



**TOWN OF
BRECKENRIDGE**

Town Council Special Meeting
Tuesday, September 29, 2020, 8:15 AM
VIRTUAL Council Chambers

This meeting will be broadcast live, but the public will NOT be permitted to attend the meeting in person due to COVID-19 concerns. If you are interested, please monitor the meeting by joining the live broadcast available online. Log-in information is available in the calendar section of our website: www.townofbreckenridge.com.

Questions and comments can be submitted prior to the meeting to Mayor@townofbreckenridge.com or during the meeting using the Q&A feature in the Online Webinar.

I. CALL TO ORDER, ROLL CALL

II. APPROVAL OF AGENDA

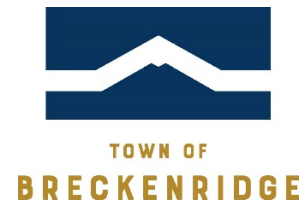
III. NEW BUSINESS

IV. DISCUSSION ITEMS

- A. Nicotine Tax Funding Allocation
- B. Buy Down Units Rental Program

V. OTHER MATTERS

VI. ADJOURNMENT



Memo

To: Breckenridge Town Council Members
From: Shannon Haynes, Assistant Town Manager
Date: 9/24/2020
Subject: Nicotine Tax Funding Allocation

In August 2019, Town Council entered into an Intergovernmental Agreement (IGA) with Summit County Government and the other county municipalities in support of the county ballot question proposing a special sales tax on all nicotine products. The IGA further clarified how the participating entities would spend the revenue generated by the tax. Voters passed the tax on November 5, 2019 and the tax went into effect on January 1, 2020.

The revenue generated by the tax is intended for initiatives that improve public health and welfare within Summit County. As stated in the ballot question (attached), revenues will be used for, but not be limited to:

- Reducing teen vaping through education about the harmful contents of flavored nicotine products that appeal to children;
- Improving the health of the citizens of Summit county and lessening the public health consequences that stem from the use of cigarettes, tobacco products, and nicotine products;
- Providing addiction prevention and intervention programs and referral services the educate and support children, individuals and families to lead health lives;
- Providing local enforcement of laws, rules, regulations and ordinances that prohibit the sale of cigarettes, tobacco products, and nicotine products, including vaping devices and e-cigarettes, to underage persons; and
- Improving the availability of affordable public health care services in Summit County, including services at the Community Health Clinic and School-based clinics.

The IGA (attached) shares the parameters for use of nicotine tax revenues and further states the County and Municipalities may determine, individually, uses for the revenue generated by their respective jurisdiction providing that use broadly serve the purposes set forth in the ballot measure.

Recently, a working group consisting of representatives from Breckenridge, Frisco, Dillon, Summit County Government (Youth & Families, Public Health, Summit County SO), Building Hope, Summit County Care Clinic, Summit School District, and others, met to discuss utilization of tax revenue. As part of the process, service providers submitted funding requests that included a description of the initiative, key program components, cost, the potential for other funding sources, and other potential partners. In addition, each provider rated their proposal based on their ability to implement and the initiative's cost effectiveness. The work group then prioritized each initiative based on its ability to promote the purposes of the sales tax.

On Friday September 4, members from the working group (Lauren Gearhart – Summit County, Diane McBride – Frisco, and Shannon Haynes) presented the final recommendations to the Advisory Board, consisting of Town/County managers and established by the IGA. The attached PowerPoint PDF is a

synopsis of the presentation to the Advisory Board. The presentation includes:

- An estimation of 2020 revenue
- A recommendation to fully fund all of the programs and initiatives submitted by local providers and vetted by the work group
- A budget that includes 2020 and 2021 project funding, the allocation of \$1M in funding for Building Hope (\$250K), Summit County Care Clinic (\$250K), and FIRC (\$500K), and a recommendation to allocate \$50K of additional funding for non-profits whose programming meets the goals of the tax initiative.

Questions for Council:

- Does Council agree with recommendation to fully fund proposed initiatives for 2020 and 2021?
- Does Council agree with recommendation to provide \$1M funding, split between the Towns/County for Building Hope, Summit County Care Clinic, and FIRC?
- Does Council agree with the recommendation to allocate a small amount of additional funding (approximately \$50K) for other programming (i.e., Withdrawal Management – formerly Detox, Advocates for Victims of Assault)?

Rick and I will be available to answer questions during the special meeting on September 29.

RESOLUTION NO. 2019 – ___

BEFORE THE

BOARD OF COUNTY COMMISSIONERS OF

SUMMIT COUNTY, COLORADO

A RESOLUTION PROVIDING FOR THE SUBMISSION OF A BALLOT ISSUE TO THE REGISTERED, QUALIFIED ELECTORS OF SUMMIT COUNTY, COLORADO, AUTHORIZING THE LEVY OF A COUNTY-WIDE SPECIAL SALES TAX ON CIGARETTES AND ALL OTHER TOBACCO AND NICOTINE PRODUCTS SOLD, INCLUDING E-CIGARETTES AND VAPING DEVICES, COMMENCING JANUARY 1, 2020; PRESCRIBING THE FORM OF THE BALLOT ISSUE FOR SUBMISSION AT SUCH ELECTION; AND PROVIDING FOR CERTIFICATION OF THE BALLOT ISSUE TO THE COUNTY CLERK AND RECORDER.

WHEREAS, House Bill No. 19-1033 (the "Act"), authorizes a county to levy, collect, enforce and administer a county-wide special sales tax upon all sales of cigarettes, tobacco products, or nicotine products within the unincorporated and incorporated areas of the county and further authorizes a county and the home rule or statutory towns within such county to contract and collaborate with each other in levying, collecting, enforcing and administering the special sales tax within the corporate limits of the contracting municipalities as provided in the Act; and

WHEREAS, tobacco and nicotine use is the leading cause of preventable death in Colorado and in the United States generally; and

WHEREAS, after decades of effective anti-smoking campaigns and decreasing smoking rates in the U.S., there has been a surprising upturn in youth tobacco use including teen's use of nicotine via electronic smoking devices ("vaping"); and

WHEREAS, based on a comprehensive review of evidence, the Surgeon General declared the use of e-cigarettes and vaping products by youth to be an epidemic and has called raising prices on cigarettes "one of the most effective tobacco control interventions" because increasing the price of these products is proven to reduce smoking and vaping, especially among teens; and

WHEREAS, studies have shown that for every 10% increase in pricing, the consumption of cigarettes, tobacco products, and nicotine products is reduced up to 15% in those persons under 18 and up to 7% in those 18 or older; and

WHEREAS, tobacco and nicotine products are unique among consumer goods because they kill a significant percentage of all regular users when used as intended and the Surgeon

General has projected that without further action, 5.6 million youth who are 0-17 years old today will die prematurely from tobacco and nicotine use; and

WHEREAS, studies have shown that approximately 96% of smokers began smoking before the age of 21 with most beginning before the age of 16, due in part to the fact that youth brains are in a stage of development that makes it easier to become dependent on nicotine; and

WHEREAS, the Board of County Commissioners of Summit County (“Board”) is collaborating with the town governments in our community regarding the imposition of a County-wide special sales tax on cigarettes, nicotine products and tobacco products so that the County and towns may to utilize the revenues from the special sales tax to promote the public health and welfare; and

WHEREAS, the Board desires to impose a County-wide special sales tax on the sales of cigarettes, tobacco products, and nicotine products throughout Summit County; and

WHEREAS, the proposal for approval of a County-wide special sales tax levy may be submitted at the election to be held on November 5, 2019 (“Election”) and the Board has determined that there should be submitted to the Summit County voters at the Election a question regarding the levying of a County-wide special sales tax as may be provided for by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SUMMIT COUNTY, COLORADO THAT:

Section 1. Designated Election Official. The County’s Designated Election Official for the Election, who shall be responsible for conducting the Election in accordance with all applicable laws, rules and regulations, including the preparation of the notice required by Article 10, Section 20 of the Colorado Constitution, shall be Kathleen Neel, Summit County Clerk and Recorder.

Section 2. Form of Ballot Measure. The following ballot issue (the “Ballot Measure”) shall be presented to a vote of the registered, qualified electors of Summit County at the Election:

SUMMIT COUNTY REFERRED MEASURE ____ - AUTHORIZING A SPECIAL SALES TAX ON CIGARETTES, TOBACCO PRODUCTS AND NICOTINE PRODUCTS, INCLUDING E-CIGARETTES AND VAPING DEVICES, FOR PUBLIC HEALTH, EDUCATION, AND OTHER PUBLIC PURPOSES

SHALL SUMMIT COUNTY TAXES BE INCREASED THREE MILLION EIGHT HUNDRED SIXTY THOUSAND DOLLARS ANNUALLY, AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY THEREAFTER, FROM A SPECIAL COUNTY-WIDE SALES TAX OF FOUR DOLLARS PER PACK OF TWENTY CIGARETTES SOLD (OR TWENTY CENTS PER CIGARETTE) AND A

FORTY PERCENT SPECIAL SALES TAX RATE ON ALL OTHER TOBACCO AND NICOTINE PRODUCTS SOLD, INCLUDING E-CIGARETTES AND VAPING DEVICES, COMMENCING JANUARY 1, 2020, TO BE USED FOR THE PROTECTION AND IMPROVEMENT OF THE PUBLIC HEALTH AND WELFARE INCLUDING, BUT NOT LIMITED TO:

- REDUCING TEEN VAPING THROUGH EDUCATION ABOUT THE HARMFUL CONTENTS OF FLAVORED NICOTINE PRODUCTS THAT APPEAL TO CHILDREN;
- IMPROVING THE HEALTH OF THE CITIZENS OF SUMMIT COUNTY AND LESSENING THE PUBLIC HEALTH CONSEQUENCES THAT STEM FROM THE USE OF CIGARETTES, TOBACCO PRODUCTS, AND NICOTINE PRODUCTS;
- PROVIDING ADDICTION PREVENTION AND INTERVENTION PROGRAMS AND REFERRAL SERVICES THAT EDUCATE AND SUPPORT CHILDREN, INDIVIDUALS AND FAMILIES TO LEAD HEALTHY LIVES;
- PROVIDING LOCAL ENFORCEMENT OF LAWS, RULES, REGULATIONS AND ORDINANCES THAT PROHIBIT THE SALE OF CIGARETTES, TOBACCO PRODUCTS, AND NICOTINE PRODUCTS, INCLUDING VAPING DEVICES AND E-CIGARETTES, TO UNDERAGE PERSONS; AND
- IMPROVING THE AVAILABILITY OF AFFORDABLE PUBLIC HEALTH CARE SERVICES IN SUMMIT COUNTY, INCLUDING SERVICES AT THE COMMUNITY HEALTH CLINIC AND SCHOOL-BASED CLINICS,

WITH THE SPECIAL SALES TAX RATE ON ALL TOBACCO AND NICOTINE PRODUCTS OTHER THAN CIGARETTES TO AUTOMATICALLY INCREASE BY TEN PERCENTAGE POINTS PER YEAR FOR FOUR YEARS COMMENCING JANUARY 1, 2021, WITH ALL EXPENDITURES SUBJECT TO ANNUAL FINANCIAL AUDIT, AND SHALL THE REVENUES BE RETAINED AND SPENT AS A VOTER-APPROVED REVENUE CHANGE WITHOUT LIMITATION OR CONDITION UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

Section 3. Certification of Ballot Issue to Clerk and Recorder for Election. The Ballot Measure set forth in Section 2 hereof shall be certified to the Summit County Clerk and Recorder and a copy of this Resolution shall be immediately filed with the Summit County Clerk and Recorder. The registered, qualified electors of the County shall vote at the Election, to be conducted by the County Clerk and Recorder in accordance with the Colorado Election Code and all other applicable laws, rules and regulations.

Section 4. Continuing Authority to Levy Tax. If a majority of all the votes cast on the Ballot Measure to be submitted at the Election shall be in favor of a County-wide special sales tax levy for the purposes stated in said question, it shall then be lawful for the County to authorize the proper officials to make a County-wide special sales tax levy effective 12:01 a.m. on January 1, 2020, in accordance with the Ballot Measure so approved at the Election. If approved at the Election, the County-wide special sales tax levy shall also increase by ten percentage points per year for a period of four calendar years effective 12:01 a.m. on January 1, 2021, and increasing each January 1st thereafter for three additional years until January 1, 2024. The authority to impose any or all of the special sales tax levy authorized in the ballot issue, if conferred at the Election by the registered, qualified electors authorized to vote thereon, shall be deemed and considered a continuing authority to increase the special sales tax levy as specified in the Ballot Measure and neither the partial exercise of the authority so conferred nor any lapse of time shall be considered as exhausting or limiting the full authority so conferred by the electors voting in favor of said measure.

Section 5. General Provisions.

- a. The special sales tax, if approved by a majority of the registered, qualified electors, shall be imposed County-wide on the sale of cigarettes, tobacco products and nicotine, throughout the unincorporated and incorporated areas of Summit County, as provided for in the Act and subject to the following provisions.
- b. For the purpose of this Resolution and special sales tax proposed herein, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to a destination outside the limits of Summit County or to a common carrier for delivery to a destination outside the limits of Summit County. The gross receipts from such sales shall include delivery charges when such charges are subject to the state sales and use tax imposed by article 26 of title 39, C.R.S., regardless of the place to which delivery is made. If a retailer has no permanent place of business in Summit County, or has more than one place of business, the place at which the retail sales are consummated for the purpose of this sales tax shall be determined by (i) the provisions of article 26 of title 39, C.R.S., (ii) by rules and regulations promulgated by the Colorado Department of Revenue, (iii) the purchaser's address when the taxable product is delivered to the consumer (destination sourcing) to the maximum extent authorized by law, and (iv) to the extent authorized by law, any rules and regulations promulgated by Summit County. The amount subject to tax pursuant to this Resolution shall not include the amount of any sales or use tax imposed by article 26, title 39, C.R.S.
- c. The collection, administration, and enforcement of the special sales tax adopted pursuant to this article shall be performed by the Summit County Finance Office or a designee of the Finance Office in the same manner as the collection, administration, and enforcement of the Colorado State sales tax. Unless otherwise provided in this Resolution, the provisions of Articles

21 and 26 of Title 39, C.R.S., Article 2 of Title 29, C.R.S., and the Act shall govern the collection, administration, and enforcement of sales taxes authorized under this Resolution.

d. Every retailer, also called a vendor, shall be entitled to retain three and one-third percent of the tax as a vendor's fee under the same terms and conditions as provided in section 39-26-105, C.R.S.

e. The terms "cigarettes" "tobacco products" and "nicotine products" as used herein shall have the same meanings as set forth in the laws, rules and regulations of the State of Colorado including but not limited to Section 18-13-121(5) and Section 39-28-202, C.R.S., unless the context otherwise requires.

Section 6. Partial Invalidity. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph clause or provisions of this Resolution shall not affect any of the remaining sections, paragraphs, clauses or provisions of this Resolution.

Section 7. Authorize Officials and Employees. The officials, employees and representatives of the County are hereby authorized and directed to take all actions necessary or appropriate to effect the provisions of this Resolution.

Section 8. Effective Date: Repeal of Inconsistent Resolutions. This Resolution is necessary for the immediate preservation of the public health, safety and welfare due to the adverse effects of cigarettes, tobacco products and nicotine products in Summit County as noted above and therefore shall take effect immediately upon its adoption. All resolutions or parts thereof in conflict with this Resolution are hereby repealed, except that this repealer shall not be construed to revive any resolution, or part thereof, heretofore repealed.

ADOPTED this ____ day of AUGUST 2019.

**BOARD OF COUNTY
COMMISSIONERS OF SUMMIT
COUNTY COMMISSIONERS**

Thomas C. Davidson, Chair

ATTEST:

Kathleen Neel, Summit Clerk and Recorder

INTERGOVERNMENTAL AGREEMENT

Among

SUMMIT COUNTY, COLORADO, And

**THE TOWNS OF BLUE RIVER, BRECKENRIDGE, DILLON, FRISCO, MONTEZUMA
AND SILVERTHORNE, COLORADO**

THIS INTERGOVERNMENTAL AGREEMENT (this "Agreement") is made and entered into this 13th of August 2019, among SUMMIT COUNTY, COLORADO (the "County"), a body corporate and politic and political subdivision of the State of Colorado (the "State"), and THE TOWNS OF BLUE RIVER, BRECKENRIDGE, DILLON, FRISCO, MONTEZUMA AND SILVERTHORNE, COLORADO (the "Towns" or individually as a "Town"), home rule or statutory municipalities and political subdivisions of the State. The County and the Towns are referred to collectively herein as "the Parties" or individually as "a Party."

WHEREAS, pursuant to title 29, article 1, part 2, Colorado Revised Statutes, as amended (the "Intergovernmental Relations Statute"), and Article XIV, Section 18 of the State Constitution, governments may contract with one another to provide any function, service or facility lawfully authorized to each of the contracting units and any such contract may provide for the joint exercise of the function, service or facility; and

WHEREAS, House Bill No. 19-1033 (the "Act"), authorizes a county to levy, collect, enforce and administer a county-wide special sales tax upon all sales of cigarettes, tobacco products, or nicotine products within the unincorporated and incorporated areas of the county and further authorizes a county and the home rule or statutory towns within such county to contract and collaborate with each other in levying, collecting, enforcing and administering the special sales tax within the corporate limits of the contracting municipalities as provided in the Act; and

WHEREAS, tobacco and nicotine use is the leading cause of preventable death in Colorado and in the United States generally; and

WHEREAS, after decades of effective anti-smoking campaigns and decreasing smoking rates in the U.S., there has been a surprising upturn in youth tobacco use as well as children's use of nicotine via electronic smoking devices ("vaping"); and

WHEREAS, based on a comprehensive review of evidence, the Surgeon General declared the use of e-cigarettes and vaping products by youth to be an epidemic and has called raising prices on cigarettes "one of the most effective tobacco control interventions" because increasing the price of these products is proven to reduce smoking and vaping, especially among teens; and

WHEREAS, studies have shown that for every 10% increase in pricing, the consumption of cigarettes, tobacco products, and nicotine products is reduced up to 15% in those persons under 18 and up to 7% in those 18 or older; and

WHEREAS, tobacco and nicotine products are unique among consumer goods because they kill a significant percentage of all regular users when used as intended and the Surgeon General has projected that without further action, 5.6 million youth who are 0-17 years old today will die prematurely from tobacco and nicotine use; and

WHEREAS, studies in Colorado and in Summit County have indicated that the percentage of high school students in Colorado who are vaping is twice the national average and that in Summit County the percentage of students who use vaping products is estimated to be 50% higher than the State average; and

WHEREAS, studies have shown that approximately 96% of smokers began smoking before the age of 21 with most beginning before the age of 16, due in part to the fact that youth brains are in a stage of development that makes it easier to become dependent on nicotine; and

WHEREAS, the Parties desire to collaborate on the imposition of a special County-wide sales tax on cigarettes, nicotine products and tobacco products and utilize the revenues from the special sales tax to promote the public health and welfare; and

WHEREAS, the Parties desire to enter into this Agreement in accordance with the Act in order to promote the imposition of a special sales tax on the sales of cigarettes, tobacco products, and nicotine products throughout Summit County, all as more fully set forth in this Agreement.

NOW, THEREFORE, the Parties agree as follows:

Section 1. Special Sales Tax. Subject to the requirements of Article X, Section 20 of the State Constitution, the Act, all applicable provisions of law, and the terms and conditions of this Agreement, the County declares its present intention to take such actions as may be required to propose a County-wide special sales tax upon all sales of cigarettes, tobacco products, and nicotine products within the unincorporated and incorporated areas of Summit County (“Special Sales Tax”). The County intends to refer such Special Sales Tax to the registered electors of Summit County, Colorado at a local ballot issue election to be held on the first Tuesday of November of 2019, and/or at such subsequent date or dates as may be deemed reasonable or necessary to effect the imposition of a County-wide Special Sales Tax. The Parties agree, pursuant Section 39-28-112(2), C.R.S., to enter into this Agreement to cooperate in the levy, collection, enforcement and administration of the Special Sales Tax and authorize the Special Sales Tax levy within the boundaries of their respective Towns subject to the provisions of this Agreement and the Act.

Section 2. Definitions, Tax Commencement. The terms “cigarettes” “tobacco products” and “nicotine products” as used herein shall have the same meanings as set forth in the laws, rules and regulations of the State of Colorado including but not limited to Section 18-13-121(5), and Section 39-28-202, C.R.S, unless the context otherwise requires. The parties intend that the Special Sales Tax shall commence upon voter approval of the tax with an effective date of January 1, 2020, or as soon thereafter as possible.

Section 3. Special Sales Tax Purposes. The Parties intend that the Special Sales Tax revenues will be used by the Parties to improve the public health and welfare. Accordingly, permitted uses of the Special Sales Tax revenues shall include, but shall not be limited to, the following uses:

- a. improving the health of the citizens of Summit County and lessening the public health consequences that stem from the use of cigarettes, tobacco products, and nicotine products;
- b. reducing teen nicotine use. including vaping, through education about the harmful contents of flavored nicotine products that appeal to teens;
- c. improving the availability of public health services, including substance abuse treatment, in Summit County, including services at the community health clinic and school-based clinics;
- d. providing addiction prevention and intervention programs and referral services that

educate, support and empower the residents of Summit County to lead stable, healthy, successful lives;

e. providing local enforcement of laws, rules, regulations and ordinances that prohibit the sale of cigarettes, tobacco products, and nicotine products, including vaping devices and e-cigarettes, to underage persons; and

f. such other uses as may be determined individually by the Parties from time to time throughout the term of this Agreement that broadly serve the purposes set forth in the ballot measure.

Section 4. Administration, Powers and Duties. The County or its authorized designee shall (a) collect, administer and enforce the Special Sales Tax, and (b) distribute the Special Sales Tax revenues to the Parties as provided herein. The County shall have all power, privileges and duties vested in or imposed on it by the Act, by the Intergovernmental Relations Statute, this Agreement, a voter-approved ballot measure, and all other applicable laws which may be necessary to carry out the purposes of this Agreement.

Section 5. Revenues.

a. The County or its designee shall collect the Special Sales Tax revenues throughout the unincorporated and incorporated areas of Summit County. The County shall distribute/remitt the Special Sales Tax revenues collected from within each Town's corporate boundaries, as modified from time to time through annexations and disconnections, to such Town, less a reasonable amount to pay (i) for the County's administrative expenses to administer the Special Sales Tax, and (ii) such amounts as are necessary to ensure that each Party receives at least \$1,000.00 annually in Special Sales Tax revenues to mitigate any loss of the revenue shareback from the State of Colorado cigarette sales tax pursuant to Section 39-22-623, C.R.S.

b. The Special Sales Tax revenues shall be transmitted to the Towns on a monthly basis not later than the thirtieth day following the month of collection of such revenues; provided, however, during the initial three months of the Special Sales Tax collections the County may request an additional 90 days to process the monthly Special Sales Tax revenues.

c. The County shall maintain accurate records of the administrative services it provides to the Parties during each calendar year and shall submit an annual report Special Sales Tax Advisory Board as constituted and defined below.

Section 6. Special Sales Tax Collection/Reporting/Reconciliation. The Parties shall cooperate in good faith to coordinate the Special Sales Tax revenue collection, reporting and reconciliation and take all actions reasonably necessary and appropriate to accomplish the purposes of this Agreement in the following manner.

a. Prior to the voter-approved imposition of the Special Sales Tax, each Town shall prepare a listing of retailers doing business in the Town that sell cigarettes, tobacco products, or nicotine products ("Retailers). The Town shall notify the County or its designee of changes in Retailers within thirty (30) days of the Town having actual notice of the change. Changes in Retailers requiring notice under this Subsection include (i) Retailers whose privilege to continue to operate have been temporarily or permanently ceased based on other federal, state, or local law or regulation, and (ii) if a Town requires Retailer licensing, newly licensed Retailers, Retailers

with suspended or revoked licenses, and Retailers operating under conditions in lieu of suspension or revocation.

b. Prior to the voter-approved imposition of the Special Sales Tax, the County shall prepare a listing of Retailers doing business in the unincorporated area of the County beginning on and after the effective date of the Special Sales Tax. The County shall notify the Towns of changes in Retailers within thirty (30) days of the County having actual notice of the change. Changes in Retailers requiring notice under this Subsection include (a) Retailers whose privilege to continue to operate have been temporarily or permanently ceased based on other federal, state, or local law or regulation, and (b) if the County requires Retailer licensing, newly licensed Retailers, Retailers with suspended or revoked licenses, and Retailers operating under conditions in lieu of suspension or revocation.

c. The County or its designee shall prepare a monthly "Special Sales Tax Shareback Report," for each Town consisting of the Special Sales Tax revenues received from each Retailer within the Town Monthly Report. This report shall be provided to each Town at the time the Special Sales Tax revenues funds are remitted to the Town as described in section 5 above. The County or its designee will reconcile sales within each Town, validate information of new Retailers as they are licensed by the Town and/or Department of Revenue of the State, and reconcile Retailer names that appear on the Town Monthly Reports.

d. As the administrator of the tax, County or its designee shall take reasonable actions to ensure that the jurisdictional location of a Retailer is correct, including making updates to location data for new Retailers or annexed areas within thirty (30) days receipt of information from any Town. The County or its designee shall make jurisdictional location available to the Towns on an annual basis to verify the accuracy of the location data. In the event the jurisdictional location of a Retailer that generates taxable transactions is not correct, the County and the affected Town(s) shall determine the correct jurisdictional location and allocate the Special Sales Tax in the manner provided by this Agreement. Any Party claiming an incorrect receipt of Special Sales Tax revenues shall notify Summit County and any other affected Party in writing of the alleged error. Such notification must be given within three (3) years of date the claiming Party knew or should have known through the exercise of reasonable diligence of the alleged improper receipt of the Special Sales Tax revenues. Revenues which may be due to a Party for an improper allocation of Special Sales Tax revenues shall be limited to the three year period prior to the discovery of any confirmed erroneous revenue distribution. Corrective actions for improper allocation of Special Sales Tax Revenues under this Subsection include: prospective adjustments of future revenue distributions over a period of three (3) fiscal years; or, settlement or payment agreement between the Parties to the improper allocation of revenues.

e. Internet Sales. The Parties shall obtain from the Colorado Department of Revenue or authorize the County or its designee to obtain from the Colorado Department of Revenue all information pertaining to the sale of cigarettes, nicotine products and tobacco products on the internet or otherwise by Retailers who are not located within Summit County but are delivered within the jurisdictional boundaries of the Parties. The Parties shall further cooperate to develop procedures and mechanisms in order to impose the Special Sales Tax on all such of cigarettes, nicotine products and tobacco products sales from Retailers that are not located within Summit County to the maximum extent authorized by law.

Section 7. Licensing, Regulation, Additional Fees or Taxes. This Agreement shall not limit each Party's authority to independently license each Retailer of cigarettes, nicotine products

and tobacco products within its jurisdictional boundaries as it deems necessary and appropriate and to impose such additional taxes, fees, or fines in excess of the Special Sales Tax.

Section 8. Special Sales Tax Advisory Board and Plan.

a. To promote the purposes of this Agreement and cooperation among the Parties, the Parties agree to form a Special Sales Tax Advisory Board (“Advisory Board”). The Advisory Board shall consist of the Town/County Managers of each Party or their designees. The Advisory Board will: (i) develop the Public Health and Education Plan (the “Plan”) described below; (ii) collaborate on the implementation of the Plan; and (iii) endeavor to coordinate the Special Sales Tax revenue expenditures as provided herein. The implementation measures and associated programs shall be evaluated at least annually by the Advisory Board for their effectiveness and quality and reported to each Party’s governing board.

b. The Plan adopted by the Advisory Board shall include a statement of goals that promote the purposes of the Special Sales Tax and program implementation measures for those goals. The Plan may be amended from time to time and shall include provisions for the joint review of the prior year’s expenditures and performance of the various programs during the prior calendar years so as to inform future decision-making by the Parties.

c. The Advisory Board shall make annual budgetary recommendations to the governing bodies of the Parties regarding the elements of the Plan including the following: (i) priorities and guidelines for the expenditure of the Special Sales Tax revenues; (ii) recommended programs to protect the public health and safety values promoted by this Agreement; (iii) an assessment of the programs funded in prior budget years, including provider assessments based on service or program administration agreements; and (iv) a status report of the community’s overall health including indicators of nicotine and tobacco product usage. The governing bodies of each Party shall retain appropriation authority over each Party’s share of the Special Sales Tax revenues.

d. Meetings of the Advisory Board shall occur at least annually during each calendar year as established by the Advisory Board and shall be held at the Summit County Courthouse or such other convenient location that shall be identified in any notice of such meetings. Meetings shall be scheduled by the County Manager or at the request of two or more Parties. At least 10 days advanced written notice of a meeting shall be provided to the members of the Advisory Board. Agendas shall be prepared by the County Manager or the Manager’s designee and copies distributed to members at least five (5) days prior to a regular meeting of the Advisory Board, although any Advisory Board member may submit items for the agenda. A quorum for the conduct of business at meetings of the Advisory Board means more than one-half the number of the Advisory Board members serving on the Advisory Board at the time of the meeting, whether participating in-person, telephonically, or by any other media by which each member can hear and be heard by the other members.

Section 9. Confidentiality.

For the purposes of ensuring proper distribution of the Special Sales Tax revenues, the County and the Towns shall share and exchange confidential information obtained by the Parties or provided by the State subject to any limitations of the State and all statutes and local ordinances controlling the same while maintaining taxpayer confidentiality. All such information exchanged shall remain strictly confidential and shall be used only for its purposes designated herein.

Section 10. Amendment of Agreement; Additional Parties.

a. Except as otherwise provided in this Section, this Agreement may be modified or amended only by a duly executed written agreement with the express approval of the governing bodies of all Parties.

b. This Agreement may be amended to add one or more additional incorporated Town Parties upon passage of an ordinance or resolution of the additional Party's governing body approving of this Agreement.

Section 11. Term and Termination of Agreement.

a. **Effective Date.** The term of this Agreement shall begin when the County and one or other Party has executed this Agreement.

b. **Termination.** The term of this Agreement shall end when the County and at least one other Party are not willing to remain as Parties to this Agreement.

c. The participation of any Town as a Party to this Agreement shall terminate upon: (i) the provision by the Town to the County of a written notice of termination; or (ii) the adoption by the Town of a special municipal sales tax on cigarettes, tobacco products, or nicotine products. The Towns understand and agree that any termination of a Town's participation in this Agreement that is not the result of the adoption of a special tax on cigarettes, tobacco products or nicotine products by that Town, shall cause tax revenues collected from within that Town to be retained by the County. The County understands and agrees that any termination of a Town's participation in this Agreement that is caused by the Town's adoption of a special sales tax on cigarettes, tobacco products or nicotine products shall cause any such County tax to be invalid within the jurisdictional boundaries of the Town.

Section 12. Execution and Performance of Agreement in Accordance with Law. Each Party hereby represents to each other Party that it has adopted and executed this Agreement in accordance with applicable law. Each Party shall perform their respective obligations and expend any revenues derived hereunder in accordance with all applicable laws, rules and regulations, including but not limited to the Act, this Agreement, and a voter-approved ballot measure.

Section 13. Indemnification. All actions or omissions by any Party, including their respective representatives, employees, agents, volunteers or officials, shall be the sole responsibility of the respective Party. Accordingly, each Party shall fully indemnify, to the extent permissible under Colorado law, all other Parties for any damages, claims, costs, expenses, cause of action or liability of any manner, including without limit reasonable attorney's fees, arising out of or relating to the acts or omissions of such Party. The Parties understand and agree that liability for claims for injuries to persons or property arising out of the actions or omissions of any Party is controlled and limited by the provisions of the Colorado Governmental Immunity Act ("Immunity Act") title 24, article 10, Colorado Revised Statutes, as now or hereafter amended and that the Parties do not intend to waive by any provision of this Agreement the liability limitations or any other right, immunity or protection afforded by the Immunity Act or as may otherwise be afforded by law. The indemnity obligations of this Section shall survive the termination of this Agreement. Indemnity obligations of any designee of the County shall be governed by separate agreement.

Section 14. Dispute Resolution.

a. The Parties shall attempt to informally resolve all disputes and claims arising from or related to this Agreement, beginning first with discussions among affected Town(s) and County staff, and if not resolved, escalating to discussions between the applicable Town Manager(s) and County Manager, and ultimately to the Town Council(s) and Board of County Commissioners. Disputes with any designee of the County shall be governed by separate agreement.

b. Any and all disputes and claims arising from or related to this Agreement that are not resolved pursuant to Section (a), above shall thereafter be submitted to mediation. The affected Parties shall share equally the mediator's fees and costs associated with the mediation, and each Party shall pay its own fees, costs, and expenses related to the mediation. If the dispute is not resolved by mediation, any affected Party may commence a Court proceeding, with jurisdiction and venue residing exclusively in the Summit County District Court. Each Party waives its right to have such dispute decided by jury trial. The prevailing Party(s) shall be awarded its reasonable attorneys' fees, costs, and expenses, including any attorneys' fees, costs, and expenses incurred in collecting or executing upon any judgment, order, or award.

c. In the event that the County or a Town defaults in the performance of any of the duties and responsibilities under this Agreement, the non-defaulting Party shall be limited to the remedies of specific performance and mandamus. Prior to exercising such remedies, the non-defaulting Party shall give written notice to the other party of the nature of the claimed default and declare that such default must be cured within thirty (30) days from the date notice is given.

Section 15. Parties in Interest. Nothing expressed or implied herein is intended or shall be construed to confer upon any person other than the Parties any right, remedy or claim under or by reason of this Agreement, this Agreement being intended to be for the sole and exclusive benefit of the Parties.

Section 16. No Personal Liability. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of an elected or appointed official, officer, agent, servant or employee of any Party in his or her individual capacity.

Section 17. Notices. Except as otherwise provided in this Agreement, all notices or other communications by any Party shall be in writing, shall be given in a reasonable time and shall be deemed given when actually received. Notice to the Parties shall be given to the address listed on Exhibit A, attached and incorporated herein, and may also be delivered in electronic form by electronic mail to the addresses listed on Exhibit A.

Section 18. Severability. If any clause, provision, subsection, or Section of this Agreement shall be held to be invalid, illegal or unenforceable for any reason, the Agreement shall be reformed to the extent necessary to reflect the intent and purpose of the original agreement or the Parties may terminate this Agreement.

Section 19. Interpretation. Because this Agreement is the result of mutual negotiation and drafting, in the event this Agreement is deemed to be ambiguous or vague, the Parties agree that the rule of construction that "ambiguities shall be construed against the drafter" shall not apply. In the event of any conflict between the Act, the Intergovernmental Relations Statute or any other law with respect to the exercise of any such power, the provision that permits

the broadest exercise of the power consistent with the limitations set forth in this Agreement shall control. The laws of the State shall govern the construction and enforcement of this Agreement.

Section 20. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement. Electronic or scanned signatures shall be valid and acceptable for all purposes.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties effective as of the date set forth above.

SUMMIT COUNTY, COLORADO

By: _____
Thomas C. Davidson, Chair

ATTEST:

By: _____
Kathleen Neel, Clerk and Recorder

TOWN OF BLUE RIVER

By:  _____
Toby Babich, Mayor

ATTEST:

By:  _____
Town Clerk

TOWN OF BRECKENRIDGE

By: _____
Eric Mamula, Mayor

ATTEST:

By: _____
Town Clerk

TOWN OF DILLON

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SUMMIT COUNTY, COLORADO



[Handwritten signature]

Thomas C. Davidson, Chair

ATTEST:

By: Kathleen Neel
Kathleen Neel, Clerk and Recorder

TOWN OF BLUE RIVER

By: _____
Toby Babich, Mayor

ATTEST:

By: _____

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ATTEST:

By: _____
Kathleen Neel, Clerk and Recorder

TOWN OF BLUE RIVER

By: _____
Toby Babich, Mayor

ATTEST:

By: _____
Town Clerk

TOWN OF BRECKENRIDGE

By: _____
Eric Mamula, Mayor

ATTEST:

By: _____
Town Clerk



TOWN OF DILLON



TOWN OF DILLON

By: Carolyn Skowryla
Carolyn Skowryla, Mayor

ATTEST:

By: Heidi Stucky
Town Clerk

TOWN OF FRISCO

By: _____
Gary Wilkinson, Mayor

ATTEST:

By: _____
Town Clerk

TOWN OF MONTEZUMA

By: _____
Leslie Davis, Mayor

ATTEST:

By: _____
Town Clerk

TOWN OF SILVERTHORNE

By: _____
Ann-Marie Sandquist, Mayor

ATTEST:

By: _____
Town Clerk

Town Clerk

TOWN OF BRECKENRIDGE

By: _____
Eric Mamula, Mayor

ATTEST:

By: _____
Town Clerk

TOWN OF DILLON

By: _____
Carolyn Skowrya, Mayor

ATTEST:

By: _____
Town Clerk

TOWN OF FRISCO

By: 
Gary Wilkinson, Mayor

ATTEST:

By: 
Town Clerk

TOWN OF MONTEZUMA

By: _____
Leslie Davis, Mayor

ATTEST:

By: _____
Town Clerk

By: _____
Carolyn Skowyra, Mayor

ATTEST:

By: _____
Town Clerk


TOWN OF FRISCO

By: _____
Gary Wilkinson, Mayor

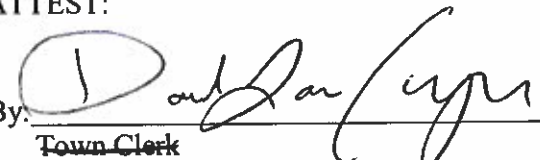
ATTEST:

By: _____
Town Clerk

TOWN OF MONTEZUMA

By:  _____
~~Leslie~~ Davis, Mayor
Lesley

ATTEST:

By:  _____
Town Clerk

Mayor Pro tem - DAVID LEWIS CORRIGAN

TOWN OF SILVERTHORNE

By: _____
Ann-Marie Sandquist, Mayor

ATTEST:

By: _____
Town Clerk

By: _____
Carolyn Skowrya, Mayor

ATTEST:

By: _____
Town Clerk

TOWN OF FRISCO

By: _____
Gary Wilkinson, Mayor

ATTEST:

By: _____
Town Clerk

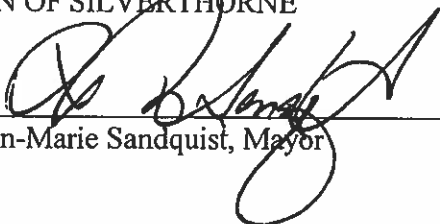
TOWN OF MONTEZUMA

By: _____
Leslie Davis, Mayor

ATTEST:

By: _____
Town Clerk

TOWN OF SILVERTHORNE

By:  _____
Ann-Marie Sandquist, Mayor

ATTEST:

By: Michelle Miller
Town Clerk

SUMMIT COUNTY IGA

NICOTINE TAX REVENUE RECOMMENDATIONS

-COMMUNITY NICOTINE WORK GROUP

Problem:

- Youth vaping still nowhere near traditional smoking rates within the last decade
- Of youth who vape, more than 1/2 tried to quit in the last year
- Raising nicotine taxes increase burden on smokers

Solution:

- Provide tobacco users with referral and quit services
- Implement hard-hitting media campaigns including counter-marketing
- Update prevention education
- Upstream prevention strengthens social determinates of health
 - mental health, affordable housing and childcare, job security and economic growth

SUMMIT COUNTY IGA

NICOTINE TAX REVENUE RECOMMENDATIONS

-COMMUNITY NICOTINE WORK GROUP

Special Sales Tax Purposes Ballot Language

- Reduce teen vaping
- Improve the health of citizens of Summit County
- Lessen public health consequences from nicotine products
- Provide addiction, prevention and intervention programs and referral services
- Provide local enforcement of laws that prohibit the sale of nicotine products to underage persons
 - Funded via licensing fees
- Improve availability of affordable public health services



SUMMIT COUNTY IGA

NICOTINE TAX REVENUE RECOMMENDATIONS

-COMMUNITY NICOTINE WORK GROUP

The Process

- *CDC's Best Practices for Comprehensive Tobacco Control Programs*
- CDPHE's State Tobacco Education and Prevention Partnership Community (STEPP)
- Nicotine Work Group Gap Assessment
- Initiative Matrix Polling

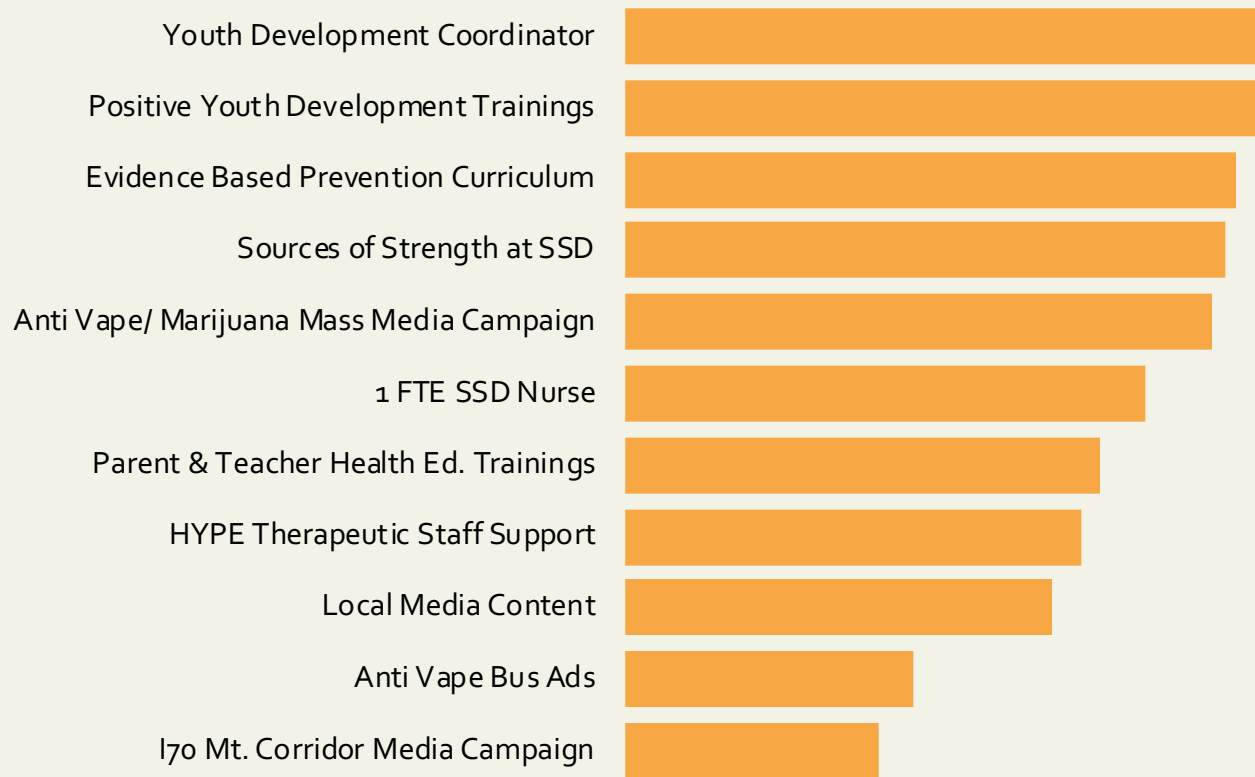


SUMMIT COUNTY IGA

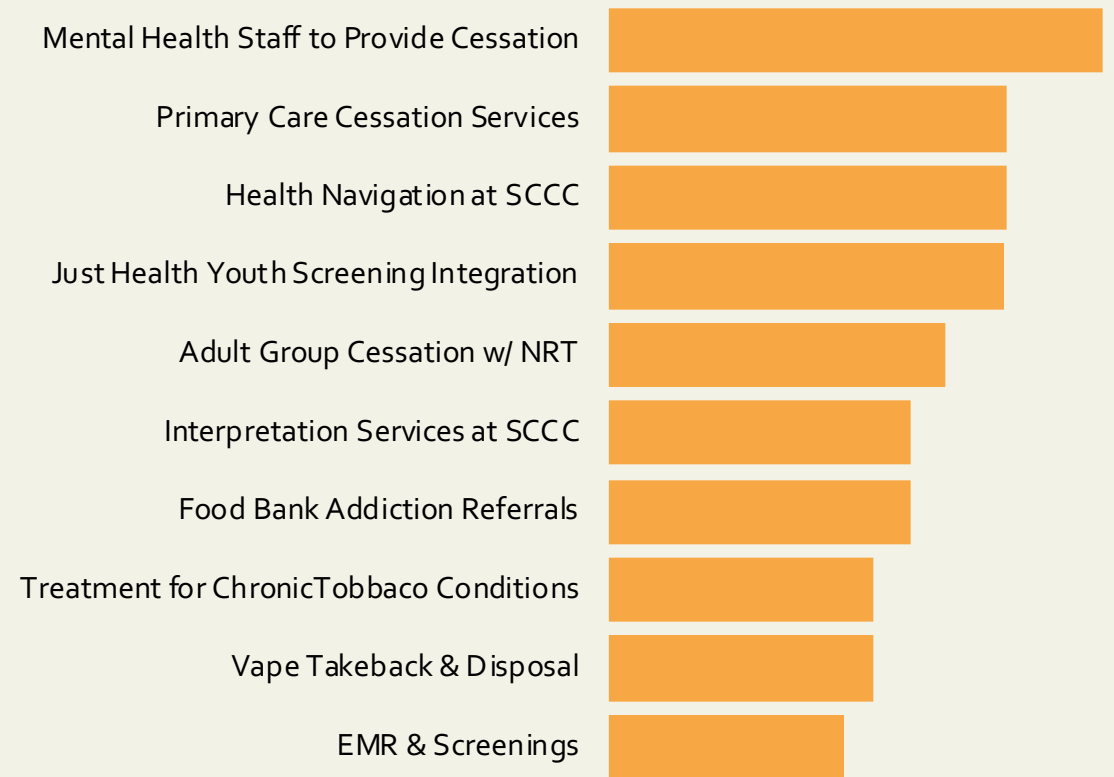
NICOTINE TAX REVENUE RECOMMENDATIONS

-COMMUNITY NICOTINE WORK GROUP

Prevention Initiatives *Overall Importance*



Treatment Initiatives *Overall Importance*



SUMMIT COUNTY IGA

NICOTINE TAX REVENUE RECOMMENDATIONS

-COMMUNITY NICOTINE WORK GROUP

	Breckenridge	Dillon	Frisco	Silverthorne	Unincorp Summit County	Per Munis Total Collections	HDL and Bank Fees	Net Collections
January-20	40,290	1,328	25,921	49,110	24,886	144,756	3,220	141,535
February-20	37,458	1,220	43,334	62,891	21,170	168,266	2,193	166,074
March-20	133,335	44,718	33,417	62,563	31,075	307,082	1,974	305,107
April-20	46,880	23,143	29,223	57,281	11,048	169,398	1,824	167,573
May-20	43,830	14,266	29,060	58,818	12,504	160,694	2,217	158,477
June-20	40,038	13,171	114,617	64,191	18,670	252,830	2,143	250,687
July-20	64,464	13,964	55,222	77,820	20,701	234,422	2,250	232,172
August-20	42,878	11,828	34,007	44,357	14,786	149,899	2,043	147,856
September-20	39,710	10,954	31,494	41,079	13,693	138,973	2,043	136,930
October-20	34,095	9,405	27,041	35,270	11,757	119,611	2,043	117,568
November-20	43,897	12,110	34,815	45,411	15,137	153,412	2,043	151,369
December-20	66,507	18,347	52,747	68,800	22,933	231,376	2,043	229,333
TOTAL EST ANN REV AFTER FEES	633,381	174,454	510,897	667,590	218,358	2,230,718	26,037	2,204,681
Percent of total	29%	8%	23%	30%	10%	100%		

SUMMIT COUNTY IGA

NICOTINE TAX REVENUE RECOMMENDATIONS

-COMMUNITY NICOTINE WORK GROUP

	Breckenridge	Dillon	Frisco	Silverthorne	Unincorp Summit County	Per Munis Total Collections
Funding Part I 2020 - Prevention and Cessation	74,151	20,424	59,812	78,156	25,564	258,106
Funding Part I 2021 Prevention and Cessation	272,400	75,028	219,723	287,113	93,910	948,174
Funding Part II 2021 - Health Oriented NP Support						
Building Hope	71,822	19,782	57,933	75,701	24,761	250,000
Care Clinic	71,822	19,782	57,933	75,701	24,761	250,000
FIRC	143,645	39,565	115,866	151,403	49,522	500,000
Other Health NP's - Distribution Determined by Agency	50,000	50,000	50,000	50,000	50,000	250,000
Total Expenses 2020/21	683,840	224,581	561,267	718,075	268,517	2,456,280
2020/2021 Reserve	582,921	124,328	460,526	617,106	168,200	1,953,082
Total Revenue 2020/21	1,266,762	348,909	1,021,794	1,335,181	436,717	4,409,362

SUMMIT COUNTY IGA

NICOTINE TAX REVENUE RECOMMENDATIONS

-COMMUNITY NICOTINE WORK GROUP

9/18/20	EXPENSES			Target Audience	Responsible Entity
	2020	2021	Total		
PERSONNEL					
Health Promotion Specialist	78,432	78,432	156,864	Community	SCG Public Health
Youth Development Coordinator (New Position)		70,000	70,000	Community Youth	SCG Youth & Family
4 x .25 FTE Nurse	25,000	100,000	125,000	SSD Students	SSD
Sub-Total Personnel	103,432	248,432	351,864		
CONTRACTUAL					
Evaluation of initiatives		15,000	15,000	Community	SCG Public Health
Anti Vape/ Marijuana Mass Media Campaign	30,000	45,000	75,000	Community	SCG Public Health
Local Media Content	5,000	15,000	20,000	Community	SCG Public Health
Anti Vape Bus Ads	12,000	10,000	22,000	Community	SCG Public Health
Regional I70 Mt. Corridor Media Campaign		25,000	25,000	Community	SCG Public Health
Sub-Total Contractual	47,000	110,000	157,000		
OPERATING					
Sources of Strength Suicide Prevention Curriculum		10,000	10,000	SSD Students	SSD
Positive Youth Development Trainings	3,000	12,000	15,000	Community	SCG Public Health
HYPE Youth Programming		50,000	50,000	Community Youth	Building Hope
Peer Mentor Stipends		33,280	33,280	Community Youth	SCG Youth & Family
Parent/Teacher Health Ed. Trainings	500	1,500	2,000	SSD Students	SSD
Evidence Based Prevention Curriculum		4,000	4,000	SSD Students	SSD
Increase Mental Health Staff to Provide Cessation		10,000	10,000	SSD Students	SSD
Adult Group Cessation w/ Nicotine Replacement Therapy		10,000	10,000	Community Adults	SCG Public Health
Vape Takeback & Disposal		3,000	3,000	Community Youth	SCG Public Health
Primary Care Cessation Services	66,270	265,081	331,351	SCCC Patients	SCCC
Interpretation Services for Tobacco Screening and Cessation	1,313	5,250	6,563	SCCC Patients	SCCC
Food Bank Addiction Referrals	5,000	20,000	25,000	Community Adults	FIRC
Electronic Medical Records & Screenings	12,500	50,000	62,500	SCCC Patients	SCCC
Just Health Youth Screening Integration		10,000	10,000	SCCC Patients	SCCC
Health Navigation: Resource and Referral	12,030	48,120	60,150	SCCC Patients	SCCC
Treatment for Chronic Conditions associated with Tobacco	16,317	65,266	81,583	SCCC Patients	SCCC
Professional Development	500	2,000	2,500	Nicotine Staff	SCG Public Health
Sub-Total Operating	117,429	599,497	716,926		
TOTAL	267,861	957,929	1,225,790		
Nicotine Tax (see Town breakdown)	258,106	948,174	1,206,280		

SUMMIT COUNTY IGA

NICOTINE TAX REVENUE RECOMMENDATIONS

-COMMUNITY NICOTINE WORK GROUP

	<u>Part I Funding</u>			<u>Part II Funding</u>		
	2020	2021	Total	2020	2021	Total
<u>BY AGENCY/ BENEFICIARY</u>						
Summit County Gvt: Public Health, Youth & Fam	119,327	309,107	428,434	0	0	428,434
School District	25,200	125,500	150,700	0	0	150,700
Building Hope	0	50000	50,000	0	250000	300,000
Community Care Clinic	108,429	443,717	552,146	0	250000	802,146
FIRC	5,000	20,000	25,000	0	500000	525,000
Other Health Oriented NP Support	0	0	0	0	250000	250,000
Total programmed by beneficiary 2020-2021			1,206,280		1,250,000	2,456,280