



January 9, 2022

Honorable Mayor and
Members of the City Council
City of Warrensburg, Missouri

Dear Mayor and Council Members:

SUBJECT: An ordinance imposing a 3% sales tax on all tangible personal property retail sales of adult use marijuana sold within the City of Warrensburg, Missouri subject to the approval by the voters at the general municipal election.

BACKGROUND

On November 8, 2022, Missouri voters approved Amendment 3 to the Missouri Constitution enacting Section 2 of Article XIV legalizing recreational marijuana.

ISSUES

Section 2.6(5) of Article XIV of the Missouri Constitution authorizes municipalities to impose up to a 3% sales tax on all tangible personal property retail sales of adult use marijuana sold within the city upon approval by voters. This ordinance will place the following question on the April 4, 2023 ballot:

Shall the City of Warrensburg, Missouri, impose a sales tax of three percent (3%) on all tangible personal property retail sales of adult use marijuana sold in the City of Warrensburg, Missouri?

STRATEGIC PLAN

Focus III: Growth and development

FISCAL IMPACT

The Missouri Municipalities League contacted the marijuana industry regarding the anticipated sales numbers for recreation marijuana. The average comprehensive dispensary is expected to gross \$427,000 in sales per month. A 3% sales tax will generate \$12,800 per month or \$154,000 annually.

There is one medical dispensary inside city limits. It is anticipated it will convert to a comprehensive dispensary later this year.

RECOMMENDATION:

Pass ordinance.

Sincerely,

Danielle Dulin
City Manager

Attachments: Ordinance