

**RESOLUTION NO. 71-22**

**A RESOLUTION SETTING A TITLE AND SUBMITTING TO THE ELECTORATE ON  
NOVEMBER 8, 2022 A MEASURE TO INCREASE THE LODGING TAX BY  
ONE PERCENT (1%) FOR AFFORDABLE HOUSING IN THE CITY OF  
GRAND JUNCTION AND RETAIN AND SPEND ALL THE TAX REVENUE AS  
DEFINED BY ARTICLE X, SECTION 20 OF THE COLORADO  
CONSTITUTION**

RECITALS.

In 1988 the City Council of the City of Grand Junction adopted Ordinance 2401 Creating the Grand Junction Visitors and Convention Bureau (VCB). Since January 1, 1989, the VCB (now known as Visit Grand Junction) has capably served the City and the region by providing destination marketing, promotion, and visitor services. With Ordinance 2401/People's Ordinance 34, the City imposed a 3% tax on the price paid for "lodging," which is defined as the providing of the right to use or possess, for consideration, any room, or rooms for temporary occupancy, such as, but not limited to; a room in a hotel, guesthouse, hotel apartment and lodging houses, motel, ranch, resort, mobile home, mobile home park, bed and breakfast establishment, movable structure, auto camp, trailer court, inn, hostel or park under any concession, permit, right of access, lease, contract, license to use or other arrangement or otherwise, but shall not include rentals under a written agreement for occupancy for a period of 30 consecutive days or more.

The revenues derived from such lodging tax are used exclusively for promoting and marketing tourism and tourism-related activities.

In 2018 voters approved ballot measure 2A which increased the lodgers tax by 3% to fund additional and new promotion and marketing for travel and tourism-related activities including, but not limited to, sports-related tourism and support for direct air service in Grand Junction.

While people employed in the hospitality and tourism industry are often lower paid but tend to be upwardly mobile, there is a generalized shortage of affordable, workforce housing and in response to that need this resolution sets a ballot question to increase the lodging tax one percent (1%) and to seek voter authorization for the City of Grand Junction to retain and spend the tax revenue for the use and benefit of housing programs in the City, as determined by the City Council to be necessary, advantageous and beneficial to the provision of affordable, workforce housing. Because the lodging tax is almost universally paid by business and leisure travelers, it imposes little if any burden on City residents.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION THAT:

1. The purpose of this resolution (Resolution) is to authorize the submission to the eligible electors voting at the election to be held on November 8, 2022 (the Election), a

ballot question to enact, levy and impose an increase in the Lodgers Tax of 1% (for a total Lodgers Tax of 7%) on the price paid for the leasing or rental of any occupied hotel room, motel room, lodging house, bed and breakfast, short term rental, and other accommodation with the revenues derived from the tax being used exclusively for developing, funding, and implementing in accordance with the ordinances of the City of Grand Junction and this resolution and ballot question permanent affordable housing. The one percent (1%) increase shall be referred to herein as the "Lodgers Tax Increase for Housing."

2. If approved by the eligible electors voting thereon, the Lodgers Tax Increase for Housing shall be a voter-approved revenue change or an exception to limits on revenues and spending, without limiting the collection or spending of any other revenues or funds by the City under Article X, Section 20 of the Constitution of the State of Colorado (TABOR) or any other law.

3. If approved by the eligible electors voting thereon at the Election, the Lodgers Tax Increase for housing shall become effective on January 1, 2023.

4. If not approved, the Lodgers Tax of 6% will remain in effect and remain an exception to the limits on revenues and spending under Article X, Section 20 of the Colorado Constitution (TABOR), having been imposed prior to the enactment of TABOR

5. The definitions of the words contained in this Resolution, if not specifically defined herein, shall be as set forth in the Grand Junction Municipal Code (GJMC), which definitions are incorporated by reference into this Resolution as if fully set forth. The term "City" includes all lands within the corporate limits of the City of Grand Junction and all lands duly and lawfully annexed to the City.

6. At the time of making a tax return of the Lodgers Tax, every owner of every lodging property vendor shall continue to be entitled to withhold a processing fee to cover the expenses for the collection and remittance of the Lodgers Tax in accordance with GJMC 3.08.010 et seq; however, because the cost of processing is not expected to increase, no such processing fee shall apply to this 1% Lodgers Tax Increase for Housing amount.

7. Except for the foregoing change regarding the Vendors Fee, for the purposes of applicability, exemptions, collection, administration, and enforcement of this Resolution and the Lodgers Tax as amended, the provisions of GJMC 3.08.010 et. seq., as amended from time to time, shall be deemed applicable and incorporated into this Resolution.

8. Effective January 1, 2023, the City of Grand Junction shall budget and expend the revenue generated from the Lodging Tax Increase for Housing for the following purposes:

- a) developing, funding, and implementing in accordance with the ordinances of the City of Grand Junction and this resolution and ballot question, permanent,

affordable housing for households making less than 80% of the area's median income; and,

- b) creating initiatives that facilitate the development of partnerships among non-profits, the private sector, and governments for the acquisition, development, operation, maintenance, and other actions to provide permanent, affordable housing for households making less than 80% of the area's median income; and
- c) funding homeownership assistance, shared and sweat equity programs and other programs to facilitate homeownership; and,
- d) any other actions and programs not inconsistent with these purposes.

9. To promote, develop and obtain affordable housing, as generally described above, the City Council may annually budget or may accrue funds, subject to annual appropriation for specific affordable housing project(s); however, allocated in each and every year after the Lodging Tax Increase for Housing is effective, all revenue derived from the Lodgers Tax Increase for Housing shall be used solely for the purposes described herein and as determined by the City Council to be consistent herewith.

At the Election on November 8, 2022, the official ballot shall state the substance of the question to be voted upon and so stated shall constitute the ballot title designation, and submission clause, and each registered elector voting at the Election shall indicate his or her choice on the question submitted, which pursuant to law shall be submitted to the eligible electors of the City at the Election in the following form:

SHALL THE CITY OF GRAND JUNCTION LODGING TAX BE INCREASED BY \$1,030,000.00 IN THE FIRST YEAR (2023), AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY THEREAFTER, BY THE ADOPTION OF AN ADDITIONAL ONE PERCENT (1%) TAX ON THE PRICE PAID FOR LODGING IN THE CITY, WITH THE ADDITIONAL ONE PERCENT (1%) TAX COLLECTED IN THE SAME MANNER AS THE CITY'S LODGING TAX, AS AMENDED TO 2018, WITH ALL OR ANY PORTION OF THE NET PROCEEDS OF THE ADDITIONAL 1% LODGING TAX, AS DETERMINED BY THE CITY COUNCIL, BEING COLLECTED, RETAINED AND SPENT FOR DEVELOPING, FUNDING, AND IMPLEMENTING, IN ACCORDANCE WITH THE ORDINANCES OF THE CITY OF GRAND JUNCTION AND THIS BALLOT QUESTION, AND CREATING INITIATIVES THAT FACILITATE THE DEVELOPMENT OF PARTNERSHIPS AMONG NON-PROFITS, THE PRIVATE SECTOR, AND GOVERNMENT(S) FOR THE ACQUISITION OF LAND AND/OR BUILDING(S), DEVELOPMENT, OPERATION, MAINTENANCE OF, AND ANY OTHER ACTION(S) BY THE CITY OR IN PARTNERSHIP, TO PROVIDE AFFORDABLE HOUSING FOR HOUSEHOLDS MAKING 80% OR LESS THAN THE AREA'S MEDIAN INCOME, AND FUNDING HOMEOWNERSHIP ASSISTANCE, SHARED AND SWEAT EQUITY PROGRAM(S) AND OTHER PROGRAM(S) TO FACILITATE HOMEOWNERSHIP, AND OTHER ACTION(S) AND PROGRAM(S) NOT INCONSISTENT WITH THESE PURPOSES, EXCEPT THAT NO VENDOR PROCESSING FEE SHALL APPLY TO THE TAX INCREASE, AND SHALL THE REVENUES GENERATED BY

SUCH TAX INCREASE AND PROCEEDS BE COLLECTED AND SPENT BY THE CITY AS A VOTER APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

\_\_\_\_\_ YES  
\_\_\_\_\_ NO


10. The ballot title is set based upon the requirements of the Colorado Constitution and the City Charter, all State statutes that might otherwise apply are hereby superseded to the extent of any inconsistencies or conflicts and, pursuant to Section 31-11-102, C.R.S., is an alternative to the provisions of State law. Any inconsistency or conflict is intended by the City Council and shall be deemed made pursuant to the authority of Article XX of the Colorado Constitution and the Charter.

11. Pursuant to Sections 31-10-1308, and 1-11-203.5 C.R.S., any election contest arising out of a ballot issue or ballot question election concerning the order of the ballot or the form or content of the ballot title shall be commenced by petition filed with the proper court within five days after the title of the ballot issue or ballot question is set, and for contest concerning the order of a ballot, within five days after the ballot order is set by the County Clerk.

12. The officers of the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

13. If any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall in no manner affect any remaining provisions of this resolution, the intent being that the same are severable.

APPROVED AND ADOPTED this 7<sup>th</sup> day of September 2022.

  
\_\_\_\_\_  
Anna M. Stout  
President of the City Council

ATTEST:  
  
\_\_\_\_\_  
Amy Phillips  
City Clerk

