City Council
May 19, 2020

Addendum #1
Good Morning Megan,

As you consider potential ballot items tomorrow, I would like to offer my perspective on the tobacco tax.

It’s always difficult for folks who enjoy premium cigars to not be lumped into these taxes. I understand the rationale for extra taxes on cigarette packs and certainly vaping.

I enjoy cigars and the comradery at Havana Manor at McCaslin and Hwy36. It’s mostly senior citizens like me.

I’m a member there and I purchase about $1,500 each year in cigars from their store. I hope they are exempted, they have indicated that additional tax could force them out of business.

If they go away, my cigar purchases will be made from on-line retailers instead.

Thanks for your consideration.

Jim Sevalt | President & COO
National Entertainment Network, LLC
325 Interlocken Parkway B
Broomfield, Colorado 80021
Tel: (303) 664.4432 | Mobile (303) 638 9613 | Jim.Sevalt@nen-inc.com
The draconian measures (ref; the new tobacco tax) must stop. You'll simply push a successful business into bankruptcy. A business that pumps tens of thousands of dollars into Colorado's tax coffers at the already-to-high current rate, will simply be there no more.

I can make two promises.

1. If you move forward with this I'll never spend another dollar in your city

2. I'll proactively support any efforts to replace the current council membership with more libertarian-minded officials
Please exempt premium cigars from this measure. I will simply go outside Louisville to make these purchases. Don't cut off your nose to spite your face. Thank you.
To Whom It May Concern:

I am a resident of Louisville. I would like to address the proposed tax increase for tobacco products. I am objecting to including premium cigars in that proposal. While I sort of understand that you may be targeting the “youth” purchasing of such products. If this increase is enacted it would put at least one business, Havana Manor, out of business. In these difficult times we should not be taking any enterprise down.

1. Taxes on these products are already very high. People would just go to another municipality to make the purchase. Taking sales tax revenue from our tax base.
2. We have this shop and it is a community. Please do no take that away.

I implore you to exempt taxing cigars. This will do little for additional taxes and only take a company down.

Thank you for your consideration,

Michael Griggs
Hi all,
My name is Max, I’m the manager at Havana Manor Cigar Lounge in the Colony shopping center. I’ve worked at Havana Manor for 12 years now, and we’ve built a pretty amazing community based around a mutual love for cigars. As an example of the family we’ve built, a number of my friends from the shop came to my wedding.

There is, however, a breaking point. Every new tobacco tax proposed is a direct threat to our livelihood and our ability to continue doing business. In a state where we already have a 40% tax on Other Tobacco Products, people already have to make a conscious decision to support a local small business instead of shopping on the Internet. If that tax is higher in our city than the next one over our ability to compete with cigar and pipe tobacco pricing a little will be entirely wiped out. I urge you, please exempt OTP from this proposed tobacco tax.

It’s notable in your proposal that Boulder’s new tax is only on vaping products, as they are the next city over. The few stores there that sell cigars would instantly have a competitive pricing advantage over us.

We are the first line of defense against youth tobacco use. Our carding policy is strict, we only sell to adults.

I love my job and the friends I’ve made at it. The support I’ve seen since we were able reopen our retail area has been incredible. I was breathing a sigh of relief that we may make it through the pandemic and I may still have a job, and that job would still be the one I love. This proposed tax would kill that. Please don’t put us out of business.

Max Juhl
Havana Manor

Sent from my iPhone
Hello City of Louisville,

I just heard about the proposed Tobacco tax and why? If this passes all it’s going to do is put local businesses out of business and people aren’t going to stop smoking. Sorry but that’s going to happen and law will be big waste of time and money and getting rid of business that are just trying to earn a living. How bout you guys tax the marajuana Shops.

Thank you for your time.

Ryan Curtin
Sent from my iPad
All City Council Members:

I urge you to exempt premium cigars and premium pipe tobacco from your proposed tax. These tobaccos already carry a state tax of 40%! Cigar and pipe customers of Havana Manor would be forced to go elsewhere (Lafayette) for their tobacco supplies and the total revenue would be a net loss for the City of Louisville. As an owner of a Louisville business that employs over 150 people, I monitor the business friendliness of the City. In fact I relocated my business from Broomfield to Louisville in 2012 because of the negative business attitudes of Broomfield.

These punitive taxes seem to be a little tax on a few citizens, but they add up. Please do not vote for the tobacco tax.

Terry LaVelle
Dear City Council,

Please do not tax Cigars and Pipes as part of your new ‘Nicotine/Cigaret & Vaping’ tax under consideration.

The bill under new tax will not stop tobacco use, it will just drive purchases to other cities or states. People will travel outside the city/state to buy their tobacco products, and they are likely to make other purchases out of the city/state as well, thereby hurting local businesses. Please allow the local community the option to enjoy premium cigars from a local store.

Sincerely,

Randy Laurienti
rlaurienti@aol.com
303-337-3826
Council members,

I think your agenda item 7C is a bad idea for Cigars and Pipe tobacco.

1) Cigars/pipes are not inhaled into the lungs, so to group them with cigarettes and vapes is inappropriate. Cigars and pipes are not addictive in the way vapes and cigarettes are, as I can have a cigar 4 days in a row and then, without issue, not have anything for a month or two. This is very typical of the members of Havana Manor.

2) 95% of the members/customers at Havana Manor are men, so this new tax is sexist.

3) While I am married, with children in the home working remotely, for many of the members of Havana Manor this is their "community". I suspect there will be negative health impacts if this group of men, mostly 40-75 in age, no longer are able to spend time together sharing a "stick" and become more socially isolated.

4) This is the only place where I interact with a diverse group of men, economically, educationally, political party, and family/marital status. It is a great thing for people in different groups to get to know each other, and to learn to respect each other.

5) I doubt if Louisville will gain financially. Have you factored in how many of the vape and cigar retailers will move to other communities? How will this impact sales taxes? How will this impact property taxes, do you know what new retailers will back fill in the post virus era?

6) I live in Boulder, and NEVER shopped in Louisville except when going to Havana Manor. Now I often pick up groceries before or after meeting someone at Havana Manor. How much sales tax do you expect to lose if less people visit Louisville...I know a number of restaurants we patronize will sell less! How many restaurants will fail from this reduction to the customer base, impacting sales tax and property tax?

Please reconsider discriminating against people who smoke cigars and pipes....or you can just come visit us in the Havana Manor in Longmont....as your commercial property tax collections continue to decline.
Thomas J. Harrington, Boulder native.
City Council members,

I urge you not to vote in favor of raising the tobacco tax locally. The state already has a grip on this industry crippling business. This tax will shut the doors of others barely hanging on as it is because of these outrageous taxes. A city should protect their local businesses not punish them.

Charles Conroy
720-630-6208
Members of the Council:

It is my understanding that you are considering raising sales tax rates on cigarettes and other tobacco products. I am requesting that you exempt Premium Cigars from this action. Havana Manor in Louisville is where I buy my Premium Cigars. I already pay more than if I buy online, however I appreciate the service and knowledge about their products and prefer to buy from local businesses. Certainly, an sales tax increase on cigarettes is appropriate and is the largest revenue source for the city. But Premium Cigars should be exempt. Otherwise I am afraid that Havana Manor will likely close their business. Please be reasonable and exempt Premium Cigars.

Sincerely,

Rick Liddell
4860 White Rock Dr.
Broomfield, CO 80023
712-490-7386
Members of the Council:

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Sincerely,

Rick Liddell
4860 White Rock Dr.
Broomfield, CO 80023
712-490-7386
Enough

Sent via the Samsung Galaxy, an AT&T 4G LTE smartphone
Dear Louisville City Council:

I am an independent business owner and have been located in Louisville for the past 13 years. I provide tax revenue to the city / state and jobs for five employees. If the Louisville City Council passes the tax increase on premium cigars, it will put my store out of business which will in turn generate zero revenue and the loss of five jobs.

I have no objection to the proposed increase to cigarettes and vaping products. However, an increase to premium cigars (generically listed as tobacco products) would have significant impact to my business. Cigars already carry a 40% tax burden from the state. An additional tax will just drive customers to other cities, states, or online for purchases. I urge the City of Louisville to exempt premium cigars and premium pipe tobacco from this ballot measure.

Premium cigars are hand-rolled cigars made for adult consumption. Please allow the local community the option to enjoy premium cigars from a local store. I have a stellar compliance record with tax payment and I am the first line of defense in keeping tobacco products out of the hands of minors.

Please consider what City Council would be asking of this local independent retailer. If Council passes this unreasonable tobacco tax on premium cigars and pipe tobacco they will put me out of business, and they will drive business to surrounding communities or to online purchasing. The new tax will not put a stop to tobacco use, would eliminate the revenue generated from my business, and cost local employees their jobs. Thank you for considering this exemption from the ballot.

Sincerely,

Duane Bolte (Owner)

Rocky Mountain Cigars, LLC

DBA Havana Manor Louisville
Please don’t put premium cigars in with Vape and cigarettes. It’s a completely different culture. And if it happens our local business will close and the premium cigar smokers will just go over to Lafayette.

Brad Hughes
Agent
Life Calculator
Retirement Calculator
Car Loan Calculator

Review Us on Google!
Review Us on Yelp!
Hello,

I live at 238 Monarch St, Louisville, CO.

I write in opposition to the city of Louisville investigating / imposing a local tax on cigarettes, cigars, e-cigarettes, etc.

There are three reasons why entities impose taxes, so let us review them.

1. Fiscal. As the staff report makes clear, this effort would, best case, be revenue neutral for Louisville. Currently, the city receives $40,000/year in share-back allotment from the state, which would disappear if the city imposes its own tax. Implementing a city tax would easily drive tobacco purchases to any nearby locale which does NOT have such an adder. The most likely scenario is that Louisville will lose revenue.

2. Economic. Any economist will tell you that when the economy is down, the worst thing you can do is impose new taxes.

3. Behavioral. So if it is not fiscal or economic, that leaves behavioral engineering. “If we raise taxes on tobacco products, fewer people will buy them.” This is simply false. And even if it was partially true, behavioral engineering is nowhere to be found in a city council’s list of responsibilities.

This is a bad idea, and it needs to be stopped now.

And on a somewhat related note, for staff to cite entities such as Pitkin county, Eagle county, Summit county, Crested Butte, etc., as comparison points, is absurd. Louisville is nothing like those locales.

Thank you for your consideration.

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Chris McComb
238 Monarch St
Louisville, CO  80027
Dear Sirs/Madams:

On May 19, the city council is discussing potential ballot measures for 2020. Among these is a tobacco/vaping tax. I urge you to exempt premium cigars from your bill.

Including premium cigars will have no positive effect on revenue in Louisville. In fact, the effect would be a loss of tax revenue as customers go to nearby communities such as Lafayette or Longmont for their premium cigars. Existing establishments would go out of business, as a result of being unable to compete with the prices in these nearby towns, causing an increase in unemployment. Online purchases would increase, again resulting in no revenue for Louisville.

There would be no public health benefit from increasing the tax. When the age to purchase tobacco was recently raised from 18 to 21, there was very nearly zero impact on the sales of premium cigars. Younger people are not the target market for this product as most premium cigars are already well out of their price range. The older, established men and women who can afford them will continue to do so but will also continue to go a couple miles down the road to secure the best price.

For these reasons and others, I urge you to exempt premium cigars from your consideration. Louisville cannot afford the loss of revenue and jobs.

Thank you very much for your time,

Don Halter
Louisville City Council and Mayor Stolzmann,

I have been a patron for over 5 years in Louisville. Purchasing cigars at the Havana Manor. This shop is one of only 2 available in the area. If the council decided to increase the tax locally for tobacco this will truly hinder my openness to frequent your city. Currently I frequent many establishments in the Havana Manor area including restaurants and the local Safeway. I have come to enjoy the city of Louisville and have spent much time enjoying the vibe and feel. I believe this tax increase will actually hinder your long term plans for growth and create a decrease across the boards in sales tax revenue.

I am not a cigarette smoker and exempt from the chemicals that cause smokers to be addicted, I enjoy a nice cigar which is not inhaled and the flavors are savored for a moment then exhaled properly. I know its seems easy to try and find any means of increase in revenue in times like these. But the cigar industry is small and almost assured no amount of expected revenue because of tax increases will help the Louisville City Budget. Actually it will cause the opposite as many users of all tobacco will immediately stop making any purchases locally along with gasoline and convenience store revenue.

I'm sure most of the Louisville City Council are not currently tobacco users but levying taxes that are purely meant to punish disadvantaged users of tobacco is not a nice way to find ways to increase tax revenue.

Thank you for Considering my words...

Best Regards,

Robert Vidrine
rvidrine@comcast.net
720-443-7229
Hello, Mayor, City Council Members and Staff,

While I am in favor of the goals of most of the ballot measures on the upcoming agenda, I think the timing is terrible for anything that puts increased burdens on local businesses or city staff. Recovery from Covid-19 closures is just beginning and businesses may well face additional setbacks over the next year or more.

1. Tobacco/Vaping Tax
Curbing youth tobacco and vaping use is a laudable goal. Increased taxes on cigarettes and vape will primarily drive purchases to other jurisdictions but if the city wants to make that trade I am not opposed. However, I urge you to exempt premium cigars and pipe tobacco from the measure. The younger population does not smoke cigars and pipes and are not attracted to them, especially at current retail pricing. While Colorado has a low cigarette tax, cigars and pipe tobacco are taxed at 40% of the manufacturer’s list price, one of the highest rates in the country. Louisville is home to one of the finest cigar and pipe stores in Colorado and a 40% additional tax will certainly put them out of business. It is already difficult to encourage customers to buy retail rather than on the Internet, where little or no tax is collected. Havana Manor has been in Louisville for 13 years and is the kind of business Louisville should encourage, not punish. Most patrons come from other jurisdictions and spend money at the shop and other local businesses and restaurants, which will need all the help they can get recovering from the Covid-19 shutdown. As an aside, Megan Pierce’s predecessor held monthly meetings with neighboring Economic Directors there and whenever he suggested meeting somewhere in their jurisdictions, they always refused. It’s a strong and loyal community that deserves a place in Louisville.

2. Museum Expansion
I agree with the staff recommendation to defer this to another year. Increasing taxes and staff commitments are not beneficial at this time.

3. Single Use Bags
Since it is safer to use disposable bags while Covid-19 is around, and the costs to businesses and the city are considerable, this also seems like a measure to delay for now. Many stores are not allowing reusable bags for the foreseeable future anyway.

4. Community-wide Renewable Energy
This doesn’t have an action plan but if the outcome would be to add a fee onto utility bills, now is not the time.

5. Minimum Wage
I agree with the staff recommendation to wait and see the results of regional discussions. A wage increase will disproportionately affect restaurants, hotels and other service industries, and they are going to have the hardest time recovering from the downturn.

6. Countywide Ballot Measures
Again, wait and see, and be wary of increased costs to residents and businesses.

Thank you for your time and good luck with other Zoom meeting! As the City of Louisville website proudly says:
Mike Kranzdorf
Amterre Property Group LLC
1100-1140 Pine Street
Louisville, CO 80027

2318 Dennison Lane
Boulder, CO 80305
Hello Council Members,

I am writing to you to urge you to add an exemption for Premium Cigars and Premium Pipe Tobacco productions from the proposed ballot measure (https://www.louisvilleco.gov/home/ShowDocument?id=27131 ). While I have no objections to the proposed tax increase to cigarettes and vaping products, the proposed tax generically lists premium cigars and pipe tobacco as "tobacco products." If the proposed measure goes through without this exemption it threatens to close an establishment that has stood in Louisville for 13 years. I have been going to the Havanna Manor Cigar shop since nearly the day it opened, and am a member of the community that has been built there for over a decade. If this measure that includes cigars passes, it will shatter this community that provides a welcoming environment for friends, along with a place of business for many. This is personally where I met a now close friend who helped me launch a career that keeps me employed to this day. This is just one of many relationships that have been built over the last 13 years that this measure will shatter if passed without this exemption.

With Cigars already carrying a 40% tax burden from the state, this additional tax will force this local business to close which will eliminate the revenue generated from the business. Not only will this eliminate revenue it will also cost local employees their jobs. Tobacco taxes are already high, and states are beginning to see diminishing returns on additional taxation. According to the Center for Policy Research of New Jersey, the Garden State experienced a net loss of nearly 24$ million in tobacco tax revenue during the two years following a tax increase. This is largely due to consumers going outside of the region for purchases, which local consumers are likely to do if Louisville passes this measure. Please allow our local community the option to enjoy premium cigars from a local store.

This additional tax being applied to Premium Cigars and Premium Pipe Tobacco with provide no benefits, but will see some dire consequences.

Regards,

Evan Andersen
The proposed additional tobacco tax on premium cigars is counter-intuitive and ineffective to its stated goal. The excessive value of the tax itself is clearly a fatal strike on implementation against our local businesses that provide the products to those who enjoy them, and who will continue to enjoy them by taking their business online or out of the county. Suggesting that additional revenue will be gained for public use from a tax that will drive the affected stores out of business and therefore not only fail to provide this supposed increased tax collection but eliminate the money the city already collects from them is a confusing and nonsensical theory.

For reference, nearby counties such as Boulder have exempted premium tobacco products from recent vaping tax legislation to wisely retain revenue from their adult demographics that will just continue to purchase these products elsewhere. Additional city taxes from mountain municipalities who contain no premium tobacco stores to be influenced holds no water on how devastating this tax would be here.

With the recent age increase to purchase, the effect of premium tobacco products to the youth is minimal at best. With a record of strict carding policies for over a decade, as well as the beginning age for purchase landing squarely on the tail side of college students, any arguments framing this as control against a threat to youth health are unconvincing.

However, the most confusing aspect of this proposal is the timing. The pushing of legislation that effectively destroys local businesses in the middle of a pandemic where money and resources are already strained strikes me as exceptionally tone deaf and callous. People are fighting to keep their jobs, provide health care and food for their families and pay bills and our priorities are focusing on overzealous measures that will cut jobs and remove revenue from our own budget? Isn't government time better spent at the moment shoring up support resources and helping to stimulate and recover the local economy? At a minimum this tax would be better suited tabled for examination at a later time, where its direct damage could be more safely considered, and not rolled out during a time of crisis.

Tyler Kreitz
Hello,

I'm writing in regards to the proposed special tax on cigarette,s tobacco products and nicotine products for potential 2020 ballot measures. I strongly urge you to consider an exemption for premium cigars and pipe tobacco from the measure. Colorado already has a 40% tax on tobacco products, additional strain could put local stores like Havana Manor out of business. The increased prices due to the tax will not generate additional revenue on these products, it will just drive the purchases to other towns (like Boulder as mentioned in the proposal as an example that does not have cigars included).

Best regards,

Garth Kreitz
To whom it may concern,

I have great concern on this tax on impacting premium cigars. This can impact a stable Louisville small business that has created relationships for multiple local small businesses. Raising the taxes on this local small business would have catastrophic affect. If the city council passes this unreasonable tobacco tax on premium cigars and pipe tobacco, they will put our shop out of business which will eliminate the revenue generated from our business thus having the opposite of the intended effect.

Long story short I have lived in the great city of Louisville my entire life and I as well as many local Louisville people frequent this great shop many times a week and it has become a place for local owners to come and enjoy a cigar. Raising this tax would cause people to go online effectively killing small mom and pop shops. This is not what Louisville is known for. Nor should it be. I urge you to please grant this shop exemption from certain closure to help many local vets including myself, keep their home base to keep in touch with friends.

Thanks and regards,

-Mark Turowsky

Sent from my iPhone
Dear Councilmembers,

Please exempt premium cigars and pipe tobacco from the proposed tobacco tax for the reasons listed below:

Sincerely,
Amiro Brache
3347 Opal Lane
Superior, CO

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**A few points to consider:**

· If the city council passes this unreasonable tobacco tax on premium cigars and pipe tobacco, they will put our shop out of business which will eliminate the revenue generated from our business thus having the opposite of the intended effect.

· The new tax will not stop tobacco use, it will just drive purchases to other cities or states. People will travel outside the city/state to buy their tobacco products, and they are likely to make other purchases out of the city/state as well, thereby hurting local businesses. Please allow the local community the option to enjoy premium cigars from a local store.

· Tobacco taxes are already high, and states are beginning to experience diminishing returns. According to the Center for Policy Research of New Jersey, the Garden State experienced a net loss of nearly $24 million in tobacco tax revenue during the two years following a tax increase. This is largely due to consumers going outside the region for purchases.

· We have our own community at the shop. The closing of our shop will...
shatter 13 years of relationships built at our shop. If the city only knew how much business and how many relationships have come out of our “little” cigar shop community.

· Most importantly, the closure of our shop will cost local employees their jobs. Not just employees, but our dear friends.

The use of targeted tax increases serves only to push sound fiscal policies and real budget reforms to the public policy back burner. An additional tax on premium cigars will have absolutely no benefit but many dire consequences.

Thank you for your continued support of our shop.
Dear Council -

Please, please exempt cigars from the proposed tobacco tax. Or perhaps think about a grandfather clause for existing cigar lounges.

We already pay a 40 federal percent tax. Further, existing lounges bring many customers into town who spend money in nearby Louisville businesses and this includes me.

Thank you,

Darren Warner

Sent from my iPhone
Please exempt premium cigars from the upcoming tobacco tax. Havana manor is a treasure in the community and it’s survival depends on it.

Matt Buchanan