

CITY OF SALIDA, COLORADO
ORDINANCE NO. 34
SERIES OF 2008

AN ORDINANCE OF THE CITY OF SALIDA, COLORADO, AMENDING CHAPTER 4, ARTICLE III OF THE SALIDA MUNICIPAL CODE TO PROVIDE FOR AN INCREASE IN SALES TAX BY ONE PERCENT (1.0%) TO BE USED FOR THE PURPOSE OF FUNDING CONSTRUCTION, OPERATION, MAINTENANCE, AND REPAIR OF ROADS AND OTHER PUBLIC INFRASTRUCTURE OF THE CITY AND REPEALING THE CITY'S PROPERTY TAX.

WHEREAS, the City of Salida currently assesses a retail sales tax of two percent (2.0%), with thirty-five percent (35.0%) of the proceeds allocated to the Sales Tax Capital Improvement Fund, one percent (1.0%) to the Economic Development Fund, up to eight percent (8.0%) to the Contingency Fund in any calendar year in when such fund is less than fifteen percent (15.0%) of the City's general fund operating budget, and the remainder to the City's general fund; and

WHEREAS, these taxes are contained and codified within Chapter 4, Article III of the Salida Municipal Code (the "SMC"), wherein they are referred to as "Sales and Use Tax"; and

WHEREAS, with the growing population and expectations of Salida residents, the Salida City Council deems the 2.0% retail sales tax insufficient to provide for the needs of the City relating to construction, operation, maintenance, and repair of roads and other public infrastructure in the City; and

WHEREAS, by Resolution No. 60, Series of 2008, the Salida City Council approved submittal to the registered voters of the City of Salida, Colorado a ballot question regarding the increase of the City's retail sales tax by an addition one percent (1.0%) for the purpose of funding construction, operation, maintenance, and repair of roads and other public infrastructure of the City (the "Sales Tax Ballot Question"); and

WHEREAS, to offset the costs of the sales tax increase to Salida residents and avoid competition with Salida School District R-32-J tax funding, the Sales Tax Ballot Question approved by Resolution No. 60, Series of 2008 also included as an attendant measure the repeal of the City's property tax; and

WHEREAS, a majority of the registered voters in the City of Salida approved the Sales Tax Ballot Question at the November 4, 2008 general election, and the Salida City Council finds and determines that Chapter 4, Article III of the SMC, "Sales and Use Tax," shall be amended to implement the Sales Tax Ballot Question accordingly.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO:

Section 1. The City Council incorporates the foregoing recitals as conclusions, facts, determinations and findings by the City Council.

Section 2. The purpose of this Ordinance is to impose an additional one percent (1.0%) tax on retail sales and on certain services by amending the present retail sales tax provisions, and to provide for the use of the proceeds thereof for funding construction, operation, maintenance, and repair of roads and other public infrastructure of the City. As an attendant measure, the City's property tax is hereby repealed in its entirety.

Section 3. Section 4-3-20(a) of the SMC relating to the amount of sales tax imposed on the transactions set forth therein is hereby amended to read as follows.

Section 4-3-20. Amount of tax, limitations.

(a) The tax imposed by this Article shall be equal to three percent (3.0%) of the gross receipts. The imposition of tax on individual sales shall be in accordance with the schedule set forth in the rules and regulations promulgated by the Department of Revenue.

Section 4. The first sentence of Section 4-3-40(d) of the SMC relating to exemptions from retail sales tax is hereby amended to reference the new three percent (3.0%) sales tax as follows.

Section 4-3-40. Exemptions from tax.

* * *

(d) For transactions consummated on or after July 1, 1990, the City's sales tax shall not apply to the sale of tangible personal property at retail or the furnishing of services if the transaction was previously subjected to a sales or use tax lawfully imposed on the purchaser or user by another statutory or home rule municipality equal to or in excess of three percent (3.0%).

Section 5. Section 4-3-50 of the SMC is amended by the addition of the following subsection (b), and the existing subsection (b) shall be relettered as subsection (c) accordingly.

Section 4-3-50. Disposition of revenue.

* * *

(b) The proceeds of the one percent (1.0%) increase in sales tax imposed by Ordinance No. 34, Series of 2008 shall be used for funding construction, operation,

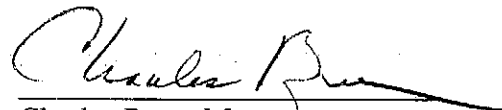
maintenance, and repair of roads and other public infrastructure of the City.

Section 6. As provided in the Sales Tax Ballot Question, the one percent (1.0%) sales tax increase shall apply to all retail sales and certain services pursuant to C.R.S. §39-26-104, subject to the exemptions contained in the SMC, which occur on or after on or after January 1, 2009, as provided by C.R.S. §29-2-106(2). Also as of January 1, 2009, the City's property tax is repealed and shall no longer be collected.

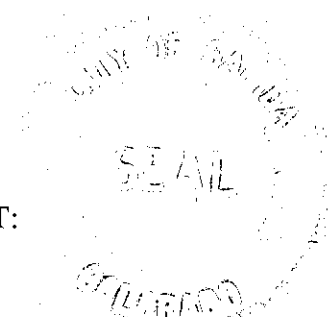
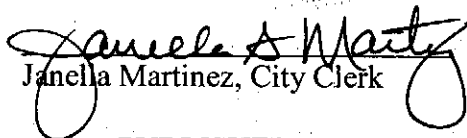
INTRODUCED ON FIRST READING, ADOPTED and ORDERED PUBLISHED IN FULL in a newspaper of general circulation in the City of Salida by the City Council on the 17th day of November, 2008 and set for second reading and public hearing on the 1st day of December, 2008.

INTRODUCED ON SECOND READING, FINALLY ADOPTED and ORDERED PUBLISHED BY TITLE ONLY, by the City Council on the 1st day of December, 2008.

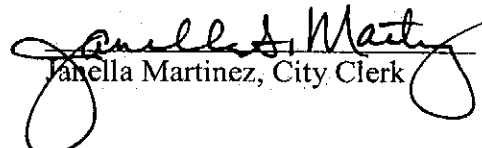
CITY OF SALIDA, COLORADO


Charles Rose, Mayor

ATTEST:



Janelle Martinez, City Clerk

PUBLISHED IN FULL in the Mountain Mail after First Reading on the 20th day of November, 2008, and BY TITLE ONLY, after final adoption on the 2nd day of December, 2008.


Janelle Martinez, City Clerk