

1 BY AUTHORITY

2 ORDINANCE NO. \_\_\_\_\_  
3 SERIES OF 2016

COUNCIL BILL NO. CB16-0111  
COMMITTEE OF REFERENCE:  
4 FINANCE & SERVICES

5  
6 **A BILL**

7 **For an ordinance amending Sec. 53-27(b)2, 53-98(b)(2), 53-171(b) and Account**  
8 **Number 97000/282110 of the Revised Municipal Code of the City and County of**  
9 **Denver to implement the results of the election held in the City on November 3,**  
10 **2015.**

11 **WHEREAS**, at the municipal election duly called and held in the City on Tuesday,  
12 November 3, 2015 (the “2015 Election”), a majority of electors of the City qualified to vote and  
13 voting thereon approved a ballot question (the “2015 Ballot Question”) authorizing the City to issue  
14 bonds or other financial obligations in the maximum amount of \$778,000,000 for the purpose of  
15 financing certain projects, including the National Western Center and the Colorado Convention  
16 Center, with such bonds or other financial obligations to be repaid from revenues derived from the  
17 City’s Lodger’s Tax, Auto Rental Tax and other legally available revenues (excluding property  
18 taxes) as the Council may determine;

19 **WHEREAS**, the 2015 Ballot Question further provided that the expiration of the Lodger’s  
20 Tax and the Short-Term Rental of Automotive Vehicle special sales tax rate at a rate equal to  
21 1.75% approved by the voters in 1999 be extended indefinitely, with the revenues from such taxes  
22 to be used to pay the debt authorized by the 2015 Ballot Question and the costs of operating,  
23 maintaining and improving the National Western Center campus and the Colorado Convention  
24 Center and other tourism related projects;

25 **WHEREAS**, in order to implement the provisions of the 2015 Ballot Question approved at  
26 the 2015 Election, the City Council has determined that it is necessary to amend certain provisions  
27 of the Revised Municipal Code of the City and County of Denver.

28 **NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY**  
29 **OF DENVER:**

30 **Section 1.** Section 53-27(b), of Article II (Sales Tax), of Chapter 53 (Taxation and  
31 Miscellaneous Revenue) shall be amended by adding the underlined language and deleting the  
32 stricken language, to read and be read as follows:

33 (b) (2) “*Special note for short-term rentals of automotive vehicles.* Automotive vehicles as  
34 defined in this article, when they are for any term of thirty (30) days or less hired for use, rented,

1 leased or transferred under a grant of a license to use, shall be taxed at the rate of seven and one  
2 quarter (7.25) percent of the rentals paid or purchase price. In order to avoid amounts that are  
3 fractions of pennies, taxpayers shall use a rounding procedure approved by the manager when  
4 computing the tax. One and three quarters percent (1.75%) of such tax shall be used to pay debt  
5 related to and costs of operating, maintaining and improving the National Western Center Campus  
6 and the Colorado Convention Center and other tourism related projects. ~~Upon the retirement or~~  
7 ~~defeasance of all excise tax revenue bonds or refunding bonds and all obligations related thereto~~  
8 ~~as authorized by a vote of the people on November 2, 1999 for the improvement and expansion of~~  
9 ~~the Colorado Convention Center, the tax rate provided herein shall be reduced to five and one half~~  
10 ~~(5.5) percent.”~~

11 **Section 2.** Section 53-98(b)(2), of Division 1 of Article III (Use Tax), of Chapter 53  
12 (Taxation and Miscellaneous Revenue) shall be amended by adding the underline language and  
13 deleting the stricken language , to read and be read as follows:

14 (b)(2) *“Special note for short-term rentals of automotive vehicles.* Automotive vehicles as  
15 defined in this article, when they are for any term of thirty (30) days or less hired for use, rented,  
16 leased or transferred under a grant of a license to use, shall be taxed at the rate of seven and one  
17 quarter (7.25) percent of the rentals paid or purchase price. In order to avoid amounts that are  
18 fractions of pennies, taxpayers shall use a rounding procedure approved by the manager when  
19 computing the tax. One and three quarters percent (1.75%) of such tax shall be used to pay debt  
20 related to and costs of operating, maintaining and improving the National Western Center Campus  
21 and the Colorado Convention Center and other tourism related projects. ~~Upon the retirement or~~  
22 ~~defeasance of all excise tax revenue bonds or refunding bonds and all obligations related thereto~~  
23 ~~as authorized by a vote of the people on November 2, 1999 for the improvement and expansion of~~  
24 ~~the Colorado Convention Center, the tax rate provided herein shall be reduced to five and one half~~  
25 ~~(5.5) percent.”~~

26 **Section 3.** Section 53-171(b), of Division 1 of Article IV (Lodger’s Tax) of Chapter 53  
27 (Taxation and Miscellaneous Revenue) shall be amended by adding the underlined language and  
28 by deleting the stricken language, to read and be read as follows:

29 (b) “The amount of tax levied hereby is ten and three-quarters (10.75) percent of the  
30 purchase price paid or charged for purchasing such lodging. One and three quarters percent  
31 (1.75%) of such tax shall be used to pay debt related to and costs of operating, maintaining and  
32 improving the National Western Center Campus and the Colorado Convention Center and other  
33 tourism related projects. ~~Upon the retirement or defeasance of all excise tax revenue bonds or~~

1 ~~refunding bonds and all obligations related thereto as authorized by a vote of the people on~~  
2 ~~November 2, 1999, for the improvement and expansion of the Colorado Convention Center, the tax~~  
3 ~~rate provided herein shall be reduced to nine (9) percent.”~~

4 **Section 4.** That portion of the City Code at Chapter 20 (Finance), Article II (Fiscal Code),  
5 Section 20-18 (Fund plan), addressing Account Number 97000/282110, shall be amended to add  
6 the underscored language, to read and be read as follows:

7 *“Account Number 97000/282110*

8 Name of account: Unapportioned sales, use and lodger's tax.

9 *Source of funds:* City retail sales taxes, city use taxes and city lodger's taxes that  
10 have been collected, returned and await apportionment.

11 *Disposition of funds:*

- 12 a. Monthly, (1) allocation, apportionment and transfer to the City and County of  
13 Denver, Colorado, Excise Tax Refunding Revenue Bonds, Pledged Revenue  
14 Fund, created by ordinance for administration by the manager of finance, of only  
15 those revenues raised at the rate of two (2) percent of gross taxable sales from  
16 sales and use taxes levied, collected and paid on automotive vehicles when for  
17 any term of thirty (30) days or less hired for use, rented, leased or licensed for the  
18 right to use; and (2) allocation and apportionment for the purpose of paying debt  
19 service on any excise tax revenue bonds, refunding bonds, or any obligations  
20 related thereto, issued or incurred pursuant to the authority of Ordinance No. 665,  
21 Series of 1999 and the voter approval therefor given on November 2, 1999, only  
22 those revenues raised at the rate of one and three-quarters (1.75) percent of  
23 gross taxable sales from sales and use taxes levied, collected and paid on  
24 automotive vehicles when for any term of (30) days or less hired for use, rented,  
25 leased or licensed for the right to use.
- 26 b. Monthly, allocation, apportionment and transfer to the City and County of Denver,  
27 Colorado, Excise Tax Refunding Revenue Bonds, Pledged Revenue Fund, of  
28 only those revenues raised at the rate of one-half (0.5) percent of gross taxable  
29 sales from sales and use taxes levied, collected and paid on food and beverages  
30 not exempted from taxation under section 53-26(8) of the city retail sales tax  
31 article of the Code.
- 32 c. Monthly, allocation, apportionment and transfer to the Airport Gross Revenue  
33 Fund from the sales and use taxes of only those revenues raised at the rate of

1 two cents (\$0.02) for each gallon of fuel purchased for use in the generation of  
2 power for propulsion or drawing of aircraft.

3 d. Monthly, as required by that certain general cooperation agreement by and  
4 between the Denver Urban Renewal Authority and the City and County of  
5 Denver, as amended from time to time, after allocation, apportionment and  
6 transfer of sales and use taxes to the City and County of Denver, Colorado,  
7 Excise Tax Refunding Revenue Bonds, Pledged Revenue Fund, as set forth in a.  
8 and b. above and after allocation, apportionment and transfer of sales and use  
9 taxes to the Airport Gross Revenue Fund as set forth in c. above, allocation,  
10 apportionment and transfer to the Downtown Denver Urban Renewal Sales Tax  
11 Increment Fund of only those revenues raised within the geographical  
12 boundaries of the urban renewal area defined in said agreement and approved  
13 by council from sales taxes, but not use taxes, defined as pledged sales tax  
14 revenues in the aforesaid general cooperation agreement.

15 e. Monthly, as required after allocation, apportionment and transfer of sales and  
16 use taxes to the City and County of Denver, Colorado, Excise Tax Refunding  
17 Revenue Bonds, Pledged Revenue Fund, as set forth in a. and b. above and  
18 after allocation, apportionment and transfer of sales and use taxes to the Airport  
19 Gross Revenue Fund as set forth in c. above and after allocation, apportionment  
20 and transfer to the Downtown Denver Urban Renewal Sales Tax Increment Fund  
21 as set forth in d. above, allocation, apportionment and transfer to the sinking fund  
22 and bonded indebtedness interest fund of amounts to be used in support of  
23 payment when due to claims for or payment of interest on or principal of  
24 outstanding general obligation bonds authorized by the vote of qualified electors  
25 of the city. Support of payment means moneys (from sales and use taxes)  
26 required for the payment of interest on or principal of outstanding general  
27 obligation bonds so authorized and issued by the city that are over and above  
28 the annual mill levy, investment interest and other receipts in the sinking fund  
29 and bonded indebtedness interest fund.

30 f. Monthly, after allocation, apportionment and transfer to said City and County of  
31 Denver, Colorado, Excise Tax Refunding Revenue Bonds, Pledged Revenue  
32 Fund, as set forth in a. and b. above and after allocation, apportionment and

1 transfer to the Airport Gross Revenue Fund as set forth in c. above and after  
2 allocation, apportionment and transfer to the Downtown Denver Urban Renewal  
3 Sales Tax Increment Fund as set forth in d. above and after allocation,  
4 apportionment and transfer to the sinking fund and bonded indebtedness interest  
5 fund as set forth in e. above, the remaining amount of sales and use taxes shall  
6 be allocated, apportioned and transferred to the general fund.

7 g. Monthly, (1) allocation apportionment and transfer of only those revenues raised  
8 at the rate of two and three-quarters (2.75) percent of gross taxable sales from  
9 lodger's taxes to the Convention Marketing and Tourism Promotion Project in the  
10 General Government Special Revenue Fund; (2) allocation, apportionment and  
11 transfer of only those revenues raised at the rate of three (3) percent of gross  
12 taxable sales from the lodger's taxes to the City and County of Denver, Colorado,  
13 Excise Tax Refunding Revenue Bonds, Pledged Revenue Fund, created by  
14 ordinance for administration by the manager of the department of finance; (3)  
15 allocation and apportionment of only those revenues raised at the rate of one  
16 and three-quarters (1.75) percent of gross taxable sales from the lodger's taxes  
17 for the purpose of paying debt service on any excise tax revenue bonds,  
18 refunding bonds, or any obligation related thereto, issued or incurred pursuant to  
19 the authority of Ordinance No. 665, Series of 1999 and the voter approval for  
20 said bonds given on November 2, 1999; and (4) allocation, apportionment and  
21 transfer of the remaining revenue raised from lodger's taxes to the general fund.

22 h. Monthly, (1) allocation apportionment and transfer of only those revenues raised  
23 at the rate of .15 percent of gross taxable sales from sales and use taxes levied  
24 to the Denver preschool program in the General Government Special Revenue  
25 Fund.

26 i. Monthly, before allocation, apportionment and transfer as set forth in a., b., c., d.,  
27 e., f., and g. above, refunds of sales, use and lodger's taxes as required.

28 j. Notwithstanding the foregoing provisions relating to the disposition of the sales and  
29 use taxes levied, collected and paid on the short term rental of automobiles, the sales and use  
30 taxes levied, collected and paid on food and beverages, and the lodger's taxes, such taxes shall  
31 be allocated, apportioned, transferred and used to pay debt service all in accordance with the  
32 ordinance or ordinances authorizing the issuance of excise tax revenue bonds, dedicated tax

1 revenue bonds, refunding bonds or any obligations related thereto that were issued or incurred  
2 pursuant to the voter approval therefor given on November 3, 2015.

3 *Disbursing authority: Manager of finance.*

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8 COMMITTEE APPROVAL DATE: February 25, 2016 by Consent

9 MAYOR-COUNCIL DATE: March 1, 2016

10 PASSED BY THE COUNCIL: \_\_\_\_\_, 2016

11 \_\_\_\_\_ - PRESIDENT

12 APPROVED: \_\_\_\_\_ - MAYOR \_\_\_\_\_, 2016

13 ATTEST: \_\_\_\_\_ - CLERK AND RECORDER,  
14 EX-OFFICIO CLERK OF THE  
15 CITY AND COUNTY OF DENVER

16 NOTICE PUBLISHED IN THE DAILY JOURNAL: \_\_\_\_\_, 2016; \_\_\_\_\_, 2016

17 PREPARED BY: Jennifer M. Welborn, Assistant City Attorney DATE: March 3, 2016

18 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of  
19 the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed  
20 ordinance. The proposed ordinance is not submitted to the City Council for approval pursuant to §  
21 3.2.6 of the Charter.

22 D. Scott Martinez, City Attorney for the City and County of Denver

23 BY: \_\_\_\_\_, Assistant City Attorney DATE: \_\_\_\_\_, 2016