colorado, was called to order by Senator Grantham, President of the Senate. | 11 |
| Roll Call | Present--35 | 12 |
| Quorum | The President announced a quorum present. | 13 |
| Pledge | By Senator Fenberg. | 14 |

MESSAGE FROM THE GOVERNOR

D 2017-023

EXECUTIVE ORDER

PROCLAMATION

Call for the First Extraordinary Session
 of the Seventy-First General Assembly

Pursuant to the authority vested in the Governor of the State of Colorado, and in particular, pursuant to powers vested in the Governor pursuant to article IV, section 9 of the Colorado Constitution, and as recognized in article V, section 7, I, John W. Hickenlooper, Governor of the State of Colorado, hereby find that the following extraordinary occasion exists to convene the Seventy-First General Assembly to meet in special session.

I. Background

In the 2017 legislative session, the General Assembly enacted Senate Bill 17-267 ("Concerning the Sustainability of Rural Colorado"). One of the bill's provisions consolidated two distinct taxes on retail marijuana sales into a single tax. In accomplishing this efficiency, however, Senate Bill 17-267 inadvertently exempted certain special districts and other limited purpose governmental entities from levying sales tax on retail marijuana sales. As a result of this inadvertent exemption, greater complexity and a lack of clarity now exist in the State's sales tax code, and certain special districts' and other limited purpose governmental entities' ability to provide services to their constituents is weakened.

We have had extensive conversations with Senate Bill 17-267 sponsors, interested stakeholders, and General Assembly leadership to identify how to minimize harms to impacted special districts, other limited purpose governmental entities, and their constituents; and achieve greater clarity and efficiency in the State's tax code. A special session is the most expedient way to advance these interests.

This proclamation does not prescribe the specific form that legislation introduced in the special session shall take; rather, it defines the appropriate subject matter for legislative consideration. The following section describes the purpose and need for the special session.

II. Purpose and Need

Senate Bill 17-267, enacted during the 2017 regular session of the Seventy-First General Assembly, was robust and historic legislation that will contribute greatly to the strength of Colorado's rural communities. Legislation of such complexity and magnitude often requires adjustments in subsequent legislative sessions to ensure the General Assembly's intent is honored and to address unforeseen and unintended consequences.

One component of Senate Bill 17-267 exempted retail marijuana sales from the State's 2.9 percent general sales tax, but increased the rate of the special retail marijuana sales tax from 10 percent to 15 percent. In consolidating these two sales taxes, however, Senate Bill 17-267 inadvertently eliminated certain special districts' and other limited purpose governmental entities' ability to levy sales tax on retail marijuana sales. Consequently, those entities have experienced, and will continue to experience, reductions in revenue that jeopardize their ability to provide services to their constituents. These revenue reductions are not the result of market or economic forces, but are instead the result of the aforementioned exclusion inadvertently included in Senate Bill 17-267. As such, a correction is needed to ensure services are not unintentionally diminished.

We communicated with the sponsors of Senate Bill 17-267 and House and Senate leadership. All affirm that this result was an unintentional error in need of correction. Therefore, the General Assembly should consider taking legislative action to enact a law clarifying that certain special districts and other limited purpose governmental entities are authorized to levy a sales tax on retail marijuana sales.

III. Proclamation

I, John W. Hickenlooper, Governor of the State of Colorado, with this proclamation find extraordinary occasions exist to convene the Seventy-First General Assembly of this State and summon the members of the Seventy-First General Assembly to meet in special session at 10:00 A.M. on October 2, 2017, at the State Capitol, in the City and County of Denver, and designate the following specific subject for consideration and appropriate legislative action:

A. Concerning the clarification of statutory provisions, enacted in Senate Bill 17-267, to codify that retail marijuana sales are subject to sales taxes levied by certain special districts and other limited purpose governmental entities.

GIVEN under my hand and the Executive Seal of the State of Colorado this fourteenth day of September, 2017.
(signed)
John W. Hickenlooper
Governor

Temporary
Rules

On motion of Majority Leader Holbert, and with the unanimous consent of the Senate, the Rules of the First Regular Session of the Seventy-First General Assembly were made the Temporary Rules of the First Extraordinary Session of the Seventy-First General Assembly.

A majority of all members elected to the Senate having voted in the affirmative, the motion was **adopted**.

On motion of Majority Leader Holbert, and with a majority of those elected to the Senate having voted in the affirmative, the Senate proceeded out of order for a moment of personal privilege.

On motion of Majority Leader Holbert, and with the unanimous consent of the Senate, the President appointed Senators Baumgardner, Priola, and Williams as members of the committee to notify the House of Representatives that the Senate was organized and ready for business.

A majority of all members elected to the Senate having voted in the affirmative, the motion was **adopted**.

On motion of Majority Leader Holbert, and with the unanimous consent of the Senate, the President appointed Senators Neville, Sonnenberg, and Zenzinger as members of the committee to notify the Governor that the Senate was organized and ready for business.

A majority of all members elected to the Senate having voted in the affirmative, the motion was **adopted**.

Senate in recess. Senate reconvened.

INTRODUCTION OF BILLS -- FIRST READING

The following bill was read by title and referred to the committee indicated:

SB17B-001 by Senator(s) Kagan and Guzman, Aguilar, Court, Donovan, Fenberg, Fields, Garcia, Jahn, Jones, Kefalas, Kerr, Merrifield, Todd, Williams A., Zenzinger; --Concerning clarification that retail marijuana sales are subject to sales taxes levied by certain limited purpose governmental entities.

Transportation

Senate in recess. Senate reconvened.

COMMITTEE OF REFERENCE REPORTS

Trans-
portation After consideration on the merits, the Committee recommends that **SB17B-001** be **postponed indefinitely**.

On motion of Majority Leader Holbert, the Senate adjourned until 10:00 a.m., Tuesday, October 3, 2017.

Approved:

Kevin J. Grantham
President of the Senate

Attest:

Effie Ameen
Secretary of the Senate

SENATE JOURNAL
Seventy-First General Assembly
STATE OF COLORADO
First Extraordinary Session

2nd Extraordinary Legislative Day

Tuesday, October 3, 2017

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| Prayer | By the chaplain, Rabbi Yossi Serebryanski, Chabad of South Denver. |
| Call to Order | By the President at 10:00 a.m. |
| Roll Call | Present--33 Excused--2, Aguilar, Priola. Present later--2, Aguilar, Priola. |
| Quorum | The President announced a quorum present. |
| Pledge | By Senator Fenberg. |
| Reading of the Journal | On motion of Senator Smallwood, reading of the Journal of Monday, October 2, 2017, was dispensed with and the Journal was approved as corrected by the Secretary. |

SENATE SERVICES REPORT

Correctly Printed: SB17B-001.

INTRODUCTION OF RESOLUTIONS

The following resolution was read by title:

SJR17B-001 by Senator(s) Holbert, Grantham, Guzman; also Representative(s) Becker K., Duran, Neville P.--Concerning adjournment sine die.

Laid over until later in the day, retaining its place on the calendar.

Senate in recess.

Senate reconvened.

MESSAGE FROM THE HOUSE

Mr. President:

The House has passed on Third Reading and transmitted to the Revisor of Statutes HB17B-1001.

MESSAGE FROM THE REVISOR OF STATUTES

We herewith transmit:

Without comment, HB17B-1001.

INTRODUCTION OF BILLS -- FIRST READING

The following bill was read by title and referred to the committee indicated:

HB17B-1001 by Representative(s) Becker K., Pabon, Kennedy, Herod, Buckner, Hooton, Michaelson Jenet, Benavidez, Weissman; also Senator(s) Donovan--Concerning clarification that retail marijuana sales are subject to sales taxes levied by certain limited purpose governmental entities.

Transportation

Senate in recess. Senate reconvened.

COMMITTEE OF REFERENCE REPORTS

Trans-
portation After consideration on the merits, the Committee recommends that **HB17B-1001** be postponed indefinitely.

CONSIDERATION OF RESOLUTIONS

SJR17B-001 by Senator(s) Holbert, Grantham, Guzman; also Representative(s) Becker K., Duran, Neville P.--Concerning adjournment sine die.

On motion of Majority Leader Holbert, the resolution was **adopted** by the following roll call vote:

| YES | 29 | NO | 6 | EXCUSED | 0 | ABSENT | 0 |
|-------------|----|---------|---|------------------|---|-------------|---|
| Aguilar | N | Garcia | Y | Kerr | N | Scott | Y |
| Baumgardner | Y | Gardner | Y | Lambert | Y | Smallwood | Y |
| Cooke | Y | Guzman | Y | Lundberg | Y | Sonnenberg | Y |
| Coram | Y | Hill | Y | Marble | Y | Tate | Y |
| Court | N | Holbert | Y | Martinez Humenik | Y | Todd | Y |
| Crowder | Y | Jahn | Y | Merrifield | Y | Williams A. | Y |
| Donovan | Y | Jones | N | Moreno | Y | Zenzinger | N |
| Fenberg | Y | Kagan | N | Neville T. | Y | President | Y |
| Fields | Y | Kefalas | Y | Priola | Y | | |

Senate in recess. Senate reconvened.

MESSAGE FROM THE HOUSE

Mr. President:

The House has adopted and transmits herewith HJR17B-1001 as printed in House Journal, October 3, 2017.

Pursuant to the resolution, the Speaker has appointed Representatives Benavidez, chairman, Herod and Leonard.

INTRODUCTION AND CONSIDERATION OF RESOLUTIONS

HJR17B-1001 by Representative(s) Becker K., Duran, Neville P.; also Senator(s) Holbert, Grantham, Guzman--Concerning the appointment of a joint committee to notify the Governor that the First Extraordinary Session of the Seventy-first General Assembly is about to adjourn sine die.

On motion of Majority Leader Holbert, the resolution was **adopted** by the following roll call vote:

| YES | 35 | NO | 0 | EXCUSED | 0 | ABSENT | 0 |
|-------------|----|---------|---|------------------|---|-------------|---|
| Aguilar | Y | Garcia | Y | Kerr | Y | Scott | Y |
| Baumgardner | Y | Gardner | Y | Lambert | Y | Smallwood | Y |
| Cooke | Y | Guzman | Y | Lundberg | Y | Sonnenberg | Y |
| Coram | Y | Hill | Y | Marble | Y | Tate | Y |
| Court | Y | Holbert | Y | Martinez Humenik | Y | Todd | Y |
| Crowder | Y | Jahn | Y | Merrifield | Y | Williams A. | Y |
| Donovan | Y | Jones | Y | Moreno | Y | Zenzinger | Y |
| Fenberg | Y | Kagan | Y | Neville T. | Y | President | Y |
| Fields | Y | Kefalas | Y | Priola | Y | | |

Pursuant to the resolution, Senators Cooke and Todd were appointed to serve on the committee to notify the Governor.

MESSAGE FROM THE HOUSE

Mr. President:

The House has adopted and returns herewith SJR17B-001 as printed in House Journal, October 3, 2017.

Senate in recess. Senate reconvened.

MESSAGE FROM THE HOUSE

Mr. President:

The House has adjourned sine die on October 3, 2017, at 2:10 p.m.

On motion of Majority Leader Holbert, and with the unanimous consent of those elected to the Senate having voted in the affirmative, the First Extraordinary Session of the Seventy-First General Assembly adjourned *sine die* at 2:23 p.m. Tuesday, October 3, 2017.

Approved:

Kevin J. Grantham
President of the Senate

Attest:

Effie Ameen
Secretary of the Senate