

CITY OF GRAND JUNCTION

ORDINANCE NO. 3915

**AN ORDINANCE REPEALING ORDINANCE NO. 1725, REGARDING
REVENUE AND IMPOSITION OF A BUSINESS AND OCCUPATION TAX ON
ALL TELEPHONE EXCHANGE PROVIDERS OPERATING WITHIN THE CITY
OF GRAND JUNCTION**

RECITALS:

Ordinance No. 1725 was adopted in 1978 to impose a business and occupation tax on telephone utility companies operating within the city. At that time, there was only one company providing local telephone services, and that provider has paid the tax to the City.

Since 1978, telephone service technologies have changed significantly, including services such as voice over internet and cable telephony. Questions have arisen about what is now taxable under the ordinance and what constitutes "local services" for purposes of imposing the occupation tax. In addition, there are now several telephone exchange providers operating within the City of Grand Junction who have not yet been charged the tax because of these questions.

Legal and financial staff for the City have reviewed the issues and determined that, given the technological changes and the growth of telephone exchange providers, it would be in the best interest of the City and telephone service providers to repeal Ordinance No. 1725.

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

Ordinance No. 1725 is hereby repealed.

Introduced on first reading this 7th day of June, 2006.

Passed and Adopted on second reading this 19th day of June, 2006.

/s/ James J. Doody
James J. Doody
President of the Council

Attest:

/s/ Stephanie Tuin
Stephanie Tuin
City Clerk