

ADMINISTRATIVE REGULATION 01-14

EXCLUSION FROM THE LODGING TAX OF RESIDENTIAL PROPERTIES RENTED, LET AND/OR OTHERWISE OCCUPIED ON A TEMPORARY BASIS AS VACATION RENTALS

Issued by:



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Topic:

This regulation construes and interprets §§3.08.020 and 3.08.040 of the Grand Junction Municipal Code (GJMC) pertaining to the lodging tax.

Background and Purpose:

The purpose of this Administrative Regulation is to interpret, clarify and implement the provisions of §§3.08.020 and 3.08.040 of the Grand Junction Municipal Code ("the Code" or "Code.") those sections provide as follows:

*3.08.020 Purpose. For the purposes of this chapter, every person who purchases in the City any lodging is exercising a taxable privilege. The purpose of this chapter is to impose a tax which will be collected by every vendor from persons using lodging accommodations in the City of Grand Junction, which tax will provide revenues for advertising the community, promoting tourism and visitors, attracting conferences, conventions, and meetings to the City of Grand Junction, and to allocate a portion of the revenue derived therefrom for administrative and clerical expenses, as set forth.*

*Lodging shall mean 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 lodgingshouses, 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.*

*3.08.040 Levy of tax - Amount - Payment - Collection, etc.*

*(a) Amount of Tax.*

*(1) There is hereby levied and shall be collected and paid a tax by every person exercising the taxable privilege of purchasing lodging as in this chapter defined.*

*(2) The amount of the tax levied hereby is three percent of the gross taxable sale paid or charged for purchasing such lodging.*

*(3) Any person providing lodging within the City of Grand Junction shall collect a tax from all those to whom lodging is provided amounting to three percent of the total rental revenue received by such vendor. Such tax shall be in addition to any other tax or levy for providing such service.*

By and through the authority created in 2.12.010, the Director may interpret and implement a means to effectuate the purpose(s) of ordinances and ensure that the same are given full and reasonable effect. That process is being utilized here. <sup>1</sup>

Administrative Interpretation:

Many people that are traveling to/vacationing in Grand Junction are renting, letting or otherwise occupying homes, apartments and condominium properties that are the primary or second homes of other people. These "vacation rentals" were not contemplated by the Code at the time of its adoption and because it is not clear whether those transactions constitute the "privilege of purchasing lodging" the Director finds and determines that the owners of those properties are not "vendors" and that the transactions are not taxable under the Code. Accordingly the properties are not similarly benefitted or burdened as "lodging" as the same is defined in the Code.

Until the Code is amended this administrative regulation shall have the force and effect of law and the foregoing sections of the Code shall be construed to exclude from the tax established therein and thereby all homes, apartments and condominiums that are the primary or second homes of any person(s) and which are used as or offered for use as vacation rentals and are occupied on a temporary basis of 30 days or less.

This administrative regulation is duly posted this 19<sup>th</sup> day of March 2014 and shall be effective on the 15<sup>th</sup> day of April, 2014.

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<sup>1</sup> *The Department Directors of the various departments of the City may promulgate, after public notice, administrative regulations for the purposes of interpreting, clarifying and effectuating the purposes of this code. A violation of an administrative regulation shall constitute a violation of this code. 2.12.010 GJMC*