

**AN ORDINANCE ADDING ARTICLE VII OF CHAPTER 7 OF THE CODE OF ORDINANCES FOR THE MUNICIPAL TAXATION OF CANNABIS**

**WHEREAS**, Section 12-330mm of the Connecticut General Statutes imposes a municipal gross receipts tax on sales of cannabis by cannabis retailers, hybrid retailers, and micro-cultivators and specifies how such taxes shall be invoiced and for what purposes such taxes may be spent; and

**WHEREAS**, the Council of the City of Norwich expects to have one or more cannabis retailers, hybrid retailers, and micro-cultivators operating in the City of Norwich.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NORWICH**, that the following sections be added in Article VII of Chapter 7 of the Code of Ordinances:

**ARTICLE VII. MUNICIPAL TAXATION OF CANNABIS**

Sec. 7-151. Designation of contact with commissioner of revenue services.

The city designates the tax collector as the individual to whom the Connecticut commissioner of revenue services shall send notifications for municipal gross receipts tax on cannabis.

Sec. 7-152 Gross receipts tax.

Pursuant to C.G.S. §12-330mm, the tax collector shall invoice and collect a gross receipts tax on taxable sales of cannabis by cannabis retailers, hybrid retailers, and micro-cultivators using information provided by the Connecticut commissioner of revenue services along with any associated interest, penalties or other fees. The tax collector may impose liens for nonpayment of such taxes, interest, and penalties on the real property of cannabis retailers, hybrid retailers, and micro-cultivators.

Sec. 7-153 Separate set of accounts.

Cannabis gross receipts tax revenues and expenditures of those revenues shall be accounted for in a special revenue fund and not included in general fund revenues.

Sec. 7-154 Expenditure of cannabis gross receipts tax revenues.

The city manager shall submit a resolution proposing the use of unexpended and unencumbered cannabis gross receipts taxes to be spent in the following fiscal year for the City Council's consideration at its first meeting in April. Any expenditures of cannabis gross receipt taxes shall be in accordance with the purposes allowed in C.G.S. §12-330mm(5):

- a. make improvements to the streetscapes and other neighborhood developments in and around each community in which a cannabis retailer, hybrid retailer or micro-cultivator is located,
- b. fund education programs or youth employment and training programs in such municipality,
- c. fund services for individuals released from the custody of the Commissioner of Correction, probation or parole and residing in such municipality,

- d. fund mental health or addiction services,
- e. fund youth service bureaus established pursuant to section 10-19m and to municipal juvenile review boards,
- f. fund efforts to promote civic engagement in communities in such municipality, or
- g. any other purpose later approved by amendment to C.G.S. §12-330mm(5).

**Purpose:**

To establish a framework for collecting and appropriating cannabis gross receipts tax revenues.

Mayor Peter Albert Nystrom  
President Joseph A. DeLucia  
Alderwoman Stacy Gould