

ORDINANCE NO. 4903

AN ORDINANCE CONCERNING SECTION 3.12.020 OF CHAPTER 3 OF THE GRAND JUNCTION MUNICIPAL CODE CONCERNING THE TAXABILITY OF FOOD PRODUCTS SOLD FROM MONEY OPERATED MACHINES

RECITALS:

On January 13, 2020 the City Council discussed in a work session a written request from and on behalf of the vending machine association to reinstate Ordinance 4621, an ordinance that eliminated the taxation of food, candy and soft drinks sold through vending machines in the City.

While State law provides that carbonated water, soft drinks, chewing gum, candy, prepared salads, packaged and unpackaged cold sandwiches and beverages vended from machines in unsealed containers or cups are not "food" and accordingly are taxed by the State but other food is tax exempt, the City Council discussed whether to align the City tax code with that of the State and has determined to do so.

The City Council having duly considered this ordinance does find and determine that it is protective of the City's health and general welfare by establishing rules concerning the taxability of food, candy and soft drinks sold from vending machines.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION:

That Section 3.12.020 of the Grand Junction Municipal Code provides certain definitions of terms used in the City's Sales and Use Tax Code. For ease of reference and in context of this ordinance, certain of those definitions are restated here:

Candy means a preparation of sugar, honey, or other natural or artificial sweeteners, in combination with chocolate, fruit, nuts, or other ingredients or flavorings in the form of bars, drops, or pieces. Candy does not include any preparation containing flour, products that require refrigeration or marijuana infused products.

Food for home consumption means food for domestic home consumption as defined in 7 U.S.C. Section 2012(g), (k) (2014), as amended, for purposes of the supplemental nutrition assistance program, or any successor program, as defined as 7 U.S.C. sec. 2012 (t), as amended; except that "food" does not include carbonated water marketed in containers; chewing gum; seeds and plants to grow food; prepared salads and salad bars; packaged and unpackaged cold sandwiches; delicatessen trays; and hot or cold beverages served in unsealed containers or cups vended by or through machines or non-coin-operated coin-collecting food and snack devices on behalf of a vendor.

Soft drink means a nonalcoholic beverage that contains natural or artificial sweeteners. Soft drink does not include beverages that contain milk or milk products, soy, rice, or similar milk substitutes, or greater than fifty percent of vegetable or fruit juice by volume.

That Section 3.12.050(k) be added to the Grand Junction Municipal Code as follows: (AMENDMENTS ARE SHOWN IN ALL CAPS, deletions are shown in strikethrough)

The tax levied by GJMC 3.12.030(a) shall apply to the following:

(k) ALL SALES AND PURCHASES OF CANDY AND SOFT DRINKS AS DEFINED IN 3.12.020 BY AND THROUGH COIN OR OTHER MONEY (BILLS OR CARDS) OPERATED MACHINES

That Section 3.12.070(rr) be added to the Grand Junction Municipal Code as follows: (AMENDMENTS ARE SHOWN IN ALL CAPS, deletions are shown in strikethrough)

The tax levied by GJMC 3.12.030(a) shall not apply to the following:

(rr) ALL SALES AND PURCHASES OF FOOD AS DEFINED IN 3.12.020 BY AND THROUGH COIN OR OTHER MONEY (BILLS OR CARDS) OPERATED MACHINES.

Introduced on first reading this 15th day of January 2020.

Adopted on second reading this 5th day of February 2020 and ordered published in pamphlet form.


J. Merrick Taggart
President of the City Council

ATTEST:


Wanda Winkelmann
City Clerk