

RESOLUTION NO. 72-22

A RESOLUTION SETTING A TITLE AND SUBMITTING TO THE ELECTORATE ON NOVEMBER 8, 2022, A MEASURE TO IMPOSE AN EXCISE TAX OF EIGHT PERCENT (8%) ON THE AMOUNT CHARGED FOR SHORT-TERM RENTALS 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.

Short-term rentals of residential properties in Grand Junction have become more popular and accordingly fewer homes and other residences are available for long-term rental. The increased popularity of short-term rentals in the City has impacted both the availability and the price of long-term rentals, which coupled with higher prices on "for sale" homes have resulted in middle and lower-middle income people being unable to find housing that is affordable.

Both the availability and affordability gaps in turn create pressure on employers because employees require higher wages to sustain a reasonable quality of life and/or are unable to continue to work for the wages that the employer can afford to pay. It is all too common that businesses, governments, and other employers are unable to recruit and/or retain employees, which are necessary to provide adequate public service and private goods and services, because of the shortage of affordable housing.

The City Council therefore finds it necessary to impose an excise tax of 8% of the amount charged for short-term rentals, as defined by the Grand Junction Municipal Code (GJMC), including any off premise short-term rental used by any lodging business that does not pay a commercial property tax rate, with the revenue derived from the excise tax being allocated to provide long-term, workforce, or attainable/affordable housing and to fund other housing projects at City Council's discretion.

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 excise tax at a rate of 8%, which shall be in addition to applicable sales and lodgers taxes, on the price paid for the letting, rental or other right to occupy any short-term rental, with the revenue derived from the excise 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 eight percent (8%) excise tax shall be referred to herein as the "Short-term Rental Tax for Housing."

2. If approved by the eligible electors voting thereon, the Short-term Rental Tax 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 Short-term Rental Tax for Housing shall become effective on January 1, 2023.

4. 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.

5. At the time of making a tax return of the Short-term Rental Tax for Housing (which shall be the same as the time for making a sales tax return) every owner of a short term rental shall not be entitled to withhold an additional processing fee for the expense of the collection and remittance of the Short-term Rental Tax for Housing.

6. 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.

7. Effective January 1, 2023, the City of Grand Junction shall budget and expend the revenue generated from the Short-term Rental Tax 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.

8. 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 Short-term Rental Tax for Housing is effective, all revenue derived from Short-term Rental Tax for Housing shall be used solely for the purposes described herein and as determined by the City Council to be consistent herewith.

9. At the Election to occur on November 8, 2022, the official ballot, including absentee and mail ballots, 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 shall be in the following form:

SHALL THE CITY OF GRAND JUNCTION TAXES BE INCREASED BY \$325,000.00 IN THE FIRST YEAR (2023), AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY THEREAFTER BY THE ADOPTION OF AN EIGHT PERCENT (8%) EXCISE TAX ON THE PRICE PAID FOR SHORT TERM RENTAL ACCOMMODATIONS IN THE CITY, WITH ALL OR ANY PORTION OF THE NET PROCEEDS OF THE EXCISE TAX ON SHORT TERM RENTAL ACCOMMODATIONS, 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 7th day of September 2022.



Anna M. Stout
President of the City Council

ATTEST:



Amy Phillips
City Clerk

