

CITY OF LEADVILLE, COLORADO

**RESOLUTION NO. 21
SERIES OF 2023**

**A RESOLUTION OF THE CITY OF LEADVILLE, COLORADO
RATIFYING THE APPROVAL OF A SETTLEMENT AGREEMENT BY
RFSCLVG, LLC
AND THE CITY OF LEADVILLE**

WHEREAS, the City of Leadville (“City”) is a municipal corporation and body politic authorized to enter into contracts pursuant to Sections 31-4-101(1), Colorado Revised Statutes; and

WHEREAS, RFSCLVG, LLC (“Roots RX”) is a Colorado limited liability company that is licensed in the City as a retail marijuana cultivation facility; and

WHEREAS, pursuant to Section 3.32.040 of the Leadville Municipal Code (the “Code”), there is levied and shall be paid and 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 percent (5%) of the average market rate of the unprocessed retail marijuana; and

WHEREAS, the City undertook a marijuana excise tax review of Roots RX and has estimated that the Taxpayer owes a liability to the City for marijuana excise tax on the “first sale or transfer of unprocessed retail marijuana by a retail marijuana cultivation facility” in the aggregate amount of \$78,926.61 dating back to November 2020; and

WHEREAS, Roots RX disputes that it owes the above sum and disputes the City’s interpretation of Section 3.32.040 of the Leadville Municipal Code; and

WHEREAS, Roots RX and the City are therefore currently in a disagreement about what constitutes a “first transfer” under Section 3.32.040 of the Code; and

WHEREAS, Roots RX and has stated a desire to seek a court order that the City’s interpretation is incorrect and seeks to recover a portion of the excise taxes it previously paid to the City; and

WHEREAS, Roots RX and the City desire to avoid the uncertainty of litigation and instead enter into a settlement agreement, attached to this Resolution as Exhibit A; and

WHEREAS, the City Council finds the Agreement is in the best interests of the public health, safety and welfare of the community, and therefore desires to ratify the execution and approval of the Agreement so as to memorialize the City’s consent.

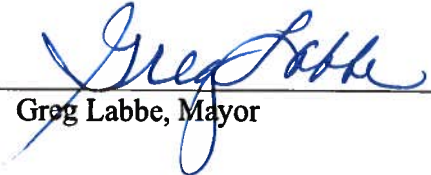
NOW, THEREFORE, BE IT RESOLVED By the City Council of the City of Leadville, Colorado as follows:

Section 1. Effective as of September 30, 2023, the City Council hereby ratifies the approval of the attached Agreement in substantially the form attached as Exhibit A and authorizes

the City Administrator, in consultation with the City Attorney, to make non-substantial changes to the Agreement that do not affect the financial obligation of the City, and authorizes the City Administrator's execution of the Agreement.

Section 3. This Resolution shall be effective upon adoption.

ADOPTED by a vote of 6 in favor, 0 against this 19th day of September, 2023.
1 absent

By: 
Greg Labbe, Mayor

ATTEST:


Deputy City Clerk



EXHIBIT A
SETTLEMENT AGREEMENT