

ORDINANCE NO. 3626

AN ORDINANCE AMENDING SECTION 154 OF CHAPTER 34 OF THE CITY OF GRAND JUNCTION CODE OF ORDINANCES CONCERNING SALES AND USE TAX

RECITALS

The City Manager by and through the Customer Service Division of the Administrative Services Department is responsible for the administration, collection and enforcement of City sales tax. Collection of these taxes is accomplished principally through voluntary compliance. Voluntary compliance rates are excellent; however, the City has some businesses that do not voluntarily remit taxes and/or file tax returns. Out of respect for those taxpayers that do voluntarily collect taxes, file returns and remit the taxes as required by law the City commonly initiates enforcement action. The amendments to the Sales Tax Code proposed by this ordinance clarify the City's authority to levy or garnish the accounts and other property of the non-remitting merchant. The amendment implements the letter and the spirit of the law.

Sales taxes collected at retail by merchants are received in trust from the citizen to the City and as such should be properly and promptly remitted to the City. A business that fails to comply with the Sales Tax Code is afforded a financial advantage over its competitors. Fair and effective administration of the City's tax laws assures that all vendors are held responsible for fulfilling the public trust and thereby a "level playing field" is established for all involved. Taxes collected from citizens by merchants are neither theirs to borrow nor the City's to loan.

If voluntary compliance does not occur then enforcement of the law is necessary. Each enforcement action is intended to collect tax liabilities due the City from vendors that have underpaid, failed to file the necessary returns and/or have failed to remit the tax collected.

The City's enforcement procedures are established in the City's Sales Tax Code. Although seizure of assets is always an available remedy, the City endeavors to collect tax through means other than seizure. If seizure becomes necessary the City will seize assets as provided by the Sales Tax Code as amended by this ordinance.

The City is committed to fair and effective collection of City taxes in accordance with the law.

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

That Section 34-154 of the Grand Junction Code of Ordinances is amended as follows.

(a) *Warrant commanding distraint.* Unless such property is exempt by state statute from distraint, sale, levy or garnishment the city manager may sign and issue a warrant directed to any employee or agent of the City or any sheriff of any county in the state, commanding him or her to levy upon, seize and sell or convert sufficient of the real and personal property of the taxpayer for the payment of the amount due, together with interest, penalties and costs as may be provided by law, subject to valid preexisting claims or lien.

(b) *Who may act on warrant.* Such employee, agent of the City or sheriff of any county in the state shall forthwith levy upon sufficient of the property of the taxpayer, including account(s) and/or property used by the taxpayer in conducting his retail business, except property made exempt from lien by state statute. The tangible property so levied upon shall be sold in all respects with like effect and in the same manner as is prescribed by law in respect to executions against property upon judgment of a court of record. The remedies of garnishment shall apply to the taxpayers account(s) and money.

RELETTER subparagraphs (b), (c), (d) and (e) of the section 34-154.

Introduced on first reading this 21st day of April 2004.

Passed and adopted on second reading this 5TH day of May, 2004.

/s/: Bruce Hill
President of the Council

Attest:

/s/: Stephanie Tuin
City Clerk

